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TOWN OF DANVERS
Affordable Housing Production Plan

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Glossary of Terms

ACS – American Community Survey – a survey prepared and conducted by the US Census that estimates population, housing, social, and economic statistics in the years between the decennial censuses.

Affordable Housing – Housing with costs at or below 30% of a household's annual income.

AMI – Area Median Income - Midpoint in the family-income range for a metropolitan statistical area or for the non-metro parts of a state.

CDBG – Community Development Block Grant – Block grants that fund activities such as affordable housing, anti-poverty programs, and infrastructure development. Block grants are sums of money granted by the federal government to a regional government with only general provisions as to the way it is to be spent.

Chapter 40B – A state statute, which enables local Zoning Boards of Appeals to approve affordable housing developments under flexible rules if at least 20-25% of the units have long-term affordability restrictions. Also known as the Comprehensive Permit Law.

CPA – Community Preservation Act

CPC- Community Preservation Committee-

DAHT- Danvers Affordable Housing Trust – made up of 7 trust members and staffed by Susan Fletcher, successor to the Danvers Affordable Housing Committee

DHAT- Danvers Housing Assistance Trust- now dissolved

Deed Rider - Addendum to a deed that guarantees affordability status for a unit through future sales.

DHCD – Department of Housing and Community Development

Esri – Data source that projects statistics such as population, income, and households based on US Census data

EFLA - Extended Family Living Area

FMR - Fair Market Rent - Gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service.

HOME funds - Formula grants to States and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.

Household vs. family – According to the US Census, a family is a group of related individuals including a householder and at least one more person. A household is a group of individuals that may or may not be related with one head of household. A household may include only one family.

HUD – Department of Housing and Urban Development

Inclusionary zoning - Planning ordinances that require a share of new construction to be designated as affordable for households with low to moderate incomes.

Low-income vs. very low-income – Low-income households are those households making at or below 50-80% of the Area Median Income. Very low-income households are those households making below 50% Area Median Income

Median Income – A central point in a sample of household incomes where half of the income range is above the median point and half of the income range is below the median point.

MLS – Multiple Listing Service

Rent Burdened – Households that are paying more than 30% of their annual income towards rent. Severely rent burdened households are those households paying more than 50% of their annual income towards rent.

Section 8 – Program through which the government authorizes housing assistance payments to private landlords in order to provide housing for low-income households.

SHI - Subsidized Housing Inventory – A listing of all units within the state that receive federal or state-level subsidies and have the appropriate paperwork filed to be considered affordable under Massachusetts Laws**.**

Stakeholder – an individual, group of individuals, or organization with an interest in the issue at hand.

Subsidized Housing - Housing for moderate to low income individuals and households supported by government funding. Households pay 1/3 of their income towards rent and the government pays the remainder.

The Warren Group – Data source that provides housing sales and building permit data from Banker and Tradesman based on individual municipality's registry of deeds.

ZBA – Zoning Board of Appeals

Section 1: Executive Summary

The Town of Danvers hired LDS Consulting Group, LLC (LDS) with a goal to not only identify the supply and demand for affordable housing in Danvers but to also provide a strategic plan to assist the Town in determining how it should best direct and leverage its resources to meet the Towns' affordable housing needs. LDS has created an Affordable Housing Needs Assessment and Affordable Housing Production Plan (Plan) for submission to the Massachusetts Department of Housing and Community Development (DHCD). Dufresne-Henry, Inc. prepared a Community Development Plan – Housing & Economic Development Strategy in June 2004 and LDS prepared a Study on Housing Needs in Downtown Danvers in Downtown in June 2010. Since these studies, the Town of Danvers has created the Danvers Affordable Housing Trust (DAHT).

Danvers Affordable Housing Trust

The Town of Danvers Affordable Housing Trust ("DAHT") was established in 2013. The general purpose of an affordable housing trust, as stated in Massachusetts General Law, is to create and preserve of affordable housing for the benefit of low and moderate-income households.

This action by Town Meeting authorized the Board of Selectmen to appoint a Board of Trustees of the DAHT, which was required to include no less than five (5) trustees, at least one (1) of whom is also a current member of the Board of Selectmen.

The following Trustees were appointed by the Board of Selectmen and the Trustees elected members to various board positions as noted: Gardner Trask, Chairman, Carla King, Vice Chairman, Sally Calhoun, Treasurer, Tish Lentine, Clerk, John Alden, Donald Gates and Charles Desmond. The Trust is staffed by Susan Fletcher, Assistant Director of Planning & Human Services.

Methodology

LDS reviewed existing studies and plans. Demographic and housing data for the town of Danvers and surrounding communities (the "Study Area") were obtained by reviewing the latest Census data, including American Community Survey Data ("ACS"), local assessment information, Esri Reports and other sources. Esri projects trends in population, households and other matters in five-year increments. Using this demographic data, LDS then compared Danvers to its neighboring towns as well as Essex County and the Commonwealth of Massachusetts.

The ACS is a nationwide survey designed to provide communities with a fresh look at how they are changing. It is a critical element in the Census Bureau's reengineered decennial census program. The ACS collects and produces population and housing information every year instead of every 10 years. However, the data sample is significantly smaller than the summary field data collected in the regular census and therefore, in smaller municipalities, there are larger margins of error.

LDS also examined the housing inventory for the Town of Danvers. This was done by reviewing past studies and interviewing local officials and property managers. The Multiple Listings Service, Warren Group and other sources were also used to understand the historic and current housing market. In addition to creating a housing inventory, LDS has provided an overview of the Town of Danvers Zoning Bylaw and local initiatives that promote and fund affordable housing in Danvers. This information was gathered through interviews with local officials, a review of the Zoning Bylaw and other research. We also included a summary of the potential constraints on future development. LDS interviewed Danvers officials and examined past studies to obtain this information. All of this research took place in September and October of 2013, and therefore the information that is contained in this plan is based on that specific point in time.

All of the information was then used to develop affordable housing goals and implementation strategies for the Town of Danvers.

This report is reflective of the data, market conditions and conclusions considered at this point and time. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy. The report, or a copy thereof, may not be used for any purposes other than those set forth herein without the written consent of the author, and in any event, only with the proper written qualifications and only in its entirety.

We have reported our findings in summary form in Section 2, and matters are explained in more detail in the sections that follow.

Definitions

According to the United States Census, a family includes a householder and one or more people living in the same household who are related to the householder by birth, marriage, or adoption. All people in a household who are related to the householder are regarded as members of his or her family. A family household may contain people not related to the householder, but those people are not included as part of the householder's family in census tabulations. Thus, the number of family households is equal to the number of families, but family households may include more members than do families. A household can contain only one family for purposes of census tabulations. Not all households contain families since a household may comprise a group of unrelated people or one person living alone.

According to the United States Census, a household refers to all individuals who live in the same dwelling. Household types are arranged into two groups: family households and nonfamily households. A family household contains at least two persons -- the householder and at least one other person related to the householder by birth, marriage, or adoption -- and is categorized into three types: married couple; female householder with no spouse present; and male householder with no spouse present. A nonfamily household may contain only one person -- the householder -- or additional persons who are not relatives of the householder. Nonfamily

households may be classified as either female nonfamily or male nonfamily households. For each year, the total number of households is the sum of the five mutually exclusive household types. By census definition, householders must be at least 15 years of age.

Acknowledgements

We would like to thank the members of The Trust, as well as Town Planning staff Kate Day, Susan Fletcher and Karen Nelson. They helped us gather information from various Town Departments and answered many questions. We could not have accomplished this Plan without their time and dedication. We also want to acknowledge the efforts of the Town of Danvers Council on Aging, Assessors Department, Building Department, Veterans Services and Department of Public Works.

Section 2: Summary of Key Findings

Community and Demographics

Danvers is a suburban community in Northeastern Massachusetts, approximately 17 miles north of Boston. The Town of Danvers is mostly residential, with a busy downtown and several pockets of commercial and industrial areas. It has seen steady growth in regards to population and households in the last two decades, which can be attributed to the desirable amenities and community services in and around Danvers, access to highways and quality schools and location in close proximity to public transportation. As of the 2010 Census, Danvers had a population of 26,493, an increase of 5.1% since 2000. The western section of the town saw the highest relative population increase at 6.4% from 2000-2010. This population increase was higher than that of Essex County and Massachusetts, as well as higher than two of the neighboring communities and may be attributed to approximately 1,000 new rental housing units added during this decade. Danvers also has the third highest density (people per square mile) of the surrounding communities. In terms of population growth by age group, the population in Danvers is getting older - residents over the age of 65 have had the highest relative population increase, while young professionals age 20- 34 and very young children saw the highest relative decreases.

The number of new households has kept pace with and actually exceeded population growth because households have become smaller. The average household size was 2.53 in 2000, and 2.42 in in 2010, less than that of Essex County or Massachusetts. Additionally, one-person households in Danvers increased from 27% of all households to 29%, and two-person households increased from 32% to 33% of all households from 2000 to 2010. This may reflect the number of new smaller rental units, the aging population as well national trends that families are having fewer children, and waiting longer to have them. Danvers is not racially or ethnically diverse, with 98% of the population identifying as White.

Many of Danvers' residents are well educated professionals, as 65% went on to higher education after high school and 49% earned a Bachelor's degree or higher. The median household income increased 29% from 2000 to 2010 to $75,310, which ranks in the middle when compared to incomes in surrounding communities, but is higher than the county or state. Households in the northeastern section of the Town had the highest relative increase in median income during this time. The majority of households, 80%, earn less than $100,000 annually; however, the number of households with incomes at $150,000 or more increased significantly from 2000 to 2010.

Approximately 42% of renter households in Danvers paid more than 30% of their income towards rent in 2010, and approximately 37% of homeowners in Danvers paid more than 30% of their income towards housing costs, and are therefore considered rent/housing cost burdened - an indicator of demand for more affordable housing. Poverty rates in Danvers tend to be lower than in surrounding communities, but the percentage of families living at or below the poverty

line in the Town more than doubled from 2000 to 2010 to 4.2%. The majority of these households are single parent households and headed by a female with a child.

The most common occupations in Danvers are in educational services, health care and social services, which employ 25.8% of workers, followed by manufacturing jobs with 12.3% of workers. On average, Danvers residents have a slightly shorter commute to work, with a mean travel time of 24.3 minutes, than their counterparts in Essex County and the Commonwealth of Massachusetts. The annual unemployment rate in Danvers (not seasonally adjusted) has remained lower than that of Essex County and the Commonwealth of Massachusetts since at least 1990. The unemployment rate was at the lowest in 2000 when it reached 2.2% and it peaked at 7.6% in 2009. Unemployment rates have continued to decline steadily, to 6.5% in June 2013, the most recent data available.

Housing

There has been a consistent increase in the number of housing units in Danvers over the last two decades. Since 2000, the number of units has increased 14%, double the rate from 1990-2000, and higher than the growth in both Essex County and Massachusetts. The majority of housing units, 64%, were built prior to 1970. Roughly 8% of the housing stock has been built since 2000. Approximately 32% of the housing stock was built before 1960. Danvers housing stock lacks diversity, as the town largely consists of single-family homes (75%), and the vast majority of housing units (70%) are ownership units. From 2000 to 2010, there was a 7.2% decrease in homeownership in Danvers. This increase in rental units can be directly attributed to three large apartment complexes coming on line during this decade, Avalon Danvers, Endicott Green and 14 North which added 998 of the 1,095 new rental units. In 2010, 0.9% of homes and 5.9% of rental housing units in Danvers were vacant, which is a low vacancy number and indicates that there could be a shortage of housing supply. Danvers has historically had a much lower rate of foreclosure than the state, even during the recent housing crisis.

Housing values and real estate tax bills have been increasing. The average assessed value of a single-family property in Danvers has increased by $72,914 from 2003-2013. Since FY 2007, the average single-family tax bill has continued to increase yearly, reaching $5,085 this fiscal year, FY 2013. This has made it increasingly difficult for lower-income ownership residents, particularly those on fixed incomes, to remain in Danvers.

Danvers, unlike other communities in Massachusetts, has a high number of homeless families living in motels and hotels, subsidized under the Emergency Assistance Program. The number of families in motels in Danvers reached a high in the later part of 2012 at over 300, and decreased in 2013. The average number of children per family is 1.5. Since March 2013, the number of families in motels has remained steady month to month at around 100.

Subsidized Housing Inventory and Affordable Housing Supply

The Massachusetts Legislature enacted Massachusetts General Law Chapter 40B in 1969 to "help address the shortage of affordable housing statewide by reducing unnecessary barriers

created by local approval processes, local zoning and other restrictions" (Citizens' Housing and Planning Association, 2009). The state's Subsidized Housing Inventory (SHI) is used to determine if a municipality has reached the 10% affordable housing threshold.

According to the SHI, the Town of Danvers had 11,071 Year Round Housing Units – based on the 2010 Census – and 1,013 SHI units as of August 6, 2013. That means that currently 9.15% of the Town's housing stock is considered to be subsidized (Massachusetts Department of Housing and Community Development, 2012). In our housing supply analysis, we identified 2 homeownership units that qualify for the SHI if the proper paperwork is filed with DHCD. We also note that there are an additional 920 units of rental housing and 22 units of affordable homeownership housing under construction and/or in the planning stages that will be eligible to add to the SHI once completed and occupied. In addition there are developments under construction, that when complete and with the proper paperwork filed with the state, will put the town at 10%.

The Danvers Housing Authority (DHA) manages a total of 277 affordable housing units. There are 54 family units, 205 elderly/disabled units and 18 units in group homes. All units that are on line are 100% occupied and there is very minimal turnover in public housing units. Wait time is six months to two years for an elderly or disabled unit, and anywhere from one to seven years for family housing, depending on local preference. The housing authority also administers 145 Section 8 mobile vouchers. Wait time for a voucher is estimated to be 5 -7 years.

Danvers has four mixed-income rental properties with market rate and affordable units: three that were permitted under Chapter 40B and one permitted through a land use development agreement. There are a total of 827 units at the four properties, of which 464 are included on the Town's SHI and 167 are actually affordable units. Of the actual affordable units, 139 are family rental at 80% of AMI, 86 are family rental at 50% of AMI, 44 are senior/disabled rental at 60%, 223 at 50% and 24 at 30%. Within these affordable units, 58 family units are subsidized and 247 elderly/disabled units are subsidized. Affordable units are 100% occupied at the properties with extensive waitlists; most households are waiting for units at or below 50% of AMI.

In terms of planned affordable rental housing, Conifer Hill Commons is a 90-unit 100% affordable rental development currently under construction on Conifer Hill Drive near I-95. It is being developed in two phases, and the first phase of 48 units is scheduled to come online in late fall/early winter 2013. Units at Conifer Hill Commons will have a total of 12 set aside units for clients of the Department of Mental Health, and the remainder will be a combination of units affordable at 50% of AMI and at 60% AMI. The DHA is also in the process of building two new affordable family rental units at 24 Cherry Street that will have project based subsidy, and there is a redevelopment of a small project at 78 Holten Street that will include one affordable rental unit at 80% AMI.
There are no existing affordable homeownership units included on the SHI for Danvers. However, a Habitat for Humanity duplex with two ownership units affordable to households earning between 40% - 60% of AMI was recently completed and is occupied. In addition, Rose

Court Condominiums is a 71-unit ownership development currently under construction that was permitted under Chapter 40B and will offer a total of 18 affordable units for sale. Finally, the developers of an 11-unit townhouse-style condominium development on the riverfront will build two affordable units offsite on Venice Street to fulfill the Zoning Bylaw's inclusionary zoning requirement, and the Town has foreclosed on a property on Endicott Street that will also be available for development to affordable homeownership.

Affordability Gap

There is a substantial gap between the sales price of an affordable home – $207,500 for a low-income family of four – and the average listing prices. According to MLS, the average list price is $420,944 for a three-bedroom, single-family home currently on the market in Danvers and the average list price for a three-bedroom condominium in Danvers is $434,415. That "affordability gap" is $213,444 for a single-family home and $269,915 for a three-bedroom condominium.

In Danvers, market rate rents for units at newer developments are also out of reach to households earning at or below 80% AMI. A two-person, low-income household earning 80% of AMI can afford to rent an apartment for $1,348 a month, if utilities are included, according to 2013 HUD income limits. The average asking market rent for a two-bedroom unit at the developments we studied is 36% higher, or $489, than what a household at 80% of AMI can afford. When utility costs are accounted for, the gap increases to $598 a month, or 44% higher.

Stakeholder Interviews

In order to add some context to our statistical review of affordable housing needs, LDS conducted interviews with 20 community stakeholders to get their perspective on Danvers' affordable housing needs. The majority of the stakeholders we spoke to were unaware that the Town of Danvers is in the process of creating an Affordable Housing Production Plan, and the few that were familiar with the idea did not know much about it.

Overall, the general consensus of the stakeholders we interviewed was that the existing affordable housing in Danvers is inadequate, in terms of both the amount of product and the quality and affordability; however, the Town is doing a good job of creating affordable housing. Family housing, especially for very low-income households and/or formerly homeless, is one of the greatest affordable housing needs facing the Town currently. While there are more subsidized age-restricted and disabled-restricted developments in Danvers than family units, stakeholders who work with senior and disabled populations also consistently see a need for more housing for their clients. Rental units at affordable rents are continuously in demand in Danvers, according to most of the stakeholders. Market rents in Danvers are too expensive for many families and individuals, increasing the demand for affordable units, and are increasing regularly.

All stakeholders agree that housing in Danvers, especially for existing long-term residents of all ages, is priced out of the reach of many and affordable housing needs should be addressed.

Some stakeholders are concerned that existing Danvers residents are struggling to find an affordable unit and stay in the community.

Zoning

Affordable housing in Danvers is created by using a variety of approaches-through the taking of tax title land, by using HOME funds, and through the MGL c. 40B statute. Land use regulations, particularly zoning, can also encourage the creation of affordable housing with provisions that directly address the issue of affordability.

Danvers zoning is complex. There are six Residential Districts, three Commercial Districts, and two Industrial Districts, a Waterfront Village District, three Highway Corridor Zones, a Health Care District, Hathorne West, and a Village District. There are five overlay zones: Adult Overlay District, Flood Plain Districts and Floodways, Groundwater Protection District, Downtown Improvement District and Tapleyville Overlay District

Danvers has the benefit of having Planning Board members and planning staff that are willing to work together to reach a common goal. While much of their permitting is done through variance and it works well today, it may not be sustainable in the long run due to a change in personnel/culture so the Town may want to consider codifying some of its practices.

According to the Bylaw, the purpose of the Extending Family Living Area "EFLA", adopted in 2007, is to provide flexibility in the Zoning to allow for alternate living arrangements for family and extended members that is affordable. According to the Building Inspector, 99 units have been "grandfathered." In 2007, 20 EFLA's were approved, and in 2010-2013, six EFLA's were approved for each respective year.

Funding

As of September 30, 2013 the DAHT has $664,563.63 from HOME, payments in lieu from, mortgage payments and interest. They received $500,000 in funds from Avalon Bay and $92,000 from Aria at Hathorne Hill for payments in lieu (PIL) of building affordable housing units connected with the development on the former State Hospital site.

The Trust uses the Town's HOME funding allocations towards development including Cherry Street and Conifer Commons affordable rental housing developments. In addition, it funds a First Time Home Buyer (FTHB) program that provides no-interest loans to prospective homebuyers for assistance with down payments, creating a path to affordable homeownership. The program has been in place since 1993, and has provided numerous loans since its inception; however the number of loans has decreased in recent years. In fiscal year 2012, three loans totaling $30,000 were made.

Constraints

Water and wastewater management infrastructure can pose challenges to new development in Danvers. While having a municipal sewer system eliminates potential issues with on-lot septic

systems, the regional treatment plant is close to capacity, according to the Town Engineer. Additionally, Danvers is on municipal water and also supplies water to the Town of Middleton, which continues to grow and place proportionally more demand on the watershed and water system.

Transportation in Danvers also presents challenges to new and diverse development. Danvers is served by many important highways and road networks, including I-95, which allows for easy commuting by car into the Boston Metropolitan area. However, the Town Engineer notes that the Town's streets are often very congested due to its proximity to major highway interchanges. Additionally, the public transportation is inadequate in Danvers and presents a barrier to many lower-income residents and families who may not be able to afford and maintain a vehicle.

Finally, Danvers is a largely built out community with few large parcels left for development. In fact, most new developments involve the tear down of existing structures and / or additions to existing structures, or re-purposing existing structures.

Demand for Housing

Danvers has been very pro-active in its planning and permitting to provide a variety of affordable housing options for its residents and is close to reaching the states 10% requirement. As noted, these come in the form of down payment assistance, EFLA, development funding acquiring tax title properties, and an inclusionary zoning provision added in 2011.

Based on our demand calculations, there is significant potential demand for both age-restricted and non-age restricted affordable housing units in Danvers. In particular, we note demand for family units affordable to households at 30% to 80% of AMI. Even accounting for soon to be existing units, there is still an incredibly high potential unmet demand for family households within this range. The long wait times at the Housing Authority for the existing rental units, as well as the number of applicants for recently developed units, are also indicators of this unmet demand.

There is also a demonstrated need for age-restricted rental units for senior households in the 30% to 60% AMI income range, as there are only 60 units that cater to this income level in Danvers currently. We found in the demographics section that there is a large and growing elderly population, and there is a need for a product that provides a higher level of care such as supported elderly housing or independent living at an affordable level. The community already has several high end retirement or assisted living communities that cater to higher wealth individuals. There are also no units restricted for seniors affordable to households earning between 60% and 80%.

Based on this analysis as well as the inventory analysis, we also see some potential demand for homeownership units for low to moderate income families. There are no affordable homeownership properties listed on the SHI for Danvers however 20 are planned and/or under

construction. We typically do not recommend age-restricted affordable homeownership units because it can be difficult to sell units, due to asset limitations. Therefore, we believe that age-restricted rental units may be a better option for the aging population in Danvers.

While it is impossible to calculate the need for special needs housing, based on the long wait lists at the housing authority and information from our stakeholder interviews, it is clear that there is a need for more housing choice for individuals with mental illness, physical disabilities, or veterans that not only need housing, but need supportive services as well.

Affordable Housing Goals

The Town of Danvers has taken steps to promote affordable housing and housing diversity in the community by creating an active and successful first time home buyer program, securing funding for affordable housing from the Avalon Bay Development, passing an inclusionary zoning provision in the Zoning Bylaw, and supporting the Conifer Commons LIHTC affordable rental development. Quickly approaching the 10% affordable housing goal, it will no longer be as vulnerable to developers interested in creating developments under Chapter 40B. The purpose of these affordable goals and strategies are to assist the Trust in maintaining control of its approach to affordable housing. We have suggested a yearly production goal of 10 units which would keep the town at 10% when the 2020 decennial census housing count is issued.

Based on the housing inventory, demand analysis and other findings in this study, the Town will work toward the following affordable housing goals:

- Preserve existing affordable units;
- Create affordable housing options for all populations including young professionals, individuals, families and seniors.
- Promote fair housing and ADA compliance.
- Increase the supply of affordable rental housing for low-income (30%-60% AMI) households;
- Increase affordable homeownership opportunities for first-time homebuyers;
- Increase housing and support opportunities for special needs populations ;
- Identify additional sources of funding for affordable developments.
- Amend the Zoning Bylaw to further encourage affordable housing

Implementation Strategies

To meet the housing goals mentioned above, the Town can consider a variety of implementation strategies. These strategies – 21 have been recommended – are based on the local needs, existing resources, constraints and compliance issues discussed throughout this Housing Production Plan. They have been grouped according to the type of strategy proposed: Education Strategies, Zoning and Planning Strategies, Housing Inventory Preservation Strategies, and Housing Production Strategies. While some of the strategies, like those aimed at education, do not directly create affordable units, they provide the support and environment needed to achieve housing goals.

We have suggested the following goals for consideration by the Town. Each goal has been described in detail in Section 12.

Education and Capacity Building Strategies

1. Continue to educate and train government officials and employees
2. Educate the public
3. Continue to partner with providers of First Time Home Buyer classes
4. Continue to partner with housing providers and agencies
5. Create a guide of financing options for homeowners and landlords
6. Examine energy efficiency/green building programs
7. Create a Fair Housing Needs Assessment and Action Plan
8. Annual Report

Zoning and Planning Strategies

1. Variances
2. Inclusionary Zoning
3. Mixed Use Development - Downtown
4. Consider a fee waiver or reduction program for affordable units

Housing Inventory Preservation Strategies

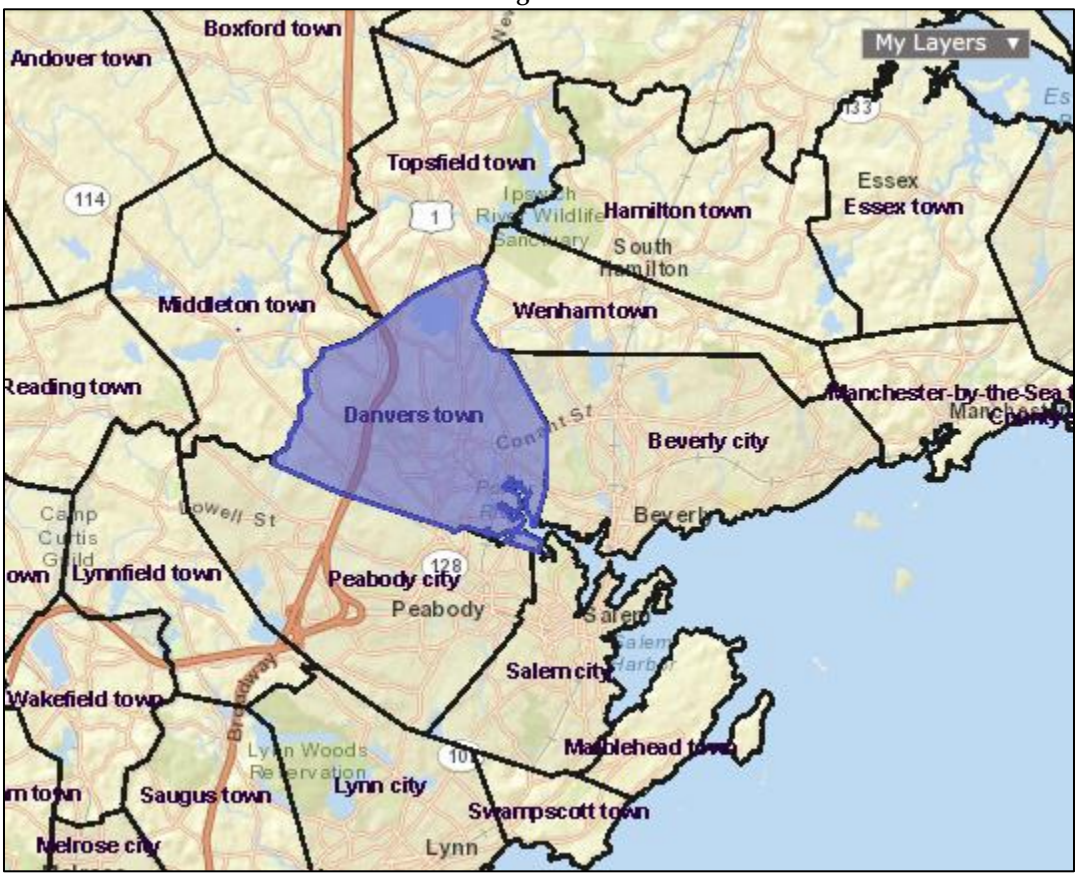
1. Ensure that all eligible affordable units are added to the SHI as soon as they become eligible.
2. Pursue CDBG funding to establish a housing rehabilitation program

Housing Production Strategies

1. Identify locations to encourage Affordable Housing Development
2. Identify and make available Town-owned land for affordable housing development
3. Identify vacant, abandoned or underutilized land for affordable or mixed-income housing development
4. Create a Rental Subsidy Program
5. Explore a "buy down" program for first time home-byers
6. Continue to partner with private developers
7. Leverage existing funding resources
8. Request the Board of Selectman to Form an exploratory committee to consider the Community Preservation Act ("CPA")

Section 3: Demographic Analysis

Figure 1



Map of Danvers and Surrounding Communities

Community Description

The Town of Danvers is located 17 miles north of Boston along the Massachusetts coast. Danvers is bordered by Middleton on the west, Topsfield on the north, Wenham on the northeast, Beverly on the east, Peabody on the south and Salem on the Southeast. The town is in southern Essex County, one of the earliest settlements in the area. Colonists had moved into the area as early as 1630, when Salem began allocating land grants and a village was authorized in what is now modern Danvers as early as 1636. According to the 2010 Census, the population of Danvers is 26,493 (US Census Bureau). Danvers' land area is 13.28 square miles with a population density of 1,820 persons per square mile (Massachusetts Department of Housing and Community Development).

Downtown Danvers offers a plethora of retail and service amenities with a small amount of residential units. Residential homes of varying sizes and architecture surround the downtown area. Retail occupancy is high but there are some second floor vacancies. The downtown is busy during the day. It is in walking distance to Town Hall, the library, civic organizations, day care and elementary schools. In addition, it has public transportation via two bus routes (451 and

465), and a rail trail which passes through the downtown. Commuter rail is available in two adjacent towns. Downtown is easily accessible by major highways.

Commercial development in Danvers is mostly concentrated along its highway corridors and shared municipality borders. The most common type of commercial and industrial building stock in Danvers is warehousing, distribution facilities, and retail establishments. Some of the major industrials areas in Danvers include Danversport, the Holten Street industrial area and the industrial districts bordering Middleton and Topsfield. In addition, the Commercial Districts make up approximately 280 acres of land in Danvers (Danvers Community Development Task Force, 2004).

The Danvers Historical Society acquired and continues to maintain several buildings including the Page House, Tapley Memorial Hal, Glen Magna Farms and The Putnam House for their historical significance to Danvers since its earliest habitation (Danvers Historical Society).

The Town of Danvers includes a Board of Selectmen, Town Manager and Representative Town Meeting. It also has numerous boards and committees, ranging from Cable Television Advisory Committee to a Downtown Improvement Committee (Town of Danvers, 2013).

Danvers has one high school serving the community, Danvers High School, as well as one middle school, and five elementary schools. Danvers is home to fifteen private schools in addition to the Danvers public schools. These fifteen schools include St. John's Preparatory School, a religious school serving students in grades 9-12; St. Mary of the Annunciation, a religious school serving students in grades PK-8; Plumfield Academy, a school serving students in grades 1-8; Inst Family & Learn, a special education school serving students in grades 8-11; Stepping Stones Nursery School, a preschool that enrolls 42 students; Small Word Learning Center, a preschool for children ages 4 to 5; Clark School, a private school serving students in grades K-12; Family Support & Early Interventions, a preschool for children up to 3 years old; Jack & Jill Pre-School, a religious preschool for children ages 4 to 5; Great Beginnings Learning School, a preschool for children ages 4 to 5; Early Discoveries Child Care, a preschool for children ages 4 to 5; Danvers YMCA Pre-Kindergarten, a preschool for children ages 4 to 5; Learning Tree Pre-School, a preschool for children ages 2 to 6; First Steps Child Care Center, a preschool for children up to 5 years old and Maple St. Church Nursery School, a religious preschool for children ages 2 to 6 (Great Schools Inc., 2013).

Many recreational opportunities exist within the area. Danvers is home to the CoCo Key Water Park. The Danversport Yacht Club is a great place for weddings, special events and dinner with their full-service marina facility, located on a fully protected harbor in Danversport (Danversport Marina, 2013). There are many hiking trail locations around Danvers. In addition, there are various seasonal activities, including live music festivals throughout the year in Danvers (AmericanTowns, 2013).

Transportation

Danvers is situated in the Greater Boston Area, which has excellent rail, air, and highway facilities. State Route 128 and Interstate Route 495 divide the region into inner and outer zones, which are connected by numerous "spokes" providing direct access to the airport, port, and intermodal facilities of Boston (Massachusetts Department of Housing and Community Development).

The road network in Danvers contains limited access highways, principal arterials, collector and local roads. Within the town area there are three limited access highways: Interstate 95, U.S. Route 1, and Route 128. Major state highway routes include Route 62, Route 114 and Route 35 Danvers is a member of the Massachusetts Bay Transportation Authority ("MBTA") which provides fixed route service to surrounding communities. The MBTA also provides THE RIDE, a paratransit service for the elderly and disabled. Danvers' MBTA commuter rail service to North Station, Boston, is available from the neighboring towns of Salem and Beverly. Travel time from North Beverly is 42-44 minutes, with 85 MBTA parking spaces; from Beverly Depot is 30-37 minutes, with 200 MBTA spaces; from Salem Center is 25-34 minutes, with 340 spaces. Freight rail service is available from the Springfield Terminal Railway. In addition, the Beverly Municipal Airport, a Reliever (RL) facility in neighboring Beverly, has 3 asphalt runways.

Health Care

Danvers is served by the Lahey Hospital & Medical Center, Danvers (formerly Beverly Hospital).. This facility brings together several centers of excellence that provides a wide range of primary and tertiary outpatient services including: Lifestyle Management Institute, Medical Specialty Services, Magnetic Resonance Imaging Center, Breast Health Center, Cardiovascular Center, Radiology and Imaging services, among others. In addition, on Endicott Street MGH North Shore has an outpatient center and North Shore Medical has a cancer center on Endicott Street.

Senior Services

There are five places that provide long term care in Danvers, which are: Danvers Twin Oaks Nursing Home, Heritage House Nursing Home, Hunt Nursing & Retirement Home, and North Shore Rehab Skilled Nursing Center.

Pam Parkinson, the director of the Council on Aging and Senior Center in Danvers, was interviewed for this assessment. The Council on Aging is a local sector of a national organization that functions in communities to help seniors, and manages the Danvers Senior Center, which is nationally accredited. According to Ms. Parkinson, the Council and the Senior Center served 1,542 persons during 2012, ranging in age from 55 to over 100 years old. She estimates that the majority, approximately 20% of their members are between 81 and 85, closely followed by the group ages 71 to 75. Residents in towns neighboring Danvers can also utilize the services provided at the Center. Services and programs at the Senior Center include transportation, home meal delivery, food stamp assistance, fuel assistance, veterans service benefits assistance, and SHINE which helps seniors find suitable healthcare options. The SHINE

program in Danvers serves approximately 250 individuals. Social programs and activities for senior center members include exercise classes, jazz band performances, bingo, and movie showings, among many others.

Ms. Parkinson reports that the needs of seniors, especially financially, in Danvers have increased over the past few years. She finds that many are struggling and are on a fixed income after losing money during the economic downturn and no longer have a "nest egg," and are having trouble affording housing, medication, and daily needs. They want to stay in Danvers as they downsize from large homes, but most cannot afford the high cost of market rate rental housing in Danvers. While she believes there is a pretty good stock of elderly rental housing in the community, there are still long waiting lists for a subsidized unit at these developments. She also notes that in many cases seniors feel that units designated "affordable," are not so, as they charge for utilities like water.

Another challenge she sees for seniors seeking housing in Danvers is the lack of handicapped accessible properties and units. Many existing age-restricted affordable properties, including all but one of the Housing Authority properties, are walkups and are not ideal for seniors with mobility issues. Ms. Parkinson feels that future developments should be elevator buildings or single story. Additionally, there are very few units for disabled residents under age 60, and these units have infrequent turnover and are therefore hardly ever available.

In general, Ms. Parkinson sees a broad need for subsidized units for all populations, including elderly and disabled. She suggests that more diverse funding, such as from the North Shore Community Action Programs (NSCAP).

Veterans Services

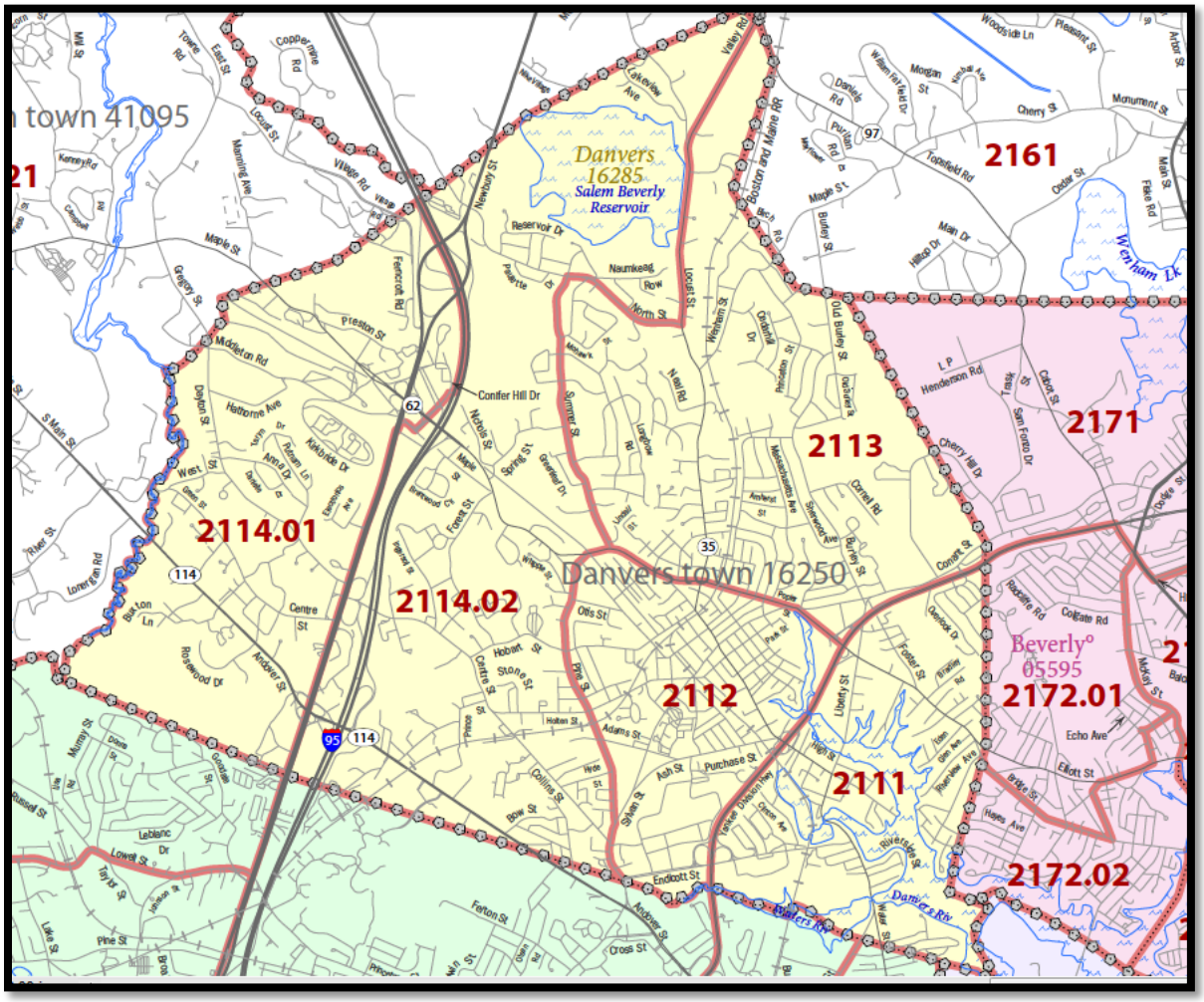
Peter Mirandi is the Director of Veterans' Services in Danvers, and he also serves as the Director of Public Health. He helps veterans in the community manage paperwork and financial applications to the Veterans Administration. He utilizes his networks in the area to help ensure that their basic needs are met, including housing. Mr. Mirandi feels that affordable housing is a significant concern in the community, especially for veterans. Part of the assistance he provides to veterans is referring them to providers and organizations which can help with finding affordable housing. He sees many veterans, especially older veterans, in "dire" positions when it comes to housing on a regular basis- many who are in danger of losing their housing soon. While there is a preference for local veterans in place for many of the affordable housing developments, the need for immediate housing for many is so great and waitlists are so long that it has little impact on the problem.

Additionally, similar to the needs of seniors in Danvers, transportation for veterans, especially disabled, is of major concern along with housing needs.

Methodology

We examined Danvers in relation to its surrounding communities of Middleton, Topsfield, Wenham, Beverly and Peabody (the "Study Area"). In addition, five Census tracts have been defined in this study of Danvers' population in order to draw spatial boundaries. These census tracts include 2114.01, 2114.02, 2113, 2112 and 2111. It should be noted, that prior to 2000, there was only one Census tract 2114 rather than what exists today as .01 and .02. In addition, Census Tract 2115, essentially the Danvers State Hospital site, was included at that time in Census Tract 2114.

Figure 2



Population

Danvers' population was 26,493 in 2010, as shown in the table below. Danvers has the third largest population of the communities in the Study Area. It has grown approximately 5.1% since 2000, which is a moderate increase from its 4.3% rate of growth from 1990 to 2000. Statewide, Massachusetts rate of growth was less than Danvers' from 2000 to 2010. The neighboring towns of Wenham and Peabody showed a higher population growth, while Middleton showed a significant population growth from 2000 to 2010. According to Esri,

Danvers' population is expected to increase by an additional 3.5% from 2000 to 2017. This figure anticipates further growth based on Census figures and increased development in the town over the last several years (US Census Bureau, 2010; Esri, 2013).

Table 1

Population Growth 1990-2017										
	1990	2000	2010	Change 1990 - 2000		Change 2000-2010		2017	Change 2010-2017	
				Number	Percent	Number	Percent		Number	Percent
Danvers	24,174	25,212	26,493	1,038	4.3%	1,281	5.1%	27,428	935	3.5%
Middleton	4,921	7,744	8,987	2,823	57.4%	1,243	16.1%	9,058	71	0.8%
Topsfield	5,754	6,141	6,085	387	6.7%	-56	-0.9%	6,257	172	2.8%
Wenham	4,222	4,440	4,875	218	5.2%	435	9.8%	4,980	105	2.2%
Beverly	38,195	39,862	39,502	1,667	4.4%	-360	-0.9%	39,768	266	0.7%
Peabody	47,039	48,129	51,251	1,090	2.3%	3,122	6.5%	51,913	662	1.3%
Essex County	670,080	723,419	743,159	53,339	8.0%	19,740	2.7%	755,321	12,162	1.6%
Massachusetts	6,016,425	6,349,097	6,547,629	332,672	5.5%	198,532	3.1%	6,757,192	209,563	3.2%

Danvers has a land area of 13.28 square miles and a population density of 1,995 persons per square mile in 2010. It has the third largest land area and third highest density per square mile, behind Beverly and Peabody. Peabody is the most densely populated community.

Table 2

Population Density			
Community	**Land Area (Sq. Miles)**	**2010 Population**	**Pop. Density (People/Sq. Mile)**
Danvers	13.28	26,493	1,995
Middleton	13.97	8,987	643
Topsfield	7.72	6,085	788
Wenham	13.52	4,875	361
Beverly	16.6	39,502	2,380
Peabody	7.07	51,251	7,249
Essex County	490.77	743,159	1,514
Massachusetts	10,554	6,547,629	620

The table below compares population growth in the five census tract areas of Danvers. In 2010, tract 2114.01, the western side of the Town, had the lowest population and tract 2113, the northeastern side, the largest. From 2000 to 2010, tract 2114.01 population grew the most at 54.2% within the last ten years, while census tract 2112 population decreased by 5.6%. According to Esri, the population in all five census tracts is expected to increase from 2010-2017, with the northeast tract 2113 predicted to have the largest relative increase, 6.4%.

Table 3

Population Growth 1990-2017- Danvers Census Tracts										
Tract	1990	2000	2010	Change 1990 - 2000		Change 2000-2010		2017	Change 2010-2017	
				Number	Percent	Number	Percent		Number	Percent
2114.01 W	7,644	2,308	3,560	n/a	n/a	1,252	54.2%	3,661	101	2.8%
2114.02 W		5,869	6,072	n/a	n/a	203	3.5%	6,223	151	2.5%
2112 S	6,110	6,461	6,100	351	5.7%	-361	-5.6%	6,175	75	1.2%
2111 SE	3,978	3,748	3,794	-230	-5.8%	46	1.2%	3,955	161	4.2%
2113 NE	6,422	6,832	6,967	410	6.4%	135	2.0%	7,414	447	6.4%
Total	24,154	25,218	26,493	-	-	1,275	5.1%	27,428	935	3.5%

Age Distribution

Figure 2 shows the population by age for the town of Danvers, comparing Census data from 1990 to 2017. The 55 and over population has grown significantly from 1990-2010 and is projected to continue to grow in 2017, making up the majority of the population with more than 9,000 persons.

Figure 2

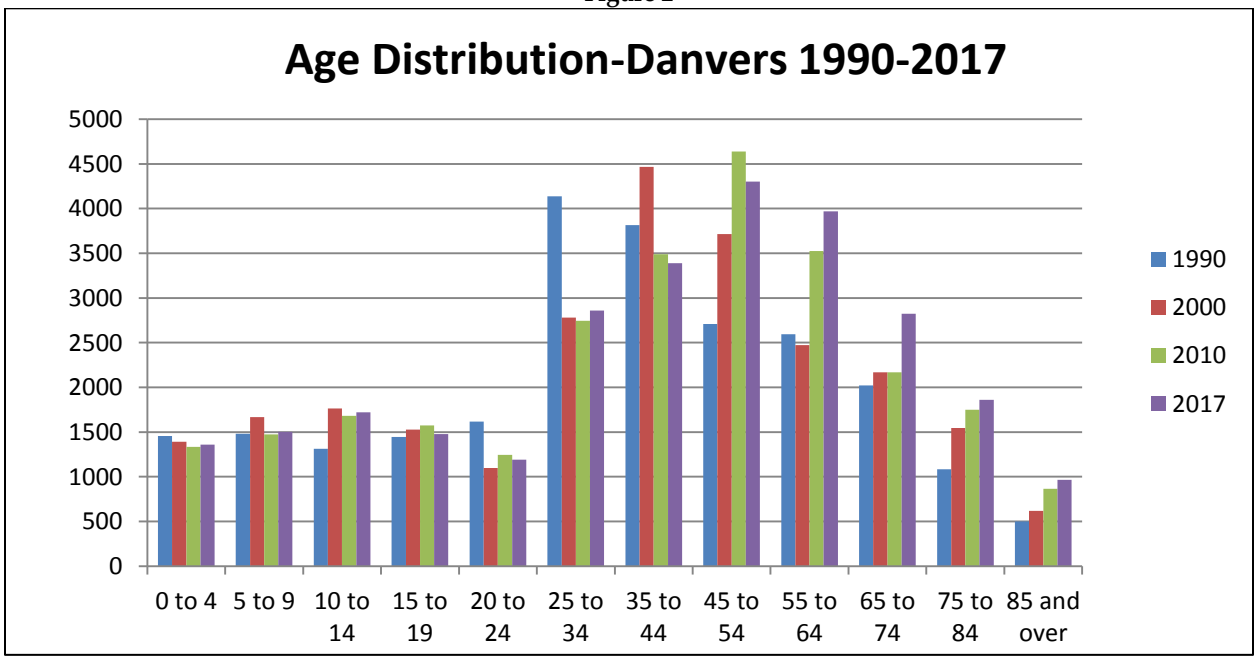


Table 4 shows the percent by age group of overall population, as well as the percent change for the time period of 2000-2017. The data shows significant population growth in all age groups, except for 15-54 year olds, decreasing respectively by 3%-7%. The highest population growth from 2000 to 2010 can be seen in age group 55 to 64, increasing by 43%. The next highest population increase within the same decade was for age 85 and over, an increase of 40%. Esri projects that the highest population growth from 2010- 2017 will be in the 65 to 74 age group,

which is projected to increase by 30% (US Census Bureau, 2010; Esri, 2013). This data supports a growing demand in the market for affordable housing choices for seniors in Danvers.

Table 4

Detailed Population Growth by Age in Danvers, 1990-2017										
Age group	1990	2000	2010	Change 1990-2000		Change 2000-2010		2017	Change 2010-2017	
				Number	Percent	Number	Percent		Number	Percent
0 to 4	1458	1,391	1333	-67	-5%	-58	-4%	1359	26	2%
5 to 9	1,482	1,666	1,476	184	12%	-190	-11%	1,502	26	2%
10 to 14	1,312	1,763	1,683	451	34%	-80	-5%	1,722	39	2%
15 to 19	1,444	1529	1,575	85	6%	46	3%	1,479	-96	-6%
20 to 24	1617	1097	1246	-520	-32%	149	14%	1193	-53	-4%
25 to 34	4138	2782	2744	-1,356	-33%	-38	-1%	2858	114	4%
35 to 44	3814	4,466	3,491	652	17%	-975	-22%	3,391	-100	-3%
45 to 54	2708	3,715	4,638	1,007	37%	923	25%	4,301	-337	-7%
55 to 64	2593	2472	3,525	-121	-5%	1,053	43%	3,971	446	13%
65 to 74	2021	2168	2,167	147	7%	-1	0%	2,824	657	30%
75 to 84	1085	1545	1750	460	42%	205	13%	1861	111	6%
85 and over	502	618	865	116	23%	247	40%	967	102	12%
Median Age	36.6	40.4	44.2	3.8	10%	3.8	9%	45.5	1.3	3%

Table 5 below indicates that the percentage of seniors 65 and above have increased over the past two decades and is expected to continue in 2017, which totals up to 20.6% of the overall population. The largest age group population is the experienced professionals at 31% in 2010, however, has been decreasing in overall percentage since 2000 and is expected to decrease to 28% in 2017. The number of young professionals has dropped significantly from 1990 to 2010 by 34%, which could be an indicator of having little housing choice and being priced out of the market place. In addition, all age groups other than ages 55 years and older, are showing trends of decline. This is a reflection of the aging "baby-boomers" and the overall population decline due to families having less children which is occurring all over the state and country.

Table 5

Danvers' Age Distribution								
	1990	Percent of Overall Population	2000	Percent of Overall Population	2010	Percent of Overall Population	2017	Percent of Overall Population
Pre-Schooler (0-4)	1,458	6.0%	1,391	5.5%	1,333	5.0%	1,359	5.0%
Teenager (5-9)	2,794	11.6%	3,429	13.6%	3,159	11.9%	3,224	11.8%
Young Adult (10-19)	3,061	12.7%	2,626	10.4%	2,821	10.6%	2,672	9.7%
Young Professional (20-34)	4,138	17.1%	2,782	11.0%	2,744	10.4%	2,858	10.4%

Experienced Professional (35-54)	6,522	27.0%	8,181	32.4%	8,129	30.7%	7,692	28.0%
Middle-Aged (55-64)	2,593	10.7%	2,472	9.8%	3,525	13.3%	3,971	14.5%
Senior (65+)	3,608	14.9%	4,331	17.2%	4,782	18.1%	5,652	20.6%
Total Population	24,174		25,212		26,493		27,428	

In 2010, the median age in Danvers was 44.2. This is higher than its median age in 2000 of 40.4 and in 1990 of 36.6. Esri's projected median age is of 45.5 in 2017. This illustrates the trend of a majority middle-aged population that is aging (US Census Bureau, 2010; Esri, 2013).

Race

The population in Danvers is not racially diverse. It has remained predominantly white over the past decade, as shown in table 4 below, with a slight decrease between the 2000 and 2010 Census. As a result, minority residents are increasing slightly in number, with Asians seeing the largest increase, almost doubling in growth from 2000 to 2010 (US Census Bureau, 2010; Esri, 2013).The projections show little change in this racial makeup.

Table 6

Race in Danvers						
	2000		**2010**		**2017**	
	Number	**Percent**	**Number**	**Percent**	**Number**	**Percent**
White Alone	24,638	97.7%	25,227	95.2%	25,779	94.0%
Black Alone	87	0.3%	282	1.1%	377	1.4%
American Indian Alone	25	0.1%	30	0.1%	39	0.1%
Asian Alone	281	1.1%	500	1.9%	625	2.3%
Pacific Islander Alone	4	0.0%	4	0.0%	6	0.0%
Some Other Race Alone	55	0.2%	179	0.7%	256	0.9%
Two or More Races	122	0.5%	271	1.0%	346	1.3%
Total population	25,212		26,493		27,428	

Households

A household includes all people who occupy a housing unit, which can be a house, apartment, mobile home, group home or single room that is occupied as separate living quarters. The number of households in Danvers has continued to experience steady growth from 1990, as seen in the table below. Danvers had an 11.1% increase in households from 2000 to 2010, almost triple the statewide growth of 4.2% in Massachusetts. Also from 2000 to 2010, Danvers had the third highest household growth rate of surrounding communities, behind Middleton, 25.7% and Peabody, 14.7%. Esri projects that household growth from 2010 to 2017 will only be by 3.5%, which is less than in previous years but similar to the state and surrounding towns. The household growth rate has been slightly higher than the population growth rate in Danvers, perhaps indicating smaller household formation.

Table 7

Household Growth 1990-2017										
	1990	2000	2010	Change 1990 - 2000		Change 2000-2010		2017	Change 2010-2017	
				Number	Percent	Number	Percent		Number	Percent
Danvers	8,813	9,555	10,615	742	8.4%	1,060	11.1%	10,991	376	3.5%
Middleton	1,822	2,305	2,898	483	26.5%	593	25.7%	2,926	28	1.0%
Topsfield	1,910	2,099	2,090	189	9.9%	-9	-0.4%	2,164	74	3.5%
Wenham	1,171	1,285	1,358	114	9.7%	73	5.7%	1,402	44	3.2%
Beverly	14,796	15,750	15,850	954	6.4%	100	0.6%	15,995	145	0.9%
Peabody	17,556	18,581	21,313	1,025	5.8%	2,732	14.7%	21,598	285	1.3%
Essex County	251,285	275,419	285,956	24,134	9.6%	10,537	3.8%	290,875	4,919	1.7%
Massachusetts	2,247,110	2,443,580	2,547,075	196,470	8.7%	103,495	4.2%	2,637,121	90,046	3.5%

The number of households in Danvers has varied based on location within the past two decades. Census Tract 2112 had the most households in 2010. From 2000 to 2010, housing units in Census tract 2113 grew by 217 units, or 9.5%. In Census tract 2114.02 the number of housing units increased by 6.0% or 141 units. Esri data projects that household formation will continue in all of Danvers in 2017, with 2113 predicted to have the highest increase of households at 6.7% or 167 units (US Census Bureau, 2010; Esri, 2013).

Table 8

Household Growth 1990-2017- Danvers Census Tracts										
Tract	1990	2000	2010	Change 1990 - 2000		Change 2000-2010		2017	Change 2010-2017	
				Number	Percent	Number	Percent		Number	Percent
2114.01	n/a	775	1,394	n/a	n/a	619	79.9%	1,440	46	3.3%
2114.02	n/a	2,335	2,476	n/a	n/a	141	6.0%	2,528	52	2.1%
2113	2,086	2,273	2,490	187	9.0%	217	9.5%	2,657	167	6.7%
2112	2,521	2,731	2,747	210	8.3%	16	0.6%	2,793	46	1.7%
2111	1,409	1,443	1,508	34	2.4%	65	4.5%	1,573	65	4.3%

We note that the Danvers State Hospital Site is included in Tract 2114.01, so with the development of Avalon Apartments and Aria Condominium, both the population and the number of households will increase in future censuses.

Household Type and Size

As demonstrated below, the distribution of household types in Danvers has remained relatively the same since 2000. The majority of households have four or fewer persons, with 2 person households being the most prominent household type (US Census Bureau, 2010). This data suggests that housing demand in Danvers should be focused around 1- to 4- person households.

Table 9

Persons Per Household in Danvers				
Type	2000		2010	
	Number	Percent	Number	Percent
1-person household	2537	26.6%	3,104	29.2%
2-person household	3,049	31.9%	3,490	32.9%
3-person household	1600	16.7%	1,692	15.9%
4-person household	1,449	15.2%	1,494	14.1%
5-person household	663	6.9%	591	5.6%
6-person household	196	2.1%	185	1.7%
7-or-more-person household	61	0.6%	59	0.6%
Total	9,555		10,615	

Household Size

A family consists of a householder and one or more people living in the same household who is related to the householder by birth, marriage or adoption. As shown below, the average family size in Danvers has declined 4.2% from 2000 to 2010, changing from a median of 2.53 to 2.42 persons per family. Average family size in Danvers increased by 2.6% in Massachusetts, and decreased 1.2% in Essex County from 2000 to 2010 (US Census Bureau, 2010; Esri, 2013).

Table 10

AVERAGE HOUSEHOLD SIZE 2000-2017					
	2000	2010	% Change 2000-2010	2017	% Change 2010-2017
Danvers	2.53	2.42	-4.2%	2.42	0.0%
Essex County	2.57	2.54	-1.2%	2.54	0.0%
Massachusetts	3	3.08	2.6%	3.08	0.0%

Family Growth

A family consists of a householder and one or more people living in the same household who is related to the householder by birth, marriage or adoption. As shown below, the number of families in Danvers from 2000-2010 has grown at a higher rate than Essex County and the Commonwealth of Massachusetts average. The projection for 2017 shows additional growth in Danvers by 2.9%, higher than Essex County and Massachusetts. We note that Middleton experience the highest family growth at 19.5% or 341 families, similar to their household growth of 35% from 2000-2010.

Table 11

Families Growth 1990-2017										
	1990	2000	2010	Change 1990 - 2000		Change 2000-2010		2017	Change 2010-2017	
				Number	Percent	Number	Percent		Number	Percent
Danvers	6,435	6,562	6,860	127	2.0%	298	4.5%	7,061	201	2.9%
Middleton	1,368	1,745	2,086	377	27.6%	341	19.5%	2,094	8	0.4%
Topsfield	1,606	1,713	1,677	107	6.7%	-36	-2.1%	1,728	51	3.0%
Wenham	908	957	994	49	5.4%	37	3.9%	1,020	26	2.6%
Beverly	9,892	9,907	9,566	15	0.2%	-341	-3.4%	9,573	7	0.1%
Peabody	12,938	12,981	13,396	43	0.3%	415	3.2%	13,489	93	0.7%
Essex County	175,332	185,094	188,005	9,762	5.6%	2,911	1.6%	189,903	1,898	1.0%
Massachusetts	1,514,746	1,576,696	1,603,591	61,950	4.1%	26,895	1.7%	1,645,290	41,699	2.6%

Household Income

As shown below, the median household income in Danvers has increased by approximately 28.7% from 2000 to 2010 to $75,310. By 2017, median household income in Danvers is projected by Esri to reach $81,061, increasing 7.6 % from 2010. Danvers' median income is slightly higher than its surrounding communities of Beverly and Peabody, but significantly lower than Topsfield and Wenham. The median income of surrounding towns has not grown as quickly except for Wenham, indicating that Danvers may be becoming a more attractive place to live for a more affluent population. (US Census Bureau, 2010; Esri, 2013).

Table 12

Median Household Income- 1990-2017							
	1990	2000	2010	% Change 1990-2000	% Change 2000-2010	2017	% Change 2010-2017
Danvers	$43,755	$58,504	$75,310	33.7%	28.7%	$81,061	7.6%
Middleton	$46,096	$78,376	$87,728	70.0%	11.9%	$106,019	20.8%
Topsfield	$64,995	$96,114	$115,015	47.9%	19.7%	$125,445	9.1%
Wenham	$53,841	$84,367	$132,697	56.7%	57.3%	$125,384	-5.5%
Beverly	$39,630	$54,453	$66,671	37.4%	22.4%	$74,755	12.1%
Peabody	$39,787	$54,785	$65,515	37.7%	19.6%	$74,767	14.1%
Essex County	$37,913	$51,763	$64,153	36.5%	23.9%	$73,208	14.1%
Massachusetts	$36,952	$50,539	$64,509	36.8%	27.7%	$73,930	14.6%

Census tract 2113 has maintained the highest median income since 2000 at $70,865, and in 2010 at $92,428, a 30.4% increase within the last decade. This growth may be explained by the recent population and household growth of this area in the last ten years. Census tract 2112 has maintained the highest median income percentage increase from 1990-2000 at 51.3%, and from 2000-2010 at 35.4%. Census tract 2111 had a median income of $51,775 in 2010, up 22.2% from 2000. (US Census Bureau, 2010; Esri, 2013).

Table 13

Median Household Income 1990-2017- Danvers Census Tracts							
Tract	**1990**	**2000**	**2010**	**% Change 1990 - 2000**	**% Change 2000-2010**	**2017**	**% Change 2010-2017**
2114.01	n/a	n/a	$68,224	n/a	n/a	$83,007	21.7%
2114.02	n/a	n/a	$81,693	n/a	n/a	$82,378	0.8%
2113	$54,237	$70,865	$92,428	30.7%	30.4%	$97,956	6.0%
2112	$33,084	$50,072	$67,800	51.3%	35.4%	$70,069	3.3%
2111	$42,354	$51,775	$60,849	22.2%	17.5%	$66,652	9.5%

As seen below, the majority of households in Danvers in 2010 made less than $100,000 annually. The percent of households earning less than $100,000 in 2000 was 79.6%. This number decreased to 62.7% in 2010 and is projected to decrease to 61.5% in 2017. The percentage of households earning more than $100,000 has increased from 20.4% in 2000 to 37.3% in 2010, and is projected to grow to 38.6% in 2017. In 2010, 21.6% of households earn less than 30% of Area Median Income or under $30,000 a year (US Census Bureau, 2010).

Table 14

Households by Income in Danvers								
	2000		**2010**		**% Change 2000-2010**	**2017**		**% Change 2010-2017**
Household Income Base	9,544		10,279		7.7%	10,991		6.9%
Less than $15,000	793	8.3%	677	6.6%	-14.6%	722	6.6%	6.6%
$15,000 to $24,999	929	9.7%	818	8.0%	-11.9%	612	5.6%	-25.2%
$25,000 to $34,999	963	10.1%	720	7.0%	-25.2%	678	6.2%	-5.8%
$35,000 to $49,999	1364	14.3%	868	8.4%	-36.4%	926	8.4%	6.7%
$50,000 to $74,999	2160	22.6%	2026	19.7%	-6.2%	2007	18.3%	-0.9%
$75,000 to $99,999	1395	14.6%	1333	13.0%	-4.4%	1800	16.4%	35.0%
$100,000 to $149,999	1,346	14.1%	1,975	19.2%	46.7%	2522	22.9%	27.7%
$150,000 to $199,999	358	3.8%	991	9.6%	176.8%	1,103	10.0%	11.3%
$200,000 or more	236	2.5%	871	8.5%	269.1%	621	5.7%	-28.7%

Rent Burdened

Households are considered rent burdened if they pay more than 30% of their income on rent. Households are considered severely rent burdened if they pay more than 50% of their income on rent. As shown in Table 15, an estimated 42.2% of households in Danvers paid at least 30% of their income on rent in 2010 and are therefore rent burdened. This is a slightly less percentage than in both Essex County and Massachusetts. Similarly, compared to Essex County and the state, a smaller percentage of households—an estimated 22.4%- were severely rent burdened. However, the percentage of severely rent burdened households in Danvers had a significant increase of 124.4% from 2000 to 2010, and the percentage of rent burdened households increased by 80.2%. While it is good news that rent burdened households in Danvers are fewer compared

to the county and the state, the percentage of rent burdened households in Danvers is increasing more rapidly which indicates a demand for affordable rental housing in Danvers.

Table 15

Gross Rent as Percentage of Income					
	2000		2010		% Change 2000 to 2010
	Number	Percent	Number	Percent	Percent
Danvers					
Total Renter Households	2171	100.0%	2754	100.0%	26.9%
30%+	645	29.7%	1,162	42.2%	80.2%
50%+	275	12.7%	617	22.4%	124.4%
Essex County					
Total Renter Households	100,183	100.0%	100,614	100.0%	0.4%
30%+	36,305	36.2%	50,242	49.9%	38.4%
50%+	17,161	17.1%	25,786	25.6%	50.3%
Massachusetts					
Total Renter Households	932,073	100.0%	904,078	100.0%	-3.0%
30%+	445,472	42.9%	432,188	47.8%	-3.0%
50%+	160,173	15.4%	219,252	24.3%	36.9%

Housing Cost Burden

Homeowners are considered to be burdened by housing costs if they spend more than 30% of their income towards housing costs. Over one fourth of all homeowners in Danvers, 36.8% or 2,725 people are considered burdened by housing costs. This is a significant figure considering that the median income of Danvers is $75,310. In Essex County, 37.4% or 69,226 persons are considered to be burdened by housing costs. The number of cost burdened homeowners in Massachusetts is 1,002,337 or 62.5%. These trends illustrates that there are high housing costs in Massachusetts, which even burden homeowners in affluent areas who may struggle financially with housing costs (US Census Bureau, 2010).

Table 16

Homeowners Costs Percentage of Income- 2010		
	Number	Percent
Danvers		
Total Owner Households	7,408	
30%+	2,725	36.8%
Essex County		
Total Owner Households	184,985	
30%+	69,226	37.4%
Massachusetts		
Total Owner Households	1,604,473	
30%+	1,002,337	62.5%

Poverty

In 2010, the median income in Danvers was $75,310. An individual working a minimum wage job will earn approximately $16,000 per year. The 2013 federal poverty guidelines show that at 100% poverty level, the income for one person is $11,490 annually. Therefore, a person earning minimum wage in Danvers will earn approximately 140% of the federal poverty level. A family of four at the 100% poverty earns $23,550, above minimum wage. As shown in Table 17, poverty rates in Danvers were relatively lower than surrounding towns except for Topsfield and Wenham in terms of percentage of families below the poverty level. In 1990, only 2.8% of families were below the poverty line in Danvers, and decreased to 1.7% in 2000. However, the percentage of families below the poverty level increased more than doubled at 4.2% in 2010. Statewide in 2010, 6.9% of families were below the poverty line, and 7.3% were reported to be below poverty in Essex County (US Census Bureau, 2010).

Table 17

Families in Poverty						
	1990		2000		2010	
	Total Families	% Below Poverty	Total Families	% Below Poverty	Total Families	% Below Poverty
Danvers	6,435	2.8%	6,562	1.7%	6,860	4.2%
Middleton	1,368	3.9%	1,745	2.1%	2,086	2.3%
Topsfield	1,606	1.2%	1,713	0.4%	1,677	1.5%
Wenham	908	2.3%	957	1.1%	994	1.0%
Beverly	9,892	5.4%	9,907	4.0%	9,566	6.2%
Peabody	12,938	3.8%	12,981	3.7%	13,396	4.4%
Essex County	175,332	7.5%	185,094	6.6%	188,005	7.3%
Massachusetts	1,514,746	6.8%	1,576,696	6.7%	1,603,591	6.9%

We also examined individual poverty rates in Danvers as compared to the County and State. It shows that as a percentage of all persons, more individual females are below the poverty rate than males. It also illustrates that the percentage of all individuals below the poverty level is roughly half the average of Essex County and the state average. Danvers has had lower poverty rates than Essex County and Massachusetts in all age groups (US Census Bureau, 2010).

Table 18

Individual Poverty Rates- 2010									
	Danvers			Essex County			Massachusetts		
	Total	Below poverty level	Percent below poverty level	Total	Below poverty level	Percent below poverty level	Total	Below poverty level	Percent below poverty level
All Individuals	25,816	1475	5.7%	722,167	72,705	10.1%	6,253,462	658,391	10.5%
Under 18 years	5,290	367	6.9%	172,201	22,912	13.3%	1,412,218	186,815	13.2%
18 to 64 years	16,260	857	5.3%	43,053	40,639	9.0%	4,006,774	394,306	9.8%
65 years and over	4,266	251	5.9%	96,913	9,154	9.4%	834,470	77,270	9.3%
Male	12,239	598	4.9%	347,525	30,650	8.8%	3,024,012	283,884	9.4%
Female	13,577	877	6.5%	374,642	42,055	11.2%	3,229,450	374,507	11.6%

In Danvers, when you look at the details of all families below the poverty level in Table 19, there are significantly higher proportions of single, female-head-of-household families and families with single, female-head-of-household and a child under 18 listed as having incomes below the poverty level (17.5% and 26.3%, respectively), when compared to married-couple-families with or without children under 18 (2.0% and 1.9%, respectively) or all families with or without children (6.2% and 4.2%, respectively) (US Census Bureau, 2010).

Table 19

Poverty Rates Detailed- Danvers- 2010	
	Percent
All families	4.2%
With related children under 18 years	6.3%
With related children under 5 years only	5.7%
Married couple families	1.9%
With related children under 18 years	2.0%
With related children under 5 years only	6.1%
Families with female householder, no husband present	17.5%
With related children under 18 years	26.3%
With related children under 5 years only	0.0%

Education

As seen in Table 20, in 2010, 65.3%, more than half of the population age 25 or older in Danvers went on to higher education after high school. This is a higher proportion of the population compared to Essex County, which had 60.7% of residents move to higher education or the Commonwealth of Massachusetts, which saw 61.2% go onto higher education (US Census Bureau, 2010). Wenham, which has the highest income, also has the highest proportion of resident with masters degrees or higher, illustrating the more education leads to higher incomes.

Table 20

	Less than High School Diploma	High School Graduate or GED	Some College	Associate's Degree	Bachelor's Degree	Master's, Professional School, or Doctorate Degree
Danvers	8.2%	26.5%	17.1%	10.0%	23.5%	14.7%
Middleton	14.7%	25.2%	13.9%	7.6%	22.2%	16.4%
Topsfield	1.1%	18.8%	13.0%	5.1%	38.7%	23.3%
Wenham	2.3%	14.4%	11.7%	7.0%	37.5%	27.1%
Beverly	7.2%	26.6%	17.0%	8.2%	24.6%	16.3%
Peabody	11.5%	31.8%	19.2%	8.7%	18.2%	10.5%
Essex County	12.0%	27.4%	16.8%	8.2%	21.5%	14.2%
Massachusetts	11.6%	27.2%	15.8%	7.6%	21.7%	16.1%

Employment

Danvers residents age 16 years and older worked mainly in professional jobs in 2010, as shown in Table 21. The most common occupation, 25.8% workers, was educational services, health care and social services, followed by Manufacturing jobs, 12.3% workers. Danvers had roughly the same proportion of the population employed in the educational services, health care and social assistance industries as the Essex County and the Massachusetts averages. Other common occupations in Danvers were retail trade, 11.5%, and professional, scientific, management and administrative, 9.4% (US Census Bureau, 2010).

Table 21

Occupation by Industry for Workers Age 16+						
	Danvers		Essex County		Massachusetts	
Industry	**Total**	**Percent**	**Total**	**Percent**	**Total**	**Percent**
Total Employed Population	14,657		365,135		3,292,019	
Agriculture, forestry, fishing and hunting, and mining	103	0.7%	1,589	0.4%	12,657	0.4%
Construction	937	6.4%	22,976	6.3%	203,730	6.2%
Manufacturing	1797	12.3%	45,631	12.5%	332,118	10.1%
Wholesale trade	536	3.7%	11,704	3.2%	92,475	2.8%
Retail trade	1684	11.5%	41,466	11.4%	355,905	10.8%
Transportation, warehousing, and utilities	530	3.6%	14,868	4.1%	125,530	3.8%
Information	409	2.8%	10,289	2.8%	90,777	2.8%
Finance, insurance, real estate	1,043	7.1%	29,205	8.0%	270,332	8.2%
Professional, scientific, management, administrative	1,383	9.4%	42,548	11.7%	411,407	12.5%
Educational services, health care and social assistance	3,778	25.8%	84,595	23.2%	854,913	26.0%
Arts, entertainment, recreation, accommodation and food services	1143	7.8%	28,835	7.9%	261,906	8.0%
Public administration	740	5.0%	14,428	4.0%	132,221	4.0%
Other services	574	3.9%	17,003	4.7%	148,048	4.5%

Within Danvers, the five largest employers are Department of Developmental Services, OSRAM SYLVANIA, ABIOMED Inc., CELL Signaling Technology Inc., and Copyright Clearance Ctr Inc., all with more than 250 employees, as shown in Table 22. There is a diverse industry base

in Danvers, three of the top ten employers are related to manufacture in the field of healthcare and two are related to retail. (Massachusetts Executive Office of Labor and Workforce Development, 2013). While not on Danvers top 25 because they are headquartered elsewhere, MHG North Shore outpatient Center and North Shore Medical located on Endicott Street also provide many jobs in Danvers.

Table 22

Top 25 Employers in Danvers		
Company Name	**Address**	**Number of employees**
Department of Developmental Services	Maple St	1000-4999
OSRAM SYLVANIA	Endicott St	500-999
ABIOMED Inc.	Cherry Hill Dr	250-499
CELL Signaling Technology Inc	Trask Ln	250-499
Copyright Clearance Ctr Inc	Rosewood Dr #1	250-499
Danvers Administrative Office	Cabot Rd	250-499
Doubletree-Boston North Shore	Ferncroft Rd	250-499
Home Depot	Newbury St	250-499
Lowe's Home Improvement	Andover St	250-499
Medtronic Vascular	Cherry Hill Dr #A	250-499
North Shore Community College	Ferncroft Rd	250-499
Target	Independence Way	250-499
Beckman Coulter Genomics	Cherry Hill Dr	100-249
Best Buy	Independence Way #3	100-249
Beverly Hospital Med & Surgery	Maple St #201	100-249
BJ'S Wholesale Club	Hutchinson Dr	100-249
Cedar Glen Care & Rehab Ctr	Summer St	100-249
Costco	Newbury St	100-249
Danversport Yacht Club	Elliott St	100-249
Danversport Yacht Club -Marina	Elliott St	100-249
Di Luigi Inc	Popes Ln	100-249
Dick's Sporting Goods	Commonwealth Ave	100-249
Greeley Co	Sylvan St # A101	100-249
Hancock Engineering Assoc	Centre St #200	100-249
Herb Chambers Dodge	Andover St	100-249

Commute to Work

On average, Danvers residents have a slightly shorter commute to work, with a mean travel time of 24.3 minutes, than their counterparts in Essex County and the Commonwealth of Massachusetts. This is not surprising given the number of large businesses and industry in Danvers and its proximity to major highway routes. Over 90.9% of Danvers' residents traveled

less than sixty minutes to work compared to 88.7% in Essex County and 90.63% in Massachusetts (US Census Bureau, 2010).

Table 23

TRAVEL TIME TO WORK			
	Danvers	Essex County	Massachusetts
	Percent	Percent	Percent
Less than 15 minutes	31.60%	28.30%	25.96%
15 - 30 minutes	33.30%	32.10%	33.08%
30 - 45 minutes	19.10%	19.00%	21.86%
45 - 60 Minutes	6.90%	9.30%	9.38%
60 or more minutes	9.10%	11.30%	9.72%
Mean travel time to work (minutes)	24.3	27	27.1

It should be noted that 43.2% of all individuals had at least two vehicles available per household in 2010. This is higher than both Essex County, 38.5%, and Massachusetts, 37.1% and reflects the lack of public transportation in the community. In addition, roughly one fifth of the population had access to three or more cars (US Census Bureau, 2010).

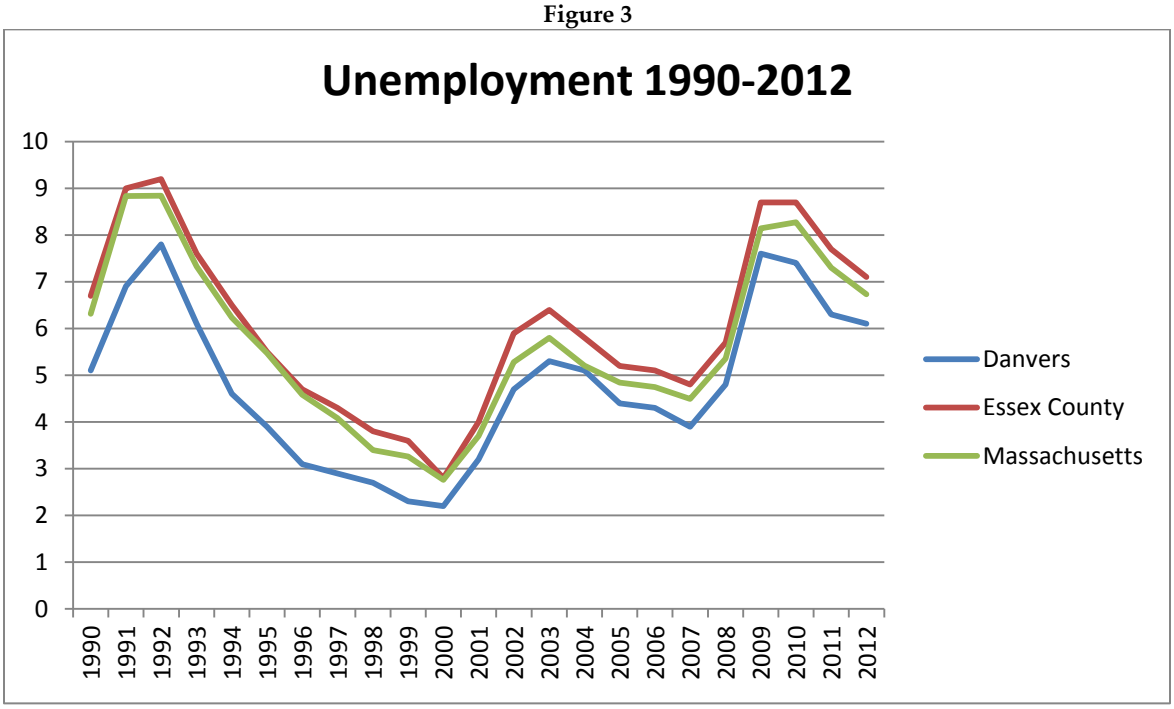
Table 24

VEHICLES AVAILABLE PER HOUSING UNIT- 2010						
	Danvers		Essex County		Massachusetts	
	Number	Percent	Number	Percent	Number	Percent
Occupied housing units	10,282		284,940		2,522,409	
No vehicles available	613	6.0%	30,218	10.6%	311,674	12.4%
1 vehicle available	3,244	31.6%	10,131	35.5%	903,684	35.8%
2 vehicles available	4,441	43.2%	109,619	38.5%	934,818	37.1%
3 or more vehicles available	1,984	19.3%	43,972	15.4%	372,233	14.8%

Unemployment

As Figure 3 demonstrates, the annual unemployment rates in Danvers (not seasonally adjusted) have remained lower than in Essex County and Massachusetts. In addition, after it peaked at a 7.6% high in 2009 due to the national economic downturn, unemployment rates have continued to decline steadily (Massachusetts Executive Office of Labor and Workforce Development, 2013).

Figure 3



The lowest the unemployment rate in Danvers was 2.2% from 2000 through 2001, as seen below in Table 25. In 2012, Danvers' unemployment rate was 6.1, compared to Essex County, 7.1, and Massachusetts, 6.7 (Massachusetts Executive Office of Labor and Workforce Development, 2013).

Table 25

Annual Unemployment Rates			
Year	Danvers	Essex County	Massachusetts
2000	2.2	2.8	2.8
2001	3.2	4.0	3.7
2002	4.7	5.9	5.3
2003	5.3	6.4	5.8
2004	5.1	5.8	5.2
2005	4.4	5.2	4.8
2006	4.3	5.1	4.8
2007	3.9	4.8	4.5
2008	4.8	5.7	5.4
2009	7.6	8.7	8.1
2010	7.4	8.7	8.3
2011	6.3	7.7	7.3
2012	6.1	7.1	6.7

As seen below in Table 26, the unemployment rate in Danvers was lower or the same than surrounding towns, Essex County and the Commonwealth of Massachusetts on a monthly basis

from January 2013 to the most recent data available, June 2013. The unemployment rate has slightly increased in Danvers from 5.9% in January 2013 to 6.5% in June 2013, similar to the Study Area Communities, Essex County and Massachusetts (Massachusetts Executive Office of Labor and Workforce Development, 2013).

Table 26

UNEMPLOYMENT RATE IN 2012-2013								
Month	**Danvers**	**Middleton**	**Topsfield**	**Wenham**	**Beverly**	**Peabody**	**Essex County**	**Massachusetts**
Jun-13	**6.5**	**7.2**	**6.5**	**8.6**	**6.7**	**7.2**	**7.8**	**7.4**
May-13	5.7	6.2	5.5	7.0	5.8	6.4	7.1	6.7
Apr-13	5.0	5.5	4.8	6.7	5.5	6.1	6.7	6.3
Mar-13	5.0	5.6	4.9	6.0	5.6	6.2	7.1	6.8
Feb-13	5.1	5.8	4.6	6.3	5.9	6.3	7.1	6.8
Jan-13	5.9	6.4	5.0	7.1	6.3	6.8	7.6	7.4

Section 4: Housing Characteristics

Housing Units

Table 27 displays the total number of housing units in Danvers and surrounding areas from 1990 to 2010, with 2017 Esri projections. In 2010, there were 11,135 housing units in Danvers, a growth of 1,373 units or 14.1% from 2000. This is higher than surrounding communities except for Middleton and Peabody which has a growth rate of 29.7% and 17.6% respectively. The average housing unit growth rate in Massachusetts was 7.1% for this same time period (US Census Bureau, 2010; Esri, 2013).

Table 27

Housing Units							
	1990	2000	% Change 1990-2000	2010	% Change 2000 to 2010	2017	% Change 2010 to 2017
Danvers	9,119	9,762	7.1%	11,135	14.1%	11,479	3.1%
Middleton	1,907	2,347	23.1%	3,045	29.7%	3,088	1.4%
Topsfield	1,967	2,144	9.0%	2,175	1.4%	2,316	6.5%
Wenham	1,210	1,320	9.1%	1,430	8.3%	1,468	2.7%
Beverly	15,652	16,275	4.0%	16,641	2.2%	16,883	1.5%
Peabody	18,240	18,898	3.6%	22,220	17.6%	22,716	2.2%
Essex County	271,977	287,144	5.6%	306,754	6.8%	311,450	1.5%
Massachusetts	2,472,711	2,621,989	6.0%	2,808,254	7.1%	2,895,695	3.1%

Age and Condition

Table 28 below provides information on the age of the housing stock in Danvers. The majority of houses, 25.8% were built from 1939 or earlier, and 17.1% built from 1950 to 1959. There has been relatively less development of new housing in Danvers in the past two decades, approximately 3.1% to 4.5% per decade and fairly constant at approximately 600-800 units (US Census Bureau, 2010).

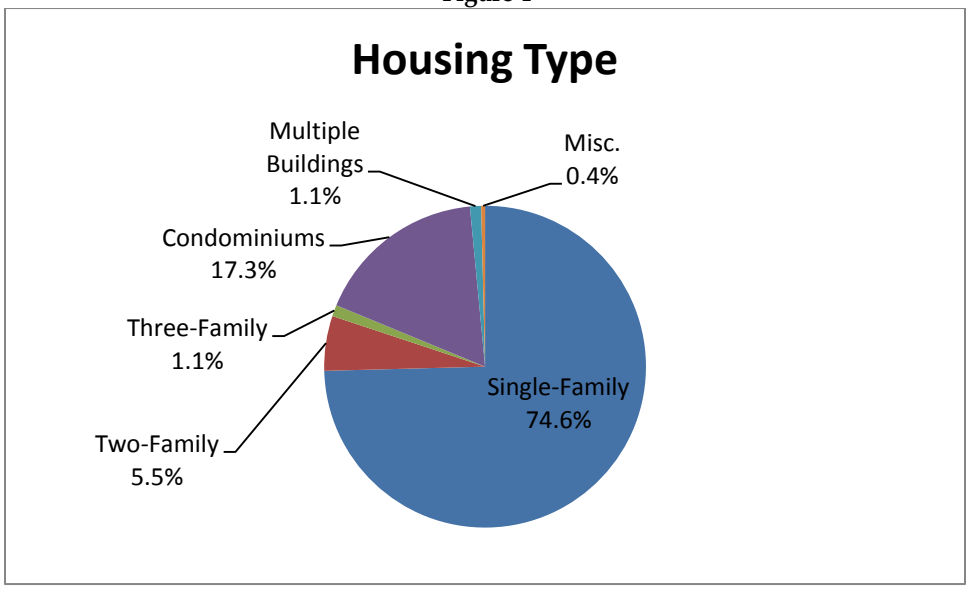
Table 28

Year Housing Units Built- Danvers		
	Total	Percent
Built 2005 or later	335	3.1%
Built 2000 to 2004	481	4.5%
Built 1990 to 1999	628	5.9%
Built 1980 to 1989	1148	10.7%
Built 1970 to 1979	1,282	12.0%
Built 1960 to 1969	1704	15.9%
Built 1950 to 1959	1829	17.1%
Built 1940 to 1949	533	5.0%
Built 1939 or earlier	2755	25.8%

Housing Type

The housing stock in Danvers is mostly single-family homes, as shown in Figure 4. Of the remaining 25.4% of the housing stock that is not single-family housing, 450 properties, or 5.5% are two-family houses. There are 93 three-family dwellings and 91 multiple buildings (the tax assessor refers to these as more than one unit on a site). Condominiums are the second-most prevalent housing type with 1,140 units, or 17.3% of all housing units in Danvers (Tax Assessor, 2013).

Figure 4



Housing Tenure

Table 29 shows the housing tenure in Danvers and surrounding areas from 2000 to 2010, with 2017 Esri Estimates. Danvers had 69.9% of homeownership in 2010, only slightly higher than Beverly and Peabody but relatively lower than the other surrounding communities in the Study Area. Essex County was similar to Danvers at 63.8%, and Massachusetts has a lower rate at 62.3%. From 2000 to 2010, there was a 7.2% decrease in homeownership in Danvers. This indicates that the town may be gaining rental units to condominium units and/or that all the growth has been in rental units. In fact, according to the Danvers Tax Assessor, between fiscal year 2009-2013, a total of 14 units were converted from rental units to condos as follows (Maureen, 2013):

8 two family homes
2 three family homes
2 four family homes
1 five family home
1 exempt that was converted to fourteen condos

Table 29

Housing Tenure						
	2000		2010		2017	
	Rental	Owned	Rental	Owned	Rental	Owned
Danvers	22.9%	77.1%	30.1%	69.9%	30.6%	69.4%
Middleton	14.3%	85.7%	14.0%	86.0%	14.6%	85.4%
Topsfield	11.1%	88.9%	9.5%	90.5%	10.3%	89.7%
Wenham	14.6%	85.4%	15.2%	84.8%	15.5%	84.5%
Beverly	40.0%	60.0%	39.3%	60.7%	40.3%	59.7%
Peabody	28.8%	71.2%	34.4%	65.6%	34.5%	65.5%
Essex County	36.5%	63.5%	36.2%	63.8%	36.8%	63.2%
Massachusetts	38.3%	61.7%	37.7%	62.3%	38.4%	61.6%

Building Permit History

The history of building construction permits in Danvers, as shown in Table 30, reflects the growth of new dwellings between 2004 and 2012. There has been a general decline in building demolition since 2004, peaking in 2005 at 11, and down to 4 demolitions in 2012. The number of residential additions or alterations had decreased significantly from 904 in 2003 to 366 in 2012. The number of single family home permits reached a high in 2007 with 60, and then declined in 2008 as a direct result of the economic recession; however it improved significantly to 366 in 2012. The total number of permits has decreased from 934 in 2003 to 389 in 2012 (Town of Danvers, 2013).

Figure 5

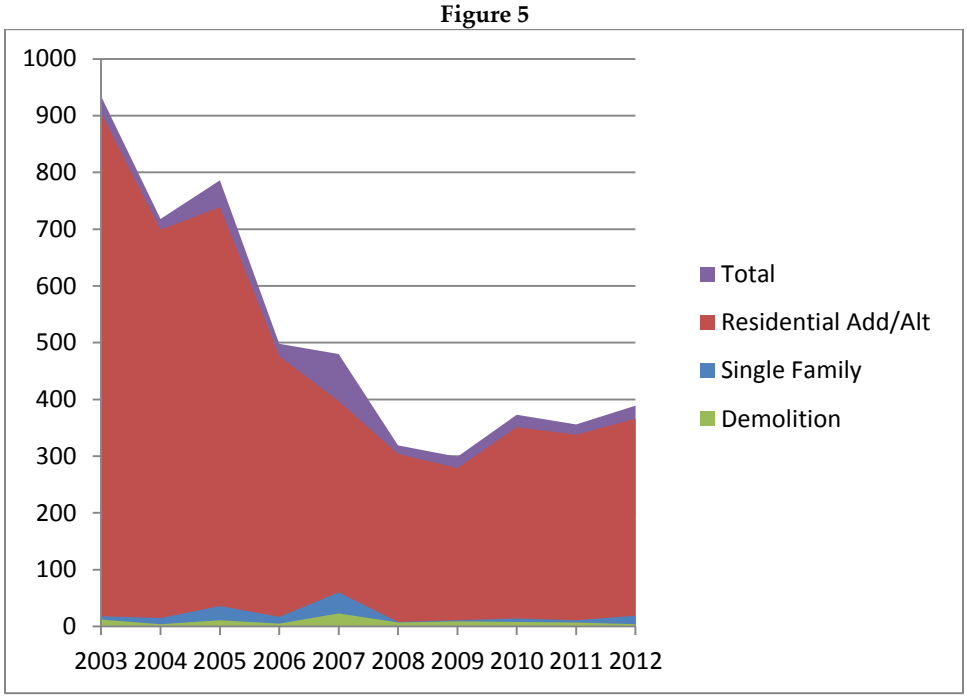


Table 30

Building Permits in Danvers										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Demolition	12	4	11	5	6(+17)*	5(+2)*	9	7(+1)*	7	4
Residential Add/Alt	904	699	739	476	397	304	279	351	338	366
Single Family	18	15	36	17	60	8	11	14	11	19
Total	934	718	786	498	480	319	299	373	356	389

*demolition due to homes destroyed by chemical plant explosion

Vacancy

The Foundation for Growth created a working paper to project housing construction needs for the state under a variety of possible economic scenarios through the year 2020 (Koshgarian, 2010).In their findings, they assumed that a healthy vacancy rate is defined as the rate at which prices neither rise nor fall, and has been estimated by the Harvard Joint Center for Housing Studies for the purposes of national housing projections to be 1.5 percent for owner-occupied housing and 7.4 percent for rental housing (Belsky, Drew, & McCue, 2007). The report stated that rental vacancy rate should be close to 7.4 percent to avoid unnecessary price inflation.

The report highlighted the following information:

- In 2008, Massachusetts had a shortage of 20,116 housing units statewide, if vacancy rates needed for healthy markets are considered.
- In 2008, the Boston Metro region had a shortage of 14,343 units, reflecting shortages in both single- and multi-family housing units, and 10,330 for multi-family units alone.
- Rental vacancy rates were lowest for multi-family housing in Massachusetts in Metro Boston (4.5 percent).
- They forecasted population growth in Massachusetts from 2008-2020 is projected to be 11.6% growth for person's age 25 to 34 year old.
- They forecasted for Massachusetts a gap in housing supply of 33,775 multi-family units, including 20,651 in Greater Boston.

Table 31 shows the increase in vacancy rate by tenure from 2000 to 2010. In 2010 in Danvers the owner vacancy rate was 0.9% and the renter vacancy rate was 5.9%. Owner vacancy rate in Danvers is the second lowest compare to surrounding towns, yet renter vacancy rate is the second highest. Danvers' owner vacancy rate increased less than all surrounding towns except for Beverly, with owner vacancies increasing by 0.4% (US Census Bureau, 2010).

Table 31

VACANCY RATE BY TENURE						
	2000		2010		Change 2000-2010	
	Owner	Renter	Owner	Renter	Owner	Renter
Danvers	0.4%	2.3%	0.9%	5.9%	0.5%	3.6%
Middleton	0.4%	2.7%	2.1%	5.3%	1.7%	2.6%
Topsfield	0.4%	1.7%	1.5%	5.6%	1.1%	3.9%

VACANCY RATE BY TENURE						
	2000		2010		Change 2000-2010	
Wenham	0.4%	2.6%	2.1%	5.5%	1.7%	2.9%
Beverly	0.4%	3.1%	0.8%	6.1%	0.4%	3.0%
Peabody	0.3%	1.7%	1.0%	5.1%	0.7%	3.4%
Essex County	0.5%	3.0%	1.4%	6.4%	0.9%	3.4%
Massachusetts	0.7%	3.5%	1.5%	6.5%	0.8%	3.0%

According to Census data, 520 of Danvers' 11,135 housing units were vacant in 2010, a vacancy rate of 4.7%. Of the vacant units, 0.6%, or 64 units were designated for seasonal, recreational, or occasional use, as shown in the table below.

Table 32

VACANCY IN DANVERS-2010		
	Number	Percent
Occupancy Status		
Total housing units	11,135	100%
Occupied housing units	10,615	95.3%
Vacant housing units	520	4.7%
Vacancy Status		
Total vacant housing units	520	100%
For seasonal, recreational, or occasional use	64	0.60%
Vacant for other reasons	144	1.30%

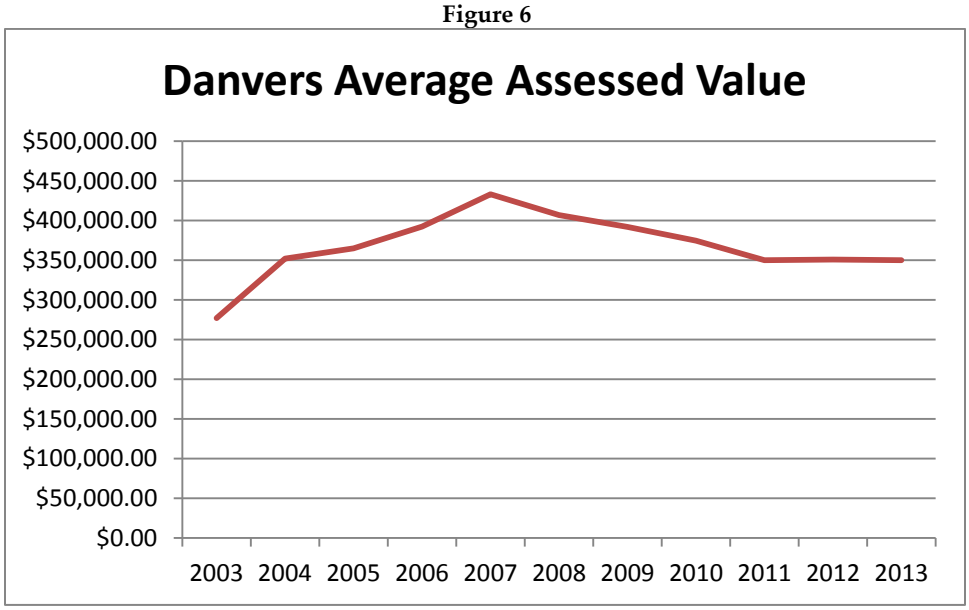
Assessed Valuation

The total assessed value of single family homes rose from 2003-2007, in line with the boom in the housing market in the early 2000's up until when the financial crisis hit in 2008. The number of residential properties in Danvers also increased from 5,974 in FY2003 to 6,093 in FY2013. This increase – roughly 1.99%– has contributed to a rise in the total assessed value of single-family properties in Danvers, as shown in Table 33. This rise in total assessed value has also been caused by increasing property values. The average assessed value of a single-family property in Danvers has increased by $72,914 from 2003-2013, as shown in Figure 6. The largest increases were 27.17% in FY2004 and 10.37% in FY2007. Since the peak in 2007, the average assessed value of single-family properties has fallen by 19.2% (Massachusetts Department of Revenue).

Table 33

Total Single Family Assessed Values				
Fiscal Year	# of Single Family Parcels	Total Assessed Value	Average Assessed Value	% Change
2003	5,974	$1,653,770,200	$276,828	
2004	5,981	$2,105,499,600	$352,031	27.17%
2005	5,994	$2,187,338,800	$364,921	3.66%
2006	6,003	$2,354,350,900	$392,196	7.47%
2007	6,026	$2,608,522,900	$432,878	10.37%
2008	6,059	$2,465,094,000	$406,848	-6.01
2009	6,082	$2,382,275,700	$391,693	-3.72%
2010	6,077	$2,275,942,500	$374,517	-4.39%
2011	6,086	$2,129,364,100	$349,879	-6.58%
2012	6,092	$2,135,692,100	$350,573	0.2%
2013	6,093	$2,130,976,500	$349,742	-0.24%

Figure 6



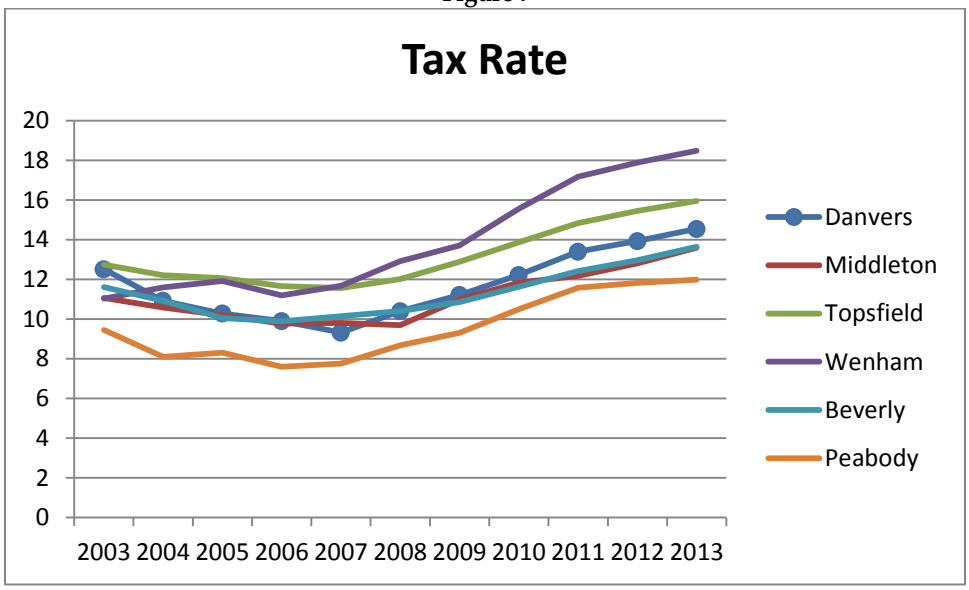
Residential Tax Rate and Tax Bills

The Danvers residential tax rate for fiscal year, FY2013, was $14.54 per $1,000 of assessed valuation (Massachusetts Department of Revenue).

Figure 7 shows that the residential tax rate in Danvers has been on a steady incline since FY 2007, when it was at the lowest point ($9.32) in the past ten years. The residential tax rate declined between FY 2003 and FY2004 by 12.71% and saw an increase of 11.59% in FY2008, and then continued increasing from FY2008 to FY2013. Compared to the Study Area, Danvers has been in the middle of the group. Peabody has the lowest residential tax rate in the area at $11.98 and Wenham the highest at $18.48. The purpose of this paragraph is to show that

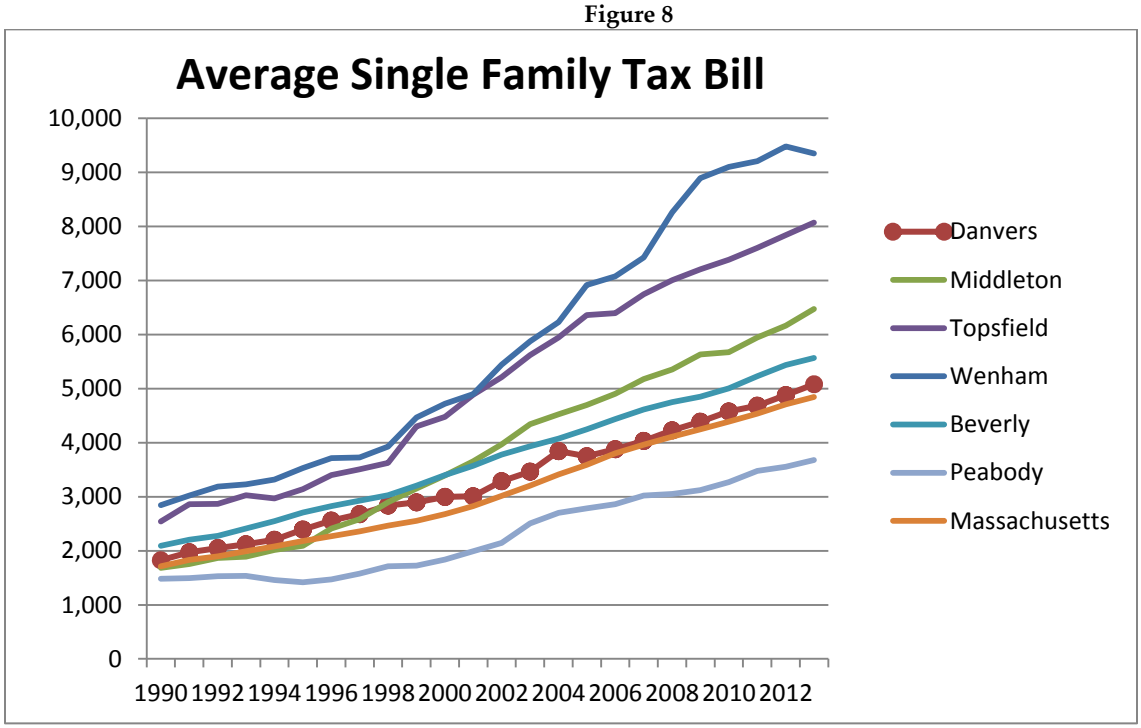
residential taxes are considered a real estate expense related to the cost of housing. The rise and fall of residential real estate tax rates affects persons on fixed incomes and their ability to afford and maintain housing (Massachusetts Department of Revenue).

Figure 7



As shown in Figure 8 below, the average single-family tax bill in Danvers, the Study Area and the Commonwealth of Massachusetts have been steadily increasing since FY 1990, and Danvers has been in the middle of the group. The average tax bill in Danvers has risen from $2,996 in FY 2000 to $5,085 in FY 2013. This is a total increase of 69.73%, or an average increase of 5.4% a year. This increase is lower than the statewide median tax bill which has grown by 124% or 9% a year since FY 2000 (Massachusetts Department of Revenue).

Figure 8



By comparison, tax revenues from commercial and industrial properties in Danvers are approximately 34%, which is 29% higher than the neighboring community of Wenham that earns the least tax revenue from these properties. Peabody is the only town in the Study Area earning greater tax revenue from these properties than Danvers, at 37% (Massachusetts Department of Revenue).

Table 34

Danvers Area Tax Levies by Property Class, FY2013								
	Residential	Open Space	Commercial	Industrial	Personal Property	Total	Res/OS as % of Total	CIP as % of Total
Danvers	$41,563,369	$0	$15,162,998	$4,011,566	$1,788,847	$62,526,780	66.47	33.53
Middleton	$17,647,251	$0	$2,302,688	$779,357	$598,634	$21,327,930	82.74	17.26
Topsfield	$16,811,521	$0	$896,564	$284,550	$337,581	$18,330,216	91.71	8.29
Wenham	$11,803,462	$0	$357,990	$18,916	$160,548	$12,340,916	95.64	4.36
Beverly	$62,482,340	$9,606	$12,089,190	$3,772,006	$3,206,551	$81,559,693	76.62	23.38
Peabody	$56,653,072	$0	$25,720,454	$5,595,009	$2,647,922	$90,616,457	62.52	37.48

Municipal Services/Cost

The Town of Danvers collected $81,810,461 in revenues in FY 2012, up from $78,157,960 in FY 2011, $75,731,019 in FY 2010 and $75,252,776 in FY 2009 (Massachusetts Department of Revenue). Property taxes - $66,917,195 represents 82% of all revenues in FY 2012, with the rest coming from State Aid and other sources. The majority of the Town's expenditures goes towards education. This is the case in most, if not all, communities in Massachusetts, though

Danvers spent a lower percentage of its budget – 43.9% – on education in FY 2012 than the state average of 48.5%. This may be attributed to in part the fact that Danvers carries school maintenance costs in its Department of Public Works budget. Other FY 2012 expenditures in Danvers included police (7.3%), general government (10.2%), public works (4.8%), human services (0.4%), and culture and recreation (2.5%). Roughly 23.5% of expenditures went to fixed costs and debt service.

Section 5: Affordable Housing Inventory

Affordable Housing Defined

The term "affordable housing" can mean different things so we typically refer to affordable housing by the income one needs to earn to qualify to live in affordable housing. Typically, housing is considered affordable if a household pays no more than 30% of its income toward housing costs. Affordable housing can either be subsidized (i.e. a resident pays 30% of their income for rent and the government subsidizes the rest) or self – pay (i.e. the rent is lower than market and the tenant pays the lower rent). Examples of subsidized housing are most public housing units and persons that utilize a Section 8 mobile voucher to pay rent.

The term "low-income" housing generally refers to housing that is affordable to households earning up to 80% of Area Median Income ("AMI"). According to HUD, Danvers is located in the Boston-Cambridge-Quincy Primary Service Area ("PSA") for purposes of calculating affordable income limits, rents and homeownership prices. A household qualifying at 80% of AMI in the Boston-Cambridge-Quincy PSA could earn no more than $53,900 for a two-person household or $67,350 for a four-person household. "Very low-income" housing is typically affordable to qualifying households earning no more than 50% of AMI; that would be $37,800 for a two-person household or $47,200 for a four-person household. These two income levels – 50% and 80% of AMI – are used in 40B projects. Table 35 shows the 2013 income limits for households in Danvers by household size:

Table 35

2013 INCOME LIMITS FOR AFFORDABLE HOUSING IN DANVERS						
Area Median Income	**1 Person**	**2 Person**	**3 Person**	**4 Person**	**5 Person**	**6 Person**
30% AMI	$19,850	$22,650	$25,500	$28,300	$30,600	$32,850
50% AMI	$33,050	$37,800	$42,500	$47,200	$51,000	$54,800
60% AMI	$39,660	$45,360	$51,000	$56,640	$61,200	$65,760
80% AMI	$47,150	$53,900	$60,650	$67,350	$72,750	$78,150
110% AMI	$72,710	$83,160	$93,500	$103,840	$112,200	$120,560

Source: Massachusetts Housing Partnership

Table 36 provides the maximum allowable rents for affordable housing in Danvers in 2013. It shows, for example, that the monthly rent of a one-bedroom unit in Danvers that is affordable to households earning no more than 80% AMI cannot exceed$1,263. The rents listed below assume that the landlord pays all utilities.

Table 36

2013 MAXIMUM ALLOWABLE RENTS FOR AFFORDABLE HOUSING IN DANVERS						
# Bedrooms	**SRO**	**Studio**	**1 Br**	**2 Br**	**3 Br**	**4 Br**
30% RENT	$372	$496	$531	$637	$736	$821
50% RENT	$619	$826	$885	$1,062	$1,227	$1,370
60% RENT	$743	$991	$1,062	$1,275	$1,473	$1,644
80% RENT	$883	$1,178	$1,263	$1,516	$1,751	$1,953
110% RENT	$1,362	$1,817	$1,948	$2,337	$2,700	$3,014

Source: Massachusetts Housing Partnership

Table 37 below shows Fair Market Rents for the Town of Danvers in FY 2013. These rents are used for several purposes, including determining the amount of contract rent used for the Housing Choice Voucher program, commonly known as the Section 8 mobile voucher program. This is the amount of rent a landlord can get for a unit occupied by a tenant with a mobile voucher. The tenant pays 1/3 of their income towards rent and the federal government pays the remaining amount to the landlord. Some communities are located in high wealth areas and may be able to charge 110% or 120% of FMR, whereas other communities are of lower wealth and may not be able to charge the full amount, if it is less than market rate rents.

Table 37

2013 FAIR MARKET RENTS (FMR) FOR DANVERS					
	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
FMR	$1,035	$1,156	$1,444	$1,798	$1,955

Source: MassHousing, HUD

Chapter 40B

The Massachusetts Legislature enacted Massachusetts General Law Chapter 40B in 1969 to "help address the shortage of affordable housing statewide by reducing unnecessary barriers created by local approval processes, local zoning and other restrictions" (Citizens' Housing and Planning Association, 2009). Known as the "Comprehensive Permit Law" or "Anti-Snob Zoning Law," 40B has streamlined the permitting process for low- and moderate-income housing projects by allowing developers to apply for a single permit, known as a comprehensive permit, from the Zoning Board of Appeals (ZBA) instead of having to obtain approvals from numerous boards.

To qualify for 40B, projects must meet certain criteria. For example, at least 25% of units must be affordable to households earning at or below 80% of AMI or 20% of units must be affordable to households earning at or below 50% of AMI (Citizens' Housing and Planning Association, 2009). The affordability restrictions must run for at least 30 years. In addition, Chapter 40B can allow developers of 40B projects to circumvent local zoning in communities where less than 10% of their housing inventory is considered affordable.

Subsidized Housing Inventory

The state's Subsidized Housing Inventory (SHI) is used to determine if a municipality has reached the 10% affordable housing threshold. To encourage rental housing development, if at least 25% of units are occupied by Income Eligible Households earning 80% or less than the area median income, or alternatively, if at least 20% of units are to be occupied by households earning 50% or less of area median income, and all criteria outlined for SHI inclusion are met, then all of the units in the rental development shall be eligible for inclusion on the SHI. In determining the number of units required to satisfy either percentage threshold, fractional numbers shall be rounded up to the nearest whole number (e.g. in a 51 unit development, 13 units would be restricted in order to meet the 25% standard). According to the SHI, the Town of Danvers had 11,071 Year Round Housing Units – based on the 2010 Census – and 1,013 SHI units as of August 6, 2013, which equates to 9.15% of all housing units. We have provided in

Appendix A the current SHI and in Appendix B a town map showing the location of all buildings currently on the Danvers SHI. According to Habitat for Humanity of the North Shore, the ownership property with two units at 26 Mill Street is completed and occupied, and the paperwork for the deed-restricted units should be submitted to DHCD to add two additional units to Danvers SHI. The certificate of occupancy for the first phase of Conifer Hill Commons was issued in October and therefore 48 of those units will be eligible to be added to the Danvers SHI. See Appendix A for the actual Town of Danvers' SHI. It is important to note that all of the units on the SHI are not necessarily affordable or below market rate. In rental projects that are permitted under Chapter 40B, all units are counted on the SHI even if only 20% at 50% of AMI or 25% at 80% of AMI of the units are actually affordable to low-income residents.

The table below breaks down these affordable units by tenure and type.

Table 38

SUMMARY OF AFFORDABLE HOUSING IN DANVERS	
Rental	
Family	225
Senior/Disabled	307
DMH/DDS	124
Ownership	
Family	0
Total	656

There are a total of 656 actual affordable housing units in Danvers. This table differs from the state's Subsidized Housing Inventory (explained under "Chapter 40B" above) because the summary table only includes units that are truly affordable and constructed.

Danver's affordable housing can be created in several ways, including Chapter 40B, Inclusionary Housing, and the Affordable Housing Buy-Down Program.

Affordable Rental Housing

The table below shows a summary of all public and private affordable rental housing units in Danvers, according to the type of development, income level and whether is it existing or planned:

Table 39

AFFORDABLE RENTAL UNITS IN DANVERS				
Existing Family Rental				
Development	**30%**	**50%**	**60%**	**80%**
DHA		56		
Endicott Green				65
Avalon Danvers		12		58
14 North				16
Conant Village		18		
Planned Family Rental				
Development	**30%**	**50%**	**60%**	**80%**
Conifer Hill Commons		17	73	
24 Cherry Street		2		
78 Holten Street				1
Existing Elderly/Disabled Rental				
Development	**30%**	**50%**	**60%**	**80%**
Fairweather Danvers			44	
DHA		223		
Thompson House	24			
Putnam Farms**		16		

****Assisted living facility**

State Public Housing

State public housing falls under Massachusetts General Laws Chapter 667 for elderly housing and Chapter 705 for family housing. State-aided public housing generally refers to projects built with 100% state funding (i.e. construction grants or payments to the local housing authority to cover debt service). There are some units whose construction has effectively been paid by the federal Department of Housing and Urban Development (HUD) through annual payments to cover debt service, and some of their operating costs have been paid through Section 8 programs. In elderly housing, occupancy is restricted to households with a member age 60 or older, and in MGL 667 projects up to 13.5% of the units in are available to any age individual with disabilities.

Admission to state public housing is limited to households with net incomes below 80% of AMI. In reality, tenant incomes tend to be far lower than the maximum allowed. There are no asset limits and no citizenship or residency requirements. The amount of rent a tenant pays is based on household income and whether the cost of any utilities (electricity, heat, cooking fuel) is included in the rent. Rent also differs in elderly versus family public housing (Community Resources Information, Inc.)

Currently, tenants in state elderly/disabled public housing typically pay:

- 30% of net income if utilities are included;

- 25% of net income if utilities are separate.

Tenants in state family public housing typically pay:

- 32% of net income if the tenant does not pay for utilities;
- 30% of net income if the tenant pays for some utilities;
- 27% of net income if the tenant pays for all utilities.

DHCD provides operating subsidies for state-aided public housing to help cover deficits. These deficits result from rents being set at a percentage of tenant income and therefore not always cover operating costs. In some cases, DHCD may provide funds for service coordinators to assist tenants in elderly state-aided housing.

Federal Public Housing

Federal public housing refers to public housing that is built with 100% federal (HUD) funds. These projects are subject to federal regulations and receive annual operating subsidies from HUD as well as modernization funds for capital and management improvements as they age. Under current law, 75% - 85% of new openings must go to households earning less than 50% of AMI, with the balance being limited to households earning no more than 80% of AMI. Tenants typically pay 30% of their monthly adjusted income in rent. (Monthly adjusted income is annual income minus allowed deductions.)

Public Housing in Danvers

The Danvers Housing Authority (DHA) manages a total of 277 affordable housing units as shown in the table below. There are 54 family units, of which 36 are federally funded, and 205 elderly/handicapped units, of which 40 are federally funded, and 18 units in group homes. The program manager of the DHA indicated that there is very minimal turnover in public housing units, only 2 family units (3.5%) and 28 elderly units (2%) in the past fiscal year. All units that are on line are 100% occupied. Residents can qualify to live in these units if they earn less than 50% of AMI and pay 30% of their income towards rent. The Housing Authority gives preference to Danvers residents, those who work in Danvers, disabled residents, and veterans.

The housing authority also administers 145 Section 8 mobile vouchers. There is little to no annual turnover for vouchers, and wait time for a voucher is estimated to be 5 to 7 years; the DHA utilizes the MASSNAHRO Centralized Section 8 waiting list for Massachusetts which currently has 132,358 households waiting for a unit (Mansfield, 2013)

Table 40

PUBLIC HOUSING IN DANVERS	
Family units	56
Resident Wait List Time	1 to 3 years
Non-Resident Wait List Time	5 to 7 years
Elderly/disabled units	207
Resident Wait List Time	6 mos. to 2 years

PUBLIC HOUSING IN DANVERS	
Non-Resident Wait List Time	1 to 2years
Group Home	18
Section 8 Mobile Vouchers	145
Wait Time	5 to 7 years
Centralized List	132,358+

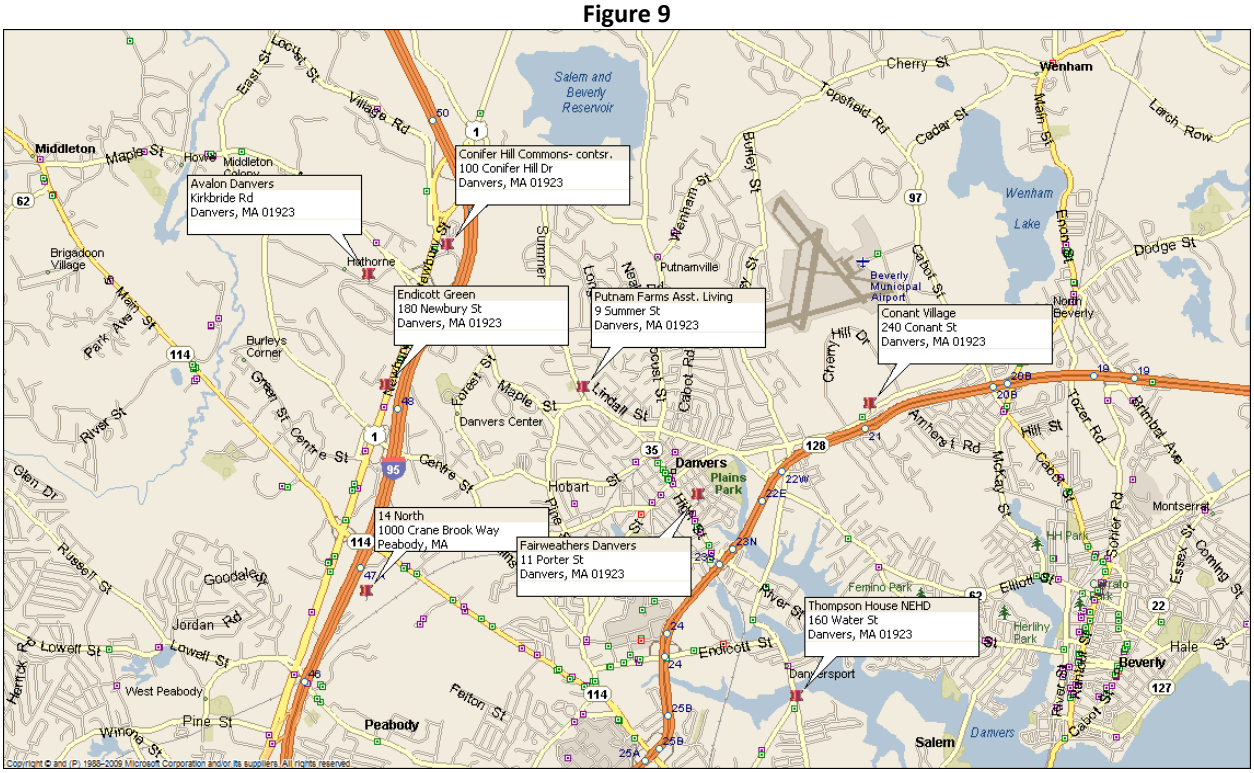
The elderly housing developments include Highland Manor, Hawkes Manor, Maple Street School and Charter Street, Tapley Manor, and Perry Terrace. There are two congregate group homes located on Collins Street and Poplar Street. All of the elderly developments are one floor or two-story walk-up buildings, with the exception of Tapley Manor which has four floors and an elevator. There are 197 applicants on the waitlist for federal elderly disabled units and 455 applicants on the state elderly disabled unit waitlist. Average wait time is at least five years for a non-resident, and one to two years for a resident, depending on veterans' status and mobility needs.

The family housing developments include Rand Circle and Danversport School. There are also scattered site housing units at Stone, Ash, and Fellows Streets. The average wait time for a family unit is one to three years for residents, and five to seven years or more for a non-resident. The wait list for two and three bedroom units at the state development has 207 applicants. The federal waiting list, which includes two, three, and four bedroom units at Rand Circle, has 686 applicants. This long wait is attributed to the limited number of units as well as the tendency of families to stay in their units once they move in, so there is minimal turnover and/or vacancy. According to the program manager at the DHA, two bedroom units are the most frequently requested and have the longest wait time. The DHA is also in the process of redeveloping a home at 24 Cherry Street, received from the town through tax title foreclosure, into two affordable family rental units. This property is further described in the planned affordable rental section below.

Existing Private Affordable Rental Housing

In this section we examine rental housing developments in Danvers that have affordable components. Danvers has four mixed-income properties with market rate and affordable units that were permitted under Chapter 40B, one affordable self-pay senior rental development, one subsidized rental property for hearing impaired individuals, and one senior assisted living rental property which are identified on Figure 9:

Figure 9



Map of developments with affordable units in Danvers

Fairweather Apartments Danvers is an age-restricted development for residents 62 and over. It is considered part of "The Fairweathers," a collection of 327 apartments in four different developments in Danvers, Beverly, Peabody and Salem. Constructed in 1968, the properties were in danger of losing their affordability restrictions, however, Preservation of Affordable Housing (POAH) worked on a financing plan to ensure that affordability was extended through 2037 and beyond. Many capital improvements were made on the properties as a result of this refinancing. Approximately two-thirds of the units at the Fairweathers properties have project-based Section 8 subsidies, and the rest are LIHTC units affordable to households earning at or below 60% of AMI. There are 44 total units at Fairweather Danvers: 26 studio units and 18 one bedroom one bath units. The property manager was not able to say exactly how many units at Fairweather Danvers have a subsidy, but did say it is approximately the same proportion, two-thirds, as the other facilities.

Fairweather Danvers is currently 100% leased and will be fully occupied soon. The average wait time is three to six months for a studio unit and one year or more for a one bedroom. The waiting list includes all income levels, both for the self-pay units and subsidized units, but according to the property manager most of the applicants qualify for the subsidized units and there is a greater demand for these. One bedroom units are most frequently requested. Turnover can vary but is minimal and usually due to someone moving to skilled care. Studio units, which are 380 square feet in size, have self-pay rents of $600 and one bedroom one bath units, which measure 416 square feet, have self-pay rents of $750. Residents in the subsidized units pay one third of their income towards rent. All utilities except phone and cable television

are included in rent. There is a resident service coordinator on site, medical services available as needed, and scheduled activities for the residents (Brianna, 2013).

Thompson House at New England Home for the Deaf is a 24-unit independent living facility located on the campus of New England Homes for the Deaf at 160 Water Street, which also includes a rest home and a nursing home, specifically for hearing impaired individuals. Thompson House was built in 1997, and has all one-bedroom units, three of which are accessible for mobility impaired residents. All units are subsidized through HUD 811 subsidy, so tenants earn below 30% of AMI and pay a third of their income towards rent. Heat and hot water are included in rent. There is an independent living specialist on site for residents, as well as specific services related to hearing impaired, and a community room for resident use. Thompson House is 100% occupied, and there are 24 people on the waitlist. Waiting time for a unit is at least five years, but priority is given to those individuals who are at risk of being institutionalized. According to the property manager, age of residents ranges from 45 to 96. There is no age restriction, but most residents tend to be age 60 and over (Christian, 2013).

Avalon Danvers is a mixed-income development located in the Hathorne neighborhood of Danvers. It was constructed in 2006 using the main historic building of the original Danvers State Hospital. According to the Town Planner, this development and its affordable and market housing mix is a result of a Land Development Agreement between the state of Massachusetts, AvalonBay Development, and the Town of Danvers. Under the agreement, only the 70 affordable units, 16% of the total units, are eligible for inclusion on Danvers Subsidized Housing Inventory. AvalonBay Development also contributed a one-time payment of $500,000 to the Danvers Affordable Housing Trust Fund. There are a total of 433 units, of which 12 are affordable to households earning at or below 50% AMI and 58 are affordable at or below 80% AMI. One bedroom units range in size from 680 to 1,248 square feet, while two bedrooms range from 1,067 to 1,609 square feet and three bedrooms range from 1,265 to 1,978 square feet. Some floor plans are flats and have dens, and some are loft-style. Each unit has a washer and dryer, wall-to-wall carpeting, and standard level finishes. Onsite amenities include a pool, an indoor basketball court, children's playground, a fitness center, and a resident lounge. The table below shows the most current rents at Avalon Danvers:

Table 41

Rents at Avalon Danvers			
	One bed	**Two bed**	**Three bed**
50%	$945	$1,062	$1,180
80%	$1,347	$1,516	$1,798
Market	$1,414 - $1,800	$1,631 - $2,254	$2,018 - $2,535

Rent does not include any utilities. Occupancy for market rate units is 96%, and affordable units are 93% occupied. The waitlist for 50% units has 349 applicants, and the waitlist for 80% units has 130 applicants. With such extensive waitlists, we assume that any vacancy in affordable units is due to units turning over and being filled from the waitlist (Hussein, 2013).

14 North Apartments (formerly Avalon at Crane Brook) was built in 2004 through a comprehensive permit, located on Crane Brook Way on the Danvers- Peabody town line. Originally developed by Avalon Bay, it was later purchased by UDR Communities. It has a total of 387 units, 78 of which are in Danvers and the remaining 309 are in Peabody. Of the total, 20%, or 77 units, are affordable to households earning at or below 50% AMI; 14 of these affordable units are located in Danvers. There are one, two, and three-bedroom flats located in thirteen total buildings on the campus. One bedroom one bathroom units range in size from 746 to 1,271, and rent for $1,374 to $1,720 at market rates. Two bedroom, one bath units are 866 square feet and rent for $1,674, while two bedroom two bath units range from 1,081 to 1,529 square feet and have market rents between $1,782 and $2,021. Three bedroom two bath units are 1,265 square feet and rent for $2,379 at market rate. The property is overall approximately 97% occupied and leased, and the affordable units are 100% occupied. Rents at 50% AMI are $805 for a one bedroom, $907 for a two bedroom unit, and $1,096 for a three bedroom unit. Water and sewer are included in rent; both market rate and affordable tenants pay all utilities. There are approximately 25 residents with Section 8 mobile vouchers throughout the whole complex.

According to the property manager, turnover for the affordable units is minimal, and three bedroom units hardly ever turn over. She finds that most inquiries are for two and three-bedroom units, and wait time is longest for these units due to the low turnover. The affordable units are all occupied and the one-bedroom waitlist has 141 applicants; the affordable two-bedroom waitlist has 208 applicants, and the affordable three-bedroom waitlist has 185 applicants. This list is combined for units in both Peabody and Danvers, and there is at least a one-year wait for an affordable unit. For people seeking affordable housing, the property will often also direct them to other mixed-income UDR properties in the region after placing them on the 14 North waiting list (Lord, 2013).

Endicott Green (formerly residences at Newbury) is a mixed-income multifamily apartment development located at 180 Newbury Street that was built with a comprehensive permit in 2006. It is owned and managed by Northland Residential, and has a total of 256 one- and two-bedroom units, of which 65 are affordable to households earning at or below 80% AMI. One bedroom, one bath units range in size from 772 to 831 square feet, and two bedroom, two bath units range in size from 1,015 to 1,346 square feet. Market rate rents for one bedroom units range from $1,335 to $1,705, and two bedroom market rents range from $1,625 to $2,125. Rents at 80% AMI are $1,079 for a one bedroom unit and $1,218 for a two bedroom unit. Tenants pay all utilities. The property is 98% occupied, and the affordable units are all fully occupied. There are 80 people on the waitlist for affordable units, and according to the property manager most are waiting for two bedroom units. She noted that there are many market rate tenants, especially seniors over the age of 55, who are on the wait list for an affordable unit, so when units become available they look for these tenants first, followed by a preference for Danvers residents. Wait time for an affordable unit is at least one year. There are approximately 12 tenants with Section 8 mobile vouchers, and the property manager mentioned that while some come from Danvers most come from outside the area, including Everett, Cambridge, Lowell, Lynn, and Newburyport. When someone calls looking for affordable housing, they often direct

them to other properties in town, the Danvers Housing Authority or the Town of Danvers, or using the services of Citizens Housing and Planning Association (CHAPA) (Paula, 2013)

240 Conant (formerly Conant Village) is a 40B development with 60 total units, located on Conant Street. It was built in 2003 and is currently managed by Peabody Properties, and is located adjacent to Route 128 in a quiet setting, without many nearby amenities, according to the property manager. It is a combination of 50 two and 10 three bedroom units, each with two baths. There is surface parking included at no charge and optional garage parking available on site, as well as a small playground. Eighteen units are affordable to households earning at or below 50% of AMI and the remaining 42 are market rate. Two bedroom two bath units are 1,000 square feet, and market rents start at $1,525. Three-bedroom, two bath units are 1,398 square feet, and market rent is $1,900. Rents for the affordable units are $1,000 for a two bedroom and $1,175 for a three bedroom. Heat and hot water is included in rent for all tenants. All units are 100% occupied. There is an informal callback list for market rate units as they become available, and a waitlist of approximately 50 people for the affordable units. The property manager estimates that one affordable unit turns over per year, and that two bedroom units are the most frequently requested unit type. He stated that very few residents have Section 8 mobile vouchers. When people call looking for affordable housing, they will often direct them to other Peabody properties in the region, as well as other properties with affordable units within Danvers (Scott, 2013).

Putnam Farms at Danvers (formerly Heritage at Danvers) is an assisted living facility located at 9 Summer Street. Built in 1997 through a comprehensive permit, Putnam Farms has 80 total units age-restricted to 55 and over, 20%, or 16 units, of which are considered affordable to households earning at or below 50% AMI. Since this is an assisted living facility rather than simply a rental development, monthly costs include utilities, housekeeping, laundry, meals, activities, transportation, medication administration and personalized medical care. Market rate monthly costs are approximately $5,000 to $6,000, but can be much more depending on the level of care an individual needs. Affordable monthly cost is $2,200, and all affordable units are occupied. There are approximately 80 people on the waitlist for an affordable unit, and the wait time for an affordable unit is approximately 2.5 years. There is a wide range of age of residents, from mid 50s through late 90s, but the average age is 87. According to the community relations director, they get many phone calls for affordable units from people around age 50, but due to the long wait and the higher average age, many choose to look elsewhere. Putnam Farms will often direct those seeking affordable housing to the Housing Authority (Carolyn, 2013).

Planned Affordable Rental Housing

There are two rental developments under construction in Danvers that will contain affordable units: Conifer Commons, being built by Kavanaugh Advisors, and units at 24 Cherry Street, built by Danvers Housing Authority. We did not learn of any planned or permitted but not yet built projects. All in all, these projects will add a total of 92 affordable family rental units to the supply in Danvers, once built and occupied.

Conifer Commons is a 90-unit 100% affordable rental housing development located at 100 Conifer Hill Drive. The site is located close to I-95, and is relatively isolated. It is being developed by Kavanaugh Advisors in two phases, the first with 48 units and the second with 42 units. Phase I of Conifer Commons is set to have the Certificate of Occupancy in mid-October 2013, and the second Phase is scheduled for occupancy in mid-December 2013. The Town of Danvers contributed approximately $100,000 in available HOME funds towards this development. The full property will have 21 one bedroom one bath units, 57 two bedroom one bath units, and 12 three bedroom one and three-quarter bath units. An additional 12 units will have special accessibility and will be for Department of Mental Health clients. Buildings will be designed townhouse-style in three-story walk-up buildings, with units on the first floor having private entrances and units on the second and third floors sharing an entrance. The property has landscaping, open green space, one community room, and two playgrounds on site, as well as ample surface parking included in rent (Violi, 2013). Maloney Properties is handling the marketing and the lottery for both phases. According to Maloney, the lottery for all 90 units was conducted on August 27, 2013. They handed out approximately 300 applications to interested individuals for the lottery, and received approximately 180 completed applications. The table below shows unit breakdown by affordability level, unit type, size, and the number of applicants they have received for each unit type:

Table 42

Units and Lottery at Conifer Commons					
Affordability/Subsidy	**Unit Type**	**Number**	**Sq Ft**	**Rent**	**# Lottery Applicants**
50% AMI DMH	Varies	12	Varies	30% Income	N/A
50% AMI HOME	One bed one bath	1	585-635	30% Income	35
50% AMI Section 8	Two Bed one bath	2	872-935	30% Income	83
50% AMI Section 8	Three bed 3/4 Bath	2	1,030-1,078	30% Income	45
60% AMI	One bed one bath	8	585-635	$922	16
60% AMI	Two Bed one bath	55	872-935	$1,102	45
60% AMI	Three bed 3/4 Bath	10	1,030-1,078	$1,265	19

Rents at 60% AMI include costs for water and sewer, and tenants are responsible for heat, hot water, and electric. As of October 3, 2013, they are still receiving applications and are reviewing and qualifying residents. They have also received inquiries from several households with Section 8 mobile vouchers. The representative from Maloney also noted that they received several applications from households for the 60% units who were over income, but still within the 60% to 70% AMI range (Thelen, 2013).

24 Cherry Street is a property taken through tax title by the town and designated as use for affordable housing. It is being developed by the housing authority into two multifamily affordable units. The Town has contributed $163,000 in available HOME funds for the rehabilitation of this property. It will have one two bedroom and one four bedroom rental units

that will have project based vouchers and be rented to households earning at or below 50% of AMI. Construction is expected to be completed in February 2014.

78 Holten Street is a redevelopment project on the site of a former Methodist Church. It is currently under construction. The proposed plans include retail and restaurant/café space on the first floor, with six residential rental units on the top two floors. One unit will be designated affordable to households earning at or below 80% of AMI, per an agreement between the developer and the Zoning Board of Appeals (Fletcher, 2013).

Market-Rate Rental Housing

In order to provide a comparison of market rate rents to affordable rents in the community, we have provided average market rate rents from the four mixed income rental developments in Danvers including Avalon Danvers, 14 North, Endicott Green, and 240 Conant. All are very new, having been built since 2000. Avalon Danvers is the largest, at 433 units, while 240 Conant is the smallest at 60 units.

Table 43

MARKET RATE RENTAL RATES					
	Avalon Danvers	**14 North**	**Endicott Green**	**240 Conant**	**Average**
Age	7	9	7	10	
Total Units	433	78*	256	60	
Affordable Units	70	14*	65	18	
Market Rate Units	363	64*	191	42	
1BR Rent	$,1414-$1,800	$1,374 - $1,720	$1,335 - $1,705	N/A	**$1,558**
SqFt	680 - 1,248	746 - 1,271	772-831	N/A	**925**
$/SqFt	$1.39 - $2.15	$1.35 - $1.84	$1.72 - $2.05	N/A	**$1.75**
2BR Rent	$1,631 - $2,254	$1,674 - $2,021	$1,625 - $2,125	$1,525	**$1,836**
SqFt	1,067 - 1,069	866 - 1,529	1,015 - 1,346	1,000	**1127**
$/SqFt	$1.53 - $1.92	$1.32 - $1.93	$1.58 - $1.60	$1.53	**$1.63**
3BR Rent	$2,018 - $2,535	$2,379	N/A	$1,900	**$2,208**
SqFt	1,265 - 1,978	1,265	N/A	1,398	**1477**
$/SqFt	$1.09 - $1.71	$1.88	N/A	$1.36	**$1.51**

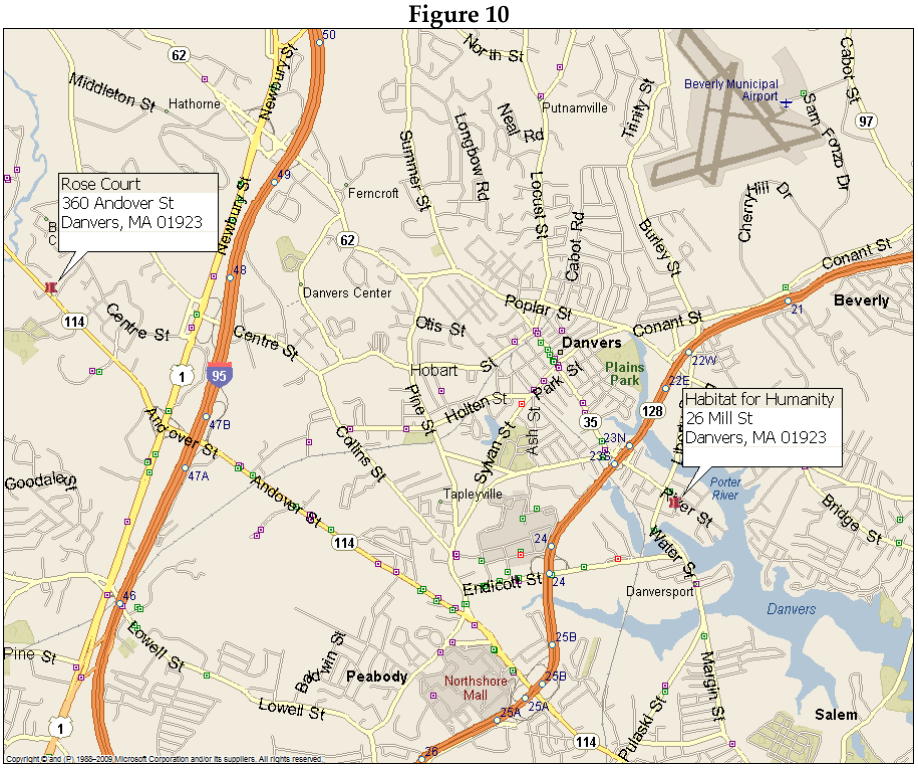
*Indicates units located in Danvers only

Market rate rents at the properties range from $1,335 to $$1,800 for a one bedroom unit, averaging $1,558; from $1,525 to $2,254for a two bedroom unit, averaging $1,836; and from $1,900 to $2,535 for a three-bedroom unit, averaging $2,208. All are very similar in terms of amenities, and reported high occupancies (Paula, 2013) (Lord, 2013) (Scott, 2013) (Hussein, 2013). Please note that we understand the higher rents at Avalon may be based on shorter term leases, and the lower rents are based on a twelve month lease.

Affordable Homeownership

There are no affordable homeownership units listed on the Subsidized Housing Inventory for Danvers. There are two affordable homeownership developments currently under construction, further described below in the proposed section below that will add up to 20 affordable homeownership units once built and occupied. There is also a condominium development that has proposed to build one offsite affordable homeownership unit to fulfill the Inclusionary Zoning requirements. The locations of the proposed homeownership units are shown in the map below:

Figure 10



Planned Affordable Ownership Housing

There is one recently completed affordable homeownership project with two units at 26 Mill Street which has not yet finished closing, but is currently occupied. There is also a 71-unit condominium development that is under construction; 18 of these units will be affordable, 1 off site unit in connection with Riverview and one tax title foreclosure on Coolidge. If all units are completed and occupied, it will add 22 affordable homeownership units to Danvers' housing supply. We have provided additional detail about these projects below:

Habitat for Humanity at 26 Mill Street has completed construction on a two-family duplex homeownership development, with some funding also coming from HOME funds. The units are affordable to households earning between 40% and 60% of AMI, and have deed restrictions to remain affordable. Both units are three bedroom units. As of mid-September, according to Don Preston of Habitat for Humanity North Shore, the units have been completed and are

occupied by two income qualified families with children. The closing paperwork has not yet been completed yet so the units are not yet on the SHI (Preston, 2013).

The Residences at Rose Court is a condominium development located at 356-360 Andover Street, permitted under Chapter 40B. The planned property consists of 71 flats in two buildings, being constructed in two phases. Of the total units, 18 will be affordable to homeowners earning up to 80% of AMI, with 9 affordable units in each phase. There are one, two, or three-bedroom floor plans available: one bedroom units range from 1,065 square feet to 1,204 square feet, two bedroom units range from 1,158 to 1,316 square feet, and three bedroom units measure 1,459 square feet. According to the website for the development, market rate unit asking prices range from $297,999 to $399,999. The first phase is scheduled to be completed in late November 2013, with final certificate of occupancy issued in December 2013 and closings for all units occurring around the same time. Phase II is scheduled to be completed in late Spring 2014. The Rose Court campus includes a fitness center, garden, and walking path. Units will have washer and dryer hookups. The development was originally permitted for rental, but the developer decided to go to a condominium ownership structure prior to starting construction. Fourteen of the 18 affordable units are two bedroom two bath units; the rest are two one-bedroom one bath units and two three-bedroom two bath units. Affordable unit pricing is as follows: $168,500 for a one bedroom unit, $189,750 for a two bedroom unit, and $208,000 for a three bedroom unit. Condominium fees are $113.08 for a one bedroom, $138.07, and $149.56 for a three bedroom unit, although it will vary slightly depending on unit size (Rose Court Condominiums).

According to Jill Onderdonk of JWO Consulting, who is managing the lottery for the affordable units, there was a lottery for the first 9 affordable units in June 2014. They received 12 applications for the initial lottery, of which seven households where income qualified, and are still taking applications for the remaining two units in the first building**.** Qualified buyers are a combination of senior empty-nester households, and young professionals and young families. Of the applicants that did not qualify, most were older households who may have been income qualified but were over the asset limit (Onderdonk, 2013).

Danvers Riverview LLC is building 11 townhouse-style condominium units at the site of the former Riverview Marina. Each unit will have a deeded boat slip included with purchase. All will be high-end luxury finishes sold at market rates, and in order to fulfill the inclusionary zoning requirement, the developer has agreed to build two additional three bedroom affordable units offsite at 1 Venice Street. The pricing of the market rate units and the location and income limits of the affordable units are to be determined (Town of Danvers Planning Dept., 2013).

55 Coolidge Road. The DAHT is scheduled to acquire this property out of tax title foreclosure in October 2013 at a purchase price of $47,900.34. The DAHT is conducting a request for bids for the property that are due on November 8, 2013 and the hope is that they will be able to turn the property over to a developer of affordable homeownership units.

Market-Rate Ownership Housing Pricing and Sales Analysis

The chart below shows the median sales price of single-family homes in Danvers, Essex County, and the state for the period January through June of the year noted (The Warren Group, 2000-2013). It illustrates that sales prices in Danvers have largely declined since a high in 2007, similar to the trend in the county and the state during the same time. The median sales price in Danvers increased significantly, by 11% from 2011 to 2012, and stayed the same through 2013. Prices in Danvers have historically been higher than those in Essex County or Massachusetts, as they have not fallen below $300,000 since 2001. In reality, while there has been an overall decrease of 13.5% of single family home values in Danvers since 2007, prices remain higher than the county and the state.

Table 44

MEDIAN SALES PRICE OF SINGLE FAMILY HOMES						
January - June	**Danvers**		**Essex County**		**MA**	
Year	**Price**	**% Change**	**Price**	**% Change**	**Price**	**% Change**
2013	$340,000	0.00%	$337,000	9.77%	$315,000	12.10%
2012	$340,000	10.93%	$307,000	-1.60%	$281,000	-1.75%
2011	$306,500	-2.47%	$312,000	-2.16%	$286,000	-2.72%
2010	$314,250	-1.49%	$318,900	8.29%	$294,000	6.91%
2009	$319,000	-10.64%	$294,500	-15.83%	$275,000	-12.70%
2008	$357,000	-9.21%	$349,900	-7.19%	$315,000	-9.22%
2007	$393,200	3.49%	$377,000	0.53%	$347,000	-0.86%
2006	$379,950	-2.58%	$375,000	-2.01%	$350,000	-0.57%
2005	$390,000	6.25%	$382,700	7.05%	$352,000	6.67%
2004	$367,063	3.40%	$357,500	8.33%	$330,000	10.04%
2003	$355,000	14.89%	$330,000	10.00%	$299,900	13.17%
2002	$309,000	9.96%	$300,000	11.15%	$265,000	14.25%
2001	$281,015	12.41%	$269,900	8.20%	$231,950	10.54%
2000	$250,000	9.17%	$249,450	17.67%	$209,834	16.18%

Source: The Warren Group

The next table shows the number of single family home sales in Danvers since 2000, for the period of January through June. Sales in Danvers decreased significantly each year between 2005 and 2009, and then doubled between 2009 and 2010, reaching a high of 108 sales. Since 2010, the number of sales has dropped slightly, 17%, but is remaining around pre-2008 numbers (The Warren Group, 2000-2013). When comparing the trends in Danvers to Essex County and the state, the number of sales in Danvers appears to have bounced back quicker after the housing crisis.

Table 45

NUMBER OF SALES- SINGLE FAMILY HOMES						
January - June	Danvers		Essex County		MA	
Year	Sales	% Change	Sales	% Change	Sales	% Change
2013	89	-6.32%	2,414	5.32%	21,659	0.12%
2012	95	35.71%	2,292	25.59%	21,633	22.55%
2011	70	-35.19%	1,825	-24.21%	17,653	-18.11%
2010	108	100.00%	2,408	32.31%	21,558	27.73%
2009	54	-21.74%	1,820	-10.34%	16,878	-10.76%
2008	69	-22.47%	2,030	-18.99%	18,913	-17.23%
2007	89	-1.11%	2,506	-3.73%	22,851	-8.07%
2006	90	-12.62%	2,603	-15.40%	24,856	-10.99%
2005	103	28.75%	3,077	11.65%	27,926	-4.76%
2004	80	-14.89%	2,756	5.03%	29,321	21.33%
2003	94	-5.05%	2,624	-6.65%	24,166	-11.55%
2002	99	-3.88%	2,811	0.32%	27,321	7.06%
2001	103	13.19%	2,802	-6.54%	25,520	-9.37%
2000	91	-6.19%	2,998	-7.04%	28,158	-8.11%

Source: The Warren Group

The chart below shows the median sales price of condominium units in Danvers, Essex County, and the state for the period January through June of the year noted. Median sale prices of condominiums in Danvers have also historically been much higher than the median for Essex County, but tend to be similar to or slightly less than the median for Massachusetts. Median price in Danvers for condominiums for the period of January through June reached a peak in 2005 at $300,000, and have not yet reached this price again. Prices fell steadily since 2007, with an increase in 2011. Condominium prices in Danvers tend to have greater fluctuation than that of the county or state, and are currently still well below both the 2005 peak and the Massachusetts median (The Warren Group, 2000-2013).

Table 46

MEDIAN SALES PRICE OF CONDOMINIUMS						
January - June	Danvers		Essex County		MA	
Year	Price	% Change	Price	% Change	Price	% Change
2013	$247,500	4.43%	$205,000	3.54%	$284,000	3.27%
2012	$237,000	-13.03%	$198,000	4.50%	$275,000	3.38%
2011	$272,500	12.46%	$189,475	-5.26%	$266,000	2.70%
2010	$242,300	-0.29%	$200,000	3.09%	$259,000	5.71%
2009	$243,000	1.25%	$194,000	-14.16%	$245,000	-11.55%
2008	$240,000	-18.64%	$226,000	-5.83%	$277,000	-1.07%
2007	$295,000	8.86%	$240,000	-3.23%	$280,000	-1.41%

MEDIAN SALES PRICE OF CONDOMINIUMS						
January - June	Danvers		Essex County		MA	
Year	Price	% Change	Price	% Change	Price	% Change
2006	$271,000	-9.67%	$248,000	1.22%	$284,000	1.79%
2005	$300,000	10.09%	$245,000	7.50%	$279,000	8.98%
2004	$272,500	0.96%	$227,900	6.00%	$256,000	11.79%
2003	$269,900	32.63%	$215,000	16.22%	$229,000	10.63%
2002	$203,500	-5.52%	$185,000	19.16%	$207,000	23.80%
2001	$215,400	51.61%	$155,250	12.15%	$167,200	15.31%
2000	$142,075	2.21%	$138,425	15.35%	$145,000	12.40%

Source: The Warren Group

The table below shows the number of condominium sales each year since 2000 (The Warren Group, 2000-2013). Condominium sales in Danvers have decreased 50% since 2003 for the period of January through June, a larger decline than both the county and the state. However, Danvers has seen much higher year over year increase for 2012 and 2013, 33% and 43% respectively, than Essex or Massachusetts. This could be an indicator of increasing confidence and interest in buying again in Danvers.

Table 47

NUMBER OF SALES- CONDOMINIUMS						
January - June	**Danvers**		**Essex County**		**MA**	
Year	**Sales**	**% Change**	**Sales**	**% Change**	**Sales**	**% Change**
2013	40	42.86%	909	7.83%	8,750	1.64%
2012	28	33.33%	843	15.16%	8,609	23.14%
2011	21	-53.33%	732	-29.82%	6,991	-27.94%
2010	45	55.17%	1,043	34.75%	9,702	30.26%
2009	29	-25.64%	774	-27.26%	7,448	-24.14%
2008	39	18.18%	1,064	-31.84%	9,818	-28.51%
2007	33	-50.00%	1,561	-13.47%	13,733	-6.72%
2006	66	-8.33%	1,804	-17.13%	14,722	-8.35%
2005	72	12.50%	2,177	49.21%	16,064	20.95%
2004	64	-20.00%	1,459	5.88%	13,281	22.61%
2003	80	60.00%	1,378	16.98%	10,832	-9.45%
2002	50	-36.71%	1,178	-6.80%	11,963	14.76%
2001	79	46.30%	1,264	5.51%	10,424	-4.24%
2000	54	-11.48%	1,198	0.25%	10,885	-0.06%

Source: The Warren Group

Multiple Listing Service

We examined information on the Multiple Listing Service (MLS) to get a more detailed analysis of the current housing market and recent home sales in Danvers. We looked at data on current

listings, as well as listings for properties sold within the last 6 months and sold between 6 and 12 months ago , for both single family homes and condominiums (i.e. September 2012 through March 2013 and March 2013 through September 2013). We looked at the high, low and average sales price, as well as homes sold in particular price ranges. In addition, we looked at the selling period and/or days on market ("DOM"). The first table shows a summary of single family home sales in Danvers for the time periods indicated:

Table 48

SINGLE FAMILY HOME SALES IN DANVERS- MLS			
	Currently For Sale	**Sold within Last 6 Months**	**Sold Between 6 and 12 Months Ago**
Total Units	49	111	78
Low DOM	3	1	4
High DOM	727	618	368
Average DOM	103	66	101
Low Price	$229,651	$192,000	$155,000
High Price	$899,000	$770,000	$785,000
Average Price	$489,781	$404,477	$375,904
Less than $250,000	1	2	5
$250,000 - $350,000	12	48	36
$350,001 - $450,000	12	33	20
$450,001 - $550,000	9	11	10
$550,001-$750,000	11	14	5
More than $750,000	4	3	2

As the table illustrates, there were 111 single family home sales in Danvers during the last six months, compared to 78 during the previous six months, and we found 49 homes currently listed for sale. Homes sold within the last six months spent less time on the market on average, 66 days, than homes did during the prior six months, 101 days. The average sales price of homes sold within the last six months is higher than the previous six months at $404,477, and the average price for homes sold between six and twelve months ago is $375,904. Homes currently listed for sale have an average asking price of $489,781. The low selling price increased during the last six months from the prior six months, and the lowest asking price of the houses for sale at the time we conducted the search on MLS was over $200,000. The majority of homes in all of the time periods we examined, including current listings, are priced at or sold for a price within the $250,000 to $450,000 range. However, the percentage of homes selling for over $550,000 increased from 9% to 15% during the last six months, from the six months prior. Of the current listings, 31% or 15 homes, are asking over $550,000. While there are consistently some homes available at low to moderate prices, the trend in asking and selling prices indicates an upward trend that could price out many lower-income potential homeowners.

The next table shows a summary of condominium sales in Danvers:

Table 49

CONDOMINIUM SALES IN DANVERS- MLS			
	Currently For Sale	Sold within Last 6 Months	Sold Between 6 and 12 Months Ago
Total Units	39	57	43
Low DOM	5	5	4
High DOM	379	547	403
Average DOM	116	135	121
Low Price	$95,000	$52,500	$84,500
High Price	$649,900	$474,000	$410,000
Average Price	$349,883	$255,949	$242,384
Less than $200,000	4	16	13
$200,001 - $250,000	6	10	10
$250,001 - $300,000	5	11	9
$300,001-$350,000	7	12	8
$350,001 - $400,000	9	1	2
More than $400,000	8	7	1

The average days on market of condominium units in Danvers has been increasing in the last year according to MLS. Units that were sold between six months and twelve months ago spent between 4 and 403 days on the market, averaging 121 days. However, units sold within the last six months were on the market between 5 and 547 days, with an average of 135 days on market. Units currently for sale have spent between 5 and 379 days on market, averaging 116 days. This could be due in part to the increased inventory of new condominium units currently available. Compared to the pricing for single family homes, the price of condominium units tend to be more affordable, since the average sales price of units sold within the last six months is $255,949. There is a very wide range of condominium prices listed on MLS during the time periods we examined, with some even listed at or selling for less than $100,000.

Upon further inspection, these lower-priced units are all very small one-bedroom condominiums. While potentially a good opportunity for a first-time homebuyer, they would not be feasible for a family. The average sales price for a condominium was $255,949 during the last six months, compared to $242,384 during the previous six months. Currently listed units have an average asking price of $349,883 because many are newly built units as noted below. The majority of condominiums that sold within the last six months sold for less than $250,000, as were the majority of the sales during the prior six months. The majority of currently listed units, or eight units, are asking for above $400,000, an increase over the proportion of units in this price range during the last six months, and a significant increase over the proportion sold between six to twelve months ago at this price. It is also important to consider the additional burden that condominium association fees at these properties can add to a household's monthly

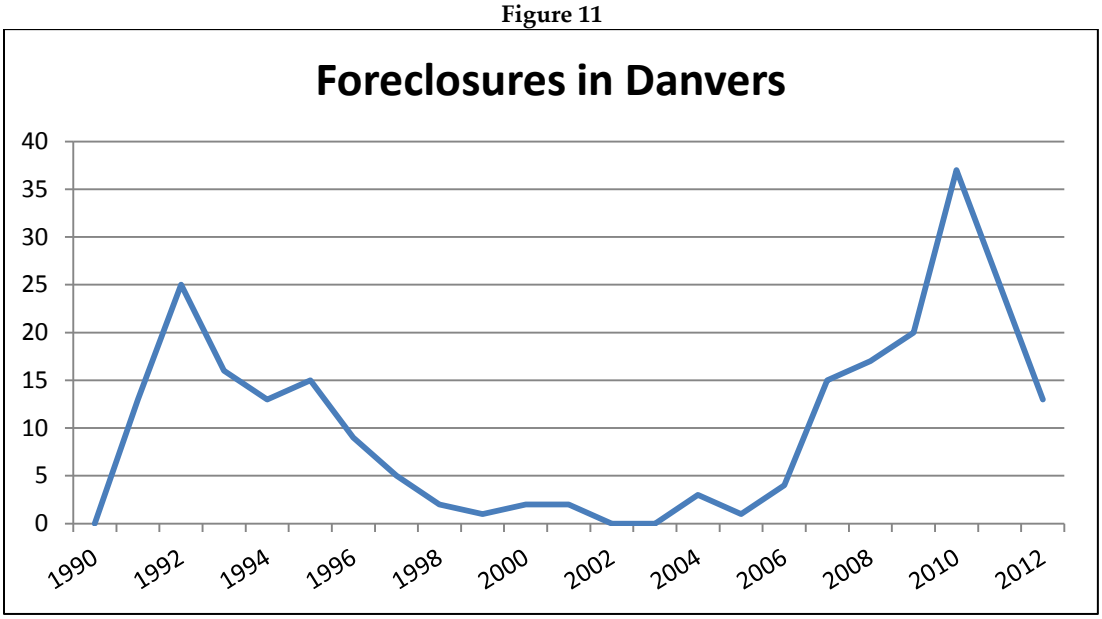
housing costs. For the 57 properties sold within the last six months, monthly condominium fees ranged from$75 to $434 per month, with one unit not requiring a fee, and for the 43 units sold during the six months prior, monthly fees ranged from $56 to $471. These additional monthly costs can drive up the monthly costs for a household of a condominium unit and beyond what a household at an affordable income level can afford.

There are 15 current active market rate listings for condominiums built in 2012 or 2013, all of which are two or three bedroom units; of these, five are located in the Rose Landing complex, described above, and five are located in an age-restricted market rate condominium complex built by Aria on the site of the former Danvers State Hospital. These listings average $426,233, and range from $314,999 to $649,900. Therefore, based on sales prices, it appears that many of the existing condominium units are older in Danvers and priced considerably lower than the newly built units which are listed at significantly higher asking prices (Multiple Listing Service, 2013).

Foreclosure Data

The charts below show data from the Federal Reserve Bank of Boston on foreclosures in Danvers and Massachusetts. The first chart shows the number of foreclosures in Danvers each year since 1990. As illustrated, the number of foreclosures in Danvers was very low from 1996 through 2006, and then increased steadily before reached a high of 37 in 2010. The number has decreased year over year since 2010.

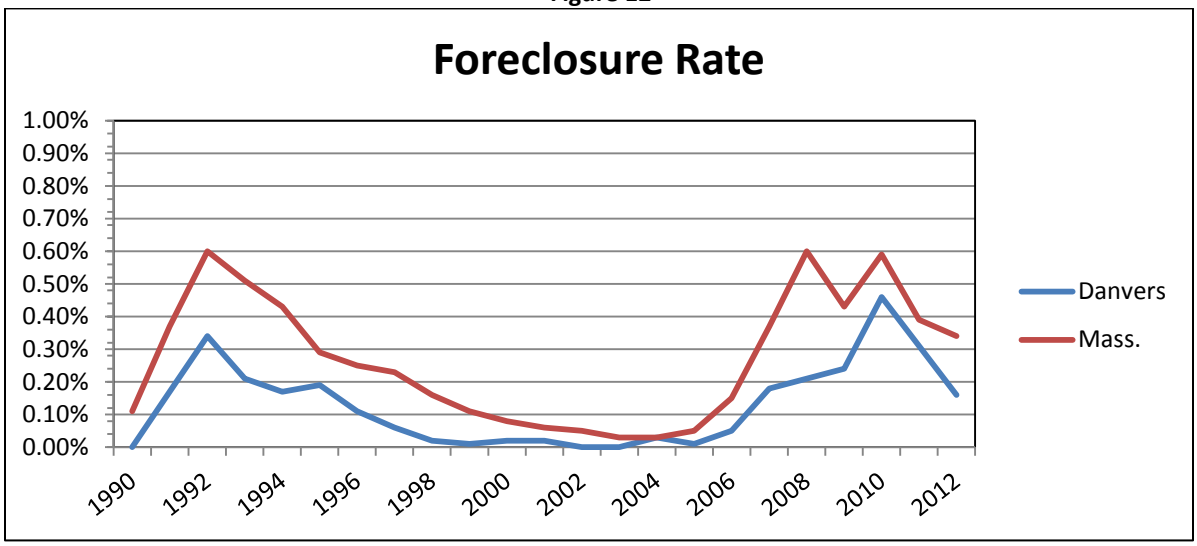
Figure 11



The next chart shows the foreclosure rate in both Danvers and Massachusetts since 1990. According to the Federal Reserve Bank, the foreclosure rate is calculated as the percentage of foreclosures out of the total number of housing parcels in the specified area. The foreclosure rate in Danvers mirrors the same trend as Massachusetts, but has historically been lower, never

going above 0.5% even during the housing crisis. When the foreclosure rate in Massachusetts hit 0.6% in 2008, Danvers was still approximately at 0.2%, before increasing through 2010. Danvers has also made a sharper decline between 2011 and 2012. This is an indicator that the housing market in Danvers is relatively stable, even during and after the economic downturn (Federal Reserve Bank of Boston, 1990-2012).

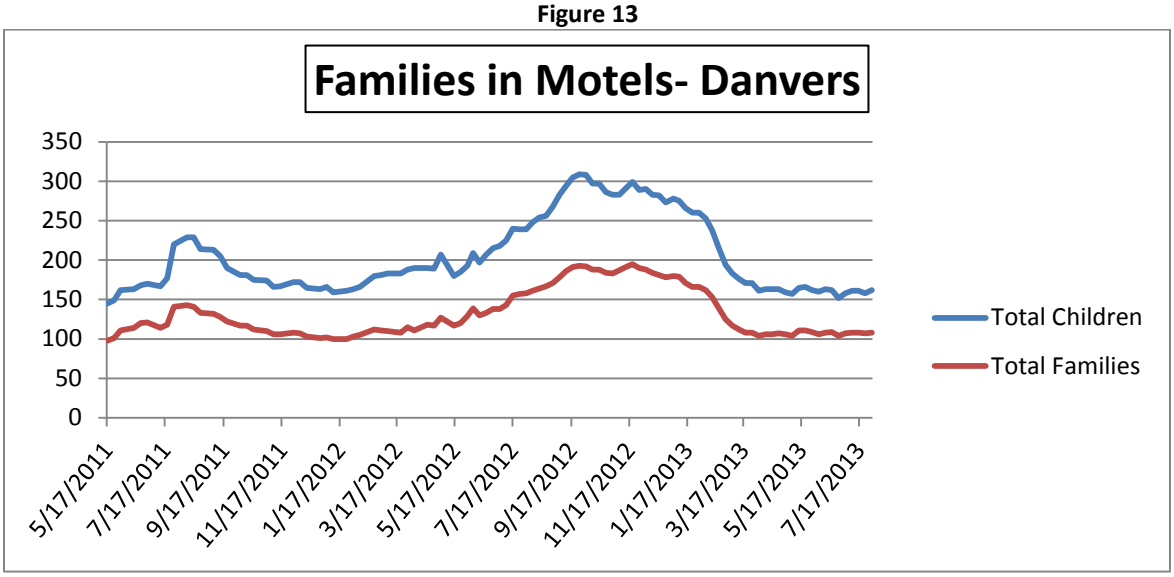
Figure 12



Families in Motels

Danvers, like many other communities in Massachusetts, has a high number of homeless families living in motels and hotels. As of September 2013, more than 2,000 families across the Commonwealth are living in motels thanks to rental assistance through the state-funded Emergency Assistance Program (CHAPA, 2013). While this is a significantly better situation than being completely homeless, this is still not the ideal home stability situation for these families, and indicates a need for additional affordable, quality permanent housing. The following chart shows the total number of children and the total number of families living in motels in Danvers, counted every one to two weeks between May 2011 and July 2013.

Figure 13



The number of families in motels in Danvers reached a high in the later part of 2012 at over 300, and has decreased in 2013. The total number of children tends to be about one and a half times the number of families. Since March 2013, the number of families in motels has remained steady at around 100 (Fletcher, 2013). The consistently large number of families in transitional housing in motels indicates a need for more affordable permanent options for families in Danvers. The Program Manager at the Danvers Housing Authority stated that a few years ago, they saw an increase in the number of families living in motels applying for housing, but that it has decreased somewhat recently. She noted that most of the time, when they do get to these families on the waitlist, they are no longer living in the motel and have moved on (Mansfield, 2013).

Section 6: Stakeholder Interviews

In order to add some context to our statistical review of affordable housing needs, LDS conducted interviews with 20 community stakeholders to get their perspective on affordable housing needs in the Town of Danvers. They included representatives from local and regional civic, religious and social service organizations as well as municipal committees and major employers. Representatives from the following organizations, committees, and businesses were interviewed:

All Saints Episcopal Church
Century 21 Real Estate
Danvers Housing Authority
Danvers Council on Aging/ Senior Center
Del Realty
East Boston Savings Bank
First Baptist Church
Habitat for Humanity North Shore
Harborlight Community Partners
LifeBridge
Massachusetts Dept. of Development Services (DDS)- Northeast Region
North Shore Chamber of Commerce
North Shore Community Action Programs (NSCAP)
North Shore Community College
North Shore Community Development Coalition
North Shore Elder Services
Northeast Community Bank
People to People Food Pantry
St. Mary of the Annunciation Church
Town of Danvers, Veterans' Services

Many stakeholders that we spoke to are involved directly or indirectly with affordable housing matters in the community. There are a few, including Habitat for Humanity, Harborlight, and North Shore Community Development Coalition, that develop or manage affordable housing on a regional basis. LifeBridge is an organization that serves the homeless population of the North Shore region through emergency shelter, a community meals program, and transitional support services, including job training. Others provide support and assistance searching for housing in addition to other supportive services, such as North Shore Elder Services, or serve populations looking for or living in subsidized or affordable housing, like the First Baptist Church, the Department of Developmental Services, or Veterans' Services. Still others may not be involved with affordable housing, but through personal or professional experiences as major community organizations they have gained perspective on housing needs in Danvers, such as in the real estate field or as major employers.

The majority of the stakeholders we spoke to were unaware that the Town of Danvers is in the process of creating an Affordable Housing Production Plan, and the few that were familiar with the idea did not know much about it.

Overall, the general consensus of the stakeholders we interviewed was that the existing affordable housing in Danvers is inadequate, in terms of both the amount of product and the quality and affordability. A few mentioned complaints and concerns with the physical buildings in both older and newer affordable housing units, although on the other hand some feel that the existing units are well-managed and of decent quality. Some that work with specific populations, such as elderly, special needs, or veterans, emphasized more housing choices for these populations, but all agreed that more affordable housing overall is needed for all segments of the population. One stakeholder stated that since the beginning of the economic downturn, more and more people today are struggling financially, including many more seniors who may have lost significant savings during the recession and are now on a fixed income. The housing market in Danvers, as compared to many other places in the state and across the country, weathered the housing crisis very well; as a result, prices did not fall much and are now increasing once again. Combined with the fact that Danvers is a desirable community, this is pricing out many young families and people of retiring age who would like to stay in the community.

Some stakeholders feel that the amount of existing affordable rental housing in Danvers, while still not meeting total demand, is making strides towards addressing the current needs. They indicated that a focus on affordable homeownership aimed at serving existing Danvers residents should be the next goal; for example, many stakeholders applauded the Town's recent acquisition of the property on Woodvale Road designated to be redeveloped into an affordable homeownership unit for a Danvers family. Still others indicated that at least some of the demand for elderly units is being met through the existing senior housing stock, although most mentioned the high waiting lists at the facilities as well as a lack of accessible units or elevator buildings as signs that more is needed. One stakeholder felt that trends in the past five years show a positive increased effort on the part Town to create more affordable housing and address high pricing concerns.

While there are more subsidized age-restricted and disabled-restricted developments in Danvers than family units, stakeholders who work with senior and disabled populations consistently see a need for more housing for their clients. For the disabled and special needs populations, Danvers is seen as a community where they can live mostly independently, thanks to the walkability of downtown and the variety of services, amenities, and activities available. However, special needs service providers have struggled to find units for clients in Danvers. There are several group homes in the town, but with so little turnover there is little to none available. One suggestion is to continue to form partnerships between services providers for mentally ill and disabled residents and housing services or developers. Many stakeholders mentioned lack of public transportation as a challenge for lower income households.

Stakeholders from a variety of industries and organizations were concerned with the high number of homeless families living in motels, emphasizing the substandard conditions, impact on town resources, and inability of these families to afford other housing in Danvers.
Based on comments regarding families and motels and responses to questions, a majority stakeholders seem to believe that subsidized and affordable units specifically for formerly homeless, very low income, and low income families is the where there is the greatest need for more affordable housing units in Danvers.

Rental units at affordable rents are continuously in demand in Danvers, according to most of the stakeholders. Market rents in Danvers are too expensive for many families and individuals, increasing the demand for affordable units, and are increasing regularly. Combined with the number of families living in motels in dire need of stable permanent housing, the need for affordable rental family housing is evident. Rental housing that offers supportive services, especially for seniors, mentally ill, and disabled residents appears to be an area of need in Danvers as well based on stakeholder responses.

Given the variety of populations served by the stakeholders we spoke to, it is not surprising that many different needs for affordable housing were indicated. All stakeholders agree that housing in Danvers, especially for existing long-term residents of all ages, is priced out of the reach of many and affordable housing needs should be addressed. Some stakeholders are concerned that existing Danvers residents are struggling to find an affordable unit and stay in the community.

Section 7: Demand Analysis

Affordability Gap

The following demand analysis assesses the gap between home sales prices and rental rates in Danvers and the amount of housing costs low-income homeowners and renters can actually afford. It uses the 2013 income limits for affordable housing in Danvers, which were shown in Table 35. The 80% income limits are provided below:

Table 50

2013 HUD INCOME LIMITS FOR AFFORDABLE HOUSING IN DANVERS						
Area Median Income	**1 Person**	**2 Person**	**3 Person**	**4 Person**	**5 Person**	**6 Person**
80% AMI	$47,150	$53,900	$60,650	$67,350	$72,750	$78,150

Source: Massachusetts Housing Partnership

To better understand whether Town of Danvers employees qualify for low-income housing, we have examined average annual salaries for several areas of municipal employment. As the table below illustrates, the average annual salary of a school teacher in Danvers Public Schools is $71,131 (Delaney, 2013). That exceeds the 80% AMI income limit for a one-, two-, three-, and four-person household in Danvers, which means local school teachers, on average, do not qualify for low-income housing in the community. Similarly, Danvers police officers, who make an average annual salary of $104,740, do not likely qualify. (This is not to say that individual teachers or police officers with lower salaries would not qualify for affordable housing in Danvers.) Town Hall staff members, on the other hand, have an average annual salary of roughly $45,414, which means they likely qualify if they are a two-person household and/or they are the only wage earner in the household.

Table 51

AVERAGE SALARIES FOR TOWN OF DANVERS EMPLOYEES	
Teachers	$71,131
Firefighter	$79,916
Town Hall administrative staff	$45,414

Source: Danvers Human Resources.

Homeownership

As stated previously, the state considers homeownership to be affordable if no more than 30% of a household's income is paid toward housing expenses. This 30% threshold includes not only principal and interest payments – or monthly mortgage costs – but also property taxes, homeowner insurance, private mortgage insurance and any homeowner or condo association fees. In addition, DHCD encourages cities and towns to set affordable sale prices below 80% of AMI to ensure that there is a window of affordability for potential low-income buyers. This window targets households with incomes between 70% and 80% of AMI, and currently for new projects, the state is pricing units at 70% of AMI. For example, in Danvers, using current

interest and tax rates, a four-person, low-income household can afford to purchase a $207,500 single-family home. See **Table 52**, which uses the maximum selling price formula from DHCD. If they were looking to purchase a condominium, because there are typically monthly condominium fees, the price of the home they could afford would go down.

Table 52

HOUSING COSTS- SINGLE FAMILY	
Sales Price	**$207,500**
5% Down payment	$10,375
Mortgage	$197,125
Interest rate	4.57%
Amortization	30
Monthly P&I Payments	$1,007
Tax Rate	$14.54
monthly property tax	$251
Hazard insurance	$86
PMI	$128
Condo/HOA fees (if applicable)	$0
Monthly Housing Cost	**$1,473**
Necessary Income:	**$58,861**
Household Income:	
# of Bedrooms	3
Sample Household size	4
80% AMI/"Low-Income" Limit	$67,350
Target Housing Cost (80%AMI)	$1,684
10% Window	**$58,931**
Target Housing Cost (70%AMI)	**$1,473**

There is a substantial gap between the sales price of an affordable home – $207,500 for a low-income family of four – and the average listing prices. According to MLS, the average list price is $420,944 for a three-bedroom, single-family home currently on the market in Danvers and the average list price for a three-bedroom condominium in Danvers is $434,415. That "affordability gap" is $213,444 for a single-family home and $269,915 for a three-bedroom condominium, as shown below. The gap is smaller between the sales price of an affordable home and the median sales price of a single-family home according to the most recent Warren Group data, shown above in the demographics section. That gap is $132,500 (i.e. $340,000-$207,500).

Table 53

AFFORDABILITY GAP	
Average Single Family Home Sales Price	$420,944
Affordable Home Price	$207,500
Affordability Gap- SFH	**$213,444**
Average Condominium Price	$434,415
Affordable Condominium Price	$164,500
Affordability Gap- Condominiums	**$269,915**

Rental

In Danvers, market rate apartment at newer developments are out of reach to households earning at or below 80% AMI. According to DHCD, affordable rents for rental housing are based on rents equal to 30% of -80% of AMI. In order to illustrate the gap in affordability for market-rate rental housing units in Danvers, we used the current rents for two-bedroom units at Avalon Danvers, Endicott Green, 14 North apartments, and 240 Conant. We note that utilities are not included at any of the facilities with the exception of 240 Conant. Therefore we have calculated the utility adjusted average rent as well to show the full gap in housing costs. As illustrated, a two-person, low-income household earning 80% of AMI can afford to rent an apartment for $1,348 a month, if utilities are included, according to 2013 HUD income limits. The average asking market rent for a two-bedroom unit at the developments we studied is 36% higher, or $489, than what a household at 80% of AMI can afford. When utility costs are accounted for, the gap increases to $598 a month, or 44% higher.

Table 54

AFFORDABILITY GAP CALCULATION – Two Bedroom Unit	
80% AMI Household Income (2 Person)	$53,900
30% Income toward Rent	$16,170
Affordable Monthly Rent	$1,348
Average Market-Rate Rent	$1,836
Affordability Gap (monthly)	$489
Average Market-Rate Rent with utility adjustment	$1,945
Affordability Gap (monthly)	**$598**

Source: MassHousing
Note: The utility adjustment is based on the 2013 State Regional Greater Boston utility allowance for a Multi-family two-bedroom unit with gas heat, hot water, and cooking, plus electric

In general, the income gap for renters in Danvers is notable. For example, in order to afford the average rent for a two-bedroom market rate unit as shown above, a two-person household paying only 30% of their income towards rent would need an annual income of $77,800 to afford a two-bedroom, market-rate unit at the properties, including utilities. The income limit for a two-person household earning no more than 80% of AMI in Danvers is $53,900. As the table below shows, this is an annual income gap of $23,900, or 44%. For very low-income households at or below 30% AMI, where households earning minimum wage tend to fall,

maximum affordable rent is around $400 - $500 monthly and the income gap is even more significant.

Table 55

INCOME GAP	
Market-Rate Rent	$1,836
Rent Adjusted for Utilities	$1,945
Annual Rent	$23,340
Household Income Needed to Afford Market-Rate Rent	$77,800
80% AMI Household Income (2 Person)	$53,900
Income Gap	**$23,900**

Source: MassHousing
Note: The utility adjustment is based on the 2013 State Regional Greater Boston utility allowance for a Multi-family two-bedroom unit with gas heat, hot water, and cooking, plus electric.

Demand for Housing

To determine demand, we looked at supply, the number of existing affordable units in the community on the SHI, and demand, the number of age and income qualified households in the community. We looked at age to separate out age restricted from non-age restricted households The United States Census starts tracking households at age 15 and most elderly units do not allow households with head of householders under age 62. This is a very broad look at demand because we have no way of determining what other type of affordable housing may be in the community that does not have an affordability limit and is therefore not on the subsidized housing inventory. While a family may have had a house in their family for generations that they purchase for $80,000 and is now worth $400,000, chances are the persons living in that home could not go out and buy that same home today.

We began by examining households by age and income level for five income levels in Danvers. We utilized the income requirements as set forth previously. For non-elderly households, 15-61 years old, we used income levels for two- to four-person households as basic parameters. Table 56 shows the number of age- and income-qualified households age 15-61 in Danvers, estimated for 2012. Because the income range is so broad at 110% of AMI and over, this category had the most qualified households, but also indicates the majority of households in Danvers are high income households. In addition, we note that there is overlap among the different income levels since we account for the range of household sizes.

Table 56

2-4 PERSON HOUSEHOLD AGES 15-61 -2012		
Income Level	**HUD Income Limits**	**Qualified Households**
0-30%	0-$28,300	803
30%-60%	$22,650-$56,640	1,490
60%-80%	$45,360-$67,350	1,269
80%-110%	$53,900-$103,840	2,357
110% and Over	$83,160+	3,525

Source: Esri Business Analyst

For elderly households 62 years and over, we used income levels for one- and two-person households as basic parameters. The chart below shows the number of age- and income-qualified households age 62 and over in Danvers, estimated for 2012. Because the income range is so broad at 110% of AMI and over, this category had the most qualified households.

Table 57

1-2 PERSON HOUSEHOLD AGES 62+ 2012		
Income Level	**HUD Income Limits**	**Qualified Households**
0-30%	0-$22,650	742
30%-60%	$19,850-$45,360	979
60%-80%	$39,660-$53,900	300
80%-110%	$47,150-$83,160	988
110% and Over	$72,710+	1,131

Source: Esri Business Analyst

We then subtracted out all of the existing affordable competitive units from the subsidized housing inventory and what remains is the unmet demand for the age and income-eligible households after existing units are accounted for. We included all of the DMH/Group Home units with the family units, and we included the hearing impaired units at Thompson House with the elderly units. We allocated 90% of the units for households earning less than 50% of AMI to 0-30% and 10% to 30%-60%. This is because most residents using rental subsidies earn less than 30% of AMI. We only included units that have been permitted, built, and occupied as included on the Housing Inventory, with the exception of the 90 units at Conifer Hill Commons, which are included in the family units since even though they are not yet occupied because as of October 1, 2013, the lottery has been completed. The two homeownership units at 26 Mill Street were also included in the family units since they are occupied, even though they are not yet on the housing inventory.

Table 58

2-4 PERSON HOUSEHOLD AGES 15-61 2012			
Income Level	**Qualified Households**	**Existing Units**	**Unmet Demand**
0-30%	803	62	741
30%-60%	1490	116	1,374
60%-80%	1269	141	1,128
80%-110%	2357	n/a	2,357
110% and Over	3525	n/a	n/a

Table 59

1-2 PERSON HOUSEHOLD AGES 62+ (ELDERLY) 2012			
Income Level	**Qualified Households**	**Existing Units**	**Unmet Demand**
0-30%	742	247	495
30%-60%	979	60	919
60%-80%	300	0	300
80%-110%	988	0	988
110% and Over	1,131	n/a	n/a

This illustrates that there is significant potential demand for both age-restricted and non-age restricted affordable housing units in Danvers. In particular, we note demand for family units affordable to households at 30% to 80%. Even accounting for soon to be existing units, there is still an incredible number of potential unmet demand for family households within this range: 1,385 households within the 30% to 60% AMI income range, and approximately 1,172 households within the 60% to 80% range. The long wait times at the housing authority and for the existing rental units, as well as the number of applicants for recently developed units, are also indicators of this unmet demand.

There is also a demonstrated need for age-restricted rental units for senior households in the 30% to 60% AMI income range, as there are only 60 units that cater to this income level in Danvers currently. We found in the demographics section that there is a large and growing elderly population, and there is a need for a product that provides a higher level of care such as supported elderly housing or independent living at an affordable level. The community already has several high end retirement or assisted living communities that cater to higher wealth individuals. There are also no units restricted for seniors affordable to households earning between 60% and 80%.

While it is impossible to calculate the need for special needs housing, based to the long wait lists at the housing authority and information from our stakeholder interviews it is clear that there is a need for more housing choice for individuals such as veterans that need not only housing, but supportive services.

Based on this analysis as well as the inventory analysis, we also see some potential demand for homeownership units for low to moderate income families. There are currently no affordable homeownership properties listed on the SHI for Danvers. While homeownership products for households earning at or below 70% of AMI may not be feasible, as they are not able to absorb the costs required to maintain a property long term, affordable homeownership options for moderate income families provide more housing options and stability. There has been some difficulty filling affordable afford homeownership units recently in Danvers, but this is potentially due to the recent economic downturn. As prices of market units rise again, there will be more families potentially looking to buy but who are priced out of the existing for sale homes and condominiums.

Age-restricted affordable homeownership units can often be difficult to fill, due to asset limitations, so we believe that age-restricted rental units may be a better option for the aging population in Danvers.

Section 8: Zoning Review

Affordable housing in Danvers is created by using a variety of approaches-through the taking of tax title land, by using HOME funds, through the MGL c. 40B statute and variances. Land use regulations, particularly zoning, can also encourage the creation of affordable housing with provisions that directly address the issue of affordability.

A Zoning By-law provides the legal framework for policies adopted by a Town regarding growth and development by regulating certain types of land uses and densities, and by directing development to specific locations. A By-law may also provide protection of fragile resource areas through the use of Overlay Districts.

Danvers zoning is complex. There are six Residential Districts, three Commercial Districts, and two Industrial Districts, a Waterfront Village District, three Highway Corridor Zones, a Health Care District, Hathorne West, and a Village District. There are five overlay zones: Adult Overlay District, Flood Plain Districts and Floodways, Groundwater Protection District, and Downtown Improvement District and Tapleyville Overlay District

Danvers has the benefit of having planning board members and planning staff that is willing to work together to reach a common goal. While much of their permitting is done through variance and it works well today, it may not be sustainable in the long run due to a change in personnel/culture so the Town may want to consider codifying some of its practices.

Summary

The Town of Danvers creates the opportunity for the production of affordable housing through the Extended Family Living Area ("EFLA") provision to the Zoning By-law (Section 9.3) and through the Multi-Family Affordability Provision to the Bylaw (Section 30.2.16). In addition, the Town has created affordable housing with a less conventional approach through issuance of a variance by the Zoning Board of Appeals (Conifer Commons and 78 Holton Street), and through negotiation with developers seeking a *finding* for a multi- family project on a pre-existing non-conforming lot, where the Multi-Family Affordability Provision would not be triggered due to the size of the project.

According to Town officials, many residents in Town are more comfortable with the issuance of a variance for development of affordable housing that might not otherwise be allowed in a zoning district because of type of use or inadequate dimension, rather than change the existing zoning or adopt a new overlay district. It should be noted that in some communities, the development of affordable housing is difficult because of an unsupportive regulatory environment. This is not the case in Danvers where Town officials have indicated that there is cooperation among the elected officials and staff that are involved with the production of housing and where permitting requirements are not overly onerous.

Extended Family Living Area: According to the Bylaw, the purpose of the EFLA, adopted in 2007, is to provide flexibility in the Zoning to allow for alternate living arrangements for family and extended members that is affordable. An EFLA is allowed by-right in an owner-occupied single family home in any zoning district and is permitted within an addition, expansion and/ or attachment where the structure and lot is conforming. An EFLA is allowed on a non- conforming lot and in a non- conforming structure provided that it is located within the dwelling unit. The Zoning Board of Appeals may issue a special permit for an addition, attachment and/or expansion of an existing detached structure to be used as an EFLA where the lot or structure is non- conforming. The ZBA has granted two Special Permits for EFLA's in detached structures. An annual cap is established in the By-law of 25 EFLA's per calendar year.

Design standards are specified in the Bylaw and address number of occupants, parking, utilities, and size of an EFLA. Currently, an EFLA cannot exceed 750 square feet, regardless of location within a dwelling unit or a detached structure. Town officials have indicated that the Zoning Board of Appeals has granted a number of variances for an EFLA up to 1,000 square feet. It is our understanding that there may be a citizen's petition to increase the size of an EFLA to 1,000 square feet by-right.

There is a mandatory requirement that a Use Restriction is filed at the Essex County Registry of Deeds which indicates the following: that the permit for the EFLA is issued to the owner-occupier of the house; that a buyer is notified of the EFLA by-law; and that a new homeowner must file an application with the Building Inspector for maintenance of the EFLA; and that the home remain a single-family dwelling with the EFLA rented only to extended family members. A definition of "family" is found in the Bylaw.

The EFLA provision addresses monitoring, inspection and enforcement by the Building Inspector and also the way in which Pre-Existing EFLA's can become compliant. According to the Building Inspector, 99 units have been "grandfathered." In 2007, 20 EFLA's were approved, and in 2010-2013, six EFLA's were approved for each respective year. We have attached as Appendix C a map showing the locations of the EFLA properties.

Multi-Family Affordability Provision: Multi-family dwellings are allowed by Special Permit from the Planning Board in the Residence-I, Residence-IA and Residence-IIA Districts. Danvers adopted the inclusionary provision to the Bylaw in 2010. Its application is limited to multi-family residential development of 5 units or greater which require a Special Permit from the Planning Board. A developer must designate 12.5% of all new units as affordable at or below 80% for for-sale housing and 60% for rental housing of the Median Regional Household Income (determined by the U.S. Department of Housing and Urban Development).

For multi-family residential developments of 5 to 7 units that require a Special Permit, the developer has the option of providing an affordable unit, per the guidelines in the By-law, or pay a fee to the Town for the provision of affordable housing. The payment-in lieu for for-sale units is based on a scale which is based on the number of newly created units and is calculated as a

percentage of the gross sales price of the units in the development. The fee for rental development is $10,000 per unit. The Planning Board has the discretion to allow some or all of the units to be constructed off site.

The Bylaw requires that the dwelling unit qualifies as a local initiative unit under the Commonwealth of Massachusetts Local Initiative Program (LIP) and thus meet the requirements for inclusion on the State's Subsidized Housing Inventory. Affordable units remain continually affordable through long-term use restrictions and re-sale restrictions.

To date, there are only two developments that have triggered this inclusionary provision. 58 Riverview, an 11-unit condominium project that was formerly a marina, will supply two three bedroom units of affordable housing off-site. Aria at Hathorne Hill has requested an additional 7 condominiums to its complex, and has contributed a one- time payment of $92,000 to the Town.

Expansion of inclusionary zoning to single family subdivision development or commercial development as a trigger for affordable housing could potentially increase the number of affordable units in the future.

Other Provisions that address affordable housing:
Section 30.2.6 describes the way in which the Danvers Housing Authority may obtain a Special Permit for housing projects for the elderly. They are allowed only in the Residence-II District. There has been a significant number of elderly units created by the Housing Authority.
Section 30.2.10 allows a lodging/boarding or rooming house for fewer than 3 lodgers by right in the Residence-I District and by Special Permit from the ZBA in the Residence-I and Residence-II District for more than 3 lodgers.

Section 16, the **Waterfront Village District**, was adopted in 2010 and is intended to provide a mix of lower density housing and small to medium business in the waterfront area. This District creates an opportunity for affordable housing by allowing two family homes and up to 4 units of housing on upper floors of a building by- right, and allowing 5 units of housing or greater on the upper floors of a building through a Special Permit by the Planning Board. Up to 2 dwelling units may be allowed on the first floor of a mixed use building providing certain conditions are met.
Residential options are limited in the **Commercial Districts,** particularly in the downtown**.** Variances have been used to create additional housing in these Districts. While some buildings have grandfathered apartments, residential units are prohibited in the C-I and C-III Districts. Downtown Danvers is zoned C-1 and C-IA, with the C-I District the larger of the two, thereby creating an impediment to residential development or conversion in the downtown.
Four units of multi-family housing on the upper floors of a building are permitted by –right in the C-IA District and by Special Permit from the Planning Board for 5 or more units in this District. The Planning Staff have indicated that they are considering a zoning change to allow 2nd floor apartments in the C-I District. This measure will create the opportunity for affordable housing in the downtown. Mixed use development zones are desirable where vacant and/or underutilized commercial space can be redeveloped into a mix of housing choices.

Hathorne West District: Located in the western portion of Danvers, this District was created to manage the redevelopment of a portion of the former Danvers State Hospital campus. Uses permitted by right in the District are elderly care and residences, daycare, hospital facilities, nursing homes, agriculture and wireless communication facilities. A Planned Development Area which includes a mix of multi- family and single family cluster housing and a variety of commercial uses, are permitted by Special Permit from the Planning Board.
Avalon Danvers, a mixed income development is located on the site. According to Susan Fletcher, Town Planner, negotiations between the State (former owners of the property), Avalon Development (interested purchasers) and the Danvers Board of Selectmen resulted in a Land Development Agreement, later formalized into a "units only" LIP. This produced 70 units of affordable rental housing, l eligible for inclusion on the Subsidized Housing Inventory.

Demolition of Historically Significant Buildings and Structure Bylaw, Chapter XXIX of the By-laws of the Town of Danvers, Massachusetts, protects significant buildings and structures that are over 75 years and older, as of 1990 and on the National or State Register of Historic Places. After following the process set out in the Statute and By-laws, the Preservation Commission may delay the demolition for six months. During that time, the Commission will work with a developer to come up with alternatives, including a purchaser willing to restore the building. A Demolition Delay By-law can be effective in preserving older housing stock, which is often more affordable than newer dwellings. However, Dick Trask, Town historian, indicated that developers will simply wait for the six months to elapse and begin demolition.

(Town of Danvers, 2010) (Town of Danvers, 2004) (Town of Danvers, 2012) (Town of Danvers, 2013) (Malony, 2013)

Section 9: Funding Mechanisms For Affordable Housing

There are several funding sources currently available for the creation of affordable housing in Danvers. Sources include voluntary payment, Inclusionary Zoning payment funds and HOME funds, further described below:

Affordable Housing Trust

The Danvers Affordable Housing Trust ("DAHT") was formed in 2013 according to the guidelines under Massachusetts General Law and currently has funds in the amount of $667,563.63. Through a voluntary contribution and the inclusionary zoning bylaw, the DAHT has acquired $500,000 in funds from Avalon Bay and $92,000 Aria at Hathorne Hill for payments in lieu (PIL) of building affordable housing units connected with the development on the former State Hospital site.

The DAHT also manages three mortgages issued by the now-dissolved Danvers Housing Assistance Trust, or DHAT. DHAT was created as a nonprofit organization to provide housing counseling and assistance to low-income families in Danvers and to create community awareness and involvement. Mortgages issued by DHAT do not have standard income limits, are interest-free, and are on a 10 year balloon repayment schedule that requires borrowers to repay loans when their income is more than 33% of their housing costs. This program does not have any more funding and is not currently issuing any more homebuyer loans. The three DHAT outstanding mortgages currently amount to $78,975, and are scheduled to be repaid in 2015, 2017, and 2018 (Fletcher, 2013).

HOME Funds

The Town of Danvers has been a member of the North Shore HOME Consortium since 1993. Since 1993, the Town's yearly allocation has historically been between $70,000 and $80,000; however in recent years this has decreased due to cuts in the HOME program at the federal level. In 2012 Danvers was allocated $43,000, and for 2013 Danvers has been allocated $38,000. The Town had used the majority of HOME funds for down payment assistance in its First Time Homebuyer Program, further described below, but in recent years it has also used the funds for new rental and homeownership projects, including $100,000 for Conifer Hill Commons, $50,000 for Habitat for Humanity for the Mill Street property, and $163,000 to the Danvers Housing Authority for the Cherry Street development. The funding for the Conifer Hill Commons development allowed the developer to leverage additional funds at DHCD which requires community funds in order to award state funds. The Trust also disbursed $47,900 to acquire 55 Coolidge Road through a tax taking for purposes of redevelopment of an affordable homeownership unit.

The **First Time Homebuyer program**, or FTHB, is a down payment assistance loan program designed to assist first time homebuyers in Danvers with the purchase of their first home. Income for qualified applicants can be no more than 80% of area median income. Deferred payment, no-interest loans are issued to assist with down payments and/or closing costs. Eligible properties

must be located in Danvers, and can be condominiums, single family homes, small multi-family homes with 2-4 units, or mobile homes. Homebuyers must use some of their own funds towards the home purchase, which will be matched by the Town up to maximum loan amount of $10,000 or 10% of the purchase price, whichever is lower. Monthly payments are not required, but the loan must be repaid in full when the homebuyer sells, transfers, or refinances the home. Since its inception, the number of homebuyers given loans through the Danvers FTHB program has decreased from approximately 8 to 10 annually to between 2 and 4 in recent years. Most recently, the program awarded three loans totaling $30,000 to eligible homebuyers in 2012 (Town of Danvers, 2013).

Section 10: Constraints on Future Development

Water and Wastewater: Danvers has a municipal sewer system which serves 99% of the Town. While this eliminates potential problems with on- lot septic systems as a limitation to development, the regional treatment plant where Danvers pumps its waste is close to capacity, according to the Town Engineer. Sewage is treated at the South Essex Sewerage Treatment Plant, located in Salem. Danvers is part of the South Essex Sewerage Treatment District, along with Beverly, Marblehead, Salem and Peabody.

Water usage presents the potential for a greater obstacle to development. Danvers is divided by the Ipswich River Watershed, located in the western portion of Town towards Middleton, and the North Coast Watershed. The Town is on municipal water and supplies water to the Town of Middleton as well as to its own commercial, institutional and residential users. There are three surface water reservoirs in Town-the Emerson Brook Reservoir, Swan Pond and Middleton Pond Reservoir and two groundwater wells. The water is treated in Middleton.

There are two issues related to water usage. The first is that the Town of Middleton is growing at a faster rate than Danvers and placing proportionally more demand on the system. The second issue is that despite the fact that 80% of Danvers is located geographically outside of the Ipswich River Basin, the water supply is within that Basin and the Ipswich River Basin is characterized as a stressed system. The Water Management Act governs the amount of water taken from the Ipswich River, which can't exceed the River's "safe yield." Because of the number of communities located in the Ipswich River Basin, the demand is great, and the River has been known to have a low flow and can run dry in certain segments on a seasonal basis. Middleton and Danvers share a Water Management Act Permit, which must be renewed periodically by DEP, and which specifies allowable withdrawals.

Under a Massachusetts Water Management Act Agreement, Danvers must adopt and implement a Water Use Mitigation Program ("WUMP"). This requires that a fee be collected from a developer based on the additional amount of water demand from the new development. The Town expends these fees in a rebate program for residents which replaces "old inefficient fixtures with water conserving fixtures." The Water Withdrawal Permit requires that the Town document the reductions in water demand to the State, based on this program.

Transportation: The Town Engineer noted that Danvers Streets are congested. Danvers road network consists of limited access highways, major arterials, collector roads and local roads. Easy access to Route I-95, with four interchanges in Town, Route 128 with three interchanges, and Route 1, a commercial highway with four access points in Town, provides excellent commuting opportunities to the Boston Metropolitan area for its residents.

The arterial roads are Route 114, which bisects the Town and runs east-west. This roadway serves the commercial portion of the Town and provides access to Route 1 and Route I-95 northbound. Route 62 is another east-west arterial that also bisects the Town and provides access to Route 1

and to Route-128. Route 35 is a two lane road which runs in a north-south direction. The major collector roads are: Endicott Street, Centre Street, North Street, Summer Street, Pine Street, Liberty Street, Burley Street, Sylvan and Collins Street.

It has been noted that good proximity to the interchanges tends to increase traffic in Town during peak hours as commuters use local roads and the arterials to avoid congestion.

The insufficient amount public transportation in Danvers presents a barrier to lower-income residents who may not be able to afford to own and maintain a vehicle. While the MBTA provides bus service on the Route 451 and 465 lines to abutting communities and the MBTA commuter rail has stops in Beverly and Salem with rail service to the Boston Metropolitan Area, there is no dedicated public transportation in Danvers but for the RIDE. Reduced transportation costs could also allow lower-income residents to potentially afford higher housing costs without sacrificing other necessities like food and clothing.

Lack of Available Land: Danvers is a largely built out community with few large parcels left for development. In fact, most new developments involve the tear down of existing structures and / or additions to existing structures, or re-purposing existing structures.

(Rogers, 2013) (Farr, 2013)

Section 11: Affordable Housing Goals

The Town of Danvers has taken steps to promote affordable housing and housing diversity in the community by creating an active and successful first time home buyer program, securing funding for affordable housing from the Avalon Bay Development, and supporting the Conifer Commons LIHTC affordable rental development. Quickly approaching the 10% affordable housing goal, it will no longer be as vulnerable to developers interested in creating developments under Chapter 40B. The purpose of these affordable goals and strategies is to assist the Trust in maintaining control of its approach to affordable housing.

The Town of Danvers continues to face challenges in meeting all of the community's affordable housing needs. It is looking for direction in how to best invest its limited resources and assistance in prioritizing which projects should be the focus of their efforts going forward.

Based on the housing inventory, demand analysis and other findings in this study, the Town will work toward the following affordable housing goals:

- Preserve existing affordable units;
- Create affordable housing options for all populations including young professionals, individuals, families and seniors.
- Promote fair housing and ADA compliance.
- Increase the supply of affordable rental housing for low-income (30%-60% AMI) households;
- Increase affordable homeownership opportunities for first-time homebuyers;
- Increase housing and support opportunities for special needs populations ;
- Identify additional sources of funding for affordable developments.
- Amend the Zoning By Law to further encourage affordable housing.

Housing Unit Growth Analysis

In order to estimate the number of housing units that Danvers may add from 2010 to 2020, we examined the growth in housing units over two decades, which showed 7.1% growth from 1990-2000 and 14.1% growth from 2000-2010. This housing unit growth was largely due to the large rental apartment complexes that came on line during that period. Population growth only averaged 5% during these same two periods since they were smaller units. Since the community will be 10% of its affordability threshold, it will have a choice as to what size developments can be built that contain affordable housing units. Therefore, we assumed a lower household growth at 6% from 2010-2020. According to the 2010 United States Census, the total number of housing units in Danvers 2010 was 11,071. The chart below shows the number of housing units to be added between 2010 and 2020, which totals 664 units, to get to a total housing unit count of 11,735 in 2020. Based in the number of units on the SHI today, the gap could be 161 units in 2020.

Table 60

HOUSING UNITS	
2010 US Census	11,071
6% Growth 2010-2020	664
2020 Total Units	11,735
10% Housing Requirement	1,174
Current SHI	1,013
Gap	161

However, the next chart identifies the units that are permitted and/or under construction that most likely will be added to the SHI in the next decade, totaling 114 units. If we subtract this from the potential SHI gap, we are left with a gap of 47 affordable housing units.

Table 61

PLANNED UNITS TO BE ADDED TO SHI	
Built but not on SHI - Habitat	2
Conifer	90
Riverview/Venice	2
Coolidge	1
Rose Court	18
Cherry Street	2
Total	115

Danvers Housing Production Program

Communities that have not met the minimum 10% requirement must annually increase the number of SHI units by at least 0.5% of year-round housing units in order to be granted certification by DHCD. If a community receives this certification, they have the choice to deny new Comprehensive Permit applications. In other words, a community can effectively avoid "hostile" Chapter 40B proposals.

Based on our calculations of the new units coming on line, it appears that Danvers will reach its 10% requirements in 2014 once all the units are counted. However, in order to maintain the 10% status based on our unit growth calculation in 2020, we have suggested a reasonable goal for the Town of Danvers starting in the year 2016 (assuming all other units are created and counted) will be to create 10 affordable units per year to remain a certified community and in compliance with their housing production plan as illustrated on the table below:

Table 62

Annual Subsided Housing Unit Production to Achieve 10% Goal								
Year	2013	2014	2015	2016	2017	2018	2019	2020*
Housing Units	11,071	11,071	11,071	11,071	11,071	11,071	11,071	11,735
10%	1107	1107	1107	1107	1107	1107	1107	1174
Production	48	48	20	10	10	10	10	10
SHI	1061	1108	1128	1138	1148	1158	1168	1178
Gap	46	-1	-21	-31	-41	-51	-61	-4
% of Total Units	10%	10%	10%	10%	10%	10%	11%	10%
***assumes 6% growth 2010-2020**								
2013: 50% Conifer and two habitat								
2014: 50% Conifer, two DHA, 2 Riverview								
2015: 20 Homeownership Units								

It is recognized that the Town alone cannot accomplish all of its affordable housing goals. It can and should, however, use its resources and planning initiatives to further encourage and facilitate the production of affordable housing. Section 12 outlines specific strategies that the Town can pursue to accomplish its housing goals.

Section 12: Implementation Strategies

Based on the local needs, existing resources, constraints and compliance issues discussed in this Housing Production Plan, the Town of Danvers should consider the following implementation strategies as it works to meet its affordable housing goals listed in Section 10. The proposed strategies will also help the Town direct and leverage its funds to best meet the community's housing needs. The strategies, which are described in detail in the following pages, have been grouped into four categories shown below. Table 4 further lists the priority (year of implementation) and responsible party for each strategy.

- Education Strategies
- Zoning and Planning Strategies
- Housing Inventory Preservation Strategies
- Housing Production Strategies

While some of the strategies, like those aimed at education, do not directly create affordable units, they provide the support and environment needed to achieve housing goals. The implementation strategies also reflect the state's requirements to address the following strategies to the greatest extent possible:

- Identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purpose of creating SHI Eligible Housing developments to meet its housing production goal;
- Identification of specific sites for which the municipality will encourage the filing of Comprehensive Permit applications;
- Identification of the characteristics of proposed residential or mixed-use developments that would be preferred by the municipality;
- Identification of municipally-owned parcels for which the municipality commits to issue requests for proposals to develop SHI Eligible Housing;
- Participation in regional collaborations addressing housing development.

Educational Strategies

1. Continue to educate and train government officials and employees

The Danvers Affordable Housing Trust is very new, and we suggest that it take the lead role in promoting affordable housing in Danvers and as such, it is important that trust members understand and keep up to date on housing programs, funding sources, regulations, best practices, fair housing and other related issues. Members should therefore receive ongoing training on affordable housing issues. They can do this by attending meetings of the North Shore HOME Consortium, Metropolitan Boston Housing Partnership, Metropolitan Area Planning Council, Urban Land Institute and other agencies or by participating in housing conferences and seminars sponsored by DHCD, Citizens' Housing and Planning Association (CHAPA), the Massachusetts Housing Partnership (MHP) and the Massachusetts Housing Alliance, the Mel King Institute. MHP, for example, holds an annual Housing Institute every

summer to train local officials on a variety of housing issues. They can also reach out to regional housing providers, housing planning consultants and agencies as described below. In addition, the Town can retain a housing professional to provide training on specific issues. As Trustees gain expertise, they can help educate other local officials such as members of the Board of Selectmen and the Planning Board on housing matters. Massachusetts Area Planning Council provides Peer to Peer training programs.

2. Educate the Public

It is important for the public to learn and stay abreast of local housing needs, initiatives and challenges. Not only do housing initiatives – such as zoning bylaw changes – often require local support, an informed public is more likely to provide pertinent information, feedback and suggestions. Education can also dispel myths and help create an environment whereby the community becomes a partner in the Town's housing initiatives. Danvers should subsequently work to educate the public about the need and benefits of affordable housing and keep residents informed of housing initiatives. The Town can achieve this through a variety of means. For example, the Town can host community meetings on specific housing initiatives, providing local officials with the opportunity to present their proposals and solicit public input. An informational public meeting on the successful projects that other towns have developed utilizing CPA funds or funds received under an inclusionary zoning bylaw serve as basic examples.

3. Continue to partner with providers of First Time Home Buyer classes

In order for households to be eligible to purchase an affordable home ownership unit they are asked to attend a homebuyer educational course that provides information to households to find, purchase and maintain a home. Not-profit homeownership agencies throughout Massachusetts offer approved first-time homebuyer education course and post-purchase classes. Several options are North Shore Community Development Corporation, Lynn Housing Authority & Neighborhood Development, Gloucester Housing Authority, Coastal Homebuyer Education, and Community Teamwork in Salem.

4. Continue to partner with housing providers and agencies

The implementation of this Housing Production Plan will likely require support and assistance from a variety of resources. The Town should continue strengthening partnerships with housing providers, funding agencies and other housing experts. Some providers in the area or providers who work on Massachusetts North Shore are: North Shore HOME Consortium, North Shore Community Development Corporation, Harborlight Community Partners, Caritas Communities, North Shore Habitat for Humanity, Women's Institute for Housing and Community Development, The Community Builders, B'Nai B'Brith Housing, Common Ground and Neighborhood for Affordable Housing. These organizations can provide technical assistance, resources, funding and development services to help the Town of Danvers to achieve its housing goals. In addition to these housing development providers, there are social service organizations such as domestic violence programs that provide shelter.

5. Create a guide of financing options for homeowners and landlords

There are funding resources available to create and preserve affordable housing. Examples include the "Get the Lead Out" program administered by MassHousing; Hazardous Abatement Grants for cleanup of oil spills, de-leading and asbestos removal; and architectural barriers removal grants. In addition, the town runs a very successful First Time Homebuyer Program and has access to Home funds. The Town may want to consider creating a guide about these and other financing options that could assist low-income homeowners or landlords. It could be expanded to include explanations of how to utilize tax credits such as low income, new market and historic.

6. Examine energy efficiency/green building programs

Start the conversation to identify resources available for low-income homeowners and developers to help promote and facilitate green building including encouraging the adoption of the Stretch Code and promoting the electric division energy efficiency program funded by the water utilization mitigation program. This might be as simple as identifying indigenous plant species that require little water, free energy audit resources, or the most efficient hot water systems. The Town could also look for funding sources for solar panels and green roofs.

7. Create a Fair Housing Needs Assessment and Action Plan

This could be an addition to the housing production plan, and could assist the Town with its efforts to reach out to and include a broader audience in affordable housing including households with a variety of minority and ethnic backgrounds. A fair housing plan typically includes a research phase that can involve stakeholder interviews to various constituencies as well as checking state records as to complaints. It also may provide a guide and action steps to reach a broader audience including appointing a fair housing officer, creating a brochure on fair housing and educating stakeholders on the issue.

8. **Annual Report**

Once a year DAHT will provide a document that will report on its activities for the year. The document will include its progress with regard to implementing the goals and strategies set forth in this HPP.

Zoning and Planning Strategies

1. Variances

Begin a discussion among the land use boards regarding the use of something other than a variance as a mechanism for the provision of affordable housing. Despite the fact that units have been created via issuance of a variance, the membership of the Zoning Board of Appeals is subject to change and there is the potential for a change in attitude in the future on behalf of the Boards or Town regarding the use of variances as a planning tool.

2. Inclusionary Zoning

Inclusionary Zoning is triggered by a set unit threshold in a development. The provision of affordable housing in the Danvers Zoning By-law is triggered when an applicant constructs 5 or more units of multifamily residential development. The Town may want to consider an additional Inclusionary Provision to the By-law that is triggered by the division of a parcel into a yet undecided number of lots for residential development, either through an "ANR" Plan or a Subdivision Plan. The Trust can begin discussion with Planning staff and the various Boards in Town that govern land use on another Inclusionary amendment to the By-law.

Communities can also use Incentive Zoning to stimulate the development of affordable housing. It is a tool that allows a developer to develop in a way that would not ordinarily be permitted in exchange for a public benefit, such as affordable housing. Incentive Zoning allows a community to leverage variations in existing zoning standards to obtain a specific type of development. A zoning by-law may offer density bonuses, increased Floor Area Ratio (FAR), waiver of required public open space, greater flexibility in required building setbacks and building height. Unlike Inclusionary Zoning, Incentive Zoning is voluntary, not mandatory. When designing incentive zoning policies, the Town needs to ensure that the bonuses offer a pay-off large enough to encourage a developer to participate without totally negating the purpose of the underlying zoning.

A number of Cities and Towns in Massachusetts have adopted Incentive Zoning. West Boylston offers density bonuses for single family and multi-family development in exchange for development of perpetually restricted rental or sale units of affordable housing. The City of Cambridge allows for a density bonus by relaxing the floor to area ratio and the minimum lot area per dwelling unit. The City of Waltham, in their Riverfront Overlay District, permits a relaxation of mandatory open space requirements by counting balcony spaces, internal recreation areas, and landscaped roof areas as "open space". The Town of Dennis and Newbury have specific incentive language in their zoning by-laws.

3. Mixed Use Development - Downtown

Under the current zoning, residential development is not permitted in the C-I and C-III Districts. Downtown Danvers is zoned C-I and C-IA, with the C-I District encompassing much of the downtown. Mixed use development in the downtown with retail uses on the ground floor of a building and housing on the upper floors creates a downtown that is more vibrant, provides the opportunity for affordable housing, and addresses the issue of vacant and/or underutilized commercial space. Amend the Zoning By-law to encourage upper floor development in the downtown with the adoption of a Downtown Overlay District modelled after the Waterfront Village District and the Tapleyville Overlay District. This could allow a range of residential uses in a mixed use building.

The Town's parking requirements also make it difficult to develop housing in the downtown area where space is limited. The Town may want to consider reducing parking minimums or encouraging shared parking alternatives or off-site parking alternatives for mixed-use projects.

In some communities, for example, the required number of off-street parking spaces is reduced by special permit if a project includes at least three uses.

4. Consider a fee waiver or reduction program for affordable units

With affordable provisions in place, the Town can provide incentive to developers of smaller projects with a waiver or reduction of filing fees for Special Permits, Site Plan Review, and Building and Occupancy permits and/or sewer connection fees.

Housing Inventory Preservation Strategies

1) Ensure that all eligible affordable units are added to the SHI as soon as they become eligible.

Work with the Habitat for Humanity, Danvers Housing Authority, the Town Planner and developers to ensure that LIP DHCD units only paperwork is completed in order to have all units that are built counted on the SHI.

2) Pursue CDBG funding to create a housing rehabilitation program

The Town should consider applying for CDBG funding to create a housing rehabilitation program and/or allocate some CPA funds for this purpose. This could be accomplished either by Danvers, or perhaps partnering with a community that already has a CDBG program in place like Newburyport or Amesbury. Housing rehabilitation programs can take many forms. One example is to provide a loan to the homeowner that is reduced by 1/15th each year over a 15-year period as the long as the owner remains in the home. Eligible households would need to earn less than 80% of AMI. If they move during the 15 year period, the remaining amount will need to be repaid. If they live there for 15 years, the loan is forgiven. While rehabbed homes do not qualify for listing on the SHI – because they are not deed restricted – such a program helps low- and moderate-income residents remain in their homes and avoid displacement due to code violations or hazardous conditions (Displaced lower-income residents would likely struggle to find affordable housing in Danvers and could therefore be forced to leave the community). In order for this type of program to be successful it will be important to dedicate housing staff time to provide oversight and coordination of the program. In addition, it might be a great compliment to the Buy Down program as we heard many lower priced homes are in need of repairs.

Housing Production Strategies

1. Identify locations to encourage Affordable Housing Development

The Trust would like to encourage affordable housing development in areas in close proximity to retail and services such as those located in Downtown Danvers and has identified the following locations as areas in the community that might lend themselves to affordable housing development:

- Ferncroft Road
- Hobart Street
- Clinton Avenue
- Lindall Hill

- Andover Street
- Whipple Hill
- Hunt Hospital

In addition, in order to protect the environment, the Trust highly encourages the utilization of existing structures and/or built lots in order to create new affordable housing units. The Trust would be open to considering a LIP and/or friendly 40B in these locations, dependent on the circumstances.

2. Identify and make available Town-owned land for affordable housing development

According to the town planning department, there are few Town-owned properties in Danvers that are suitable for affordable housing development. Nonetheless, the Town should continue to review its own inventory of properties, including tax title land, and identify any surplus or vacant sites that could potentially support affordable housing in the future. If parcels are identified, the Town could work to make them available for housing development. This could be done through a Request for Qualifications and/or a Request for Proposal process.

The Town has acquired through tax takings four parcels of land that may become available to the Trust through Town administrative action to create RFP's for affordable homeownership. The addresses are as follows:

3 Jalbert Lane
5 Laurine Road
28 Brad Street Avenue
20 Wayside Drive

3. Identify vacant, abandoned or underutilized land for affordable or mixed-income housing development

The Trust can work toward preparing a list of vacant, abandoned or underutilized land or structures in Danvers and then target them for affordable or mixed-income housing. The Trust may want to consider doing this in concert with the Open Space and Recreational Advisory Committee since it is possible that the two interests may be aligned. Working with the Town Planner, or simply driving around town, the Trust can investigate these properties in more detail to determine its development potential, examining such matters as ownership, zoning, cost, development, benefits and constraints of development. This process will also help to identify the most appropriate target population and development type for each property, whether that is special needs, multi-family rental or senior housing. They can then prioritize the properties based on which have the highest chance of being successfully developed.

They could then pursue a variety of actions. For example, if it is a small home in disrepair with some excess land, the Trust might want to try to secure a right of first offer for when the property comes on line. Or the Town could purchase and develop a property into affordable or mixed-income housing and then sell the units itself. Alternatively, it could purchase a property

and then issue an RFP to developers, outlining the kind of housing it wants to see developed. The Town's course of action will depend on the particulars of each property. A small, infill redevelopment project would likely be more appropriate for the Town to pursue on its own rather than a large development on a vacant property. The Town, though, might be able to assist with permitting, funding or other types of expertise and support for larger developments. In any case, by developing or redeveloping abandoned or underutilized properties, much-needed affordable housing may be created, and the amount of taxes generated by the properties will most likely increase.

The Town may want to consider creating small infill housing models such as a house that has two-bedroom townhouses in the first two floors and a three-bedroom flat on the third floor. This could provide an alternative for renters wanting to live in more residential units that would blend well into a neighborhood.

There are many developments in Massachusetts that use the tool of 9% low income housing tax credits along with other funding to create affordable rental housing for households earning at or below 60% of AMI and the ideal size for these buildings is 30-40 units. This is what the Conifer Commons development used and they leased up very quickly. They are typically three story buildings and can contain elevators and therefore can serve seniors as well as families. The units are rented at below market rents however occupants need to be employed, be credit checked and not have a criminal background.

4. Create a Rental Subsidy Program

Some communities have utilized HOME funds to assist very low income families pay rent. A rental subsidy assumes that the tenant cannot pay the fair market rent for the unit and therefore pays one third of their income toward rent, and another source, typically the government pays the remaining rent. For example, if the fair market rent is $900 a month and 1/3 of the households' income is $600, than the subsidy fund would pay the additional $300. If you did this for one unit, the yearly cost would be $3,600 and over ten years, $36,000, substantially less than the cost to build a new unit.

5. Explore a "buy down" program for first-time homebuyers

Another way to help low-income residents purchase their first home is through a "buy down" program. Such a program helps buy down the purchase price of a home – largely bridging the affordability gap – through a significant grant, typically around $100,000. Eligible buyers must be first-time homebuyers and must be income qualified. They must also live in their home as their primary residence and agree to long-term restrictions on the resale price of their property. (Units can be listed on the SHI). This kind of program should be explored by the Trust. It is important to recognize that this type of program would use significant Trust funds to create a single affordable housing unit.

6. Continue to partner with private developers

The Town should endeavor to work with private developers to facilitate the construction and preservation of affordable housing. As mentioned earlier, for example, the Town may want to consider partnering with developers to use the state's Local Initiative Program (LIP). Through this collaborative process, the Town can encourage the kind of development it desires while benefiting from the developer's expertise and DHCD's technical assistance. Any units created under the LIP program would be counted on the SHI.

The Town should also consider collaborating with developers to better understand the different challenges they face in trying to build affordable housing, either generally in Danvers or on specific sites. Obtaining this information will help the Town address or mitigate these challenges as it works to encourage affordable housing. Keeping an open dialogue with developers will also allow the Town to promote areas where it would like to see affordable housing built.

7. Leverage existing funding resources

The Town has limited funding for affordable housing preservation and development. The Trust should consider exploring ways that it can utilize this money to raise additional funds. For example, when applying for funding for a small rental development, being able to state that the Town already has a commitment of local funds may result in a higher score than other competing developments. It is suggested that the Town consider creating a guide of funding programs, resources and application dates to assist in this process. This is because programs often only have one or two application dates a year, while other programs have rolling deadlines. One program that supports small rental development is the Federal Home Loan Bank of Boston Affordable Housing Program. Information on this program can be found at www.fhlbboston.com. This program provides both grant funding and low-interest loans.

8. Request the Board of Selectman to Form an exploratory committee to consider the community preservation act ("CPA")

The Trust has suggested that an exploratory committee be comprised of representatives from Town Meeting, the Open Space and Recreation Advisory Committee, Preservation Committee, Planning Board and others to investigate the advantages and disadvantages of the CPA. This is because the Town of Danvers has few sources of funding for affordable housing creation. If enacted, the CPA would add up to a 3% surcharge on property tax bills. Some communities choose to exempt the first $100,000 of assessed valuation for residential properties as well as low- and moderate-income households under certain conditions. In addition to the funds raised by the Town, the state provides an amount of matching funds, which are divided among the communities in Massachusetts that have adopted the act (Massachusetts Department of Revenue). CPA funds can be used for three community purposes: open space, historic preservation and community housing. No less than 10% of the total revenues received must be spent on each of the three categories. The remaining 70% can be spent at the discretion of Town Meeting, which must approve appropriations of CPA money. A less aggressive step would be to adopt the act at the 1% level. While the Multi-Family Affordability Provision in the Zoning By-law provides a one- time payment for the construction of additional affordable housing,

monies from the CPA provide a continual cash flow that can be used for the promotion of affordable housing.

Short Term Action Plan

As noted in Table 63, we have set forth items to be addressed in either Years 1, 2, 3 or ongoing, meaning they are ongoing long term strategies. Below, we have outlined in more detail a proposed action plan for Year 1.

Year 1: The main goal of Year 1 will be for to Town to address get existing units on the SHI, support the proposed zoning changes, explore potential redevelopment of 55 Ferncroft Road, create an affirmative fair marketing plan, and create an operating plan for Years 1, 2 and 3. Action items we suggest are:

Months 1 and 2: Support zoning changes and establish and agree on benchmarks for each year so that you will able to check off items as accomplished in any given year.

Months 3 and 4: Discuss and agree on the best use of HOME funds for the coming year, further discussions on Fencroft. Engage consultant to create affirmative fair marketing plan.

Months 5 and 6: Determine which suggested zoning and planning strategies are most achievable and start working on one. .

Months 7 and 8: Learn about a rental subsidy program, buy down program and home improvement program and determine what programs would serve the affordable housing needs. Interview lead agencies for this work, such as the City of Newburyport or Peabody.

Months 9 and 10: Review affirmative fair marketing plan and partner with first time homebuyer educator.

Months 11 and 12: Research funding grants that would support affordable housing development efforts.

Table 63

Strategies		
1. Education and Organization		
A. Continue to educate and train committee train government officials and employees **a. Send Trust members to MHP training** **b. Look into peer to peer program**		
B. Educate Public **a. Present HPP to community**	Ongoing	Trust
C. Continue to partner with a provider of First Time Home Buyer Classes	Year 1	Trust
D. Continue to partner with housing providers and agencies **a. Meet with organizations suggested in HPP to learn about their housing production goals**	Ongoing	Trust
E. Create a guide of financing options for low-income homeowners/landlords	Year 2	Planner/Consultant
F. Examine energy efficiency/green building programs **a. Find a community member interested in these issues and create a guide for Trust members**	Year 2	Volunteer
G. Create a Fair Housing Needs Assessment and Action Plan	Year 1	Planner/Consultant
H. Annual Report	Yearly	Trust/Planner
2. Zoning and Planning Strategies		
A. Variances	Year 2	All
B. Inclusionary Zoning	Year 3	All
C. Mixed Use Development	Year 3	All
D. Consider a fee waiver or reduction program for affordable units	Year 4	All
3. Housing Inventory Preservation Strategies		
A. Ensure that all eligible affordable units are added to the SHI as soon as they become available.	Year 1	Planner
B. Pursue CDBG funding to establish a housing rehabilitation program	Year 3	All
4. Housing Production Strategies		
A. Identify locations to encourage Affordable Housing Development	Year 1	Trust
B. Identify and make available Town-owned land for affordable housing development	Year 2	Planner
C. Identify vacant/abandoned or underutilized land for affordable housing or mixed-income housing development	Year 2	Planner
D. Create a Rental Subsidy Program	Year 2	Trust
E. Explore a "buy down" program for first-time homebuyers	Year 3	Trust

F.	**Continue to partner with private developers**	**On going**	**Trust**
G.	**Leverage existing funding resources**	On going	Trust
H.	**Request the BOS to form an exploratory committee to consider the Community Preservation Act**	Year 3	Trust/Developer

Assumes start date of calendar year 2014

Abbreviations
Trust = Danvers Affordable Housing Trust
Planner = Town Planning Department
PB = Planning Board

Appendix A: Subsidized Housing Inventory

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT CH40B SUBSIDIZED HOUSING INVENTORY

Danvers

DHCD ID #	Project Name	Address	Type	Total SHI Units	Affordability Expires	Built w/ Comp. Permit?	Subsidizing Agency
810	Highland Manor	14 Stone St	Rental	40	Perp	No	*HUD*
811	Rand Circle Apts/ Turnkey	1-36 Rand Circle	Rental	36	Perp	No	*HUD*
812	n/a	110 Collins Street	Rental	8	Perp	No	*DHCD*
813	Hawkes Manor	11 Rice Street	Rental	62	Perp	No	*DHCD*
814	Maple Street School	80 Maple & 7 Charter Street	Rental	38	Perp	No	*DHCD*
815	Perry Terrace	Perry Terrace	Rental	25	Perp	No	*DHCD*
816	Tapley Manor	95 Holten Street	Rental	40	Perp	No	*DHCD*
817	n/a	67 Poplar St.	Rental	10	Perp	No	*DHCD*
818	n/a	Stone/Ash/Fellows	Rental	8	Perp	No	*DHCD*
819	Danvers Port School	10 Water St.	Rental	8	Perp	No	*DHCD*
820	Danvers,Peabody,Georgetown	11 Dartmouth Street	Rental	4	02/14/2015	No	*MHP*
821	Fairweather Apartments	11 Porter St.	Rental	44	2013*	No	*HUD* *HUD* *HUD*
822	Heritage at Danvers	9/ 21 Summer Street	Rental	80	Perp	Yes	*MassHousing* *MassHousing*
823	Residential Options	Rogers Rd	Rental	3	2031	No	*EOHHS*
824	Thompson House	160 Water St.	Rental	24	2037	No	*DHCD* *HUD*

This data is derived from information provided to the Department of Housing and Community Development (DHCD) by individual communities and is subject to change as new information is obtained and use restrictions expire.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT CH40B SUBSIDIZED HOUSING INVENTORY

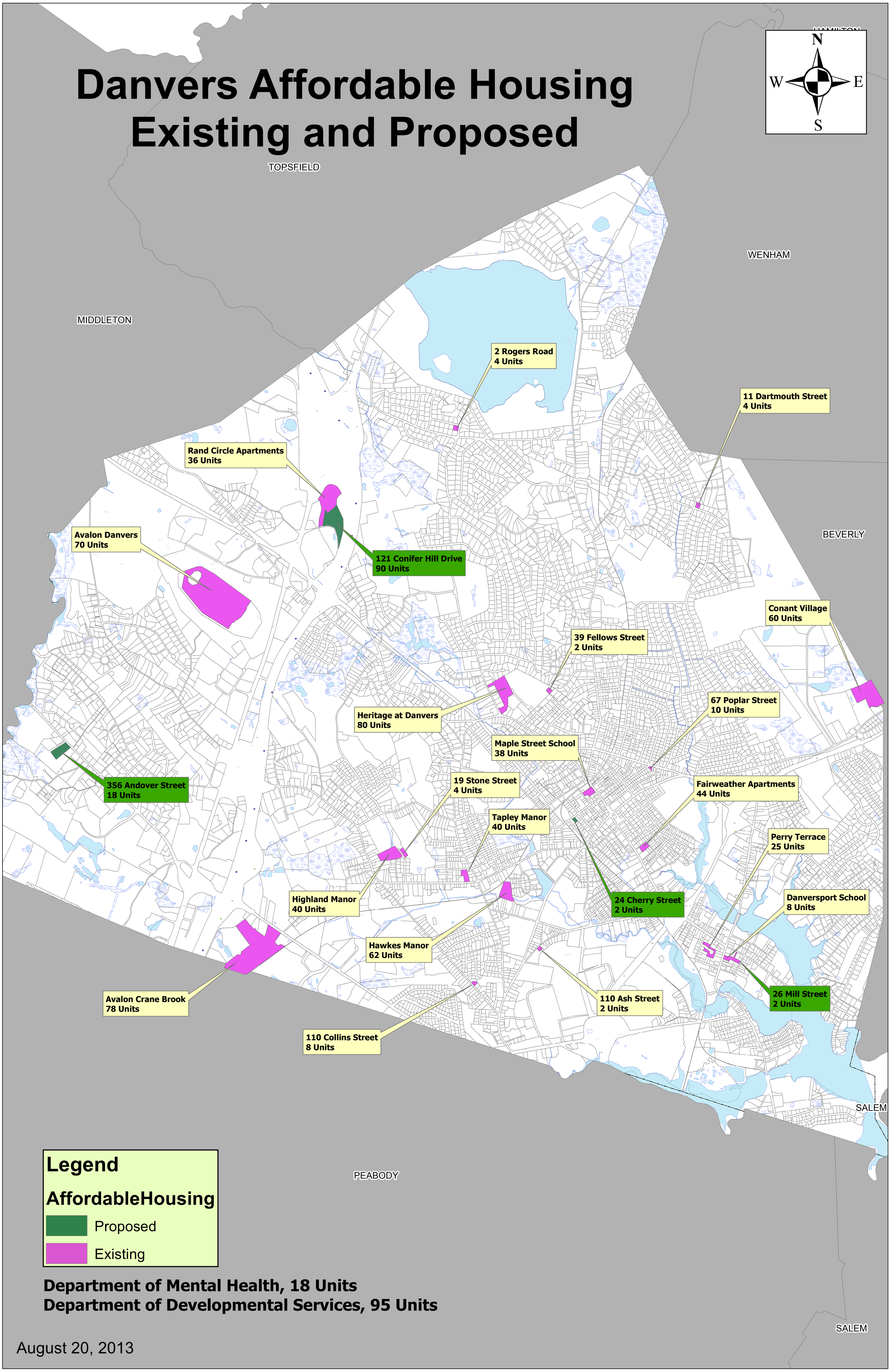
Danvers

DHCD ID #	Project Name	Address	Type	Total SHI Units	Affordability Expires	Built w/ Comp. Permit?	Subsidizing Agency
825	Residences at 180 Newbury Street	180 Newbury St.	Rental	258	Perp	Yes	*FHLBB*
2706	Residential Options	2 Roger Rd	Rental	4	2031	No	*EOHHS*
3978	Conant Village	Conant Street	Rental	60	Perp	Yes	*DHCD* *MassHousing* *MassHousing*
4253	DDS Group Homes	Confidential	Rental	95	N/A	No	*DDS*
6831	Avalon at Crane Brook	150 & 162 Andover Street	Rental	78	perp	Yes	*MassHousing*
7592	DMH Group Homes	Confidential	Rental	18	n/a	No	*DMH*
8562	Avalon Danvers	50 Hathorne Avenue	Rental	70	perp	NO	*LIP*
	Danvers Totals			1,013	**Census 2010 Year Round Housing Units**		11,071
					Percent Subsidized		9.15%

This data is derived from information provided to the Department of Housing and Community Development (DHCD) by individual communities and is subject to change as new information is obtained and use restrictions expire.

Appendix B- Danvers Subsidized Housing Units Map

Danvers Affordable Housing Existing and Proposed

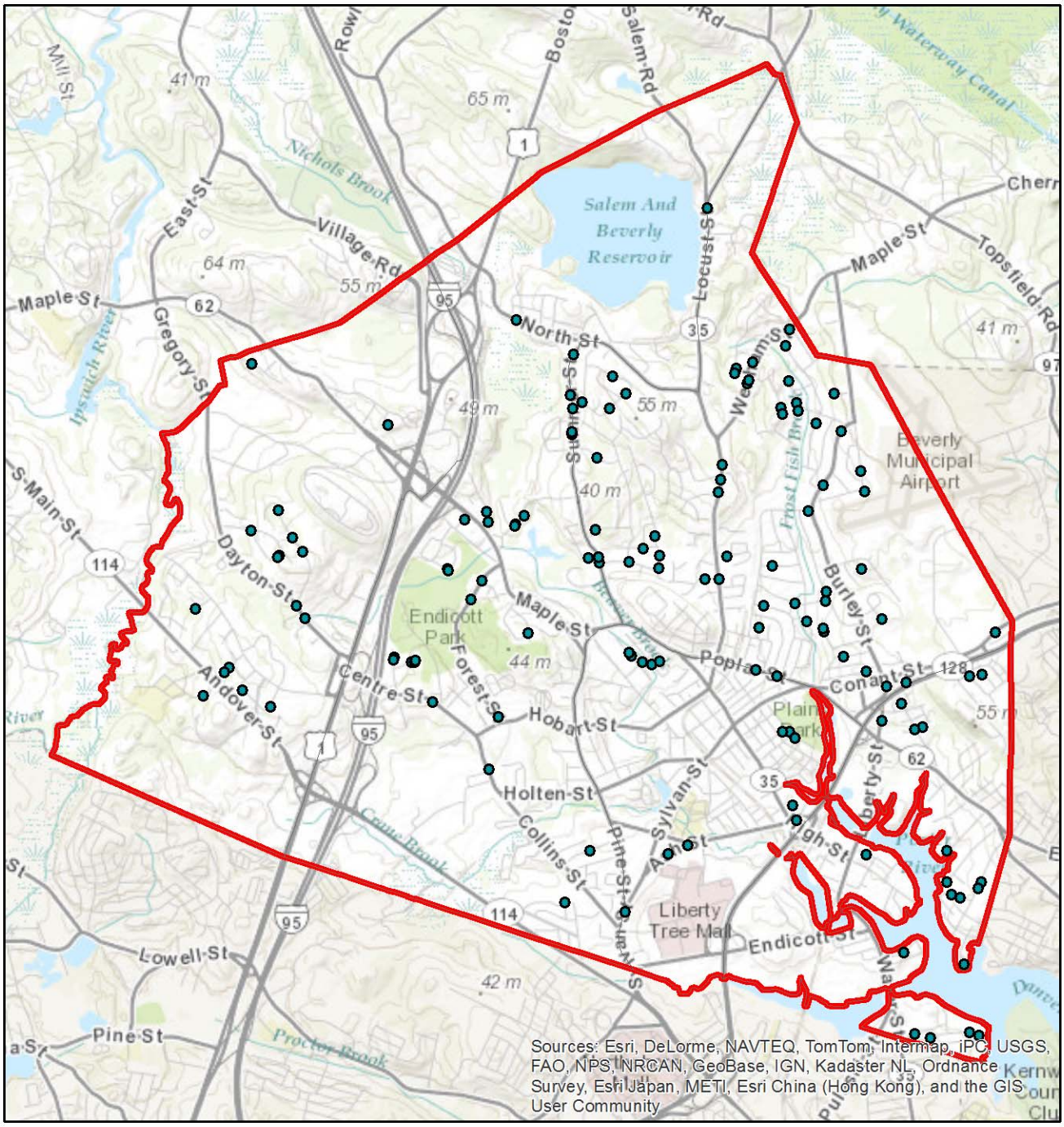


Department of Mental Health, 18 Units
Department of Developmental Services, 95 Units

August 20, 2013

Appendix C- Map Showing EFLA Units

Extended Family Accessory Apartments - Danvers, MA



Cartography By Xue Sherry Zou, 9/11/2013

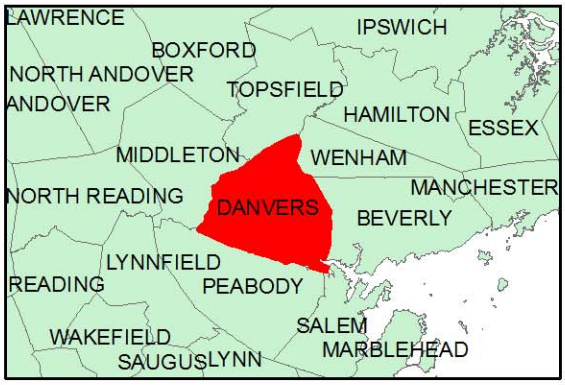
Data Source: MassGIS and Town of Danvers

Legend

- EFLA Locations
- Danvers Town Boundary

N

0 2.25 4.5 9 13.5 18 Miles



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