



The State of the Cities

Revitalization Strategies
for Smaller Cities in
Massachusetts

Prepared by
Citizens' Housing and
Planning Association
(CHAPA)

and the
Massachusetts Association of
Community Development
Corporations (MACDC)



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December 2006

Citizens' Housing and Planning Association

Citizens' Housing and Planning Association (CHAPA) is a non-profit umbrella organization for affordable housing and community development activities throughout Massachusetts. Established in 1967, CHAPA is the only statewide group which represents all interests in the housing field, including non-profit and for-profit developers, advocates, homeowners, tenants, municipal officials, lenders, property managers, and others. CHAPA's mission is to encourage the production and preservation of housing that is affordable to low-income families and individuals. CHAPA pursues its goals through advocacy with local, state and federal officials; research on affordable-housing issues; education and training for organizations and individuals; and coalition- and consensus-building among broad interests in the field.

Massachusetts Association of Community Development Corporations

MACDC is the policy and capacity-building arm of the community development movement in Massachusetts. Our mission is to support and advance the affordable housing, economic development and community building strategies of our members, and to build the power of low- and moderate-income people to achieve greater economic, social and racial justice. Founded in 1982, MACDC currently has 80 members, including 60 CDC members and 20 associate members. Our work generally falls into one of the following categories: advocating and organizing for public and private sector support, developing resources for the field, leading learning initiatives and capacity building programs for our members, and educating policy makers, the media and the general public about the contributions being made by CDCs across the state.

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The Appendices are available on CHAPA's website at www.chapa.org.

ACKNOWLEDGEMENTS

CHAPA and MACDC would like to acknowledge those who participated in this project and contributed to the preparation of this report.

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Susan Schlesinger, The Life Initiative
Beth Siegel, Mt. Auburn Associates
Jim Stockard, Harvard Loeb Fellows Program
Kirk Sykes, New Boston Fund
Mat Thall, Consultant

Special grant support from the Greater Worcester Community Foundation enabled the project to incorporate the city of Fitchburg.

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EXECUTIVE SUMMARY

MANY OF Massachusetts' smaller cities offer an interesting opportunity to apply the best current thinking about smart growth development to the pressing need for more housing of all types. Yet, these very cities have often been overlooked in policy formulations geared toward the thriving Boston metropolitan market and expanding suburban market. Often bypassed by the economic boom of the 1990s, many smaller cities are still struggling to make the shift from a manufacturing economy to one that is more diversified.

Home to over 44% of the state's population, including a disproportionate share of the poorest residents of the Commonwealth, many cities suffer the blight of abandoned commercial and industrial properties, disinvestment in the housing stock, and deteriorating downtowns. They also offer ample opportunity for growth, are richly diverse, and are eager to find a toehold in the new economy. The common challenge they face is charting the course to a revitalized future.

This project begins an effort by Citizens' Housing and Planning Association (CHAPA) and the Massachusetts Association of Community Development Corporations (MACDC) to examine the policies and practices that support small cities as they make the necessary transition to a more diverse economy. Some communities have begun to turn the corner, and we believe that targeted policies and resources can assist struggling communities to rebound without displacing current residents. This report examines recent demographic and economic trends among these cities, and shares lessons and best practices for economic revitalization from six cities in particular: Fitchburg, Lynn, New Bedford, Salem, Springfield, and Waltham.

First, **an analysis of several types of data** was conducted for 38 Massachusetts cities to examine relevant trends over the last two and half decades:

- Population and demographic changes;
- Housing characteristics and market conditions;
- Standardized educational test scores;
- Public safety and crime statistics;
- Municipal financial data; and
- Federal funding levels for housing and community development.

These cities are also home to 90% of all people of color. People of color also comprise more than one-quarter of the urban population in the state. The 38 cities that were studied in this project demonstrated considerable variations in size as well as housing, social and economic characteristics ranging as follows:

- A population of 14,681 in North Adams to one of almost 600,000 in Boston.
- Population decreases of 12% and almost 14% in Holyoke and Pittsfield to substantial population growth of more than 20% in Attleboro, Chelsea, Haverhill, and Taunton between 1980 and 2000.



The Casey-Miller Apartments, completed in 2006, provides 43 units of new housing for low-income senior citizens in New Bedford. Westerly Associates, a minority non-profit based in New Bedford, completed the \$5.4 million project utilizing funding from the HUD Section 202 Program, City HOME funding, and MassHousing.

- Minority populations between 3% in Gloucester and more than 50% in Lawrence.
- Median income levels of about \$27,600 in New Bedford and North Adams to the more affluent cities of Melrose and Newton with median incomes of about \$63,000 and \$86,000, respectively.
- Percentage increases in median income between 1990 and 2000 of about 20% in Pittsfield to 46% in Gloucester.
- Changes in the level of poverty from 1980 and 2000, involving a decline of more than 20% in Beverly, Medford, Melrose, Newton and Northampton to increases of more than 30% in Chelsea, Chicopee, Framingham, Lowell, Lynn, Revere and Worcester.
- Level of owner-occupancy of 30% in Somerville to almost 70% in Newton.
- Median house values in 2004 ranged from \$92,475 in North Adams to above \$400,000 in Boston, Cambridge, Newton and Somerville.
- Changes in median house values between 1980 and 2000 of less than 50% in Holyoke, North Adams, Pittsfield and Springfield to at least 150% in Boston, Everett, Lawrence, Medford, and Revere.
- Substantial numbers of newer housing units including approximately 40% or more units constructed since 1970 in Attleboro, Leominster, Marlborough, and Taunton to only 12% in Somerville.
- Less than 15% of housing stock included single-family homes in Cambridge, Chelsea, and Somerville, but in Attleboro, Gloucester, Melrose, Newton, Peabody and Pittsfield the level was above 55%.

- The percent of dwellings in large multi-family structures of ten or more units was as low as 2.6% in Gloucester to as high as 29.5% in Quincy.
- Violent crimes per thousand residents was only 1.4% in Leominster and Medford but almost 20% in Chelsea and Springfield.
- The 10th grade 2004 MCAS scores varied from 16/28 in Math and English in Springfield to 80/86 in Newton.
- Investment ratings included high (A1) Moody ratings for Everett, Gloucester, Medford, Melrose, Northampton, Salem and Waltham but lower ones (Baa3) in Haverhill, Revere and Springfield.

The cities in Massachusetts are each unique, but in order to better understand the changing urban context (such as why some cities were making important economic strides while others were faring less well), this project tried to find meaningful ways of categorizing the cities. In doing so it was hoped that more effective strategies could be adapted to these categories to address the revitalization needs of different types of cities, focusing especially on those with the highest levels of social and economic distress.

From that data analysis three types of cities emerged: one type reflects cities that evidence distress, a second shows clear signs of resurgence and a third indicates mixed signals. Case study cities were selected from each of these three categories, in a search for insight about which policies and approaches hold the best promise for revitalization, as follows:

- **Cities with faltering economies outside of Boston's regional economy** – characterized by declining population, depressed housing values, increases in poverty, poor bond ratings, higher crime levels and lower educational performance. (Fitchburg, New Bedford, Springfield)
- **Cities with improving economies but increases in poverty** – characterized by population increases, higher home values and incomes, and rising poverty. (Lynn)
- **Cities with improving economies and decreases in poverty** – characterized by population increases, poverty decline, higher home values and incomes, high bond ratings, and strong property tax revenue base, although there is some fear of gentrification and displacement. (Salem and Waltham)

Three broad lessons emerged from an in-depth exploration of the six case study cities:

- In successful cities, mayors (or city managers) and leaders in the civic, business and non-profit sectors **exercise strong leadership** that engages diverse constituencies, articulates a clear and compelling vision, and creatively marshals resources to strengthen the downtown, industrial districts *and* residential neighborhoods.
- Leaders must **identify and capitalize on unique local assets**, recognizing whether a waterfront, a city's history, new immigrants, an emerging business sector, or redevelopment of a landmark can spur revitalization, and effectively utilize tools to develop those assets.
- These cities require a **different set of tools and policies along with new resources** targeted to the unique market and infrastructure challenges and social demographics of small cities; too often approaches formulated for the metropolitan area or suburban communities have not addressed key revitalization needs in floundering cities, or have excluded them altogether.



The entrance of the pedestrian mall portion of Essex Street in Salem.

The case studies illustrate challenges common to many small cities in Massachusetts, identify strategies or policies that have already demonstrated success and those that have thwarted revitalization, and depict approaches that hold promise for the future but are too new to yield clear results. The studies also underscore the importance of questions that remain to be answered, and highlight particular strategies and lessons learned:

Fitchburg (*faltering economy*):

- The city learned that a new road leading to suburban malls and economic development activities outside downtown (such as the redevelopment of Putnam Place, a former GE plant), can hamper downtown revitalization.
- Local institutions, such as Fitchburg State College, the Fitchburg Art Museum, and Twin Cities CDC, can balance the trend to development on the periphery with a focus on downtown amenities and opportunities.
- Municipal efforts, including zoning changes and incentives to attract market rate housing downtown, along with aggressive code enforcement, are aimed at rebuilding downtown.

Lynn (*improving economy, increasing poverty*):

- Realistic expectations for job creation are key to viable economic-development based revitalization such that when Lynn realized Microsoft was not coming to town with 2,000 jobs, it shifted its focus to creating a residential downtown.
- Lynn has linked downtown revitalization to market rate housing, developed by converting factories into lofts that are walking distance to commuter rail and the ocean, balanced by upgrading former rooming houses into single room occupancy (SRO) units with supportive services that restore inner city eyesores and provide important housing for current residents.
- Improved regional transportation links facilitated the transition to a bedroom community where an increasing number of residents commute to jobs outside the city.



Salem's Peabody Essex Museum has recently undergone a \$125 million expansion.

New Bedford (*faltering economy*):

- Partnerships with colleges, universities, and neighboring communities have led to rich opportunities for downtown revitalization and economic development.
- Good information can attract businesses, such that a Municipal Investment Grant-funded market analysis and the development of business pro-formas led to agreements to purchase 9 of 10 chronically vacant business properties within 60 days.
- Community organizations, including the Community Economic Development Center of Southeastern Massachusetts, have worked to integrate the large number of immigrants into the local economy.

Salem (*generally improving*):

- City investment in a few key downtown vacant properties played a catalytic role, inviting further development and creating a tipping point in the downtown's revitalization.
- A realistic understanding of Salem's assets and liabilities (such as limited transportation access) allowed the City, business and cultural communities to market to appropriate businesses and capitalize on historic and cultural assets.
- Services to immigrants have been critical to turning around a distressed neighborhood and integrating immigrants into the economy.

Springfield (*faltering economy*):

- Public investment to spur redevelopment cannot always sway the market, as evidenced by the 1970's redevelopment of the now-defunct downtown Bay State Mall; it is important to learn from these efforts.
- The focus of city government, the business community and CDCs and non-profit organizations, supported by strong state assistance, offers an opportunity to test new approaches to revitalization, including an aggressive strategy to dispose of tax title properties, and a unique Business Improvement District (BID).
- Strict regulatory requirements to ensure long-term affordability of the subsidized housing stock are dampening the City's efforts to attract the middle class to depressed inner city neighborhoods and are compromising the success of revitalization strategies.

Waltham (*generally improving*):

- A multi-pronged approach to revitalizing the urban core centered on minority business development, infrastructure, parking, new market rate housing, and riverfront access.
- In particular, the City and Chamber of Commerce jointly sponsored special programs targeted to small businesses, particularly minority and immigrant-owned businesses, which sparked a resurgence of economic activity downtown.
- A Housing Trust Fund and the Community Preservation Act have the potential to provide critical resources to make sure affordable housing continues to be available as the city prospers. Additionally, the local nonprofit organization, the WATCH CDC, provides local development capacity.

Finally, the report makes **detailed recommendations about best practices and new state initiatives or policies to aid cities in their revitalization efforts**, in the areas of economic development, housing, and services:

Economic Development:

- **Provide state technical assistance** to help cities identify and optimize local assets and develop successful revitalizations strategies.
- **Eliminate and redevelop eyesores** to change public perceptions and catalyze new investment, often requiring new economic and residential development tools.
- **Create resources that support partnerships and networks at every level to:**
 - **Encourage cross-sector leadership**, including non-profit, business, educational and cultural sectors to create balanced revitalization plans.
 - **Mobilize large employers** to play a leadership role in supporting economic revival, perhaps by establishing a roundtable or economic forum.
 - **Promote inter-municipal coordination** so that cities engage in regional problem-solving, and cooperate rather than compete for limited resources.
- **Learn about national revitalization models** by seeking networking opportunities regionally and across the country.

The public bandstand on Waltham Common serves as a focal point for community activities.



- **Support business improvements** by establishing a business improvement district (BID) or other mechanisms to invest in commercial districts, and designating a business liaison with the ability to attract new firms and provide business support and incentives.
- **Promote new immigrant entrepreneurs** by providing technical assistance, training and financial support to help them grow and thrive.

Housing:

- **Fund targeted new programs and flexible policies for existing programs that allow small cities to balance revitalization and affordability goals**, including funding to encourage mixed-income development and smaller scale projects in weak market cities, and modified affordability restrictions that allow for rational home buying in depressed markets.
- **Provide adequate funding for public housing** so that housing authorities can meet their operating costs and make capital improvements.
- **Create mechanisms to minimize foreclosures**, such as financing pools, to help homeowners renegotiate predatory mortgage terms.
- **Increase support to nonprofit community developers**, including program funding, operating support, technical assistance, and capacity building.
- **Revisit Commonwealth Capital scoring** to ensure weak market cities needing redevelopment resources are appropriately rewarded for existing land use policies.
- **Bolster code enforcement efforts** in cities with faltering economies to strengthen compliance.
- **Adopt appropriate zoning changes** such as reduced lot sizes, clustering, density bonuses, 40R/40S, and/or inclusionary zoning to bolster revitalization strategies.
- **Expedite properties through tax title** and provide subsidies, if needed, so that they can be restored to productive uses.

Services:

- **Establish a City liaison to immigrants** so that newcomers can be linked with linguistically and culturally appropriate services.
- **Improve regional transportation opportunities**, including mass transit links to weaker market cities.
- **Restore community policing funds** so that cities can tackle crime in partnership with resident groups.
- **Increase funds for English literacy programs**, such as ESOL and Adult Basic Education, for limited English speakers so that they can access job opportunities.
- **Link colleges and universities to neighborhoods**, where they can support resident planning efforts, establish public school programs, and otherwise lend expertise.
- **Expand eligible activities under the Community Preservation Act** so that cities can use CPA funding to restore historic properties and make capital improvements to recreational facilities.

II

INTRODUCTION

IN 2005, Citizens' Housing and Planning Association (CHAPA) and the Massachusetts Association of Community Development Corporations (MACDC) jointly embarked on a significant research and public policy advocacy project to support the revitalization of cities in Massachusetts. Both organizations recognized that while some cities have flourished, others have floundered, increasing economic and social disparities across the Commonwealth. The unique challenges facing many cities require that the State and localities develop new strategies to more effectively improve the health and well-being of these important population centers.

This report explores how cities have fared in making the transition from a primarily manufacturing economy to one that is more diversified, in the context of shifting demographic patterns and social and economic challenges. Using a case study approach, it culls lessons from cities experiencing a significant economic resurgence in addition to cities encountering continued economic decline. CHAPA and MACDC recognize the importance the redevelopment of these cities plays in a smart growth strategy for the Commonwealth that emphasizes utilizing existing infrastructure and built environments before turning to undeveloped greenfields.

The economic boom of the 1990s was largely limited to the Boston area and bypassed most of the state's smaller satellite cities, which experienced increased poverty, job losses (especially in the manufacturing sector), and significant demographic shifts. These shifts include rising immigration, a declining middle class population, failing or under-resourced public schools, higher levels of crime, and housing deterioration and abandonment. Moreover, many of the State's affordable housing and community development strategies have relied on a strong housing market to be successful, such as mixed-income housing and new production.

In general, as the country moved from a manufacturing economy to one premised on service provision, the older industrial cities dependent on a manufacturing base suffered the most. The erosion of local industry precipitated a sequence of stages of urban decline that have been identified by MIT Professor Lorlene Hoyt in her research, "Reinventing Forgotten Cities,"¹ as "shock" with an exodus of people and jobs, "slippage" during a period of reduced local accountability and delayed response from local officials, "self-destruction" as corruption and arson may erupt, "stigmatization" when the city becomes identified with social and economic distress, and ultimately "shame" characterized by chronic civic disengagement and a shared memory of failure.

This decline often led to depressed downtowns, an increasingly deteriorated and low valued housing stock, poor schools and higher crime. Many cities in Massachusetts have experienced this decline, some to a greater extent than others. However, cities within the last decade have rebounded to varying degrees, and there have been notable transformations brought about by effective local leadership, partnerships with local institutions, in-migration, and concerted efforts by community residents.

¹Hoyt, Lorlene. "Reinventing Forgotten Cities." Paper presented at the annual meeting of the Association of Collegiate Schools of Planning, Kansas City, Missouri, October 2005.

During the last several years there has been a renewed interest from various organizations, foundations and academic institutions in studying so-called “weak market cities,” “third tier cities,” “forgotten cities,” “gateway cities,” “older core cities,” and “older industrial cities.” All of these studies recognize that significant progress has been made with respect to the revitalization of downtowns and urban neighborhoods but also acknowledge that not all cities have shared equally in the economic gains of the 1990s.

Alan Mallach of the National Housing Institute writes about a new paradigm for urban revitalization, stating, “This paradigm not only acknowledges the central role of the marketplace in driving the future, but also defines new and creative roles for local government, nonprofit CDCs, and other stakeholders in harnessing the power of the marketplace for positive community change. While weak market cities face particular challenges in seeking to apply this paradigm, opportunities exist everywhere.”² This project examines how effectively cities have pursued these opportunities; how they have maneuvered the necessary transition to a more diverse economy; and what policy approaches, legislative measures, and best practices will support the revitalization goals of cities throughout Massachusetts.

²Mallach, Alan. “Building a Better Urban Future: New Directions for Housing Policies in Weak Market Cities.” A joint publication of the Community Development Partnerships’ Network, The Enterprise Foundation, Local Initiatives Support Corporation, and National Housing Institute, June 2005.

III

SCOPE AND METHODOLOGY

CHAPA AND MACDC established a Working Group composed of city officials, consultants, representatives from public agencies, nonprofit organizations, and academic institutions to oversee the project and provide guidance from project conception through the following four phases:

Analysis and Trends (1980-2000)

During the first part of the project, City Profiles were prepared for each of 38 cities. The profiles include data on population and demographic changes, housing characteristics and market conditions, Massachusetts Comprehensive Assessment System (MCAS) educational scores, public safety information, municipal financial data, and federal funding levels. This data was further compiled into summary tables that highlight key demographic, housing and other data to allow for more accessible analysis and comparison of the cities.

Using this data, the cities were analyzed based on specific characteristics or combinations of characteristics to generate a discussion on how best to categorize the cities and to select the case studies for in-depth analysis.

Typology of Cities

Through a review of the compiled data and discussion, the Working Group categorized the cities by a number of shared characteristics that were likely to exemplify larger trends, including:

1. Cities with faltering economies located outside of Boston's regional economy.

Many of the cities located outside of the Boston area did not benefit from the strong economy in the mid to late 1990s and have been struggling to improve their economies in the context of an eroding manufacturing base, confronting some or all of the following characteristics:

- decline in population;
- slower rate of increase in median income and housing appreciation;
- lower per capita assessed values;
- increase in poverty;
- higher levels of state aid than revenue raised through property taxes;
- lower MCAS scores;
- higher level of property crimes; and
- lower Moody's or S&P bond ratings.

Examples of cities in this category include Chicopee, Fitchburg, Gardner, Holyoke, Leominster, New Bedford, North Adams, Pittsfield, Springfield, and Worcester. Key social and economic characteristics for these cities are summarized below.



A former brownfields site, Riverside Park in New Bedford's North End opened in 2006. The much-anticipated 12-acre site creates an interactive recreation and open space for the surrounding community. The centerpiece of the plan includes an artificial turf soccer field, walking paths illuminated by historic style Washingtonian lamps, new basketball courts, and play-ground equipment.

Key Socio-Economic Characteristics

Category 1 – Cities with Faltering Economies

City	1980-2000 % Change in Population	1980-2000 % Change in Minority Pop.	1990-2000 % Change in Median Income	1980-2000 % Change in Poverty	1980-2000 % Change in Median House Values	1980-2000 % Revenue from Property Taxes
Chicopee	-0.8%	368%	23.4%	38.2%	54%	41.8%
Fitchburg	-1.2	441	36.5	15.6	95	29.1
Gardner	16.0	775	5.4	13.9	92	30.9
Holyoke	-12.1	113	33.2	19.7	37	30.9
Leominster	19.7	358	24.8	22.9	95	42.9
New Bedford	-5.0	89	21.7	18.4	144	28.9
North Adams	-23.0	169	24.9	3.9	29	25.4
Pittsfield	-13.5	107	18.9	4.3	23	47.2
Springfield	-0.2	83	18.6	28.4	38	29.2
Worcester	6.7	256	23.0	33.4	109	34.7

Sources: U.S. Census Bureau, 1980, 1990 and 2000; The Warren Group.

2. Cities with improving economies but increases in poverty

The Group also identified cities whose economies have been reviving, but are nevertheless experiencing increased levels of poverty. Communities where the rates of poverty and housing costs have both increased significantly are leaving lower income households particularly vulnerable to displacement, overcrowding and even homelessness. In these localities, the development of affordable housing is increasingly supported financially by the market units. The following cities share these characteristics:

- increase in population;
- at least 100 percent increase in housing appreciation from 1980 to 2000;
- at least 25 percent increase in median income from 1990 to 2000; and
- increase of at least 20 percent in poverty.

Examples of cities in this category include Chelsea, Framingham, Lowell, Lynn, Revere and Taunton.

Key Socio-Economic Characteristics Category 2 – Cities with Improving Economies/Increases in Poverty

City	1980-2000 % Change in Population	1980-2000 % Change in Minority Pop.	1990-2000 % Change in Median Income	1980-2000 % Change in Poverty	1980-2000 % Change in Median House Values	1980-2000 % Revenue from Property Taxes
Chelsea	37.9%	533%	20.0%	48.0%	148%	24.2%
Framingham*	2.8	197	26.4	40.0	119	67.1
Lowell	13.8	764	33.5	41.6	122	25.6
Lynn	13.5	509	30.9	36.5	124	33.5
Revere	11.5	1,900	20.9	54.0	157	44.4
Taunton	24.4	127	32.9	21.4	121	38.2

* Only 1990 and 2000 data analyzed.

Sources: U.S. Census Bureau, 1980, 1990 and 2000; The Warren Group.



Lynn Investing in Neighborhood Coalition, Inc (LINC) groundbreaking July 31, 2004 at 125 Union St. (formerly Gross Flooring).



Derby Lofts, Salem: The 100-year old, four-story industrial building known as the Salem Laundry Building was redeveloped into a mixed-use complex including 14,000 square feet of first-floor retail space and 54 luxury condominiums.

3. Cities with improving economies and decreases in poverty

The project also identified cities within the Boston area that have experienced some noted economic improvements as they transition from manufacturing centers to bedroom communities for the employment centers of Boston, Interstate 495 or 128/95. There has been some evidence that these shifts are pushing some in the lower income thresholds out of the community in search of more affordable living conditions. These cities are confronting all of the following characteristics:

- increase in population;
- at least 100 percent increase in housing appreciation from 1980 to 2000;
- at least 25 percent increase in median income from 1990 to 2000;
- decrease in poverty;
- relatively high bond ratings; and
- cities receiving more revenue from property taxes than local aid (with exception of Lawrence).

Examples of cities in this category include Gloucester, Lawrence, Medford, Peabody, Salem and Waltham.

Key Socio-Economic Characteristics

Category 3 - Cities with Improving Economies/Decreases in Poverty

City	1980-2000 % Change in Population	1980-2000 % Change in Minority Pop.	1990-2000 % Change in Median Income	1980-2000 % Change in Poverty	1980-2000 % Change in Median House Values	1980-2000 % Revenue from Property Taxes
Gloucester	9.0%	529%	46%	-2.6%	131%	59.8%
Lawrence*	14.0	341	26.1	-10.0	150	16.2
Medford	4.1	247	35.0	-25.3	154	53.3
Peabody	4.7	239	37.8	-7.0	120	52.5
Salem	5.7	387	34.9	-3.4	128	55.3
Waltham	1.8	404	40.2	-13.5	134	67.6

*Only 1990 and 2000 data analyzed.

Sources: U.S. Census Bureau, 1980, 1990 and 2000; The Warren Group.

Case Studies

From these categories, six communities were selected for in-depth investigations into revitalization issues, challenges, resources, successes and opportunities. The cities include Fitchburg, Lynn, New Bedford, Salem, Springfield and Waltham. The final determination of case study cities within the three categories was largely based on these criteria: geographic distribution, likely access to local leadership, and a range of issues and experience to draw upon for policy recommendations. Information sought through the case studies included:

- feedback on demographic and housing data;
- local employment base and historic patterns;
- transportation and infrastructure needs;
- economic vitality including income, tax base and fiscal capacity;
- local technical capacity;
- political context;
- condition of public housing;
- relationship to regional economy;
- strategies that have been pursued to support urban revitalization and the relative success of these approaches; and
- resources available to support revitalization including details on state and federal funds and expenditures.

More than 100 individuals were interviewed as a part of the case study process including local elected officials as well as the following:

- Municipal staff from planning, housing, economic and community development, and building departments and authorities;
- Regional groups including business competitiveness councils, non-profit housing, and planning agencies;
- Local nonprofit housing organizations and social service agencies;

- Local business leaders and real estate developers;
- Superintendent of schools or designated representative;
- Police superintendent or designated representative;
- State officials.

Policy Recommendations and Advocacy

In addition to the interviews conducted as part of the individual case studies, important information was collected from discussions with other experts conducting related research on urban issues in Massachusetts or providing statewide program assistance in these areas. The focus of the interviews was (a) to secure a better understanding of local challenges and opportunities related to promoting urban revitalization and (b) to obtain specific input on how the State and localities might more effectively respond to the needs and priorities of these changing communities, recognizing that different approaches are likely to be needed for different types of cities and regions.

While the project attempted to look at revitalization issues on a somewhat comprehensive basis, given limited time and resources, the focus of the research and recommendations is directed more to housing and community development issues. The report addresses education, healthcare, and public safety matters to a lesser degree, while recognizing their pivotal importance to a locality's ability to attract and retain investment, employers and residents.

This research project was also informed by other related studies such as Northeastern University's Center for Urban and Regional Policy's work on the economic competitiveness of older cities in Massachusetts,³ MIT's research on Forgotten Cities,⁴ and similar efforts being pursued in other parts of the country such as the Housing and Community Development Network of New Jersey's Urban Revitalization Research Project.⁵

Both CHAPA and MACDC recognize that this project, along with the studies mentioned in this report, represent a starting point for understanding the complicated dynamics of older small cities that face substantial economic challenges. CHAPA and MACDC hope these efforts will lay the groundwork for further exploration and contribute to a growing state and national dialogue about the future of these important cities.

³David Soule, Joan Fitzgerald, and Barry Bluestone. "The Rebirth of Older Industrial Cities: Exciting Opportunities for Private Sector Investment." Northeastern University's Center for Urban and Regional Policy, April 2004.

⁴Hoyt, Lorraine. "Reinventing Forgotten Cities." Paper presented at the annual meeting of the Association of Collegiate Schools of Planning, Kansas City, Missouri, October 2005.

⁵Mallach, Alan, with support from Amanda Frazier. "Phase I Report, Conditions and Trends in New Jersey's Urban Communities," Housing and Community Development Network of New Jersey, March 2006.

IV

CASE STUDIES

THIS report summarizes information from six case study cities: Fitchburg, Lynn, New Bedford, Salem, Springfield and Waltham. Similar challenges confront all six communities, despite varying infrastructure needs, fiscal conditions, assets, market dynamics, political climates and degree of success. For example, local leaders from all of the case study cities indicated that they were focused on the following issues:

- Meeting the **needs of an increasingly diverse and poor population** as resources, including municipal budgets, have declined.
- **Reinvigorating their downtowns and spurring economic development**, including pursuing new jobs to strengthen their changing economic bases, and looking for opportunities to better integrate market rate housing and attract new business development.
- **Redeveloping former manufacturing properties** and remediating the resulting contamination.
- Wrestling with **struggling school systems and public safety problems** that have challenged efforts to boost the local economy, put enormous strains on City finances, and have served as push factors, prompting residents to flee to other communities in search of safer streets and better schools.
- Struggling to upgrade **outdated and deteriorating housing stock, including public housing, and promote homeownership** to lend greater stability to distressed neighborhoods. All six cities have surpassed the 10 percent affordable housing threshold, or land area requirement in the case of Waltham, that would make them vulnerable to Chapter 40B⁶ comprehensive permit applications.

Those cities that begin making progress quickly find themselves confronting new challenges with *gentrification and displacement of existing residents*.

While the case study communities are grappling with similar concerns, they have had different degrees of success, in part due to market forces and other local conditions. While residents and officials in all six case study cities are undertaking promising approaches that are worth watching, substantial financial and technical support is needed to forge the necessary public and private partnerships that make cities vital.

Several important lessons have been learned through the case studies that serve as guiding principles for any revitalization strategy:

1. Exercise strong leadership.

Transitional cities are experiencing dynamic changes in their employment base and resident populations, requiring new approaches to capitalize on a more diverse and global economy and

⁶Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80 percent of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10 percent of the year-round housing is subsidized for low- and moderate-income households.



The Wamsutta Apartments in New Bedford, a 146 unit historic mill housing development originally built in the 1850's for the Wamsutta Mill, was completely renovated by Hall Keen LLC. The project is a major initiative in the Acushnet Heights revitalization area.

to support the needs of a more diverse citizenry. Local leaders, who aggressively promote greater civic engagement, are more likely to successfully marshal the necessary resources and political capital to substantially improve the local economy and the quality of life of residents. As Mallach's paradigm acknowledges, cities are transformed by leaders who build partnerships among and between local government, non-profits, and the civic, cultural and business communities to harness the marketplace.

Too often, local leaders eye each other as competitors, or even the enemy, vying for control of ever shrinking local resources. In particular, government officials often only reluctantly reach out to diverse constituencies and create the necessary bridges to attract new ideas and support. In an effort to maintain control over local decision-making within an often-contentious environment, city officials may instead be prone to creating an insular government that breeds speculation about insider deals and backroom decision-making.

City leaders must navigate tensions between business leaders who want to support the middle class, downtown, and professionals with community groups who support the neighborhoods and lower income residents. However, cities that recognize the importance of supporting diversity in the neighborhoods, the downtown and workplaces have been more successful in revitalizing their economies and meeting pressing local needs. For example, much of Waltham's *draw as an entertainment and dining center* lies in the economic and ethnic diversity of its downtown. Rather than forcing a homogeneous downtown, Moody Street is lined with small ethnic groceries cheek in jowl by four star restaurants, unfinished furniture stores and art house cinemas.

While all case study cities sought to involve local institutions and organizations in important civic initiatives, the level of this engagement varied substantially and in most cases important



A renovated recreation facility at Waltham's Chesterbrook Gardens public housing development includes this spray park.

community resources were marginalized. All case study cities were forging partnerships with local colleges on some level; however, many of these joint initiatives operated on a perfunctory level. In some cases, mayors had not directly asked local universities for support of any kind, and in other cases relationships were evolving with some early tangible results.

For example, Fitchburg is working in partnership with Fitchburg State College to raise the necessary funding to attract new business and cultural activities to the downtown and near the College, encourage student participation, spur downtown development and help stabilize surrounding neighborhoods. New Bedford has effectively partnered with the University of Massachusetts to convert downtown buildings into the Neighborhood College, Center for Visual Arts, and a marine science business incubator. In Springfield, the city is partnering with two non-profit organizations, HAP, Inc. and Springfield Neighborhood Housing Services, to redevelop several distressed neighborhoods by creating first-time homebuyer opportunities through tax-foreclosed properties.

2. Identify and capitalize on local assets.

Effective local leadership has a keen appreciation for a community's special niche, has realistic expectations given local challenges, and understands how to maximize local assets to make appropriate economic gains. Salem recognizes the pivotal importance of tourism and civic development, and municipal leaders have strategically invested resources to reinvigorate its historic downtown and harbor.

The city has also grasped that transportation access problems are barriers to attracting large corporations and is now focusing on smaller high tech business development. Waltham's successful downtown, capitalizing on its location and diverse community, has become a thriving entertainment destination, and a desirable downtown residential address, with a growing artists community in former mills clustered along the river. Public investment in infrastructure, including a network of parking options, private redevelopment of a key vacant block, and a new art-house theater, all utilizing state resources, were key to Waltham's resurgence. New Bedford has focused on its port, bolstering harbor-related business and technology and improving connections to the waterfront.

The challenge facing each city is to recognize its unique assets, and then understand how to capitalize on them. The cookie cutter approach to urban development rarely works. While most cities appear to be stampeding to get a foothold in the cultural economy, it is unlikely to be the panacea that many city officials hope will spark resurgence in their downtowns. Similarly, all of the case study cities were hoping to reinvigorate their waterfronts, yet such development may not be a logical strategy when these areas are cut-off from the rest of the city by major highways and train tracks. On the other hand, some local assets have tended to be overlooked. Immigrant communities, identified as a concern for some communities, are an important ingredient in Waltham's success.

3. Target resources and policies to support small cities.

While strong leadership and smart strategies are essential to improving the quality of life in these cities, they will only go so far without adequate financial resources to implement new projects and initiatives. Struggling cities need access to the traditional affordable housing, infrastructure and education funding that have been underfunded for a number of years. They also need a new set of products designed to meet the specific needs of communities with high levels of poverty, weak markets, and deteriorating infrastructure and housing stock.

Products need to recognize that the fundamental goal is the eradication of blight, the end to disinvestment and a return to economic vitality. These products should consider the likelihood for positive outcome, and the option of "graceful downsizing" for cities whose market seems unlikely to rebound. This report does not propose specific programs, but rather it calls for further study on important products that can support revitalization.

Experience with existing funding sources leads to clear conclusions. Recent cuts in state and federal funding streams have severely constrained the efforts of cities across the Commonwealth. At the state level, we have seen cuts in local aid, state housing programs, and state infrastructure investments (as the Big Dig absorbed much of the state's bond capacity). At the federal level, CDBG funding has been flat or declining and federal housing programs have never recovered from the deep cuts of the past 10 to 15 years. Property taxes are already very high and most cities simply cannot afford to raise them beyond Prop 2 ½ limits.

Indeed, very few of these cities, and none of the poorest ones, have passed the Community Preservation Act, which relies on a local property tax surcharge to leverage additional state funding. To make matters worse, many state and federal programs are designed for cities with strong real estate markets, thereby making it hard for many cities to effectively compete for those resources. For example, Chapter 40B, 40R and 40S all depend on private developers initiating housing development proposals – something that is unlikely to occur in depressed real estate markets. Every case study community is challenged with deteriorating state public housing stock due to severe underfunding. The equitable vitality of every community requires adequate funding of these important resources.



The Plymouth Street Initiative, a partnership between the City of Fitchburg, the Twin Cities CDC and private industry helped remake the Cleghorn Neighborhood of Fitchburg.

A. Fitchburg: Faltering Economy and Increase in Poverty

Located in the Montachusett region of North Central Massachusetts, Fitchburg has a population of just over 41,000. Fifty miles west of Boston and 25 miles north of Worcester, the city is a potential home for commuters in both metropolitan areas and represents a unique mix of urban core and rural open space. The City's designated Downtown Urban Revitalization and Development Area, the heart of Fitchburg and focus of redevelopment efforts, is unlike the rest of the City in that it has a high concentration of underutilized industrial sites, a relatively vacant urban core, a densely populated residential neighborhood, and an obstructed natural resource in the Nashua River.

After a significant drop in population in the 1970s, Fitchburg's population has fluctuated, increasing from 39,580 in 1980, up to 41,194 in 1990, then down to 39,102 in 2000. Over the past 25 years there has been a substantial increase in the city's ethnic and racial diversity, with the minority population increasing 440 percent from 1980 to 2000, by almost 6,000 residents, more than 80 percent of Latino heritage. The Asian population is predominantly Hmong-Lao, many of whom are political refugees.

Over this period, poverty has increased, with 14.4 percent of the population living below the poverty level; in 2000 5,627 individuals and more than 1,100 families were poor. Overall, the city's population is poorer than the state as a whole, with a 2000 median income of \$37,000 compared to \$50,500 statewide.

Economic Development

Fitchburg is the most challenged city in North Central Massachusetts, competing for resources, new businesses and jobs with neighboring Leominster, a community with greater transportation access and newer infrastructure. Fitchburg is among the state's oldest manufacturing centers whose economic focus has shifted toward the service industry as manufacturing jobs migrated away from Northeast.

The loss of this manufacturing base has led to reduced prospects for Fitchburg's citizens and a diminished commercial core that was further compromised by the building of a regional shopping center outside of the city. In recent years, the loss of business from traditional industry has been mitigated by a rise in non-manufacturing services such as construction and professional services and an increase in certain manufacturing industries such as chemicals, medical goods and services, and plastics.

A number of important factors challenge Fitchburg's business prospects, including:

- its image as a declining economic center, reinforced by a visibly decaying physical infrastructure and housing abandonment and neglect;
- permitting difficulties associated with building in the Nashua River floodplain;
- existing environmental contamination that must be remediated prior to redevelopment;
- the misconception that Fitchburg still has higher-than-average utility rates, as it once did;
- the diversion of Fitchburg's retail activity from its downtown toward highway-oriented strip development on the periphery of the city;
- a growing population that lacks necessary job skills;
- lack of access to major highways;
- strained City services, under-performing schools and public safety concerns.

The City's Economic Development Office of five staff manages economic development activities, splitting responsibilities between the Industrial Development Commission (primarily business development activities) and the Fitchburg Redevelopment Authority (focused on the redevelopment of urban renewal areas, e.g. the downtown and riverfront). The primary focus of the City's economic development activities has been to find ways to attract new business activity and jobs to Fitchburg. Also, the Twin Cities CDC provides technical assistance and access to financing for start up and existing small businesses.

City officials have determined that improvements and better access to the downtown and riverfront areas are key to revitalizing a downtown plagued by a high number of deficient and vacant buildings, obsolete one-way street patterns, and the failure of the City to successfully attract private and public investment. The closing of the General Electric Plant and subsequent loss of 600 jobs served as a catalyst for development of a new Downtown Urban Revitalization and Development Plan. The Plan seeks to promote existing assets, including the Fitchburg Art Museum and Fitchburg State College, and link Main Street to the two areas targeted for job creation. The Plan, which is too recent to demonstrate results, includes:

- **Zoning Ordinance changes** to allow residential use on Main Street, the construction of single-family units on vacant lots previously too small for construction, and the creation of an historic district to encourage Fitchburg State College expansion within this zone, rather than in an adjacent residential neighborhood.
- Three new **incentive programs to attract market rate housing** on Main Street, including grants for housing over ground floor office and retail, assistance to faculty members of Fitchburg State College to purchase homes within the area, and assistance for market rate, single-family infill housing on formerly unbuildable vacant lots in the downtown.
- **Parking** in the City's new garages to residents on Main Street, thereby maximizing the public investment in the garages.
- Establishment of the new position of **Downtown Coordinator**, supported by both public CDBG and private funding through PRIDE (a group of downtown businesses), to promote job creation and retention and provide technical assistance to existing and new businesses.
- **Infrastructure improvements** including reconstruction of major streets, and **increased public access to the Nashua River**.

- Capitalizing on the Fitchburg Art Museum's existing draw by proposing the creation of an artist cooperative, creating housing for artist living/work space in the downtown. Attracting additional artists to the area is expected to further bolster the City's image as a cultural destination and attract tourists.

Two locations are targeted to serve as the primary job creation areas, offering ancillary activities that are intended to spill over onto Main Street, which is within walking distance of both:

- **Boulder Drive**, where the former General Electric Plant was located, lies between the Nashua River and Main Street. The Redevelopment Authority redeveloped the former GE Plant, called Putnam Place, into a new business center to attract new enterprises. The Plan seeks to better link Putnam Place to Main Street by making significant improvements, such as changing the street from one way to two ways, constructing a bridge over the Nashua River to connect Boulder to Broad Street and making pedestrian improvements such as new lights, trees and sidewalks.
- **Sawyer Passway** is a contaminated site on the southeast corner of the downtown area. By acquiring this site and doing the necessary remediation, the City hopes this underutilized property will serve as a prime industrial park that creates jobs in the downtown.

The City should be vigilant about unintended consequences of public actions that may draw activity away from the downtown through the development of competitive activities in other parts of the city. The Route 12 expansion may draw retail to outlying areas, and new office buildings outside downtown may further replace downtown use. The development of Putnam Place, which is physically adjacent to downtown but has poor roadway links, further isolated downtown. Also, the City's new interest in encouraging downtown use includes reversing its past interest in diverting social service agencies away from Main Street.

Housing

Like many older cities, Fitchburg is split between a thriving periphery, characterized by the sprawl of relatively new subdivisions and shopping areas, and a central core with a deteriorating downtown and distressed neighborhoods. Since the early 1990s, there have been a number of changes in Fitchburg's housing stock caused by the increasing cost and density in the high growth areas around I-495, which has pushed housing development further west into the North Central Massachusetts region.

A testament to this migration came from Waltham's Mayor, who explained that children who were raised in Waltham could not find an affordable house in the city and are now moving to areas like Fitchburg and Leominster in search of more affordable living conditions. As a result, more single-family homes are now being built in Fitchburg, particularly in suburban subdivisions near Route 2, while almost all demolition is taking place in the inner city. Retail typically follows new housing, and recently there is heightened interest from larger retail chains in the North Central area, whereas in previous years this part of the state was "bleeding retail," according to one local official. New retail growth on the periphery will continue to attract existing businesses away from the downtown without significant new interventions.

Housing values are rising significantly from \$92,160 in 2000 to \$210,000 in 2005, an almost 130 percent increase in five years, sparked largely by new suburban development. However, incomes have not kept pace with housing values, and as a result, the affordability gap, particularly

for low- and moderate-income households, continues to grow. Fitchburg is confronting continuing high levels of vacant and abandoned housing, mostly concentrated in the older, lower income neighborhoods where there is a preponderance of multi-family, investor-owned rental property.

In these neighborhoods, vacancy rates that reached as high as 23 percent in the mid 1990s are beginning to decline due to increases in housing values and reductions in the number of vacant and abandoned properties, particularly rental properties. Housing abandonment remains a significant problem; properties requiring rehabilitation in excess of their value remain unattended and serve as a continuous source of blight. The City has aggressively pursued code enforcement and demolition activities to address the worst of these properties, but local officials believe the problem remains beyond the scope of its capacity to address. Recently there has been an increase in the number of building permits issued for new rental property development in Fitchburg, which is seen as a positive sign. However, most of these units are being built outside of the central city area and are expected to contain rents well in excess of current average rents.

Fitchburg's Office of the Planning Coordinator has also undertaken a number of zoning changes to provide incentives for the creation of affordable infill, single-family housing on vacant lots by reducing the minimum lot sizes for single-family homes in certain districts from 10,000 square feet to 5,000 square feet with a special permit. It also allows the reduction of setback requirements. This change has resulted in the creation of more than two dozen such units in Fitchburg over the past several years.

The *Twin Cities CDC* began its operations 25 years ago to serve Fitchburg and recently expanded service to Leominster, focusing on the more distressed neighborhoods such as the Cleghorn area of Fitchburg where the organization began its work. The CDC has met the infill challenge with housing developments such as the Plymouth Street Initiative, which involved housing production on 15 vacant lots and the rehabilitation of three buildings. The CDC renovated 27 rental units in the three buildings they already owned (involving FDIC foreclosures) and nine new homeownership units on the vacant lots. State funding was not involved in the homeownership component of the project, which was fully supported by the City. The organization has pushed hard for its homeownership program, which provides assistance to 40 new purchasers per year. The CDC hopes to expand its pipeline of development projects and is looking for new opportunities.

The *Fitchburg Housing Authority* completed significant improvements to its oldest family development in 2002, but has received only modest state funding for its other developments, resulting in deferred maintenance and contributing to perceptions that public housing is not a good place to live. Some projects have substantial repair needs. For example, as in other case study cities, one elderly development built in 1956 still has its original kitchens and baths. The Authority has applied to DHCD three times for modernization funding but has not received this support. On the operating side, the Housing Authority is experiencing increasing problems in paying its bills due to late payments from the State, which has been in arrears by about \$300,000 for almost two years. There is also a need for more handicapped accessible family units in Fitchburg.

The Housing Authority continues to be interested in housing development, and when it completes work on a new assisted living project, it hopes to focus on another project. However, the Authority acknowledges that there is currently not much political appetite for more subsidized rental housing in Fitchburg.

Services

The local priority has been to improve transportation access, which has been considered one of the greatest obstacles to economic development, particularly through improvements to commuter rail service and Route 12.

The increase in residents living in poverty has compounded the impact of cuts in public funding for essential services since the 1980s and the concurrent loss of Fitchburg's manufacturing base. The erosion of the social safety net has resulted in increased levels of transience, increased demands for limited services, an increase in tax delinquency, deferred property maintenance, and property abandonment. Additionally, funding cuts have reduced supplemental neighborhood crime prevention efforts, leading to increased levels of crime that undermine revitalization efforts in the downtown and more distressed neighborhoods.

The Twin Cities CDC has been providing a range of services to lower income residents and has a strong community organizing program designed to build the local resident leadership capacity and to enhance the power of low income people and people of color living in the two cities. The school system continues to struggle, and funding constraints have limited the efforts to improve existing facilities, develop new schools and provide adequate school supplies.

Key Lessons in Fitchburg:

- The city learned that a new road leading to suburban malls and economic development activities outside downtown (such as the redevelopment of Putnam Place, a former GE plant), can hamper downtown revitalization.
- Local institutions, such as Fitchburg State College, the Fitchburg Art Museum, and Twin Cities CDC, can balance the trend to development on the periphery with a focus on downtown amenities and opportunities.
- Municipal efforts, including zoning changes and incentives to attract market rate housing downtown, along with aggressive code enforcement, are aimed at rebuilding downtown.



Lynn's 125 Union Street (formerly Gross Flooring), was recently redeveloped by Lynn Investing in Neighborhood Coalition, Inc. (LINC).

B. Lynn: Improving Economy but Increase in Poverty

Lynn is the most populated community on the North Shore with about 90,440 people in 2002, an increase of approximately 11,000 new residents since 1990. There have been signs of an economic resurgence, such as a 90 percent increase in median housing values within just the last five years. However, in contrast to most other communities in the region, Lynn experienced more rising poverty, an increase of 36.5 percent or about 4,000 residents from 1980 to 2000.

Additionally, Lynn, like other satellite cities of Boston, experienced a surge in its minority and foreign born populations, by more than 500 percent and 180 percent respectively since 1980, as well as an increase in the average household size, from 2.54 persons to 2.62 persons, reflecting the growth of larger families. However, elderly households declined in contrast to other cities. Income and wages have kept pace with inflation during the 1990s, but income trends in Lynn under-performed those of the region, state and nation.

Economic Development

The city of Lynn borders the North Shore but is increasingly oriented toward Boston, reinforced by improved access through a new commuter rail station and Big Dig improvements that better link Lynn to Boston and points further south and west. As with the other older cities, Lynn's shift from a manufacturing base to a more diversified economy has been challenging and frustrating, particularly because the economic boom of the 1990s missed Lynn by mere miles.

Lynn's resident labor force grew in the 1990s, albeit at a slower pace than its population growth. However, employment declined within the city while jobs in the broader region increased. These changes suggest that more residents commute outside the city to work, and Lynn is becoming more of a "bedroom community" like other towns on the North Shore. In fact, Lynn's local economy has declined during the last three decades both in the absolute sense

and relative to the state and the region. The community continues to experience high rates of unemployment, job losses, and lower rates of business expansion. These economic trends reflect the lack of good paying jobs, new businesses or developable land, stifling the local housing market, business development and prospects for the city's low- and moderate-income households. They also generate other negative community dynamics such as increased crime, poorly performing schools, and homelessness.

City officials have developed two key strategies to respond to these challenges. First, they are looking for opportunities to revitalize the downtown by bringing in market rate housing development through proactive zoning. Converting old brick factories into lofts within walking distance of the commuter rail and ocean is the latest downtown strategy. This strategy is beginning to take hold, in contrast with earlier failed plans of a pedestrian mall on one of the busiest streets and pursuing Internet businesses after the burst of the dot-com bubble. Lynn's Development Director has stated, "We were not going to get Microsoft to come down here and put 2,000 jobs in the downtown, so we felt it was best to make the downtown a place you could live." The City has been told that it takes about 500 new residential units to really spur revitalization and growth, and the City considers that it is half-way there based on recent residential activity. Additionally, several new restaurants have opened as well as a number of specialty retail businesses. However, despite the concentration of poverty in downtown census tracts, the City indicates it is not looking to integrate more affordable housing into the improving downtown market economy.

Second, local officials have targeted eight "economic opportunity zones" within the city where industrial and commercial properties are concentrated. Future economic development opportunities will be pursued within these zones. With increased understanding of the dynamics within each of these zones—their specific locations, prevailing land uses, build-out nature, and transportation access—a series of findings and strategies have been defined to guide the City's policies and programs to support a wide range of uses.

Housing

Reflective of its industrial heritage, Lynn has an aging housing stock that includes approximately 34,600 units, two-thirds of which are multi-family. Less than half (45.6 percent) of the units are owner-occupied, and efforts to promote homeownership are a local priority. Housing values have increased significantly, from \$156,000 in 2000 to \$295,000 in 2005, and are presently unattainable to those earning at or below the median income level (\$37,400 in 2000).

Municipal housing activities, including public housing and federal fund management, are all integrated under one agency, Lynn Housing Authority and Neighborhood Development (LHAND). The City's Office of Economic and Community Development (OECD) and LHAND jointly participate in planning housing strategies. LHAND has a subsidiary organization, the Lynn Community Development Housing Corporation (LCDHC), which has been used as the City's vehicle for coordinating housing development, applying for state funding and serving as a pass through of City-owned land to selected developers. The Corporation is staffed by LHAND. About 20 percent of CDBG funds are used for housing in addition to HOME funding.

LHAND recognizes the importance of a housing stock that reflects the diverse housing needs of the city. However, as in other case study cities, City officials have largely been reluctant to bring more affordable housing into the downtown, other than the conversion of former rooming houses into single-room occupancy units (SROs) with supportive services.

In addition to the City's LCDHC, the community is served by Lynn Investing in Neighborhoods Coalition, Inc. (LINC), both a CDC and one of the city's federally-designated "CHDOs" (community housing development organizations). LINC has developed the mixed-use conversion of the Normandy Hotel into permanently supportive housing on the 2nd floor and commercial space on street level. It has also produced infill housing in Lynn's neighborhoods for first-time homebuyers.

As with other public housing authorities, LHAND has been operating in the face of continued state and federal funding cuts. Of particular concern are the mounting property improvement needs in Lynn's state-supported units. LHAND has been fortunate to receive \$2.1 million from DHCD recently to conduct emergency repairs on two of its elderly developments, including the replacement of a failing elevator in a five-story building as well as improvements to a crumbling façade.

Unlike other public housing authorities, Lynn has administrative control over all housing vouchers in Lynn even if the vouchers were initially provided by another community. This is the result of an Executive Order signed more than a decade ago that singularly recognized that Lynn had previously been inundated with Section 8 certificate holders in the late 1980s when all residents in homeless shelters were offered rental assistance. Lynn has approximately 1,700 applicants on its Section 8 Housing Voucher waiting list. Future plans include the redevelopment of the Curwin Circle development by applying for HOPE VI funding.

Services

As with most of the case study cities, budget cuts have precipitated the disruption of many services, and effective community policing programs were among the first casualties. Crime continues to be a problem; both violent crimes and property crimes increased between 2004 and 2005. Projections of the student population indicate relative stability over the next several decades; however, aging facilities will require substantial renovation or new development. MCAS scores, while not among the lowest in the Commonwealth, still remain in the lower range of performance at 32/42 for 10th grade Math/English. The system is also challenged by the need to work with families who speak a wide range of languages—as many as 26 in one school near the downtown.

Key Lessons in Lynn:

- Realistic expectations for job creation are key to viable economic-development based revitalization; when Lynn realized Microsoft was not coming to town with 2,000 jobs, it shifted its focus to creating a residential downtown.
- Lynn has linked downtown revitalization to market rate housing, developed by converting factories into lofts that are walking distance to commuter rail and the ocean, balanced by upgrading former rooming houses into single room occupancy (SRO) units with supportive services that restore inner city eyesores and provide important housing for current residents.
- Improved regional transportation links facilitated the transition to a bedroom community where an increasing number of residents commute to jobs outside the city.



The fall, 2006 ribbon cutting of the Lawton/Coffin mixed use/mixed income development in New Bedford. Four vacant, blighted historic downtown buildings were renovated into Loft style apartments with first-floor commercial space.

C. New Bedford: Faltering Economy and Increase in Poverty

New Bedford is the fourth largest city in Massachusetts with a population of about 94,000. Located in Bristol County, it is the largest municipality in the Buzzards Bay Watershed, accounting for about 37 percent of the watershed's population. New Bedford is located on the Acushnet River and Buzzards Bay, and was once the nation's whaling and shipping center. With the discovery of oil in Pennsylvania, whaling declined and textile manufacturing took its place. Since the 1970s, New Bedford's traditional economic base of fishing and clothing manufacturing has been hard hit by international competition, and the City is actively promoting tourism and industries related to marine science and technology and medical devices.

Another major challenge for New Bedford has been the pollution problems typical of older industrial cites along the Northeast US seaboard, including impacts from wastewater discharges, industrial discharges, and combined sewer overflows. Because of past industrial dumping, New Bedford has become the largest marine EPA Superfund site for PCB (polychlorinated biphenyls) contamination. During the past decade, the City of New Bedford has made remarkable strides to reduce pollution, including the construction of a new wastewater treatment facility, the elimination of contaminated discharges and the identification of 31 brownfields sites⁷, which are being remediated for redevelopment.

New Bedford's population peaked during its periods of great prosperity in the whaling and textile eras, and subsequently declined as industry shifted and a portion of the labor force located outside of the area. While New Bedford's affordability remains attractive in light of the much higher costs of living in surrounding communities, the suburban exodus continues to affect New Bedford. The city has, however, experienced an increase in minority and immigrant groups, now

⁷According to HUD, a brownfield is an "abandoned, idled or under-used real property where expansion or redevelopment is complicated by the presence or potential presence of environmental contamination."

21.1 percent and 19.6 percent of the population, respectively, who come in search of jobs and affordable living conditions. The median income in 2000 was \$27,569, among the lowest in the state and almost half the statewide median of \$50,500. Twenty percent of residents were living in poverty. Almost three-quarters of the housing stock was built prior to 1960; 56 percent of the units were renter-occupied.

Yet with two-thirds of the stock in multi-family dwellings, the rate of owner-occupied properties is more significant than the 44% rate implies, offering an interesting avenue for revitalization. Additionally, crime is a serious concern, stemming primarily from drugs and gang activities, and schools are struggling to perform. These population, housing, and socio-economic conditions have put enormous strains on City services, and as in other case study cities, local officials are struggling to meet mounting community needs in the context of budget cuts.

Economic Development

Historically, New Bedford has been linked regionally from east to west along the southern coast of Massachusetts, stretching from Fall River to Wareham into the Cape and to Rhode Island, rather than a more northern orientation toward Boston. The expansion of the Boston economy has begun to embrace Taunton but has not yet reached New Bedford. The state of schools, crime and unskilled workforce are perceived as the greatest obstacles to economic development.

The City has focused much of its economic development activities on the waterfront, which has the most vibrant port in the state. The City has zoned its waterfront for marine-related activities solely in recognition that an active working waterfront offers the city good potential for economic growth in fishing, fish processing, food distribution and marine science and technology. Priority activities have included:

- In 2002, the City prepared a **Harbor Master Plan** that was overseen by a New Bedford/Fairhaven Joint Task Force. One aspect of the Plan involved the concept of sending and receiving zones for development, similar to a TDR (Transfer Development Rights) approach. Planning for the waterfront is focused on the intermodal connections between the highway, rail yard, and port.
- Another important waterfront development opportunity is the **Hicks-Logan-Sawyer Smart Growth Initiative**, involving a 90-acre redevelopment area outside of the designated harbor area where Routes 195 and 18 converge. The area currently includes a mix of existing mill buildings and a small enclave of deteriorating housing. The city has conducted some initial planning for the area and is issuing an RFP for additional planning and project feasibility work that will likely lead to a zoning overlay district. In addition to financing issues, including the potential for 40R⁸ and other possible funding sources, plans will need to consider whether certain buildings can be saved, how best to assemble the site (the City owns some of the parcels), how best to mitigate existing contamination, and the most appropriate actions for integrating housing and addressing the needs of the existing area residents.

⁸Massachusetts General Laws, Chapter 40R, promotes smart growth planning and development by providing financial incentives to municipalities that adopt smart growth overlay districts in their zoning to encourage mixed uses, higher density development and affordable housing in suitable areas.



- Another waterfront project involved the **development of a park** by the City on a 12½-acre parcel that includes a state-of-the-art soccer field, open space and other recreational facilities to bring greater public access to the waterfront.
- CEDC-SM also provides programs, including job training and computer training courses, **to bolster local businesses**, particularly minority enterprises.
- The City also added **new ferry service** to Martha's Vineyard.

New Bedford has been designated a Brownfields Showcase Community due to its progress cleaning up industrial sites, particularly along its waterfront, the primary focus of its economic development efforts. The City has attempted to reverse the trend of job loss and poverty and is using brownfields redevelopment as its rallying point.

The City has also made considerable progress in improving its downtown. This resurgence can be credited to some degree to the activities of local colleges and universities, which have established a significant presence in the downtown, with local government support. For example, the University of Massachusetts redeveloped several downtown buildings into its Neighborhood College, Center for Visual Arts, and a marine science business incubator at the former New Bedford Textile College, renamed the Quest Center. Bristol Community College is also expanding its presence in the downtown and is planning the development of a new facility.

The City's existing historic area, new Whaling Museum and planned new Visitor Center further contribute to the perception that New Bedford's downtown is rebounding, attracting new residents and visitors. To further spur downtown development, the City, using a Municipal Incentive Grant, hired a consultant in 2000 to prepare an economic development strategy for the downtown that included a market analysis as well as business pro formas for the redevelopment



New Bedford's Lawton/Coffin, a mixed-use, mixed-income initiative involving the renovation of a historic building into loft-style apartments with first-floor retail space.

of ten chronically vacant buildings in the downtown. Following the release of this study, nine of the ten buildings were under agreement within 60 days. Also, a number of distressed buildings have recently been converted to residential use, including both market rate and affordable housing.

The City is also working with other communities within the south coastal region to attract R & D firms to the area, offering manufacturing opportunities as new products are created. Spearheaded by UMass-Dartmouth, 15 communities have formed the South Coast Development Partnership (each community contributes \$10,000 for its participation), which has been working to attract businesses, particularly in the areas of marine science and medical technology.

Housing

Major City priorities with respect to housing include promoting homeownership, reclaiming abandoned properties, and actively protecting its existing affordable housing inventory. A Community Economic Development Corp. (CEDC) report indicated that an estimated 800 units of affordable housing could be converted to market rate rentals in the next three to five years without public intervention. Housing values have surged, with the median house value rising 140 percent during the last few years, from \$103,000 in 2000 to \$247,000 in 2005. This trend is largely a result of people commuting longer distances in search of more affordable living conditions, increased business activity along the Interstate 495 corridor, and greater interest from property investors. Triple-deckers that sold for about \$100,000 a few years ago are now on the market for as much as \$300,000. More than half of the units in an "Over 55" project were recently pre-sold for more than \$300,000 each.

The City is promoting homeownership with its federal funds and targeting resources to the downtown and five Neighborhood Revitalization Strategy Areas to the greatest extent possible. Unlike other case study cities in the faltering economy category, New Bedford is making consid-

erable headway in bringing new housing into the downtown area. This success is likely related to the pioneer efforts of experienced developers, escalating market values, and proximity to a vibrant historic district.

For example, private developer Hall Keen is redeveloping four abandoned historic buildings, and with support from the City's HOME funding and New Market Tax Credits, is creating mixed-use housing with retail spaces on the ground floor. In close proximity to the Hall Keen buildings, market rate condos are being developed with prices ranging from \$185,000 to \$325,000, the higher priced units having terraces with waterfront views. The former Standard Times building is also being redeveloped into condominiums.

CDBG funding has been directed to housing and rehabilitation programs, and HOME funds are focused on the First-time Homebuyer Program and owner-occupied housing rehabilitation, as well as rental housing initiatives. Neighborhood development activities include issuing RFPs for the development of former tax title properties with federal funding.

The City is aided in its housing efforts by the New Bedford Housing Authority, which manages more than 2,500 units, including 1,600 rental subsidies, and develops new affordable housing as well. Additionally, there are a number of nonprofit housing organizations that are building capacity to undertake new development but have been limited to relatively small housing initiatives to date. The City's Office of Housing and Community Development has taken on the responsibility of providing a range of services that are more typically conducted by CDCs or other nonprofit organizations, such as homebuyer counseling and lotteries for first-time homebuyers.

Services

Crime and poor school performance have consistently been cited as impediments to New Bedford's continued economic development. New Bedford has among the lowest MCAS scores in the state, 21/33 in Math/English for 10th grade students, far below 57/65 in Waltham. In 2004, there were 7.2 violent crimes per thousand and 28.4 property crimes per thousand, certainly significantly better than Springfield at 19.2 and 76.5, respectively, but substantially higher than 1.6 and 17.5 for Waltham. New Bedford was the only case study city that had a specific office in local government charged with providing support services to new immigrants, the Office of Cultural Affairs.

Key Lessons in New Bedford:

- Partnerships with colleges, universities, and neighboring communities have led to rich opportunities for downtown revitalization and economic development.
- Good information can attract businesses: Municipal Investment Grant-funded market analysis and development of business proformas led to agreements to purchase 9 of 10 chronically vacant business properties within 60 days.
- Community organizations, including the Community Economic Development Center of Southeastern Massachusetts, have worked to integrate the large number of immigrants into the local economy.



North River Canal Corridor District (NRCC): The North River Canal was a former industrial corridor consisting of former leather tanneries. The City of Salem recently rezoned this area to begin its transformation into a neighborhood scale, mixed use development district.

D. Salem: Generally Improving Economy and Decrease in Poverty

Salem is an historic seaside community, the second oldest city in the country, and the first major U.S. port. Located 16 miles north of Boston in Essex County, the city has had a long history as an East India trade link, the home of Nathaniel Hawthorne, and a hub of commerce, all contributing to the city's architectural treasures, fine museums and literary heritage. Now with a population of about 40,000, Salem is making a slow transition from a trading, manufacturing and retail center to a service-based economy. Given a relative lack of access to major highways, the city does not anticipate that it will be able to attract large corporate interests; yet it has been initially successful in attracting smaller high tech companies. Tourism, however, continues to be the substantial component of Salem's economy. Salem has successfully capitalized on its historic and cultural assets to redevelop downtown, with contributions from municipal, civic, cultural, business and state sectors.

While most of the City is rebounding, pockets of poverty remain, including the Point neighborhood, which has the highest concentration of low-income households, deteriorating housing, higher crime and other signs of distress. The area predominantly has an aging housing stock that was constructed for immigrant mill workers, much of it in small multi-family structures built after a fire in 1914.

Jefferson at Salem Station: The former Milton Bradley Company site has been developed into a Planned Unit Development (PUD) that consists of approximately 8,500 square feet of retail space, recreational trails, and 266 apartments.



Economic Development

Salem is the one of the principal cities on the North Shore, and it continues to serve as the educational, medical, legal and cultural hub of the region. The city's primary economic advantage has been its rich history, which has attracted a robust tourist industry throughout the decades.

The focus of the City's revitalization efforts has been on the downtown, which was economically depressed until recently, evidenced by the presence of vacant and deteriorating buildings. During the last few years this problem has been virtually eliminated through the redevelopment of more than a dozen formerly vacant buildings into mixed-use properties with commercial and retail on the ground floor and residential above. This turnaround was sparked by the City's investment in reclaiming one of the most visible vacant properties on Washington Street for its own offices and supporting developers to convert several nearby properties into mixed uses.

Another project that had a profound effect was the renovation of the Peabody Essex Museum. These initial developments had a catalytic effect, changing the perceptions in the downtown and attracting new private market development. Condos in the downtown are now commanding price tags of \$400,000, and additional new development continues, including a new Court House, MBTA commuter rail station, the conversion of the old jail into housing and new business activity.

The City is now turning its focus on the waterfront, planning better connections to the downtown, improving public access to the water through a Harbor Walk, and bolstering tourist attractions. Plans are underway to re-establish the identity of Salem as an active seaport by developing new and improved harbor facilities, building a temporary ferry pier to allow water access to Boston for commuters and tourists, improving the environmental quality of the harbor, and redeveloping the North River Canal Corridor.

Given limited transportation access, Salem officials explain that it is difficult for the city to compete for new businesses and jobs with other cities that are located along major highways such as Route 128. Consequently, the city has focused on attracting smaller enterprises that

include primarily knowledge-based industries and smaller manufacturing companies. Funding from MassDevelopment has supported a number of new business ventures with low cost bond financing for acquisition and improvements. The City has also invested CDBG funding in these enterprises, largely as a credit enhancer. The Salem Harbor CDC also provides support to small businesses through technical assistance and access to financing.

Housing

Salem had about 18,200 housing units in 2000, half of which were owner-occupied, with one-third in single-family structures. Like most communities in the Boston region, Salem has experienced substantial housing price increases, from a median sales price of \$131,500 in 1990 to \$310,000 in 2005, thereby diminishing access to housing for low- and moderate-income households. Additionally, Salem, like Waltham, the other case study city in its project category (improving economy with decreases in poverty), has been successful in attracting residential units to the downtown area, thereby further bolstering economic development activity in its central core. Through new zoning and several pioneer mixed-use projects, condos are now selling for more than \$400,000.

Recently, the City has made concerted efforts to redevelop former industrial and commercial sites such as Parker Brothers, Vincent's Potato Chips and Salem Laundry into predominantly market rate housing. While some argue that these sites should have been targeted for economic development purposes that would bring in new jobs, and others suggest that affordable housing should have been integrated into project plans, these new developments sent a strong signal that Salem was "coming back."

The Salem Harbor CDC has focused on creating affordable housing opportunities, primarily in the Point neighborhood, which has historically considered a way station for new immigrants until residents could afford to move to what was considered a better place. Over the years the population has shifted from predominantly French Canadian to Puerto Rican and Dominican – now about 80 percent of the residents are Latino.

Services

Salem has had limited transportation access but is making some headway in improving connections, including a new commuter rail station in town. Crime rates are among the lowest for any city in the state; however, poor school performance continues to be a problem in Salem, despite a considerable recent investment in new school facilities. The Salem Harbor CDC has made significant contributions by providing a wide range of services, particularly to immigrant populations in the Point neighborhood, including ESOL.

Key Lessons in Salem:

- City investment in a few key downtown vacant properties played a catalytic role, inviting further development and creating a tipping point in the downtown's revitalization.
- A realistic understanding of Salem's assets and liabilities (such as limited transportation access) allowed the City to attract appropriate types of businesses.
- Services to immigrants can be critical to turning around a distressed neighborhood.



The Basketball Hall of Fame in Springfield.

E. Springfield: Faltering Economy and Increase in Poverty

Springfield is the third largest city in Massachusetts (a July 1, 2003 census estimate put the city's population at 152,157), the largest in Western Massachusetts and the largest on the Connecticut River. For nearly six decades, Springfield has been in an economic slump, due largely to a decline in manufacturing. Many major companies that maintained factories in the city closed their facilities, moving to the suburbs or out of New England altogether. In 1968, the Springfield Armory was closed by the Pentagon, and in 2005 this exodus continued with the closure of the Danaher Tool forge, maker of Craftsman tools.

Other significant economic losses included the shuttering of local department stores, Forbes & Wallace and Steigers, in 1974 and 1994, respectively. Johnsons Bookstore closed a few years later, though this was due less to a decline in retail activity in the downtown than competition from chain bookstores, such as Barnes and Noble. Many Springfield residents moved to the suburbs to escape mounting inner-city crime and urban decay. Because manufacturing had been a large part of Springfield's economy, it proved difficult to fill the void with a service-based economy, more so than in similar cities with increasingly more diversified economies.

In July of 2004, the Massachusetts General Court created, in response to the City's request for additional aid, a state-run Finance Control Board (FCB) to resolve the escalating financial crisis that resulted in wage freezes, cuts in City services, fee increases, and layoffs. The FCB consists of the Mayor, City Council President, and three appointees of the Governor under the overall direction of the Secretary of Administration and Finance. According to the Romney administra-

tion, the financial crisis was largely the result of poor cost management by City officials, driven by annual labor increases that exceeded municipal revenue growth over many years. The Mayor counters that the City's deficits resulted from cuts in state aid during the 2002-04 recession. State aid fell 2.7 percent from fiscal year 2002 to 2004.

The City is working with the Finance Control Board on efforts to reorganize City government, update its financial systems, and forge more reasonable labor agreements with unions. The City's precarious finances have spawned a major new initiative. The State Office of Commonwealth Development (OCD) is coordinating, in partnership with the City, a comprehensive neighborhood revitalization project targeted to the most distressed neighborhoods of the city, with a projected budget of approximately \$14 million in support of improved housing, public safety, infrastructure, and business activities (see Housing section). Of particular importance is the hiring of several lawyers through this initiative to expedite tax title properties out of Land Court and into the control of City officials. Plagued by prior corruption, the Springfield Housing Authority is also trying to get back on its feet financially and has brought on new leadership.

Economic Development

Springfield is considered the capital of the Pioneer Valley and is bordered by two smaller cities, Holyoke and Chicopee, both similarly challenged socially and economically but potentially closer to a sustainable turnaround. While Springfield did not experience the economic boom of the 1990s, when the boom was over and other areas of the state declined economically, Springfield did too. A downtown revitalization project known as Baystate West was completed in 1973, but over the years it too became empty. The construction contributed to Springfield's somewhat modern, 1970s-era, skyline. The Eastfield Mall, built on Springfield's outskirts in 1969, proved more successful; however, it suffered a decline after the Holyoke Mall was opened in the 1980s.

Over the past five years the city's economy has not rebounded, for the most part, but the Eastfield Mall is finally experiencing some success. Consequently, Springfield's largest retail area is now located on Boston Road on the northeastern edge of the city, rather than in the downtown, which is considered to now include too many marginal establishments. However, the Quadrangle, an extraordinary grouping of museums and sculpture gardens, remains a testament to the city's nineteenth-century grandeur, and the Springfield Business Improvement District (SBID) is generating new resources and a governance structure dedicated to improving the downtown area.

Most City economic development activities are spearheaded by the Office of Planning and Economic Development (approximately 10 staff), which also incorporates the Springfield Redevelopment Authority. Major activities include:

- The **State Street Corridor** is the major east-west thoroughfare in Springfield, and is soon to be home to the **new federal courthouse and the new MassMutual Center**,⁹ which will play host to conventions and sporting events. With a federal grant, the City is embarking on a project to address the physical conditions and transportation issues along the corridor, including improved traffic flow, guidelines for corridor aesthetics, a plan for streetscape features, improved safety and transportation access for pedestrians and bicycles, and innovative parking solutions. The goal of this project is for State Street to continue to be a vital and proud link between the residents of Springfield, local businesses and area institutions.

⁹The MassMutual Center, a \$71 million development, was dedicated this past summer and includes a newly constructed convention center that should provide a boost to the growing hospitality industry.

- The Office is creating an **industrial park at the former Smith & Wesson site**. With environmental remediation complete, the focus is now on developing the required infrastructure.
- The City is also looking at the configurations of the **17 neighborhood business centers**, determining how best to improve them, make them more accessible to pedestrians and cars, and better integrated with housing.
- There is a major focus on the **disposition of former tax title properties**. The Chamber of Commerce has agreed to help the City find new businesses to occupy designated properties.
- The City is **revisiting its Zoning Ordinance** through a Smart Growth grant issued by EOE (Executive Office of Environmental Affairs), including a review of the potential for adopting *zoning overlay districts* through 40R and commercial district zoning. Existing zoning already allows mixed-use development.

Housing

Springfield, known as the City of Homes, has 61,172 housing units. Typical of older cities, Springfield has two distinct housing markets – one in the more suburban outlying areas and another in the older, inner core neighborhoods. While the overall percentage of owner-occupied housing is 49 percent, in some areas this percentage is as high as 80 percent while in others it falls below 20 percent. Housing values and conditions correlate directly to this owner-occupancy rate. Moreover, the rental stock is primarily in large multi-family structures built prior to 1940, generally in need of moderate to substantial rehabilitation. The median value of the housing stock, while increasing by 93 percent from \$74,000 in 2000 to \$143,000 in 2005, represents the lowest values of the six case study cities. One City official said, “Affordable housing in Boston is not the same thing as affordable housing in Springfield” where values are still depressed relative to most other parts of the state.

City officials and non-profit developers challenge the state to develop a first-time homebuyer product targeted to revitalizing neighborhoods with market prices already close to the affordable price limits. A revitalized first-time homebuyer product could supplement the traditional tool designed to provide affordable buyers access to market rate communities.

While new market rate, single-family housing development is occurring quite robustly in the more outlying neighborhoods, the private market remains unable to undertake development without subsidies in the more distressed inner core neighborhoods. Even in the downtown there are only a few pockets where the market is relatively strong. The ratio in the downtown is about 30 percent market rate housing to 70 percent subsidized, and the City, like the other case study cities, is interested in attracting additional market housing to the downtown and reversing the balance between market and subsidized units.

The City has a huge inventory of abandoned buildings and vacant lots, which are targets for improvement, particularly in designated neighborhoods with large concentrations of poor and substandard housing. In the Old Hill neighborhood alone, there are 134 vacant and boarded-up buildings that are eyesores. Many of these vacant properties are in tax title, and in fact, of the 3,000 properties in tax title statewide, 400 are located in several target neighborhoods of Springfield. Because a substantial number of these properties have been tax delinquent for prolonged periods of time, the City is engaged in a major effort to expedite these properties out of Land Court and put them out for redevelopment through RFPs, using state and federal funding. A number of nonprofit housing organizations are involved in this effort, including Springfield Neighborhood Housing Services, Hampden Hampshire Housing Partnership (HAP, Inc.), and the Hungry Hill CDC.

The **Springfield Housing Authority** (130 staff) has been in turmoil during the past few years due to a much publicized corruption scandal. The Authority has new leadership and is resolving problems associated with the scandal, including the repayment of \$2.5 million. It hopes to be financially solvent by 2007, and out of HUD's "troubled" category so that it can begin applying to HUD for new funding and make needed improvements for residents.

Services

Not only is Springfield experiencing one of the most depressed economies in the state, if not the most depressed, but it also has the highest level of crime and lowest MCAS scores. The city has a wide range of social service agencies, but progress in the area of boosting social and economic needs will rely on well-funded, coordinated and comprehensive action from both the public and private sectors.

Key Lessons in Springfield:

- Public investment to spur redevelopment cannot always sway the market, as learned from the 1970's redevelopment of now-defunct downtown Bay State Mall; it is important to learn from these efforts.
- The focus of city government, the business community and CDC and non-profit organizations, supported by strong state assistance, offers an opportunity to test new approaches to revitalization, including an aggressive strategy to dispose of tax title properties, and a unique Business Improvement District.
- Strict regulatory requirements to ensure long-term affordability of the subsidized housing stock are dampening the City's efforts to attract the middle class to depressed inner city neighborhoods and are compromising the success of revitalization strategies.



Waltham's 51-59 Charles Street housing development includes three two-family modular homes, all affordable to families earning 80% of median income or below.

F. Waltham: Generally Improving Economy and Decrease in Poverty

Waltham is a city of about 58,000 residents in Middlesex County, situated nine miles from Boston and bisected by the Charles River, which has been critical to transport and industry. Today the river has given way to Route 128 as the main economic artery of the City, now the second largest office market after Boston. Considered the poor sister by neighboring communities, a blue collar community surrounded by some of the most affluent towns in the state, the city has had a long history as a manufacturing center for products such as textiles, paper and watches. The last two decades, however, have seen a tremendous decline in the city's manufacturing employment, which has fortunately been accompanied by an equally dramatic increase in employment in service sectors. The city's concentration of "high tech" businesses has experienced significant job losses and office vacancies in recent years, but Waltham remains a regional center for growing, high-paying industries centered on information technology, communications, education, consulting services, and manufacturing.

As with most case study cities, Waltham can be seen as two separate cities – an inner city and downtown, which has been buoyed by robust restaurant and related activities, as well as an outer city with high tech industries at the edge of Waltham along Route 128. The resurgence of the inner city – centered on Moody Street – was fostered by the City's focus on supporting new minority businesses, investing in new infrastructure, creating parking, supporting new housing, and making its riverfront more accessible. The development of 220 luxury rental units at Cronin's Landing began to create the market for improved services and amenities. This new culture of

dining and entertainment on Moody Street established the necessary draw to bring local students into the downtown from Brandeis and Bentley. In fact, the area has become a destination for residents living throughout the Boston region. The poor sister now attracts the wallets of residents from its more affluent neighboring communities.

Economic Development

Waltham has been able to take advantage of its proximity to Boston and to newer suburban office parks, mitigating the effects of the decline of its former industrial base. Waltham is one of the primary economic engines of metropolitan Boston. With over 60,000 jobs, it is the third largest employment center in the region and has the third most highly valued commercial/industrial tax base in Massachusetts.

The City does not have a particular department charged with overseeing economic development activities; however, it has been making strides largely through the coordination of the Mayor's Office and the Planning Department. The city's population and resident workforce have been growing slowly. Rising incomes and higher educational levels point to a workforce increasingly oriented toward managerial, professional, and technical occupations. Yet, like all case study cities, there is also a growing immigrant community with substantial need for additional workforce development services.

Economic development activity has focused on a number of areas designated for commercial and industrial redevelopment and on the downtown, now home to a thriving restaurant scene. The city has undergone considerable redevelopment over the last decade largely due to the following major activities:

- Because the downtown is next to the Charles River, the City has focused on **making the river more accessible to the public**. With state support and some friendly takings of private land, the City has built a River Walk on both sides of the river all the way to Watertown. Additionally, it created a new, handicapped accessible boat dock with support from the State Department of Conservation and Recreation.
- The anchor for new waterfront development has been **Cronin's Landing**, a mixed-use development that provides 220 units of new luxury rental housing on a key parcel in the downtown located along the river. The project also contributed \$300,000 toward the City's Housing Trust Fund, a fund dedicated to supporting affordable housing development, though none of the funds have been distributed because no mechanism exists for allocation.
- The City has made a considerable investment in **infrastructure improvements** to enhance the Main and Moody Street streetscapes, Waltham Common, and riverfront. A major improvement, supported by a state grant, has been the removal of concrete parapets on the Moody Street Bridge, which opened up the view of the river. The infrastructure improvements sent residents and business owners a clear signal that the City was investing in the downtown. This strategy has paid big dividends as vacant storefronts have all but disappeared and business activity has picked-up considerably.
- The City created a **parking** facility on Pine Street to support the Embassy Theater and encourage people to come to the downtown for dinner and a movie. However, the City is a victim of its own success and is looking for opportunities to provide additional parking, such as increasing the number of parking levels in its Crescent Street parking garage.



In Waltham, the Charles River Dock is one of the few wheelchair-accessible public docks on the Charles River.

- The City created a **Riverfront Overlay District** to promote mixed-use and higher density development along its waterfront. Of particular interest is the Felton-Charles Street area, a center of automotive-related businesses and light manufacturing enterprises. Given its prime location along the waterfront, relative underutilization, and presence within a CDBG target area, it is a priority focus of the City for redevelopment. In the nearby residential neighborhood there has been a considerable investment on the part of the City to upgrade parks and playgrounds and to rehab housing, including a project developed by the WATCH CDC, which created three affordable duplexes with modular construction. This neighborhood is one of the poorest in the city and home to many immigrant groups. While there is general agreement over the need to redevelop this area, there are also concerns about minimizing the displacement of existing residents.
- The City, in partnership with the Chamber of Commerce, provided significant **support to local minority businesses** on Moody Street, which was instrumental in spawning new business activity and new restaurants.
- The City purchased an **open-air trolley** to help shuttle people around town and bring them to the downtown.

Waltham has a number of other priority initiatives underway:

- The City is working to establish **new uses for former manufacturing properties** such as the Polaroid property, Raytheon property, and former Watch Factory.
- Large parcels of government-owned land, including the **Fernald School**, are scheduled for disposition; therefore the City should have opportunities for significant changes in land use.
- The City is working on the creation of **historic districts** as well as economic plans for Newton Street, to bring additional mixed uses into the area.

The Routes 128/95 corridor has been transformed from predominantly rural and industrial use to a mix of office parks, hotels, and industry. Some see the employers based in this area as a major untapped resource to support City development efforts, especially in the area of workforce development.

Housing

Waltham's housing values have risen precipitously, from \$250,800 in 1990 to \$405,000 in 2005, representing a 61 percent increase in housing values. Consequently, market rate housing is out of the range of not only low-income households but increasingly middle-income families as well. New development has, for the most part, been limited to market rate development, such as Cronin's Landing. However, the City has been focusing its resources on target neighborhoods, largely in partnership with the WATCH CDC, to improve the housing stock and promote homeownership with federal funding. Because the city recently approved the Community Preservation Act¹⁰, additional resources will become available to support affordable housing initiatives. It is likely that two surplus schools will become available for residential development as well.

While Waltham does not have 10 percent of its year round housing units designated as affordable (currently 5.2 percent), it is able to reject unwanted Chapter 40B comprehensive permit applications because at least 1.5 percent of the city's land area includes affordable housing. The construction of the 200+ unit Chapter 40B rental development at Indian Ridge in North Waltham enabled the city to meet this threshold. The project, developed by Lincoln Properties, was controversial due to its density, setting on a bluff above a busy shopping center, and location within the most congested part of the city. This area contains a number of denser rental and condominium projects and there is widening concern regarding how to better control traffic congestion along Lexington and Trapelo Roads. The Metropolitan Area Planning Council is attempting to engage the communities of Lexington, Belmont and Waltham in a coordinated planning effort regarding this pressing traffic issue.

Services

Waltham has among the lowest levels of crime (1.6 violent crimes per thousand and 17.5 property crimes per thousand) and highest achievement on the MCAS scores (57/65 Math/English for 10th graders) relative to other cities in the Commonwealth. The City also works with the WATCH CDC to provide support services, including homeownership counseling, ESOL, and workforce development programs.

Key Lessons in Waltham:

- A multi-pronged approach to revitalizing the urban core centered on: minority business development, infrastructure, parking, new market rate housing, and riverfront access.
- In particular, the City and Chamber of Commerce jointly sponsored special programs targeted to small businesses, particularly minority and immigrant-owned businesses, which sparked a resurgence of economic activity downtown.
- A Housing Trust Fund, as well as the Community Preservation Act, provides critical resources to make sure affordable housing continues to be available as the city prospers. Additionally, the local nonprofit organization, the WATCH CDC, offers ongoing technical expertise to create affordable units.

¹⁰The Community Preservation Act (CPA) is a state enabling law that allows cities and towns to impose up to a three percent surcharge on real estate taxes. The local surcharge is then matched by state funding, the source of which is a deeds fee imposed at the Registry on real estate transactions. The revenue raised locally from the state match is used for three core purposes: conservation of open space, support of affordable housing, and preservation of historic sites.

V

BEST PRACTICES AND RECOMMENDATIONS

THIS REPORT emphasizes three essential ingredients to effectively revitalize Massachusetts cities:

- strong and visionary leadership;
- identifying and capitalizing on key local assets;
- developing new tools and resources aimed at the unique needs of small struggling cities.

As Massachusetts joins other parts of the country in grappling with the conundrum of ensuring equitable development across all communities, this report provides a starting point rather than a recipe for revitalization. Lessons gleaned from unsuccessful efforts are often as important as successes. Many of the approaches described in the case studies are recent undertakings. Results should be monitored and the research should continue.

This section of the report focuses on specific lessons that have been learned during the course of this study, focusing first on recommendations for the legislature and state government, followed by key recommendations of best practices. There are no succinct answers on what is required to insure strong and visionary leadership. We recognize the wealth of research and work on the subject, and welcome assistance in crafting recommendations to foster good leadership. Many of the best practices are predicated on good leadership. A summary of these recommendations is included in Appendix 8.

State Legislative and Policy Recommendations

A. Economic Development

In the context of a global economy it will be incumbent upon cities to actually reinvent, in a new way, the prosperity of the past. As this report's underlying principles emphasize, these cities must have an authentic vision for their future that capitalizes on local assets and energizes all stakeholders.

1. Assist communities to identify local assets and viable economic development schemes.

Lesson Learned:

A former mayor observed that local leaders of some cities lack a realistic vision for their communities and struggle to find key strategies to spur economic revitalization that would take best advantage of local assets. His suggestion: a state “swat team” of skilled consultants able to assist communities to identify viable economic development opportunities and development of a comprehensive plan for revitalization.

This state technical assistance builds on DHCD's effective Massachusetts Downtown Initiative (MDI) and Municipal Incentive Grant, which has helped a number of municipalities



The Old Salem Jail: The former Essex County Correctional Facility is proposed to be redeveloped into 29 condominium units including one designated affordable artist live/work unit, space for a high-end restaurant, and a jail exhibit that will be open to the public.

revitalize their downtowns, with the goal of a more comprehensive approach for struggling cities. In addition, the current programs are only eligible for non-entitlement cities (those that are too small to automatically receive federal housing funds on a formula basis annually).

Recommendation:

The State should provide new resources, comparable to DHCD's Downtown Initiative, to provide all cities with access to important technical assistance, prioritized to those cities with the greatest needs (faltering economies and communities that continue to experience increases in the level of poverty).

2. Promote New Immigrant Entrepreneurs

Lesson Learned:

Supporting new immigrant populations, particularly the entrepreneurial spirit of many newcomers, is a good investment. Most immigrant groups require a great deal of help when they first arrive, and cities should become more knowledgeable about the various immigrant cultures to determine how best to provide assistance. For example, a major investment in the Cambodian population in Lowell years ago, through a special program to support small business development, has paid off. This group has thrived and remained in Lowell over the past several decades, boosting the economy. Likewise the City of Waltham and the local Chamber of Commerce jointly sponsored special programs directed to small businesses, particularly minority and immigrant-owned businesses, which sparked a resurgence of economic activity in Waltham's now thriving downtown. Seventeen CDCs in Massachusetts provide such services and they served over 800 entrepreneurs last year statewide.

Massachusetts recently appropriated state funding for the first-time to support these business ventures. In 2006 the legislature passed an economic stimulus bill that includes \$2 million in competitive grant funding for community groups to provide technical assistance and/or training to small business owners, including minority and new immigrant business owners, to support their new enterprises.

Recommendation:

The State and municipalities should provide significant technical and financial support to foster small business development in their neighborhoods and downtown, focusing particular attention on the needs of new immigrant entrepreneurs. The recent \$2 million appropriation which will be distributed through an RFP process this fall by the Department of Business and Technology offers an opportunity to focus business assistance in the direction of immigrant entrepreneurs.

3. Eliminate Eyesores

Lesson Learned:

This is an old solution that remains important today: When current market conditions are insufficient to attract residents and new businesses into the downtown or particular neighborhoods, the City should make significant financial investments in key properties to change perceptions about the area. Hefty subsidies for these initial projects has proven catalytic in improving market conditions in certain localities.

Yet many struggling cities do not have the resources to implement an “eyesore” elimination program. This is particularly true in the weaker market communities where the costs of improving properties are substantially higher than what the market can bear, and municipalities are strapped for operating funds. Because many vacant properties are tax delinquent, Alan Mallach suggests that cities expedite foreclosure and freeze auctions of City-owned property, placing properties in a land bank for future affordable housing or other designated public purpose.

Recommendation:

The State should develop resources to help cities, particularly weaker market cities, focus on redeveloping vacant eyesores, making substantial public investment even if such investment is greater than current market value for key properties. Redeveloping these highly visible and distressed properties, which often also have historic value, has the power to change perceptions and become a catalyst for revitalization.

4. Promote Inter-municipal Coordination

Lesson Learned:

Home Rule sets up a situation where communities feel they need to compete for resources instead of appreciating the interdependence of neighboring areas and planning more regionally. This problem is exacerbated when the competition for resources and new business is very intense. For example, the Metropolitan Area Planning Council is working with Waltham, Belmont and Lexington to help resolve increasing traffic congestion problems that will likely require actions on the part of each of these communities to resolve. The Office of Commonwealth Development is promoting more regional approaches to the planning and implementation of smart growth development, but most communities need better support, including incentives and technical assistance, in order to effectively work together.

Recommendation:

The State could help facilitate greater cooperation between and among municipalities to plan better for new development by finding ways to overcome obstacles to cooperation, such as increasing incentives to forge inter-municipal agreements where participating communities make investments and share benefits.

B. Housing

In older, former industrial cities, affordable housing not only satisfies a pressing community need but also can become a significant economic engine that helps drive the local economy. However, while most cities have prioritized the creation of market housing in the downtown not all have been successful. All cities could benefit from efforts to promote mixed-income housing throughout the city. State support for these efforts in the form of greater resources and more flexible regulations is integral to success.

1. Create a Financing Pool or Other Mechanisms to Minimize Foreclosures

Lesson Learned:

Steep increases in the rate of foreclosures, coupled with a rise in tax title inventories, signal a familiar threat to struggling cities. Massachusetts Community and Banking Council's (MCBC) recent report, "Borrowing Trouble? VI", indicates that "as the subprime lending industry has continued its explosive growth in recent years – and as considerable progress has been made in curbing the worst excesses of predatory lenders – a second major concern has become increasingly prominent: the prevalence of 'opportunity pricing' in the subprime mortgage market. Here the selling price and other charges often are negotiated individually with each customer and those involved in selling often have financial incentives to obtain the highest prices possible. Many (perhaps most) borrowers from subprime lenders pay more than they would have if they had obtained the best loan for which they were qualified. Sometimes this is for a lower-cost subprime loan than the one they received. Of particular concern is the fact that the likelihood of being overcharged for a mortgage loan is much greater for borrowers of color."¹¹ Divorce, job loss or health problems are frequent precipitators of foreclosure, but so are these high-cost loans (HALs, or high APR loans). Data indicate that the highest rates of foreclosure are occurring in those neighborhoods with the highest levels of HALs and minority residents.

Recommendation:

The State should immediately commence to create a loan pool or other mechanisms to help refinance high-cost, predatory loans and prevent foreclosures, perhaps as a related product of its successful Soft Second Loan Program. The Governor should establish a special committee of representatives from the public and private sectors to explore solutions and to make recommendations for structuring a refinancing program. Expanded counseling is also needed for homeowners to both prevent foreclosures and deal with emergencies.



The Veterans Memorial Playing Fields in Waltham include four synthetic playing fields and two softball fields at a former Federal hospital site.

2. Create Greater Flexibility within State Funding Programs

Lesson Learned:

A number of local leaders in case study cities expressed concern that state programs are typically engineered for bigger city markets, such as Boston, with limited support for smaller projects in weaker market areas. CDCs with significant capacity expressed frustration over how to feasibly finance the redevelopment of smaller, multi-family properties. The “one size fits all” approach leaves both weak market cities and high cost suburbs unable to effectively compete for resources. These cities may also have a hard time competing due to a lack of local non-profit capacity and local private sector funding. The key is to expand resources, but also make them more flexible to meet the different needs of different cities.

Further, in cities where housing values are depressed and housing conditions are generally poor, local governments are getting control over tax delinquent properties and conveying them to nonprofit developers for rehab and eventual sale. Cities seeking to make a comeback hope to attract urban pioneers who will purchase houses and lend stability to the most distressed neighborhoods.

To successfully entice this investment, local government officials seek greater flexibility in terms of restrictions on subsidies, particularly affordability restrictions. They assert that deed restrictions are impeding redevelopment efforts in distressed areas where the markets are not fully functioning, and require more flexible terms. Also, CDC homeownership projects in distressed neighborhoods catalyze other development and are also high quality, energy efficient and healthy places to live. Purchasers of these properties should be able to share in some of the equity that is created in their home over the years.

Recommendation:

DHCD is encouraged to convene a cross section of stakeholders to assess the goals and incentives in its funding selection criteria and in the funding documentation, particularly homeownership deed riders, to ensure equitable development is encouraged across the Commonwealth's communities. The evaluators should consider developing different criteria to meet the varying markets facing communities.

Administration and Finance needs to maximize available bond cap to increase resources for affordable housing, and the legislature needs to be encouraged to fund additional new programs specifically geared to revitalizing struggling cities.

Specific considerations should include:

- In communities that block new affordable housing, organizations should also be able to apply to DHCD for state funding without the required local match.
- More accessible and flexible financing would encourage small developments.
- Streamlined allocation of pass-through of federal funding to the State (Small Cities CDBG) adds additional requirements to already onerous regulations, and the requirement of having site control at the time of application makes it expensive for developers to hold property while awaiting approvals that can take several years.
- A new revitalization program, with distinct deed riders, could encourage urban pioneers to make sound economic investments in revitalizing neighborhoods. For example, the New York City Housing Partnership amortized its investment over a ten-year straight-line declining basis. Deed restrictions were subsequently revised for newly created units when there was a resurgence in the local neighborhood housing market. Another option is to utilize CDBG criteria regarding the elimination of slums and blight. Developers in severely blighted neighborhoods all agreed that purchasers need incentives for investment, not impediments. The Pioneer Institute is currently working on recommendations to structure this type of policy change, and could be a resource in this area.

3. Support Funding Needs of Public Housing Authorities

Lesson Learned:

Public housing authorities in all case study cities were experiencing financial problems, some to a greater degree than others, as the State has not been able to keep up with operating subsidy requirements or capital improvement needs. The FY07 budget and FY06 supplemental budget provided increases to the state operating subsidy, but the program continues to be underfunded. The underfunding of public housing threatens this very important inventory of low-income housing, creating poor living conditions for some of the most vulnerable families and seniors in the state, and having negative spillover effects in surrounding neighborhoods.

Recommendation:

The State should provide funding on a timely and sufficient basis to protect the important inventory of low- and moderate-income housing that is owned and managed by public housing authorities.

4. Increase Support to Nonprofit Community Developers

Lesson Learned:

In our case study cities and through our literature review this report found strong, independent community-based nonprofit organizations, including but not limited to CDCs, can play a critical role in revitalizing neighborhoods and cities. Such organizations are effective at leading the market: accessing hard to reach populations; increasing civic participation among low-income people, people of color, and new immigrants; initiating bold redevelopment plans in areas where the private sector is unwilling to invest; and providing services that are specifically tailored to meet the various needs of different neighborhoods and population groups. CDCs have become prodigious producers of housing in Massachusetts, helping to create or preserve over 22,000 homes, including over 1,000 in 2005 alone.

However, in order for CDCs and other community-based organizations (CBOs) to grow, sustained public investment and patient, persistent neighborhood leadership is required.¹² With dwindling funding, most CDCs and CBOs are hard-pressed to effectively fulfill these functions.

Recommendation:

The cities and state can both play an important role in building and sustaining such organizations. City government should allocate both HOME and CDBG dollars to CDCs and other CBOs for both operating and programmatic support. The State should also provide flexible funding streams to support nonprofit affordable housing development, small business development, and other community economic development programming. The State CEED Program, which provided such funding for 25 years, and built one of the strongest CDC networks in the country, was eliminated during the fiscal crisis in 2003. A revised program could significantly enhance the community development agenda in small cities across the state (in addition to other communities in the Commonwealth).

Beyond funding, municipal officials should seek to build productive partnerships with CDCs and other CBOs. Such partnerships should involve close collaboration, but also a degree of independence that may at times result in some healthy tension. Municipal officials should not expect community development groups to agree with their vision 100 percent of the time or vice versa.

5. Revisit Commonwealth Capital Scoring

Lesson Learned:

The State has established Commonwealth Capital to encourage communities to implement smart growth policies. The State examines the consistency of municipal land use regulations with smart growth principles as part of the evaluation of proposals for state funding under a number of state capital spending programs. Representatives in case study cities indicated that Commonwealth Capital scoring did not adequately acknowledge the effectiveness of their existing land use policies in promoting smart growth, and as a result they did not receive appropriate scores.

¹²Grogan, Paul and Tony Proscio. *Comeback Cities: A Blueprint for Urban Neighborhood Revival*. Westview Press, 2000.

Recommendation:

The State should revisit the Commonwealth Capital scoring to make sure the development opportunities in communities with unutilized infrastructure is adequately valued. Resources, such as improved transportation links, could offer an important tool for weaker market cities needing substantial resources for redevelopment. The potential for promoting smart growth principles is especially high in weaker market cities, which are focused on redevelopment that reuses existing infrastructure, instead of new development that compromises greenfields.

C. Services

While this project, given time and cost constraints, has focused primarily on housing and community development issues, both CHAPA and MACDC recognize how critical local services are, especially schools and public safety, to resident and investor perceptions. The quality of services affects how desirable a place is to live and work, and how effective other economic revitalization efforts will be.

1. Restore Community Policing

Lesson Learned:

Almost every case study community faced increasing levels of crime, and most had encountered significant cut-backs in their budgets that resulted in decreased resources available for public safety purposes. Among the first programs to be cut was community policing, despite the proven effectiveness of these strategies.

Recommendation:

The State should provide sufficient funding to enable cities, particularly cities with faltering economies, to fully reinstate community policing programs and work with non-profit organizations and neighborhood groups on crime prevention activities.

2. Increase Funds for English Language Proficiency Programs

Lesson Learned:

In order for cities to support the needs of immigrants, resources must be available to promote greater fluency in English, particularly workplace language skills. However, all case study cities faced a lack of resources for English as a Second Language classes, noting that the supply does not come close to meeting the existing demand and waitlists are very long. Immigrants who lack English fluency are severely limited in accessing employment opportunities.

Recommendation:

Provide increased funding for ESOL and related classes and sufficient operating support for the organizations that provide these services.

3. Link Colleges and Universities to Neighborhoods and Local Schools

Lesson Learned:

Three case study cities benefited from the investment and partnership of local colleges and universities. Springfield has a wealth of town-gown programs, including a model science and math high school hosted by Springfield Technical Community College and the Springfield Expeditionary High School, an outward bound-related program funded by the Bill and Melinda Gates Foundation, which will be hosted by American International College. Springfield College provides youth programming and home loan guarantees in targeted neighborhoods. The College also partially funded a planning study for the Old Hill neighborhood. The study was an impetus to the comprehensive neighborhood revitalization effort coordinated by the State Office of Commonwealth Development and the City.

Similarly, in New Bedford, the University of Massachusetts redeveloped several downtown buildings into its Neighborhood College, Center for Visual Arts, and a marine Science Business incubator. UMass-Dartmouth has formed a 15 member South Coast Development Partnership for shared business development. Fitchburg has attracted special cultural programs into the schools, including a program in cooperation with New York's Lincoln Center that sends artists to teach in the Fitchburg schools and Art Museum for specified periods of time.

Recommendation:

State funding should encourage collaboration between colleges and universities and the local communities. Localities should engage colleges and universities as well as cultural institutions in hosting new schools or adopting existing schools with which to partner and provide support, both in the classroom through special programs, and financially; and additionally offer financial and technical support for neighborhood planning and rebuilding efforts.

4. Improve Regional Transportation Opportunities

Lesson Learned:

Local leaders in all case study cities sought improved transportation links, particularly to Boston and other major cities in New England, and all have plans in place to enhance access to their communities, particularly with respect to commuter service.

Recommendation:

The State should prioritize mass transit resources in weaker market cities to better link these areas to job centers, and should continue to support other excellent efforts by state agencies and transportation advocates to pursue important new linkages. This is particularly important for those cities with faltering economies outside the Boston area.

Best Practice Recommendations

A. Economic Development

1. Promote a Progressive Business Climate

Lesson Learned:

A Salem City official acknowledged that the City was lucky to engage a number of enterprising people who were looking “for a friendly and progressive environment in which to do business” and bought and renovated key downtown properties. Likewise, Waltham’s infrastructure improvements in the downtown, particularly parking next to the Embassy Theater, sent a strong signal that the city was investing in the area. When public investment is linked to highly visible private investment, such as the development of housing at Cronin’s Landing in Waltham, potential investors perceive that the city is turning around.

Pittsfield is using Tax Increment Financing to attract new retail and restaurant business to its downtown, and Salem used it to bring in a new hotel and 60 new jobs to its historic waterfront. Worcester’s \$563 million CitySquare project is promising to restore the heart of the city, reconnecting the downtown to the commuter rail station and Shrewsbury Street’s restaurant row.

Additionally, Fitchburg has recently hired a Downtown Coordinator to attract new development and businesses to the area. New Bedford has established Downtown New Bedford, Inc., a nonprofit organization to market the downtown and work with local lenders to finance new business activity. New Bedford also prepared business pro formas for the redevelopment of chronically vacant properties in the downtown. Nine of the ten buildings were under agreement within 60 days.

Northeastern University’s David Soule, Joan Fitzgerald, and Barry Bluestone argue in their report, “The Rebirth of Older Industrial Cities: Exciting Opportunities for Private Sector Investment,” that older cities can become more competitive in attracting new enterprises if “city leaders take a proactive, aggressive stance to meeting the complex needs of firms looking to start up operations, relocate, or add new facilities.”¹³ The report cites five “deal breakers,” as well as a number of corrective “deal makers” that if implemented can attract a fair share of economic investment. These include guided self-assessment, training, improved web sites, improved zoning and permitting, and expanded economic incentives. The combination of these activities can change the perception about investment opportunities in older, industrial cities and lead to a “friendlier” environment in which to do business.

Recommendation:

Localities need to provide incentives to lure local businesses into the downtown or other target areas including substantial investments in infrastructure, tax incentives, small business technical assistance, and subsidies for new development. Resources are available competitively from state and federal government to do this, and some cities are also creating local incentives.

Cities also need destinations such as theaters and restaurants, and opportunities should be pursued to bring these activities into the downtowns to attract not only residents but also students and those from surrounding communities — bring Moody Street to Main Street! To help attract these new businesses, cities should consider hiring “expeditors” to help businesses more quickly and efficiently navigate the regulatory system and become established.

2. Tap Employers

Lesson Learned:

Cities can effectively mobilize larger employers to support their economic development priorities. For example, New Bedford has established the New Bedford Economic Development Council to involve the CEOs of major private sector enterprises in economic development activities in which private companies have a significant stake and interest. It was observed that the employers based in Waltham, particularly along Route 128, are a major untapped resource to support City development efforts, especially in the area of workforce development.

Recommendation:

Create vehicles for institutionalizing employer-based support in economic development activities, whether through a permanent council or special task forces directed to individual economic development strategies. Major employers include banks, corporations, colleges and universities, and medical centers.

3. Look at National Models

Lesson Learned:

There were many comments related to the relative insularity of both the public and private sectors in Massachusetts. These observations reflected a widespread perception that the state is on the cutting edge with respect to all types of initiatives and that based on the concentrations of colleges and universities, one does not have to look far beyond Massachusetts to find models for success. Commentators stated that national opportunities to learn how other businesses, organizations, and cities are dealing with problems and promoting their products are unfortunately often overlooked as a waste of time. There was a strong desire to figure out how state leaders and others in municipal government and community development could become more helpful in providing information on what other states and localities are doing with respect to a wide range of economic development issues. Such exchanges could provide new ideas and increase opportunities to network with colleagues from comparable regions on revitalization strategies.

There are a number of cities that have special programs to learn how other cities are tackling urban problems. For example, The Boston Foundation coordinates the City to City Program, which sends delegations of Boston-based leaders to other cities in the country as well as abroad to meet with their counterparts and explore how a wide range of issues are being addressed elsewhere. These trips provide not only an opportunity to obtain first-hand information about what is working in other places, but also enable Boston’s leaders to get better acquainted and develop more effective ways of working together on pressing local issues.

Recommendation:

All stakeholders involved in community development should identify and pursue opportunities to obtain new ideas on proven strategies for promoting urban revitalization. The State should consider how it could best provide important information on best practices in other parts of the country with respect to economic and community development strategies, and representatives from other institutions, businesses and organizations should make efforts to more effectively network and learn how their cohorts in other parts of the country or the state are tackling challenging urban issues. A model of Boston's City to City Program could be adapted in other cities as well.

4. Support Business District Improvements

Lesson Learned:

Most of the case study cities were investing in neighborhood business districts, making resources available to support some improvement of infrastructure and area businesses. Federal funding is an important component of many local business-related activities, particularly CDBG funds, but other resources are also being tapped. For example, Springfield has one of the few business improvement districts (BID) in the state. BIDs represent an alternative form of governance that has been successful in many other cities throughout the country in improving and maintaining commercial areas.

The Springfield BID was created in 1998 to conduct an aggressive beautification plan for the downtown area, enhancing city services. The BID involves an organized coalition of property owners who pay fees to the BID; this funding is collected by City government and deposited into a special account solely for BID activities. The BID works in partnership with other local organizations on a range of programs, such as job training and placement. These partners include the Puerto Rican Cultural Center, Future Works Career Center, and Massachusetts Career Development Institute. Special events are also promoted to attract new interest in the downtown. State law should be structured to encourage, not discourage, BIDs. Cities should also consider other models, such as Main Streets programs. Local business associations and in some cases community development corporations can play the role of organizing and supporting local business improvement areas.

Recommendation:

Municipalities should consider effective strategies to bolster economic development in downtown areas as well as neighborhood business areas. Models such as business improvement districts should be considered as a means for supplementing existing City services and reviving commercial areas.

B. Housing

1. Expedite Properties through Tax Title

Lesson Learned:

Many cities experience housing disinvestment in core neighborhoods when some property owners stop paying their real estate taxes for a range of reasons. As CHAPA's report, "Back on the Roll in Massachusetts" asserts, "Tax title properties are visible symbols of community dis-

stress.”¹⁴ The report further states, “Persistent, targeted efforts and efficient use of existing mechanisms can improve the speed and the number of successful outcomes within the present system” to return tax title properties to productive use.

Springfield has a substantial inventory of tax title properties (including 400 of the existing 3,000 properties statewide) and has mounted a concerted effort to push properties through Land Court and into the control of CDCs to make necessary improvements and sell to first-time homebuyers. Other cities such as Fitchburg have spent considerable resources to demolish substandard properties, many of which languished in the tax foreclosure process for years, but have foreclosed on only a few.

New Bedford is also making a more concerted effort to acquire and rehab tax foreclosed properties. Those communities with higher market values are experiencing a dwindling supply of tax delinquent properties as owners are more reluctant to risk losing their properties by not paying their taxes. Nevertheless, even in higher market areas, tax delinquencies are beginning to rise again as some owners are unable to meet the demands of adjustable rate mortgage payments, rising energy costs or increasing taxes.

Recommendation:

Cities should expedite tax title properties through Land Court and offer them through Requests for Proposal that establish terms and conditions for redevelopment and offer sufficient subsidies. This is particularly important in cities with weaker housing markets.

2. Adopt Appropriate Zoning Changes

Lesson Learned:

Almost all of the case study cities have amended their zoning ordinances to promote housing and/or the creative economy in their downtowns. For example, most cities allow mixed-use development in the downtown through overlay districts. However, none have adopted the State’s new smart growth zoning through 40R. Fitchburg’s Office of the Planning Coordinator has implemented a number of zoning changes to provide incentives for the creation of affordable infill, single-family housing on vacant lots, resulting in the creation of more than two dozen such units over the past several years.

Fitchburg also added a zoning amendment to allow single-family cluster development for new construction. Waltham adopted inclusionary zoning a number of years ago and is currently in the process of revising it so as to ultimately generate more affordable housing through private development. Additionally, there are currently 14 communities working with DHCD on 40R zoning overlays that have the potential to create up to 5,000 units in such cities as Chelsea, Brockton, Gardner, Haverhill, and Pittsfield.

¹⁴Regan, Charleen. “Back on the Roll in Massachusetts. A Report on Strategies to Return Tax Title Properties to Productive Use.” CHAPA, February 2000.

Recommendation:

Cities should revisit their zoning ordinances and make changes to bolster revitalization strategies. Weaker market cities should offer incentives such as reduced lot sizes, clustering and density bonuses to better promote the feasibility of development. Stronger market communities should adopt inclusionary zoning to better harness private development in pursuit of local needs. The use of 40R and 40S¹⁵ are also appropriate tools that can be used in all cities to make housing and mixed-use projects more financially feasible.

3. Bolster Code Enforcement Efforts

Lesson Learned:

Most of the cities in the faltering economies category have substantial numbers of substandard properties that are not in compliance with building codes and are challenged to enforce code compliance. Springfield initiated several new measures to support code enforcement. For example, through a foundation grant, the City secured a number of state-of-the-art Global satellite apparati (Trimble system) that significantly reduced the administrative work involved in code enforcement. The City also began to track code enforcement activities on a web site accessible to residents to provide helpful information on the status of local efforts. Another measure the City has adopted is to sponsor special code enforcement initiatives on particular days, such as the removal of trash or vacant cars, in coordination with the court system, to expedite judgments.

Recommendation:

The State should help those cities with faltering economies secure the necessary resources and best practice methods to enhance existing code enforcement.

C. Services

1. Establish City Liaison for Minority and Immigrant Groups

Lesson Learned:

Census data show that Massachusetts cities are experiencing significant increases in their minority and immigrant populations:

City	Increase in minority residents (1980-2000)	Minorities as percentage of total population (2000)
Fitchburg	441%	18.1%
Lynn	509%	32.1%
New Bedford	89%	21.1%
Salem	387%	14.6%
Springfield	83%	43.9%
Waltham	404%	17.0%

¹⁵Chapter 40S provides resources to mitigate the costs associated with an increase in the population of school-age children related to the designation of a Chapter 40R zoning overlay district.

One of the major obstacles to serving the immigrant population is the lack of translation capacity in public and private institutions and the increasing need for more multilingual professionals. Some cities are being proactive. The Office of Cultural Affairs serves not only the immigrant population, but also all minority groups in New Bedford. This Office is the first point of contact for immigrants in need of services. Staff members speak Portuguese, Cape Verdean Creole and Spanish and provide case management, information and referral services, connecting immigrants and minorities to other City agencies, nonprofit organizations and cultural programs.

Recommendation:

In an effort to send a welcoming message to immigrants and people of color, cities should establish a community liaison within City government to provide minorities and immigrants with information and referrals to local and regional services; to offer some direct service in translating documents, completing applications, transacting government-related business, etc.; and to organize special events to better celebrate diversity.

Summary of State Recommendations and Best Practices

Issue / Recommendation	Action Required	Category of City*	Responsible Party
Economic Development			
State Recommendations			
Provide state resources and technical assistance	Legislative/administrative	1 and 2	State
Promote new immigrant entrepreneurs	Legislative/administrative	All	State and Mayors/City Councils
Eliminate eyesores	Administrative	All, especially 1	Mayors/City Councils
Promote intermunicipal cooperation	Administrative	All	State and Mayors/City Councils
Best Practice Recommendations			
Promote a progressive business climate	Regulatory/administrative	All	Mayors/City Councils
Tap employers	Administrative	All	Mayors/City Councils
Look at national models	Administrative	All	State and Mayors/City Councils
Support Business District Improvements	Administrative/regulatory	All	Mayors/City Councils
Housing			
State Recommendations			
Create financing pool or other mechanism(s) to minimize foreclosures	Legislative/regulatory	All	State
Create greater flexibility in state housing programs	Regulatory	All	State
Support funding needs of public housing authorities	Administrative	All	State
Increase support for nonprofit community developers	Legislative	All	State
Revisit Community Capital scoring	Administrative	All	State
Best Practice Recommendations			
Expedite properties through tax title	Administrative	All, especially 1	Mayors/City Councils
Adopt appropriate zoning changes	Regulatory	All (inclusionary zoning for 2 and 3)	Mayors/City Councils
Bolster code enforcement activities	Administrative	1	State
Services			
State Recommendations			
Restore community policing	Legislative	All, especially 1	State
Increase funds for ESOL and workforce development	Legislative	All	State
Link colleges and universities to neighborhoods and schools	Administrative	All	Mayors/City Councils
Best Practice Recommendations			
Establish City liaison for minority and immigrant groups	Administrative	All	Mayors/City Councils
Improve regional transportation opportunities	Administrative	1	State

*Categories of cities noted as:

1. Cities with faltering economies located outside of the Boston region.
2. Cities with improving economies but increases in poverty.
3. Cities with improving economies and decreases in poverty.



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