



Building New Bedford:

Strategies to Promote Attainable Housing
for All in a Thriving New Bedford



INTRODUCTION



Letter from Mayor Jon Mitchell	3
Background & Key Data	4
Introduction	5
Policy Priorities	10
Facilitating New Housing Production Across Income Levels	11
Making Use of Existing Housing Stock & Space	18
Promoting Home Ownership & Independent Living	21
Updating Regulatory Framework	24
Establishing Regional Leadership on Housing Issues	28
Addressing Housing Instability and Homelessness	29
Summary of Policy Proposals	31



LETTER FROM MAYOR JON MITCHELL



New Bedford's home values were at a low point when I took office in 2012. The most pressing challenges then were posed by absentee landlords who blighted neighborhoods and gave rise to criminal activity. As cities throughout the country threw up their arms with depressed housing markets and difficult economic circumstances, we chose a different course and took action. The Neighborhood Task Force compelled property owners to take responsibility for their properties through consistent and fair code enforcement. Crime and blight have fallen sharply. The City has made considerable progress ever since. New Bedford has twice led all of America's cities in its year-over-year decline in its unemployment rate. The education system has improved with the City's flagship high school recording its highest ever graduation rate. The continued development of New Bedford's creative arts and business communities have helped cement the City's place as the economic and cultural center of gravity for the region; and simply put, the City looks better than ever. It's unsurprising that the population is steadily growing and more people are waking up to what city residents have long known: New Bedford is not just anywhere. It's a special place.

In becoming a more desirable place to live, and buoyed by economic gains, the nascent American offshore wind industry, and the arrival of inter-city rail service, the City has attracted new interest and increased investment. We have also not been spared from state and national trends that have steeply increased housing costs. A decade ago, you could have had your pick of apartment rentals under \$1000 per month, or bought a home for half the price of what they are selling for today.

As these factors stretch household budgets, we must act to mitigate growing pains for our neighbors that have not yet been connected with the economic benefits of these opportunities. With rents and home prices increasing at a faster pace than residents' incomes, we must ensure high quality housing choices are attainable for all. This includes providing housing opportunities that are desirable and accessible to a broad range of household budgets.

Just as we have done over the last decade, New Bedford will lead the way. It will require collaboration from the City, its residents, businesses, developers, and non-profits, and also from our surrounding towns and stakeholders throughout the region. As the country has become more segregated by class, exacerbated by growing income inequality, we must be thoughtful in charting a course for our region that properly balances these factors to create opportunity for all.

With that in mind, we share the steps we are taking to address our housing challenges head-on. We have compiled these strategies in response to what we've heard from affected residents, advocates, developers, elected officials, and others, in public forums and stakeholder interviews and focus groups on the topic of housing and the City's allocation of federal resources. We encourage you to continue to offer your feedback and to participate in the process of implementing, adjusting, and advocating for solutions that will make the biggest difference for you and your neighbors.


Mayor Jon Mitchell

BACKGROUND & KEY DATA



New Bedford is a medium-sized city in Southeastern Massachusetts with a 2020 population of approximately 101,000. It is projected that between 2020 and 2040 the population will increase by 4.2% to 105,284.

Income and Poverty

Low incomes and poverty continue to be an issue in New Bedford. Approximately 20% of the total population and 30% of the City's youth live in a household with incomes below the federal poverty level. For populations of color, the percentage of residents below the federal poverty level is even greater.

Housing

More than half of the housing in the City was built prior to 1939 (52%) and almost all of the City's housing was built prior to 1980 (86%). The majority of New Bedford's housing stock is within multi-family units--structures with 2+ units (67%).

While 11% of New Bedford's housing stock is deed-restricted as affordable, the city still struggles with housing affordability. Almost 50% of renters and 30% of homeowners are housing cost burdened, meaning they spend more than 30% of their income on housing and thus are likely to struggle to afford other daily essentials.



101,079
People live in New Bedford in 2020



2.32
Average household size



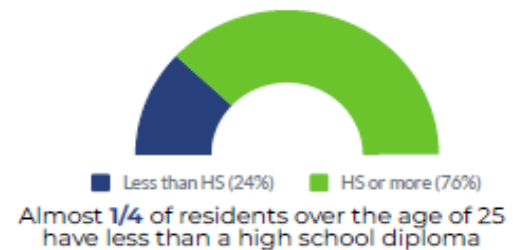
4.2%
Projected population increase between 2020 and 2040

Income, Poverty and Education

Median Household Income

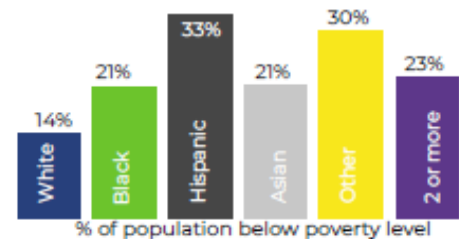


Educational Attainment



19% Of population had an income below the federal poverty level

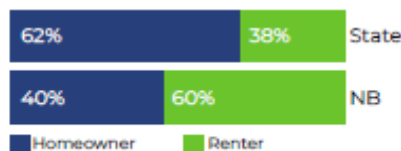
27% Of youth under age 18 lived in a home with an income below the federal poverty level



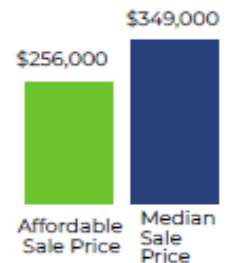
NB's populations of color are more likely to be below the poverty line

Housing Stock and Affordability

Homeownership remains a challenge for many residents.



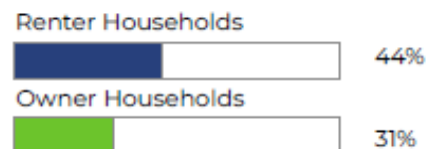
A typical family of 3 can afford a mortgage for a house that costs **\$256,000**. The median sale price for houses in New Bedford is currently **\$349,000**. Thus a gap of **\$93,000** exists.



Approximately 1/2 of renters and 1/3 of homeowners are spending more than 30% of their income on housing costs.



33% Units are Single family homes
46% Units are in 2-4 unit structures
21% Units are in 5+ unit structures



Joshua Amaral, Director
February 2023

INTRODUCTION



New Bedford renters and homebuyers have experienced markedly increased housing costs in the last few years. Advocacy organizations, housing non-profits, local businesses, and other stakeholders have flagged the growing need for relief for those whose household budgets haven't been able to keep up, causing increasing housing instability and making the dream of homeownership less attainable for the average family. In times of increased expenses across the board—food, transportation, utilities—steep increases in the cost of housing are even harder to bear. Solving many of the extremely complex housing challenges goes well beyond the reach of local government, but taking steps to alleviate the financial pressures on New Bedford residents is a top priority. Detailed here are short, medium, and longer-term interventions we will implement to provide relief locally. In this section, we first explore the context of the local housing economy and the unique facets of our region relevant to this discussion.

The population of the state and country have steadily increased over time, and construction of new homes for new Americans has not kept pace. According to the *2022 Housing Underproduction in the United States* report released by non-profit Up for Growth, the United States needs nearly four million more housing units than it currently has to meet the needs of residents across the country. Massachusetts alone is short over 100,000 units. Both of those gaps doubled from 2012 to 2019, and the pandemic has only exacerbated these trends. As more people compete for scarce housing units, the prices of those units have gone up, and those with more to spend win the bidding wars and continue to reset the market to increasingly higher price points.

In a recent article headlined “The Great Construction Mystery,” New York Times columnist Ezra Klein explored the troubling trends in construction that explain the shortage. He writes that while the economy in general is nearly three times as productive as it was decades ago, the construction industry has actually become less productive than it was in 1970, with a number of factors explaining the slowdown. Developers are bogged down by the exhaustive reporting they must undertake to each project's owners, the government, insurance companies, and others, all of which has increased dramatically over time. Estimating, designing, and bidding on work is as complicated as it has ever been. Job site safety requirements have rightly expanded over time, adding delays and expense to each project. In recent years, workforce and materials shortages have only further compounded these issues.

One researcher blamed the “million veto points” in which government boards and local opposition can nix projects. Whether it is overly restrictive zoning requirements, environmental conservation concerns, a lack of parking spaces, or that a project is just plain

unpopular with neighbors, these factors add friction that slows the ability to put up much needed new homes. Specifically, the article notes that wealthier areas have tended to have less new construction because residents are more effective in blocking projects in their neighborhoods.

Suburban communities across the country have often balked at the idea of developing housing for low-income families, citing the increased costs of providing education and municipal services, as well as the erosion of their town’s “character.” This is especially true in Massachusetts where towns have enacted exclusionary zoning policies that have caused urban centers to take on a disproportionate responsibility to provide housing across income levels and grapple with the challenges of generational poverty. Some communities in the Commonwealth, confronted with regulatory changes requiring more multi-family housing, have publicly stated their intention to flout the law rather than allow more building.

These factors undoubtedly influence the construction of multifamily housing in the towns surrounding New Bedford, as they do in suburbs throughout the state and country. Greater New Bedford experiences the same phenomenon and lacks a sufficient supply of housing for the area’s residents.

The housing stock of the surrounding towns is much different from that of New Bedford, with a far higher percentage of single-family homes, fewer multi-family homes, and dramatically fewer units for those with low incomes. As a result, all of them fall short of the requirement in Massachusetts General Law Chapter 40B to set aside 10% of their housing units for low-income residents. The affordability of housing and the availability of units are inextricably linked, pointing to the need for more multi-family construction not just in New Bedford, but also in its suburbs. The inability to develop housing at scale in suburban towns has been identified as a significant roadblock to solving the state’s housing woes. Incremental changes to state law have taken root to compel additional development, including new zoning requirements for towns with access to MBTA rail service that will require districts in which multi-family housing development is allowed as of right.

Percentage of Income-Restricted Units in Surrounding Towns	
	Percent Subsidized Units
New Bedford	11.90%
Dartmouth	8.20%
Marion	7.70%
Fairhaven	6.90%
Mattapoisett	2.70%
Freetown	2.60%
Acushnet	2.40%
Rochester	0.40%

Source: MA DHCD Subsidized Housing Inventory

While a loophole allows towns to count some market-rate units as income-restricted in the state’s Subsidized Housing Inventory, the full inventory of income-restricted housing in New Bedford is far larger than it appears at first glance. Public housing units, low-income housing

vouchers, and other supportive apartments in New Bedford provide the lion’s share of the region’s subsidized affordable housing, with a staggering 30% of the city’s renters assisted by government programs. Nearly one out of every three renter households resides in an income-restricted or subsidized unit.

New Bedford Housing Units	Number	Share of Occupied Units	Share of Rental Units
Total Occupied Units	39,059	100%	-
Total Rental Units	23,523	60.2%	100%
Federal Public Housing (NBHA)	1,749	4.4%	7.4%
State Public Housing (NBHA)	850	2.1%	3.6%
NBHA Vouchers	1,916	4.9%	8.1%
Permanent Supportive Housing	104	0.2%	0.4%
HomeBASE	57	0.1%	0.2%
Non-NBHA Subsidized Inventory	2,514	6.4%	10.6%
Total Subsidized Units	7,190	18.1%	30.3%

Source: Author’s Calculations of DHCD Subsidized Inventory, City Five-Year Consolidated Plan 2020-2024, and 2022 Point-in-Time/Housing Inventory Count

According to area housing non-profits, the use of housing vouchers, in which low-income tenants’ rents are fixed at 30% of their income, is rare in the surrounding towns because there are relatively few rental apartments to choose from, scattered among a housing stock made up of almost entirely single-family homes. The few rental units available tend to be priced above HUD’s Fair Market Rents, which limit the amounts covered by most vouchers. Public housing operated by the towns’ housing authorities is extremely limited. When towns have developed so-called “40B” Affordable Housing, they have generally restricted eligibility to senior citizens only and given preference to their own residents. While many seniors live on fixed incomes and benefit greatly from the stability of income-restricted units, this prevents families with lower incomes from locating in the towns and has the effect of disproportionately concentrating them in cities, where rental housing is more widely available.

As of 2020, New Bedford had the 8th highest percentage of residents living in poverty of Massachusetts’ 351 cities and towns. Within Greater New Bedford—defined here to include Acushnet, Dartmouth, Fairhaven, Freetown, Marion, Mattapoisett, New Bedford, and Rochester—New Bedford houses over three-quarters of the low-income residents of the region despite having only about half of its population.

Geographic Distribution of Poverty Greater New Bedford, 2020			
	Poverty Rate	State-Wide Rank	Share of Region
New Bedford	19%	8	78%
Fairhaven	7%	138	4%
Freetown	6%	161	2%
Dartmouth	5%	187	7%
Acushnet	5%	219	2%
Rochester	3%	286	1%
Marion	3%	306	1%
Mattapoisett	2%	337	1%

Source: U.S. Census Bureau, American Community Survey, 5-year estimates

The implications for the concentration of the region’s poverty in the city are wide-ranging. For instance, New Bedford Public Schools educates a disproportionate share of students identified as “High Needs” by the state Department of Elementary and Secondary Education, a composite measure that includes students with disabilities, English as a second language, and students living in poverty. New Bedford Public Schools accounts for 70 percent of all High Needs students in the region. Towns resist new residential development in part due to the notion that it will increase education expenses and demands on other town services, steering families toward New Bedford, which tends to overload the City’s already-stretched capacity.

The concentration of poverty in such fashion is understood to curtail economic mobility, contributing to a cycle of generational poverty that can hold back families and inhibit the kinds of workforce, economic, civic, and educational growth thriving cities aspire to create. The answers to solving the region’s housing challenges come from collaboration and cooperative planning across the region. Together, we can solve our shared housing shortage by building new housing to meet the needs of our residents and increase quality of life and economic competitiveness in our area.

New Bedford has always been a welcoming and supportive city for people of all backgrounds trying to build better lives for themselves and their loved ones. As the economic center of the region, the city reaps myriad advantages from its increased population size, industrial base, and anchor institutions. Residents of Greater New Bedford should have access to opportunity throughout the region, and the ability to choose the most advantageous living situations for their families. The city and its surrounding towns must find ways to offer a multitude of housing types for every household income category to allow for mobility throughout Greater

New Bedford. Moreover, New Bedford should not be regarded as a place of last resort for everyone who can't afford to live elsewhere.

New Bedford is doing its part to address the region's housing crunch. With nearly 150 units currently in the pipeline—almost all of which are income-restricted—the city has more housing activity currently than it has in years. However, the financing of these projects have shed light on the difficulties of developing a range of housing types in New Bedford's market. With new construction costing around \$500,000 per unit, and redevelopment projects running over \$300,000 per unit, any kind of larger scale development comes with a massive price tag.

While rents have increased in recent years, straining household budgets, they pale in comparison to rents in the Greater Boston area, where construction costs are about the same as they are in New Bedford. As developers evaluate the financing behind their projects, they have consistently chosen to develop in Metro Boston, where they can demand—and realize—significantly higher rents. If a housing development costs about the same to build in New Bedford as it does in Boston, but the Boston project generates more than twice as much revenue, it is no wonder why developers make the choices they do.

New Bedford projects are often not feasible at market rental rates. As a result, one of the only ways to make developments work is to use state and federal housing subsidies. The most popular subsidy is the Low-Income Housing Tax Credit, which allows a developer to receive lucrative tax credits in exchange for committing to rent units to only those with incomes below 60% of the area median income. The tax credit's income restriction remains in place for at least thirty years, precluding all but the lowest income households from living in these units for a generation.

In a city with a significant number of income-restricted rental units already, continuing to develop only income-restricted housing exacerbates the widening income inequality between New Bedford and its surrounding towns, resulting in an untenable imbalance. Because many prospective New Bedford renters make more than 60% of the area median income, they are excluded from living in new restricted units and thus the new developments do little to close the gap for the average renter searching for an apartment.

As the City of New Bedford contemplates strategies to provide housing options for all segments of the market and mitigate mounting housing instability, the surrounding towns must do the same. The future of the region is dependent on a housing market capable of serving the needs of the workforce, young families, seniors, returning college grads, and everyone in between. Housing can be a source of our region's strength for years to come. During a time of housing crisis in which cities and towns are pit against one another on the topic of housing policy, we can join with our nearby towns to model how a thoughtful regional approach can deliver attainable housing options for all.

POLICY PRIORITIES



The City of New Bedford has differentiated itself from mid-sized cities in Massachusetts and across the country by assessing its challenges in earnest and thoughtfully devising solutions that fit in the city's long-range plans. Ensuring New Bedford residents can attain quality housing at reasonable prices is a top priority. We must improve residents' quality of life, enable thriving neighborhoods, and provide access to homeownership and economic opportunity, particularly to those who have historically been marginalized. To that end, we offer a range of housing policy priorities and initiatives, organized into six categories:



Facilitating New Housing Production Across Income Levels



Making Use of Existing Housing Stock & Space



Promoting Home Ownership & Independent Living



Updating Regulatory Framework



Establishing a Regional Approach on Housing Issues



Addressing Housing Instability and Homelessness



Facilitating New Housing Production Across Income Levels

As more people continue to discover the desirability of living in New Bedford, and cost pressures in Greater Boston push households toward Southeastern Massachusetts, the demand for apartments and homes here has grown, and so too have the costs.

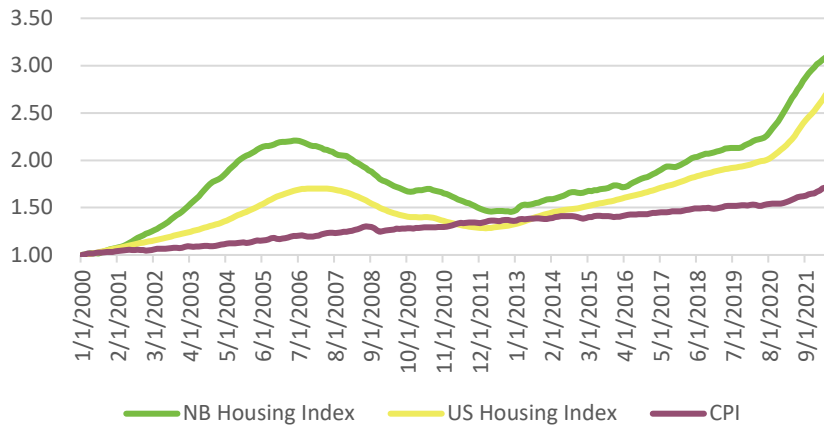
Almost half of New Bedford’s renters were “cost burdened” in 2021, allocating more than 30 percent of their income to rent. About a quarter of households were “extremely cost burdened,” committing over half their incomes to rent.

Percent of renters paying 30% or more on rent			
	2019	2020	2021
New Bedford	43%	44%	44%
Bristol County	44%	44%	45%
Massachusetts	47%	46%	47%
United States	46%	46%	46%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates

Over the last few years, housing costs have soared in the United States faster than inflation, and due to the outgrowth of the Boston area housing market, New Bedford’s price increases have been even more steep.

Housing and Consumer Price Indices, New Bedford and United States, January 2000 - July 2022



Source: Zillow Home Value Index (ZHVI) and the Bureau of Labor Statistics Consumer Price Index (CPI)

To better meet the demand and stave off steep rent hikes that stretch household budgets, the City must prioritize increasing its housing supply through the production of new units at

all income levels. The most effective strategy to remedy housing challenges—locally, statewide, and nationally—is to add to the supply of housing units to better meet demand and stifle increased prices.

The local discussion around rent control is misguided in that similar policies have been shown to inhibit the development of new housing units. Just the conversation of rent control in Boston has brought its housing development market to a standstill. With the City's already far more challenging economic environment for housing development, the specter of rent control policies only threatens to exacerbate conditions in the short term.

This plan proposes a more proactive and effective approach to stimulating much-needed housing development by removing rather than creating barriers:

» **The City will facilitate the construction of 149 new units of housing with funding support through the American Rescue Plan Act (ARPA) and HOME Investments Partnership Program.**

The City has committed nearly \$12 million to close funding gaps and ensure these much-needed units are brought online. These funds are allocated to five projects, which will add a total of nearly \$75 million in new housing investment. Approximately 75% of the new units will be reserved for those making less than 60% of the area median income. These housing developments will increase residential density in downtown New Bedford and provide additional beneficial economic impacts while providing high quality affordable housing. Together these projects represent the largest investment and most significant development of housing in New Bedford in many years.

» **The City will fast-track the permitting of multifamily housing developments.**

Ensuring that projects are permitted expeditiously is one of the most straightforward measures local government can take to increase housing supply. In a highly competitive development market, a streamlined permitting track for major projects reduces the cost and scheduling friction that stymies new growth. As time passes, costs escalate and test the boundaries of project budgets and developer capacity. Without compromising the City's need to conduct ample due diligence to protect the interests of neighbors and residents alike, preventing and quickly resolving issues during the permitting process will encourage investment in New Bedford and expedite added housing supply. A nimble and flexible process will send a clear message to developers that New Bedford is open for business and is willing to work with them to meet residents' housing needs.

To this end, the City will issue a revised Guide to Permitting, outlining a revamped Permitting Task Force, comprised of all relevant City departments. The City will explore zoning amendments to remove existing barriers to multi-family residential development and will set a target of approval of large projects within 90 days. The Mitchell Administration will work with the City Council and Planning Board to review ordinances related to Site Plan Review with an eye toward simplifying the process for large

multifamily housing developments. The Office of Housing & Community Development will work directly with housing developers to shepherd them through City approval processes expeditiously and will interface with City departments to ensure proposed developments are met with the sense of urgency appropriate to respond to a dire housing shortage.

» **The City will intensify its efforts to recruit developers by assigning the responsibility to the Office of Housing & Community Development (OHCD).**

The Office of Housing & Community Development is well positioned to help developers navigate city government, finance projects with public and private sources, and communicate their aims with the community. OHCD works with a wide array of non-profit and for-profit developers on projects small and large.

OHCD will collaborate with the Department of Planning, other relevant city departments, and the New Bedford Economic Development Council to ensure housing developers understand the unique advantages of building in New Bedford. Housing & Community Development will assist developers in moving projects to completion while safeguarding residents' expressed interests in housing affordability, quality, and historic preservation.

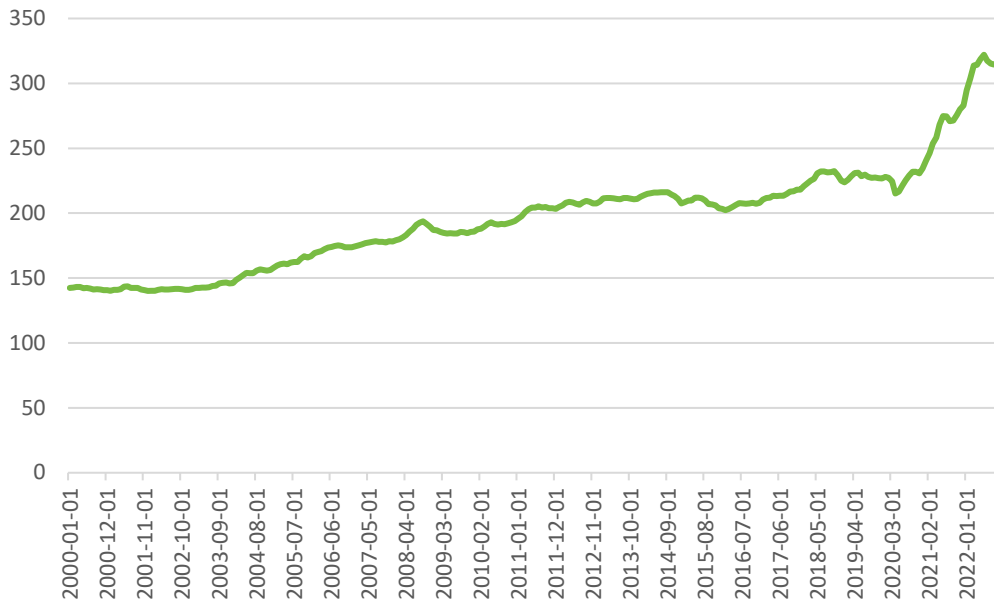
Embarking on a large multifamily housing development project in New Bedford should start with OHCD to ensure consistency with the City's priorities and outline a streamlined path from pre-development to ribbon cutting.

» **The City will make expanded Housing Development Incentive Program (HDIP) funding a legislative priority and will expand its HDIP zone.**

HDIP is a relatively new housing incentive program that offers direct subsidies and tax incentives to spur the construction of market rate housing units in so-called "Gateway Cities", which experience unique challenges in funding housing development, particularly outside of Greater Boston.

Market rents in New Bedford are insufficient to support the cost of building new multifamily housing. Exacerbated by a tight labor market, increases in the costs of construction materials, and other inflationary factors, the average construction cost per unit in New Bedford is \$321,659 compared to \$357,914 in Boston, but average Boston rents are more than double that of New Bedford. At best, developers are disincentivized from investing in New Bedford because of the difference in anticipated revenue. Much more often, financial projections for developments in New Bedford fall far short of profitability and developers cannot finance them without some form of subsidy.

**Producer Price Index: Net Inputs to Residential Construction,
United States, January 2000 - November 2022**



Source: Bureau of Labor Statistics

For these reasons, cities with housing markets marked by relatively low demand turn to subsidies to build new housing, but as noted above, the most available subsidies come with long-term income restrictions. With a disproportionate share of the region’s income restricted housing already, New Bedford must be judicious in turning to such options in order to have a balanced housing market and opportunities for residents at all income levels. HDIP is designed as one solution to this challenge - a way to incentivize housing development under such circumstances without income restriction.

Unfortunately, the state legislature has consistently underfunded the program by making a total of just \$10 million a year available. With a maximum of \$2 million per project, this could fund as few as five developments per year across the entire state. Despite participating in the program since 2013, New Bedford developments have never received HDIP funding. (One application is currently pending.)

Governor Maura Healey proposed to increase HDIP funding this year to \$50 million to clear a backlog of similar applications, and to increase the annual funding to \$30 million per year thereafter. Under her plan, the maximum project size would rise from \$2 million to \$5 million.

Currently, only projects in the downtown are eligible for HDIP funding. Just this month, the City Council approved the Mitchell Administration’s request to expand eligibility city-wide, a measure that is pending state approval. Given the high potential of increased funding, New Bedford should position itself to be competitive and finally receive its fair share of this valuable resource. As MassINC’s report notes:

“There is an exceptionally strong cost-benefit proposition for providing HDIP incentives that unlock development that would not occur but for this tax credit. Our review of projects completed to date shows HDIP draws \$12 in private investment for each dollar provided by the state. Increasing the cap to \$30 million per year would likely produce \$4 billion of investment over the next 10 years and create up to 12,000 new units of housing.”

With the clear need for additional housing supply, making it easier to access all available incentives to enable that development is an obvious part of the solution.

» **The City will balance the need for market rate and workforce housing with the use of low-income housing subsidies to create units attainable for all New Bedford residents.**

For projects larger than six units, for which non-income restricted funding sources such as HDIP cannot close a developer’s financing gap, the City will support the use of development incentives that restrict up to 40% of a development’s units for tenants at or below 60% of the area median income. Developers utilizing Low Income Housing Tax Credits (LIHTC) are encouraged to explore income averaging models that allow for units up to 80% AMI.

Income Limits by Household Size, New Bedford, 2022					
	1	2	3	4	5
30% AMI Income Limits	\$19,800	\$22,600	\$25,450	\$28,250	\$32,470
50% AMI Income Limits	\$32,950	\$37,650	\$42,350	\$47,050	\$50,850
60% AMI Income Limits	\$39,540	\$45,180	\$50,820	\$56,460	\$61,020
80% AMI Income Limits	\$52,750	\$60,250	\$67,800	\$75,300	\$81,350
Area Median Income (100%)	\$65,900	\$75,300	\$84,750	\$94,150	\$101,650

Source: U.S. Office of Housing and Urban Development

Although the Mitchell Administration has prioritized the development of market rate housing to increase the overall supply of housing units, it has supported the use of low-income tax credits and other subsidies to provide additional housing options to qualifying populations.

Units Affordable to Households Based on Income		
	Owner	Renter
30% HAMFI*	-	2,365
50% HAMFI	225	6,635
80% HAMFI	1,905	15,650
100% HAMFI	4,605	-
*HAMFI refers to the HUD Area Median Family Income		

Source: City of New Bedford Five-Year Consolidated Plan 2020-2024

However, the City is the only municipality in Greater New Bedford that complies with Chapter 40B, a state requirement that each municipality have at least 10% of its housing stock restricted for those with low incomes. As explained above, the disparity in levels of need between New Bedford and its surrounding communities is growing wider, threatening the City’s long term economic competitiveness, the performance of its school system, and the economic mobility of its residents.

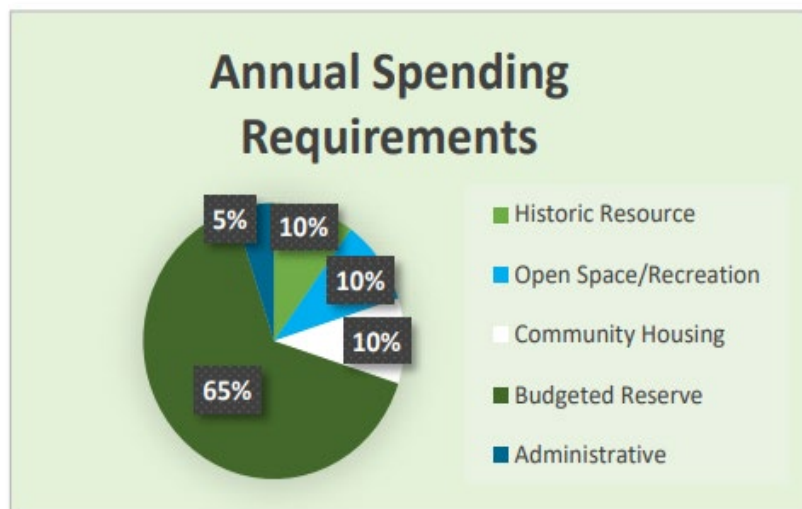
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Westport	3.60%
Mattapoisett	2.70%
Freetown	2.60%
Acushnet	2.40%
Rochester	0.40%

Source: MA DHCD Subsidized Housing Inventory

The City’s extensive number of subsidized housing units have been necessary to meet the needs of its population, but often preclude pathways out of poverty. Residents’ difficulties meeting market rate housing costs have as much to do with relatively low-income levels as they do increasing rents. To that end, housing interventions cannot alone solve the affordability crisis. Increased economic development, access to education and childcare, and more lucrative job opportunities for residents are all important factors.

» **Mayor Mitchell will call upon the Community Preservation Committee to spend a minimum of 20% of annual Community Preservation Act (CPA) funds on Community Housing projects**

The Community Preservation Act program, adopted by New Bedford voters in 2014, adds a 1.5% surcharge on annual local tax assessments and leverages significant state matching dollars to fund the acquisition, creation and preservation of open and recreational space, historic resources, and community housing.



New Bedford’s Community Preservation Committee (CPC) is required to set aside 10% of annual revenue into each of the three categories, about \$160,000 to each, and the remainder can be used on any of the categories. The Mitchell Administration will encourage the CPC to spend a minimum of 20% of annual revenues on Housing project applications that are consistent with the policies articulated in this plan, when they present themselves before the CPC. These funds will support projects with restriction up to 100% of the area median income. The Community Preservation Committee should work collaboratively with the City’s Office of Housing & Community Development to ensure the most efficient use of the City’s relatively scarce local resources to support housing development.



Making Use of Existing Housing Stock & Space

New construction of housing is extremely complex, costly, and time intensive. In the years it takes to conceive of, fund, and construct new housing units, the City can augment the supply of housing by making better use of its existing housing stock and buildable space. Stimulating the development of vacant residential and commercial properties and underutilized parcels represents another path to adding much needed housing units. As New Bedford lacks significant buildable land, pursuing the rehabilitation of vacant units and the adaptive re-use of other structures is a critical strategy to increase housing supply.

The 2021 Census estimates that there are 2,857 vacant housing units in New Bedford, which includes all types of vacancy, including units that are unoccupied and listed for rent or sale or used for seasonal recreational or occasional purposes. HUD keeps its own data on vacancies, and their analysis suggests that there are 2,060 units of vacant housing in the city and that approximately 10% of those are abandoned. While most of these units represent normal, transaction-related vacancies, there are many units among them that can be returned to productive use on the housing market.

Vacant and abandoned properties are often linked to an increased rate in crime, declining property values and serve as a source of blight in neighborhoods. They can also incur steep expense to the City if maintenance or demolition is required to ensure the health and safety of the neighborhoods. These vacant units also represent valuable housing units that are currently underutilized.

Historic preservation and affordable housing are not mutually exclusive concepts. New Bedford's unique housing stock provides ample opportunity for exciting development. Maximizing the use of the City's abundance of triple deckers, for example, often located in tightly woven neighborhoods, is an important priority.

Over the last decade, increased code enforcement efforts have improved conditions at many of these properties while also identifying vacant properties, adding them to a registry of the city's vacant buildings. There are currently 403 properties identified on the registry, with 357 of them coded as mixed use or residential.

Additionally, the City has worked collaboratively with the Massachusetts Attorney General's Receivership Program and MassHousing's Neighborhood Hub initiative as ways of reducing the number of vacant properties and maximizing their productive use. This program has resulted in the restoration of key properties in several neighborhoods.

» **The City will launch a new initiative to reactivate vacant residential properties.**

Many of the vacant residential and commercial properties across the city are stuck either in foreclosure or probate processes. Making them available to potential new owners and tenants is an effective and relatively quick means of increasing the supply of housing and comes without much of the onerous difficulty of constructing larger scale new development. Freeing these properties from legal limbo will require a focused approach. With American Rescue Plan Act funds and those generated by the vacant building fund, the City will create the position of Vacant Building Coordinator in the Office of Housing and Community Development whose job will be to work with mortgage holders, probate court and other stakeholders to identify vacant residential properties, reactivate them to provide new homes, and restore them to the tax rolls. This position will be instrumental in launching a new interdepartmental team dedicated to the redevelopment of key vacant and/or abandoned properties.

The City's Office of Housing and Community Development has participated successfully in MassHousing's Neighborhood Hub program, which provides technical assistance to implement strategies to repair and renew neighborhoods with high rates of vacant, abandoned, and deteriorating homes. The City's commitment of additional resources will scale up this effort to cover additional ground and make available more homes to city families.

To further boost efforts in this area, the City will join with other Massachusetts cities to support state legislative initiatives to increase the allocation of funds to the Neighborhood Stabilization Program, a state funding source for vacant home rehab, as well as an initiative to empower cities to acquire vacant or abandoned problem properties that are otherwise difficult to address.



» **The Administration will work with the City Council to facilitate the sale of unused city parcels and facilities for housing.**

In a city that lacks an abundance of buildable land, adaptive re-use of city-owned properties is a key strategy for developing housing. Primarily located in the heart of existing multifamily residential neighborhoods, former school buildings in particular offer a handy opportunity to increase housing supply and advance historic preservation goals. Avoiding the costly expense of demolition and the blight of dilapidated old buildings while creating much needed housing units achieves multiple goals.



The city owns a number of unused parcels that could serve as building grounds for single- or multi-family homes. These sites, too, should be activated to help solve housing supply challenges. The Mayor will propose an infill zoning ordinance and a potential reduction in lot size requirements to enable building on many of these “non-conforming” parcels, which are often no smaller than others in the immediate vicinity but are shut off from potential development by outdated zoning ordinances.

Additionally, the City will evaluate its Side Yard Sales Program to maximize the disposition of city-owned vacant lots that are otherwise undevelopable but pose some benefit to an abutter.

» **The City will work with property owners to open up new land to single family housing developments.**

While homeowners are less likely to be cost-burdened than renters, housing affordability issues have impacted homeowners and mortgage holders as well. The typical home value has increased considerably since the housing market correction in early 2012 and has outpaced inflation ever since. The ability to work remotely and avoid commuting changed some homebuyers’ preferences at the outset of the pandemic, and during the following two years, home values increased by 38 percent, compared to 10 percent during the two years prior.

Opening up even the relatively scarce new land available for residential development will help ensure that New Bedford residents seeking to purchase single family homes need not leave the City to find them.

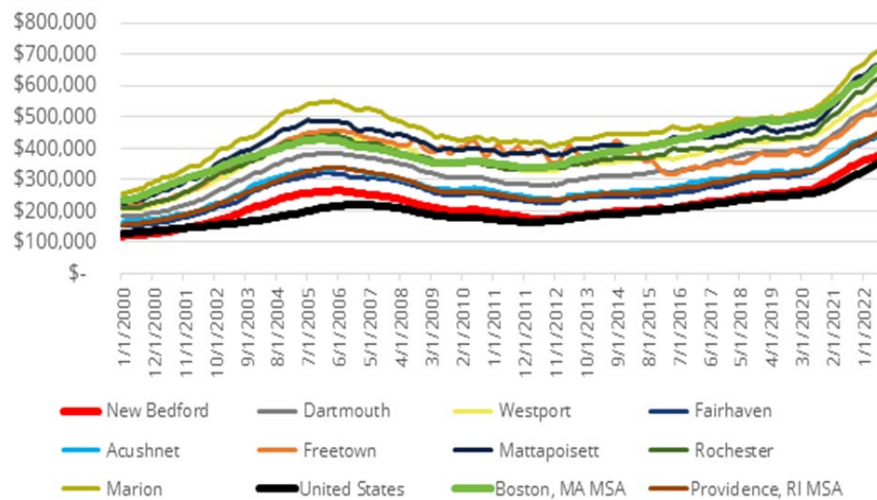


Promoting Home Ownership & Independent Living

For many families, home ownership represents the American dream and serves as a core part of a household’s base of economic stability. Homeownership can provide predictability in anticipated housing costs as mortgages are typically set at a fixed amount over the life of the loan, whereas rents can increase year over year. Further, home ownership can offer the potential for wealth building for households. A study from the *Harvard Joint Center for Housing Studies* found that “the median renter household who became a homeowner household and sustained homeownership experienced an \$85,000 increase in net wealth, whereas the net wealth of the median renter households who continued renting remained the same.”

Putting down roots in a neighborhood and realizing the pride of ownership contributes to a greater sense of community. Owner-occupied properties tend to be better maintained and less likely than those owned by absentee landlords to pose problems. The City will continue to incentivize homeownership and owner-occupancy as a key part of its neighborhood revitalization strategy.

**Typical Home Value
Greater New Bedford and surrounding regions, January 2000 - July 2022**



Source: Zillow Home Value Index

The average home price in New Bedford has typically been lower than other municipalities in the region, making access to homeownership relatively attainable. Despite this, the average home cost in New Bedford and the region has increased at a faster rate since 2020, following national trends. The median price of a single-family home in New Bedford was \$189,700 in December of 2015 and was \$269,000 in December of 2020. As of December of 2022, the median price of a single-family home in New Bedford had risen to \$349,000—an almost 84% increase since 2015 and an almost 30% increase since 2020.

» **The City will increase funding for its first-time homebuyer program.**

Despite New Bedford’s relatively affordable homes, increased interest rates have made achieving the goal of home ownership harder for some city families. The City has long offered a First-Time Homebuyer Program, providing down payment and closing cost assistance, gap financing, and funds for rehabilitation to bring properties up to quality standards and building code. With the goal of creating new home ownership opportunities for residents, the City will increase the amount of resources provided by the program utilizing American Rescue Plan Act (ARPA) funds. The success of MassHousing’s MassDREAMS program, which was heavily used across the state in 2022, will serve as a model for expanded programming for first-time homebuyers. Similar to that program, the City will offer assistance with 5% of the purchase price of a 1-3 family home that will serve as the buyer’s primary residence, up to a maximum benefit of \$40,000. This program will be stackable with other existing first-time homebuyer incentive programs, creating a powerful aid to achieving the goal of homeownership for qualifying homebuyers.



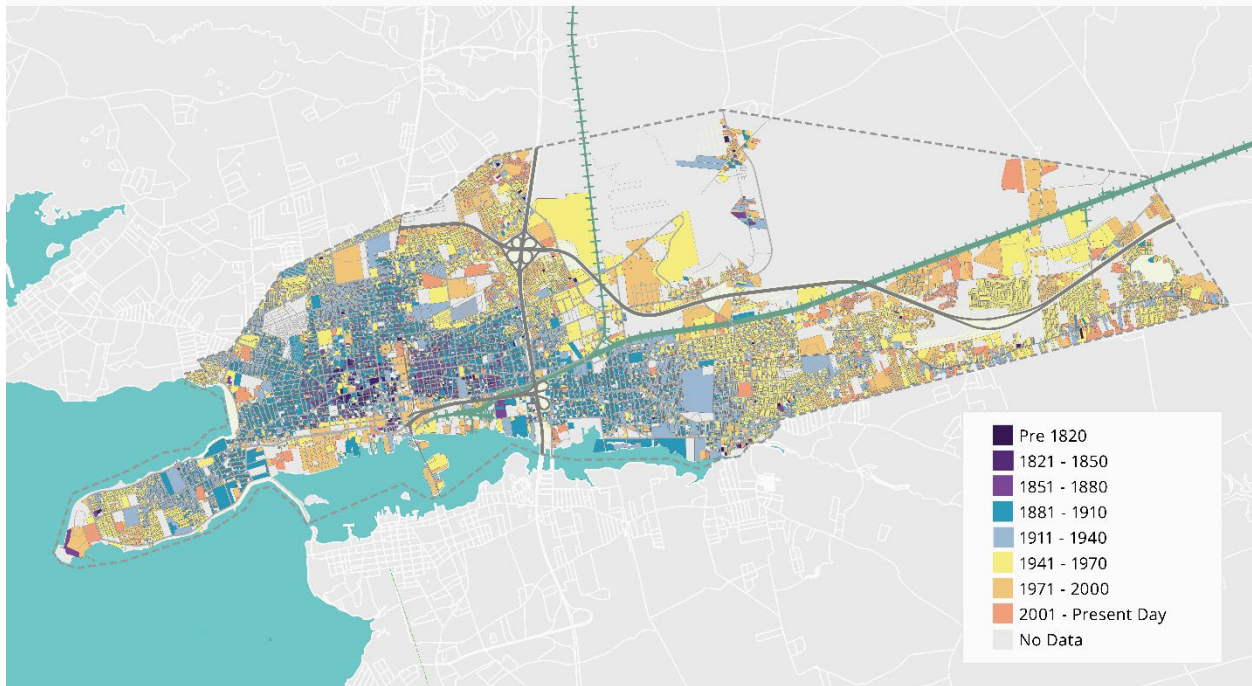
» **The City will increase overall funding and maximize grant amounts for its Housing Accessibility, Emergency Repair, and Financial Assistance programs, enhancing supports that enable homeowners to stay in and maintain their homes.**

Nearly 14% of city homeowners are severely cost burdened, spending more than 50% of their income on their housing costs. With an older stock of homes throughout the city, those with limited room in their household budgets often have a hard time when sudden repair needs emerge. Through its Office of Housing & Community Development, the City offers a number of programs geared toward supporting residents in staying in and maintaining their homes. Utilizing ARPA and other federal resources, the City will double the total amount of funding set aside for these programs and expand their scope. The Emergency Repair Program will increase its amount of assistance to \$12,000 to help low and moderate income households to alleviate dangerous, hazardous, or unsanitary conditions. These funds are often used to repair roofs and replace home heating systems, but can be used for an array of emergency repair needs. Similarly, the Financial Assistance program offers 0% deferred loans forgiven after 15 years to perform repairs necessary to correct code violations. Eligible single-family homeowners can borrow up to

\$24,000, two family homeowners \$40,000, and three family homeowners \$50,000. Despite the fact the loan is completely forgiven in time, many homeowners are resistant to taking on the assistance in the form of a loan. With an infusion of American Rescue Plan Act dollars, appropriate Financial Assistance requests will instead be provided as grants without the lengthy loan commitment.

Additionally, the Accessibility Program removes or alters architectural barriers to make homes accessible for those with limited mobility. The maximum support level for this program will be increased to \$20,000 per household to adjust for additional needs and increased construction costs. Additional resources will be utilized to supplement the City's Lead Paint Abatement and Healthy Homes program, which assists with the removal of lead paint and other hazards in homes occupied by a pregnant woman or a household that includes a child under six.

REFERENCE MAP: YEAR BUILT



Source: Agency Landscape + Planning and Hisel Flynn, New Bedford Comprehensive Plan Presentations, 2023



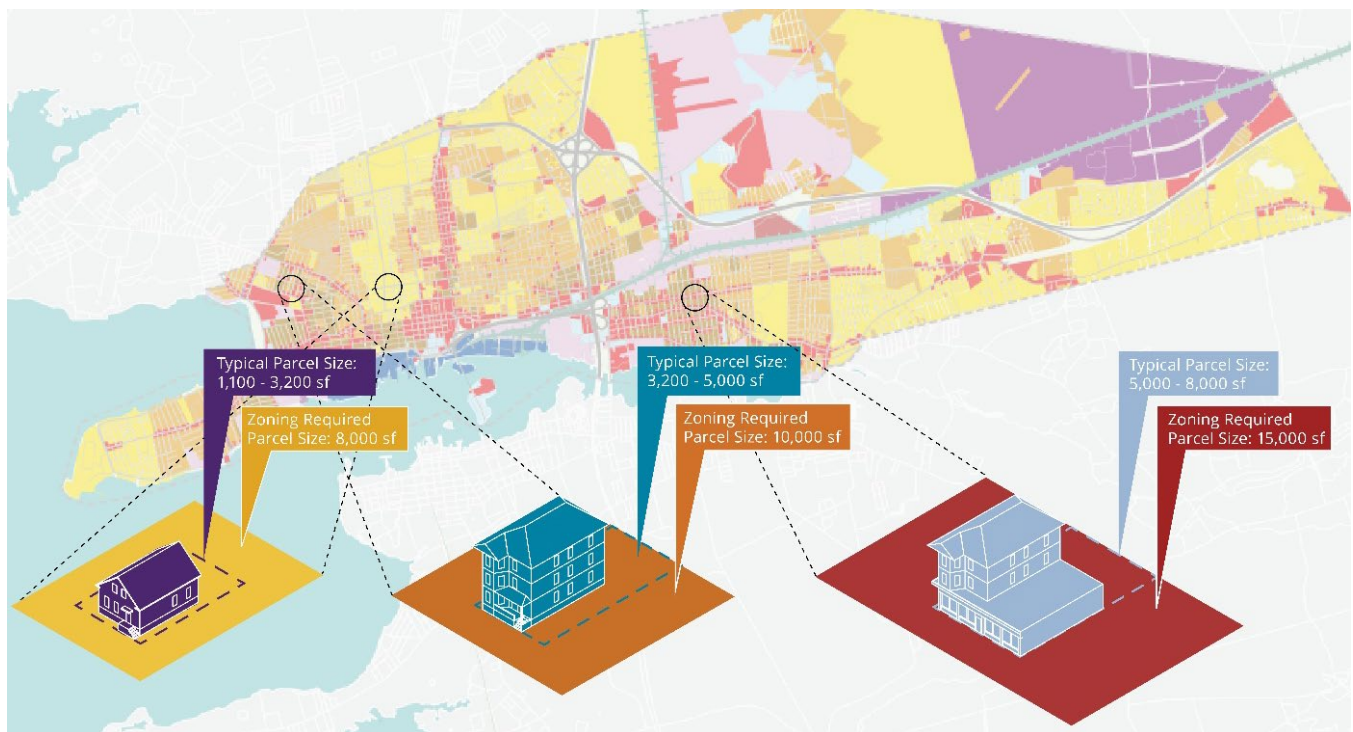
Updating Regulatory Framework

The alignment and modernization of the City's zoning, ordinances, policies and procedures are important to the outlook of housing solutions. Renters, homeowners, and developers alike benefit from an environment that reduces bureaucracy and uncertainty but maintains cohesion with the city's long term strategic goals. Small changes, for example reducing parking requirements for new housing developments in walkable neighborhoods with public transportation options, can make a difference in encouraging development.

» New Bedford will enact zoning changes to revise minimum lot size and other dimensional requirements in order to facilitate the development of housing.

In many cases, the development of small parcels of land is prohibited by zoning rules that mandate a minimum lot size far greater than the sizes of existing lots in the same neighborhood. This inhibits development, reduces density, and often creates unsightly visual gaps in what could be thriving residential or mixed-use neighborhoods. City officials often debate demolition of deteriorating properties because the potential for redevelopment of even a poor existing structure is more likely than building on the lot after it is cleared and subject to different requirements for new construction. The City will revisit this approach to enable additional development where appropriate.

Reducing minimum lot sizes will allow for the redevelopment of smaller lots that are nearly identical to their neighbors. It will also allow for existing property owners to make improvements to their home without having to go before the Zoning Board of Appeals.



» **New Bedford will review and revise the parking minimum required for residential developments.**

Projects are often prioritizing vehicles over people. The City's current requirement of two parking spaces per new unit is out of sync with current best practices and urban planning theory. Many projects are burdened by the ability to meet parking requirements on small and/or complex project sites, and parking spaces take land area away from what could be used for housing. For example, two 9'x20' parking spaces could instead be used to construct an additional 700 square foot apartment.

The cost to construct parking, including associated underground stormwater infiltration, is significant on many residential projects both large and small. Nearly every development that has come before the planning board in recent years has sought a reduction in spaces, arguing the tenants of their projects do not need as many as required. Reducing parking requirements not only allows more land area to be dedicated to housing, but also assists in meeting environmental goals by allowing larger green landscaped areas that mitigate stormwater flows and heat island effects while improving air quality, walkability, and overall quality of life for residents in the neighborhood.

» **The City will complete a new Comprehensive Plan.**

The City's Planning Department is undertaking the development of a new Comprehensive Plan for the City of New Bedford rooted in a wide-reaching community engagement process. The Comprehensive Plan will lay out long-term strategies in land use, housing, transportation, and recreational space. The process of developing the plan will surface significant data and feedback with which to improve the City's approaches to the regulatory environment. The Comprehensive Plan will be a foundational document to guide many of our housing strategies to ensure development that is cohesive and fits within the short, medium, and long-range plans of the City.

» **The City will draft a best practice ordinance clarifying and expanding the use of accessory dwelling units.**

Accessory dwelling units, or ADUs, commonly thought of as in-law apartments or small outbuildings, are increasingly being utilized as an effective way to add units to a community's housing stock. Most often, ADUs are created to house older family members who wish to age in place on the same property as their relatives.



In other instances, ADUs enable young adults seeking more independence to branch off from the main home. In all forms, an additional household is formed on the same parcel, essentially adding a unit and potentially freeing up an apartment or home elsewhere in the city. Such dwellings are often not visible and come with little to no downside.



In New Bedford, detached ADUs are not currently allowed, and proposed ADUs come with additional parking requirements that can hinder projects. As municipalities around the state and country seek to perfect the deployment of ADUs, New Bedford will revisit its approach to ADUs to enable their use in order to make more housing units available in the city.



» **The City will review its tax lien sales process.**

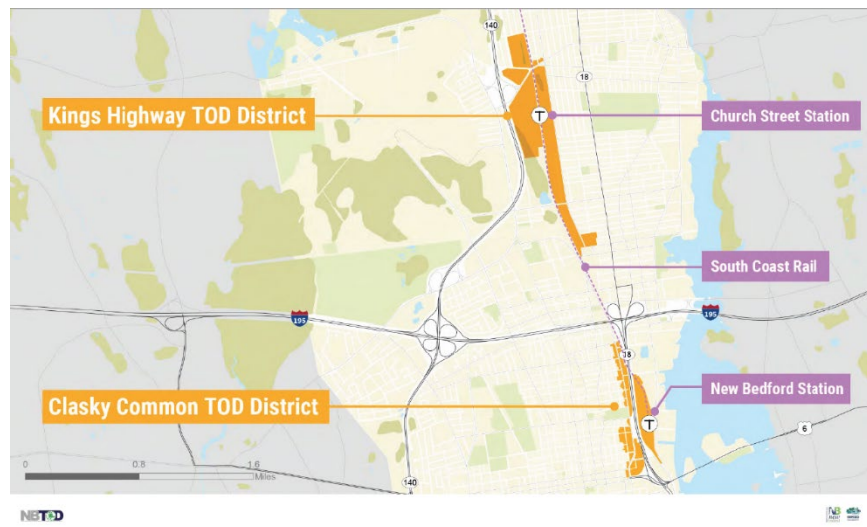
The City has not engaged in the sale of tax liens in several years and it will continue to refrain from the sale of tax liens, balancing the need for municipal tax collection with concerns raised about the loss of home equity as part of the tax lien foreclosure process. The City's goal is to assist residents with financial hardships and find a fair resolution to tax arrears before attaching tax liens and other options of last resort.

The City's new initiatives to maximize use of vacant, abandoned, and underutilized properties provides further incentive to more closely scrutinize properties before the sale of tax liens to third parties, who themselves often fail to make use of sites that have been foreclosed on. Additionally, residents should be more quickly connected with the City's emergency repair, accessibility, and senior property tax exemption programs to minimize the financial burdens of homeownership and to promote stable homeownership. Housing counselors among the City's non-profits can assist homeowners who find themselves in tax arrears in navigating their options in their best interests.



» **The City will implement Transit-Oriented Development (TOD) districts around inter-city rail stations.**

Transit-oriented development districts harness the potential of the new rail connection by enabling increased population density and economic development within walking distance to the rail stations. Residents who will primarily use the train to commute will increase demand for housing within close proximity to rail platforms, and increased density in these areas will spur increased business activity. For example, a neighborhood with more residents may create the need for a grocery store or a café within walking distance as well. With proposed stations on Church Street and in Downtown New Bedford, including a pedestrian bridge to the Clasky Common/Acushnet Heights area, the potential to prompt new investment and interest is high.



Source: City of New Bedford TOD Publication

Additionally, as an MBTA Community with inter-city rail stations, New Bedford is required to meet the new multi-family housing requirements as set forth in M.G.L. Chapter 40A Section 3A. Adoption of TOD zoning districts will ensure compliance with these regulations.



Establishing a Regional Approach on Housing Issues

As discussed in the introduction, finding lasting solutions in the complex world of housing policy requires a comprehensive regional effort. Housing is instrumental in economic development, educational attainment, and public health. Stable housing is good for everyone. Given the unique aspects of our region, devising a plan for the long-term future that includes building more housing at all income levels all throughout the area is essential.

» **New Bedford will set an example for all municipalities in Greater New Bedford to address our collective housing challenges.**

It is clear housing is a regional issue New Bedford cannot tackle alone, and the City's suburbs have a role to play in contributing to a regional approach that includes developing more affordable housing and executing novel approaches to add to the area's supply of housing. With Chapter 40B's 10% subsidized housing requirement and new rules mandating MBTA communities, including New Bedford's border towns, to create districts in which multi-family housing is permitted as of right, the time is now to devise a regional approach to smart and sustainable growth that emphasizes the strengths of each community. Our municipalities need to be coordinated to recruit developers, prudently site projects, and make the best use of available land.

With increased urgency from state government to compel towns to build more multifamily housing, now is the time to enact purposeful regional solutions that make sense and contribute to a thoughtfully planned region in which urgent new building is happening on our region's own terms.



Addressing Housing Instability and Homelessness

These proposed solutions will help but will take time to implement. Too many in our region currently struggle with housing instability and homelessness, and despite our best efforts to tackle our housing challenges, some will continue to experience precarious housing situations. We must provide high quality supports for those experiencing these difficulties to make homelessness rare, brief, and non-recurring, and invest in resources that help residents before they find themselves at risk.

» The City will use federal funding to increase its budget for rental assistance programs.

The City has historically offered rental assistance programs with a dramatic uptick in investment in federal resources during the pandemic. With an infusion of new federal funding arising out of economic recovery and post-pandemic efforts at its disposal, the City will allocate additional funds for rental assistance to help those at risk of homelessness to stay in their homes, and to help rapidly re-house those experiencing homelessness. These programs give those in need a hand up and connect them with wraparound supports while they work back to stability.

In addition to providing more overall funding, the City will expand the maximum rental assistance cap per household and will encourage rental assistance agencies to provide, to the extent possible, ongoing rental assistance over time rather than one-time assistance.

» The City will undertake a review of its homeless service system and strengthen its response.

The many agencies that make up the Homeless Service Providers Network (HSPN), New Bedford's Continuum of Care, have admirably operated programs and services that directly or indirectly work to alleviate homelessness. Given the increasing scope and complexity of needs of residents across the region, the City will engage outside experts to assist in a planning effort that will identify any gaps in the existing service structure, and determine how to best strengthen the response of the HSPN.

The City will take into consideration the need for any additional resources and capital investment, and will promote a collaborative regional approach that includes the thoughtful siting of programs and services to best meet the needs of its most vulnerable residents. As with the distribution of subsidized housing throughout the region, a similar approach must be taken with respect to the delivery of homeless services. Those services should be coordinated and seamless for those affected. With New Bedford's Continuum of Care separate from the Greater Bristol County/Attleboro/Taunton Continuum, as well as the Fall River Continuum, additional steps can be taken to integrate work across the region to maximize client outcomes.

» **The City will align its relevant departments to enable a coordinated approach to alleviating housing challenges and reducing and eliminating homelessness.**

To further focus on reducing and ending homelessness, the City will unify its agencies that deliver homeless services, namely Housing & Community Development, Community Services, Council on Aging, and Veteran's Services to leverage each department's collective strengths and knowledge of specific populations, while removing silos and offering a heightened level of service.

The City will build upon its repeated achievement of functional zero homelessness among veterans and high-level care for seniors by coordinating the efforts of these vital departments in service of intervening to prevent homelessness and guide residents back to stability when it does occur.

The integration of these four departments presents the opportunity to match grant resources and planning with staff well-equipped to deliver services under the umbrella of city government. It will also enhance the City's ability to coordinate and marshal resources among its non-profit agencies to avoid service duplication, better leverage resources, and ensure positive outcomes.

» **The City will invest in building capacity of area non-profits dedicated to solving housing challenges and ending homelessness.**

The City will make resources available to strengthen non-profits interested in improving their responses to homelessness and housing instability, with a particular focus on cultivating Community Housing Development Organizations (CHDOs) and Community Development Corporations (CDCs), two types of non-profit organization designation that can leverage significant additional private and public capital to help the City and region in meeting housing goals.

Cities like New Bedford that have successfully implemented innovative approaches in reviving their vacant and abandoned properties, provided more opportunities to first-time homebuyers, and developed more small-scale rental projects, all had a robust network of non-profits with a high capacity to complete these sorts of projects.

Often, these forms of development are costly and time-intensive, the result of which leads to a failure to generate interest among for-profit developers. Strengthening the network of housing agencies, and helping to incubate new ones, will add needed capacity and increase our ability to execute projects the city needs.

SUMMARY OF POLICY PROPOSALS



Facilitating New Housing Production Across Income Levels

- The City will facilitate the construction of 149 new units of housing with funding support through the American Rescue Plan Act (ARPA) and HOME Investments Partnership Program.
- The City will fast-track the permitting of multifamily housing developments.
- The City will intensify its efforts in recruiting developers by assigning the responsibility to the Office of Housing & Community Development (OHCD).
- The City will make expanded Housing Development Incentive Program (HDIP) funding a legislative priority and will expand the City's HDIP zone.
- The City will balance the need for market rate and workforce housing with the use of low-income housing subsidies to create units attainable for all New Bedford residents.
- Mayor Mitchell will call upon the Community Preservation Committee to spend a minimum of 20% of annual Community Preservation Act (CPA) funds on Community Housing projects.

Making Use of Existing Housing Stock & Space

- The City will launch a new initiative to reactivate vacant residential properties.
- The Administration will work with the City Council to facilitate the sale of unused city parcels and facilities for housing.
- The City will work with property owners to open up new land to single family housing developments.

Promoting Home Ownership & Independent Living

- The City will increase funding for its first-time homebuyer program.
- The City will increase overall funding and maximize grant amounts for its Housing Accessibility, Emergency Repair, and Financial Assistance programs, enhancing supports that enable homeowners to stay in and maintain their homes.

Updating Regulatory Framework

- New Bedford will enact zoning changes to revise minimum lot size and other dimensional requirements in order to facilitate the development of housing.
- New Bedford will review and revise the parking minimum required for residential developments.
- The City will complete a new Comprehensive Plan.
- The City will draft a best practice ordinance clarifying and expanding the use of accessory dwelling units.
- The City will review its tax lien sales process.
- The City will implement Transit-Oriented Development (TOD) districts around inter-city rail stations.

Establishing a Regional Approach on Housing Issues

- New Bedford will set an example for all municipalities in Greater New Bedford to address our collective housing challenges.

Addressing Housing Instability and Homelessness

- The City will use federal funding to increase its budget for rental assistance programs.
- The City will undertake a review of its homeless service system and strengthen its response.
- The City will align its relevant departments to enable a coordinated approach to alleviating housing challenges and reducing and eliminating homelessness.
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