

**COMPARABILITY STUDY  
OF LYNN, MASSACHUSETTS  
AND  
TEN SELECTED CITIES IN  
MASSACHUSETTS**

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Prepared for

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# *Comparability Study*

## *I. Introduction*

The Lynn Housing Authority and Neighborhood Development (LHAND) retained RKG Associates, Inc. (RKG) to update a comparability study of the City of Lynn. Similar to the prior study, which was prepared in September 1999, multiple variables that reflect trends and conditions of socio-economic, housing, real estate and tax base characteristics in Lynn were compared to those in ten selected cities and the Commonwealth of Massachusetts. The purpose of the study is to present the data and analysis on Lynn's performance in relation to the other cities, as well as to make general recommendations to LHAND on how best to enhance and improve conditions. This is a timely study as LHAND, in conjunction with the City of Lynn, continues to implement its residential housing strategy.

The methodology utilized in this analysis was to evaluate key trends between 1990 and 2003 as well as assess current conditions in five major categories. The categories include demographic, economic, housing, real estate market and tax base variables. The comparative cities were selected based primarily on the size of their population and their geographic location within the Commonwealth in relationship to Lynn. These comparative cities and Lynn are exhibited in Map 1 and include Brockton, Fall River, Lawrence, Lowell, New Bedford, Quincy, Revere, Salem, Somerville and Worcester. These cities are representative of older urban centers in the Commonwealth that have been transitioning with the various economic cycles of the past few decades.

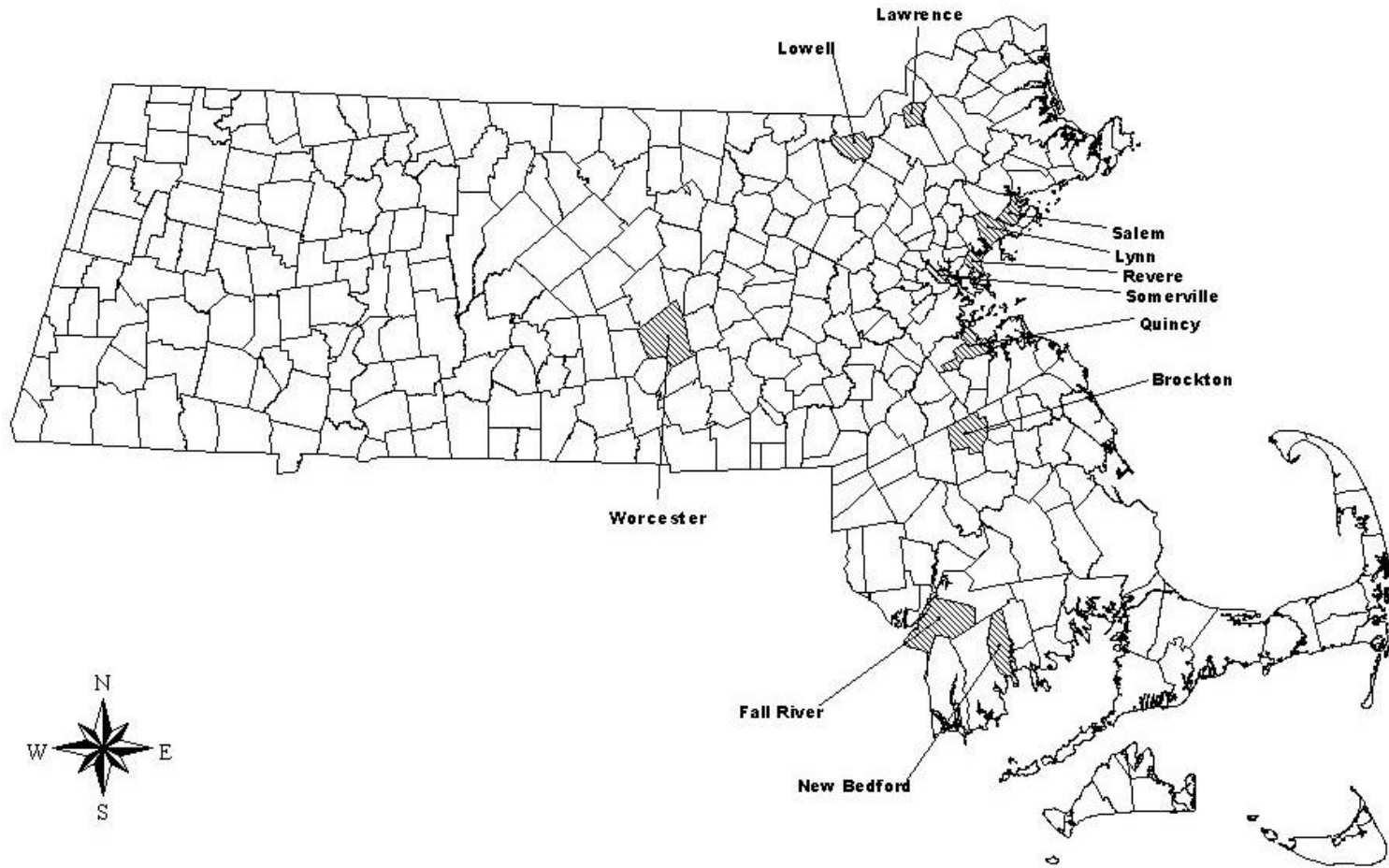
Economic conditions in the Commonwealth at the start of the twenty-first century were at the top of the cycle, similar to the time of the "Massachusetts Miracle" in the mid-to-late 1980s. However, a local and national recession occurred in 2001 that was exacerbated by the terrorist attacks on 9/11. The effects of the recent recession were less severe in some aspects than that of the early 1990s. Reportedly the economy is improving, although unemployment rates in 2003 were higher in many of the comparative cities, including Lynn, than in 1990.

Despite the economic changes, interest rates have been at historic low levels over the past few years and remain so today. This has provided new home ownership opportunities but has also caused housing prices to appreciate dramatically and today values are at historic high levels. This appreciation was also attributed in part to the low amount of housing production during the 1990s, especially in the comparative cities, where a lack of developable land exists.

Employment in nearly all these cities was traditionally blue-collar, but their bases were impacted by the loss of manufacturing jobs. Also, local jobs in these eleven cities declined by 3%, collectively, between 1990 and 2003, while statewide jobs increased by 7%, suggesting that many of these cities have lost their regional economic prominence, as has Lynn.

The population base in each of these cities have also become more racially and ethnically diverse creating additional challenges as well as opportunities. As a result, these comparative cities, including Lynn, are faced with various social, economic, housing, market and tax base issues in relation to their suburban neighbors as they try to maintain a viable living and working environment.

### Map 1: Commonwealth of Massachusetts City of Lynn and Ten Comparative Cities



Source: Map base data provided by MASSGIS  
Map prepared by RKG Associates, Inc. October 2004

## ***II. Summary of Lynn's Comparability***

Overall, conditions in Lynn remain mixed in relationship to the comparative cities and the Commonwealth, and improvements appear warranted. Selected variables from each category for Lynn are exhibited in Table 1, including a comparison to statewide indicators, and the identification of the comparative city that is most similar to Lynn in that specific variable. Key findings from the analysis are highlighted below.

### **Demographic Variables** - Some of the findings in this category are:

- Lynn's population base appears stable in growth and size, and has recovered to 1970 levels.
- Between 1990 and 2003, population in Lynn increased by 10% and households gained 7%.
- Lynn's population growth in the 1990s was among the highest, similar to Salem and Revere
- Lynn has a high percent of minority population in comparison to the other cities, and the minority composition in Lynn appears more balanced.
- The violent crime rate in Lynn, as determined by the FBI, is among the lowest.
- Household incomes did not keep pace with inflation, however Lynn is not alone as incomes statewide and in all the other cities, except Somerville, failed to keep pace.
- Lynn ranks in the middle of the ten cities in regards to its poverty rate.
- Lynn ranks in the middle of the comparative cities in terms of residents (age 25 and over) that did not graduate high school, and also in terms of the percent of high school students who scored "warning/failing" on the English Language Arts portion of the MCAS tests.
- Lynn has a high percent of minority students in comparison to the other cities, and Lynn's students outperformed other cities with a lower minority student population on the MCAS.
- The property crime rate in Lynn was among the highest, and this in part, may be a reflection of the educational characteristics of its residents.

### **Economic Variables** - The following are some of the findings in this category:

- Lynn's labor force appears stable in growth and size, but it ranks at the low end in its representation of the population in comparison to the other cities.
- Lynn's unemployment rate was higher in 2003 than in 1990, but it ranks at the low end.
- Lynn maintains a high percent of local manufacturing jobs, despite declines.
- The average wage for jobs in Lynn kept pace with inflation, and was among the highest in 2003 of the comparative cities.
- Lynn had a decline in local jobs and more residents are working outside of the city. In fact, local jobs in 2003 were lower than in 1990. This phenomenon was also evident in five other comparative cities, but the percent loss in Lynn was among the highest.
- Only three of the comparative cities had employment growth that was equal if not higher than the statewide indicator, and these three cities also have MBTA subway stations.
- Lynn's decline in jobs would mean more commercial/industrial vacancies.

### **Housing Variables** – The following are major findings in this category:

- Housing density in Lynn is among the highest of the comparative cities.
- Lynn has a more diversified housing stock than many of the comparative cities.
- The owner occupancy rate in Lynn ranks in the middle of the comparative cities, and home ownership in Lynn is improving, due in part to condominium conversions.
- The vacancy rate in Lynn is low.

- Lynn ranks at the low end in terms of its housing production since 1980, although Lynn should be commended on its demolition strategy of the early-to-mid 1990s.
- Lynn has a high percent of housing that was built before 1960 in comparison to the other cities.
- Lynn also has the highest percent of rental assisted housing (Chapter 40B and Section 8 vouchers) among the comparative cities. Lynn's market rate supply would have to increase by 10,000 units to reduce the percent of Chapter 40B units to the 10% statewide standard.

**Real Estate Market Variables** – The major variables in this category include:

- Lynn's median single family and condominium values in July 2004 ranks in the middle of the comparative cities.
- Median values in Lynn have appreciated to levels that support new construction or major residential conversions.
- Lynn ranks as one of the more affordable of the comparative cities in terms of single-family ownership, although the cost equates to 41% of Lynn's median household income or higher depending on down payment assumptions.
- Lynn also has an affordable condominium market in relation to the other cities
- Rents in Lynn have also appreciated, but remain affordable, although not for all households.

**Tax Base Variables** – The major variables in this category include:

- Lynn's growth in total assessed values exceeded the rate of inflation between 1990 and 2004, although nearly all the gains resulted in the last few years
- Lynn's residential tax rate was among the lowest of the comparative cities
- The average tax bill in 2004 for a single-family home in Lynn ranks in the middle, and it was 76% higher than in 1990. This was at the low end of the change indicated in the other cities.
- Education costs per student in Lynn ranks in the middle of the other cities and similar to the statewide average
- Chapter 70 school aid from the Commonwealth was among the highest of the comparative cities, and nearly twice the statewide average. Will this remain so in the future as the Commonwealth faces pressures from deficits and increasing costs for education?
- Lynn has a declining commercial and industrial tax base, and therefore puts greater reliance on its residential base. This phenomenon was also evident in all the other cities, but Lynn had the highest percent of residential assessment in comparison.

### **A. Considerations for Improvement**

In short, Lynn faces new opportunities for the future as well as challenges regarding its economic base, its real estate markets and its tax base. RKG offers these general recommendations for LHAND and the City to consider for the future. Many of these recommendations have been previously discussed, and strategies have likely been developed and implemented. However, these updated statistics indicate continued work is required to improve the quality of the living and working environment in the city, as well as the tax base.

- Lynn needs to focus on its residential tax base: Residential property values in Lynn are at historic high levels, and the City needs to maintain its focus on this asset since it is a very important source of municipal revenue. As identified in the updated Housing Study, Lynn still has quite a few neighborhoods in and around the urban core that are underperforming and likely negatively impacting overall values. LHAND and Lynn should continue with

revitalization efforts in these areas by reducing density where appropriate, eliminate conflicting uses, improve residential amenities, and increase the rate of owner occupancy.

- Lynn needs to strengthen and improve its non-residential tax base: While this is easy to say it is difficult to accomplish in a weak economic climate, especially in light of employment declines over the last decade. Lynn should continue to work with its leaders (municipal, business, college, etc.) to explore additional opportunities in the downtown such as new cultural and commercial activity to complement the recent investment in residential condominiums. Allowing additional market rate housing in the downtown will also help strengthen the downtown commercial core. A long-term economic development strategy should also be developed. Long term, if Lynn is able to secure an MBTA subway line this may play an important role in the transition of its economic base.
- Lynn needs to review and update its zoning: Lynn's housing density per acre was among the highest of the comparative cities, especially if the acreage at Lynn Woods was taken into account. This creates challenges for some neighborhoods that may lack residential amenities, such as parking and green space. Other neighborhoods have conflicting land uses that may affect the quality of the living environment, and be detrimental to property values. Increased traffic may also be problematic for some neighborhoods, since more Lynn residents are commuting out of town for work. Incentive zoning can also create opportunities in other areas such as the downtown and its waterfront where high density is considered more appropriate. The recent zoning change in the downtown was successful as it attracted new investment and market rate housing.
- Lynn and LHAND should continue with its home ownership program: While the statistics indicated a nominal increase in owner occupancy, continued efforts in this direction will help to improve neighborhoods. Median condominium values are within reach of households at the median income level, but the amount of the down payment may be difficult, placing ownership out of reach for some households.
- Lynn and LHAND should continue to work and strengthen its Code Enforcement, Education and Public Safety departments for the benefit of all its residents: Updated statistics indicate continual challenges in this regard, and future budget constraints will place additional burdens on these departments.
  - Continue with strong code enforcement to ensure that minimum conditions and living standards are maintained.
  - Continue to strengthen educational programs and workforce training opportunities for all students and residents.
  - Continue with strong public safety in all of Lynn's neighborhoods.
- Lynn and LHAND should continue to be strategic in regards to the amount of rental assisted housing in the City, while balancing the needs of all its residents and improving its tax base: Statistics indicate that Lynn will always have a need for permanent affordable housing, but Lynn and LHAND may have already done its fair share in this regard. Balancing future needs with expiring-use contracts at Chapter 40B developments should be considered, while encouraging new investment to increase the overall owner occupancy rate in the city.

**TABLE 1: LYNN'S COMPARABILITY TO TEN SELECTED CITIES AND MASSACHUSETTS**  
**Selected Demographic Variables**

Variable	Population & Trends Since 1970 & 1990	Minority Concentration	Households & Trends Since 1990	Median H'hold Income & Trends since 1990	MCAS (English)	Crime Rate per 100,000 people
<b>Lynn's Status</b>	89,570 (2003) -1% loss 10% gain	38% minority	33,885 (2003) 7% gain	\$40,500 (2003) 42% gain	42% proficient/+ 22% warn/fail	201 (Violent) 4,510 (Property)
<b>State Indicator</b>	13% Gain 7% Gain	18% minority	11% gain	\$53,610 (2003) 45% gain	61% proficient/+ 12% warn/fail	480 (Violent) 2,619 (Property)
<b>Comparable Cities</b>	Quincy (89,060) Worcester (-1%) Salem & Revere (10%)	Lowell (37%)	Brockton (34,335) Worcester (8%)	Revere (\$40,140) Quincy (43%)	Lowell -42% prof/+ & 23% warn/fail	Somerville (217, V) Worcester (4,271-P)

**Selected Economic Variables**

Variable	Labor Force & Trends Since 1990	Labor Force As % of Pop. (2003)	Unemployment Rate (1990 and 2003)	Local Jobs (2003) & Trends since 1990	Jobs by Industry (2003)	Avg. Wage (2003) & Trend since 1990
<b>Lynn's Status</b>	42,250 (2003) 8.5% gain	47%	7.5% (90) 7.6% (03)	24,500 (2003) -17% loss	MFG-22% Trade-11% SVC-50%	\$44,040 56% gain
<b>State Indicator</b>	5.7% gain	53%	6.0% (90) 5.8% (03)	7% gain	MFG-10% Trade-16% SVC-51%	\$46,332 74% gain
<b>Comparable Cities</b>	New Bedford (41,770) Revere (8.9%)	Worcester (47%)	Worcester (1990) Brockton (2003)	Lawrence (22,540) Lowell (-19%)	Lawrence - MFG Quincy - Trade Revere - SVC	Lowell (\$41,700) Lawrence (53%)

**Selected Housing Variables**

Variable	Housing Units and Trends Since 1990	% of Housing built since 1960	Housing Units per Acre	Distribution of Housing by Type	Tenure & Vacancy (2003)	Rental Assisted as % of Total Housing
<b>Lynn's Status</b>	35,075 (2003) 1% gain	28%	5.1 units/acre	S/F: 37% 2-4 units:34% 5 & +: 29%	Owner Occ: 46% Renter Occ: 54% Vacant: 3%	Rental Units: 13% Vouchers: 7% Total 20%
<b>State Indicator</b>	9.4% gain	46%	0.5 units/acre	S/F: 58% 2-4 unit:22% 5 unit +: 20%	Owner Occ: 65% Renter Occ: 35% Vacant: 8%	Rental Units: 9% Vouchers: 3% Total 12%
<b>Comparable Cities</b>	Brockton (35,210) Somerville (2% gain)	New Bedford (28%)	Revere (5.5 units/acre)	Lowell: 36% S/F Worcester: 36% (2-4) Salem: 28% (5+)	New Bedford (45%) New Bedford (56%) Salem (3%)	Lowell (13%) Fall River (6%) Lawrence (20%)

TABLE 1 (CONTINUED): LYNN'S COMPARABILITY TO TEN SELECTED CITIES AND MASSACHUSETTS

## Selected Real Estate Market Variables

Variable	Median Value S/F & Trends Since 2000	Median Condo Value & Trends Since 2000	Median Rent & Trends since 1990	Affordability (Median as % of 2003 Hhold \$)
<b>Lynn's Status</b>	\$260,000 (7/04) 73% gain	\$185,000 (7/04) 52% gain	\$800 (2004) 39% gain	SF – 41% Condo - 29% Rent –24%
<b>State Indicator</b>	\$340,000 71% gain	\$263,000 (2004) 77% gain	\$820 (2004) 41% gain	SF-40% Condo-31% Rent – 17%
<b>Comparable Cities</b>	Brockton (\$244,900) Brockton (75% gain)	Lowell (\$169,900) Salem (63% gain)	Lowell (\$790) Salem (40%)	Salem (42%) Quincy (31%) Somerville (25%)

## Selected Tax Base Variables

Variable	Assessed Values & Trends since 1990	Percent Residential Value (1990 & 2004)	Real Estate Tax Rate/\$1,000 (FY2004)	School Costs/ Student (2003)	% School Cost Chapter 70 Aid
<b>Lynn's Status</b>	\$5.875 billion (2004) 58% gain	81% (1990) 89% (2004)	\$11.43 - Res. \$25.27-Non-res	\$8,220/student	80%
<b>State Indicator</b>	N/A	N/A	N/A	\$8,265/student	42%
<b>Comparable Cities</b>	Lowell (\$5.8 b) Fall River (54% gain)	Somerville (80%) Somerville (86%)	R: Brockton \$11.51 NR: Quincy \$26.23	Salem (\$8,360)	Brockton (79%)

Source: RKG Associates, Inc.

### III. Demographic Variables for Comparison

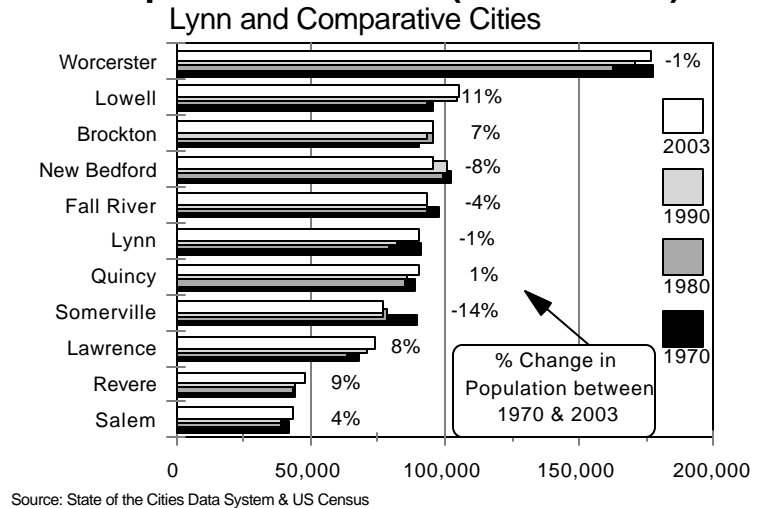
This section identifies selected demographic variables in Lynn with those of the comparative cities, and in some cases with trends indicated statewide. Tables that provide more details on the statistics are included in an Appendix issued under a separate cover.

#### A. Population

In 2003, the estimated population in Lynn (89,570) was slightly lower than in 1970, indicating that the City recovered much of its population loss. As shown in Figure 1, the 2003 population in Lynn was fairly similar in size as Quincy (89,060) but smaller than Fall River (92,760). Fall River remained 4% below levels in 1970 while Quincy was 1% higher. Lowell experienced the highest percentage gain in population between 1970 and 2003, followed by Revere, Lawrence and Brockton. On the other hand, Somerville and New Bedford had the most loss. Worcester, the second largest city in Massachusetts, also nearly recovered most of the population loss by 2003 similar to Lynn. Statewide population increased by 13% between 1970 and 2003, including a 7% increase between 1990 and 2003. In Lynn population increased by 10% during the 1990s, and this was among the highest increases of the comparative cities, similar to Salem and Revere. New Bedford was the only city to experience a decline in population (-6%) during the 1990s.

Figure 1

#### Population Trends (1970 - 2003)



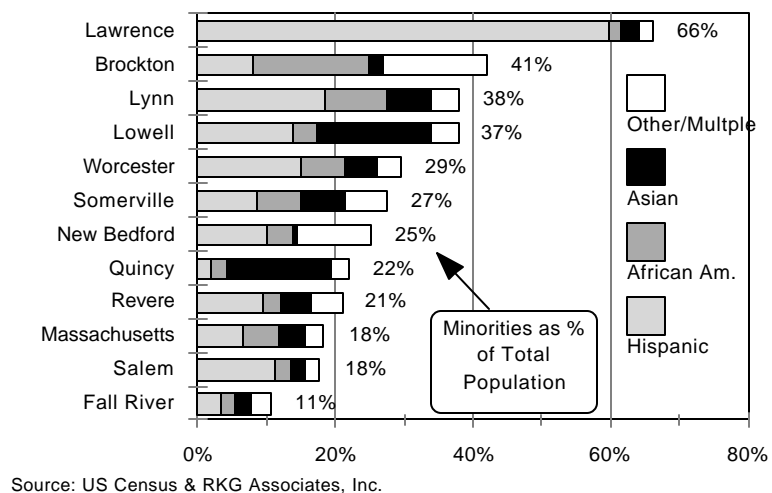
#### 1. Minority Population

In 2000, the minority population in Lynn represented 38% of the total, which was a similar representation as in Lowell, but lower than indicated in Brockton, as indicated in Figure 2. Brockton had a higher concentration of African Americans than Lynn and the other cities, but a smaller concentration of Hispanics. Lowell, on the other hand, had a higher percent of Asians than Lynn and the other cities, but a lower percent of Hispanics. Lawrence had the highest concentration of minority population, and the highest representation of Hispanics. Fall River had the lowest distribution of minority population.

Figure 2

#### Minority Population

#### Lynn and Comparative Cities (2000)

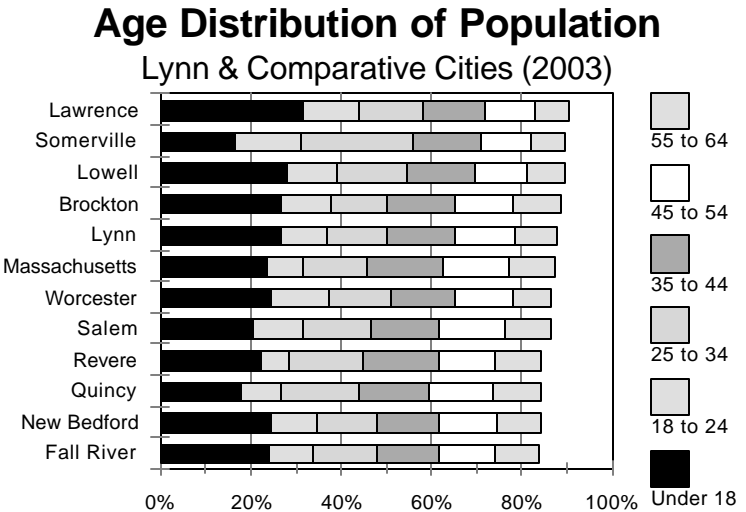


In terms of growth rates during the 1990s, the minority population in Lynn more than doubled (108%) while overall population growth was 10%. Revere (153%), Fall River (147%) and Quincy (143%) experienced higher growth rates in minorities than Lynn, while the growth in Brockton (89%) and Salem (91%) were lower than in Lynn. Growth in the minority population statewide (56%) and in Lawrence and New Bedford (49%) was the lowest.

**2. Age Distribution**

In 2003, Lynn’s population was fairly evenly distributed among the different age groups and ranked between Brockton and the State, as shown in Figure 3. Somerville (25%) had the highest concentration of persons between 25 and 34, attributed in part to the nearby universities. Somerville (17%) and Quincy (18%) had the lowest concentration of persons under 18, while Lawrence (32%) had the highest concentration of persons in this age group. Lawrence (10%) also had the lowest concentration of persons 65 and older, as well as Somerville (11%) and Lowell (11%), while Fall River, New Bedford, Quincy and Revere had the highest concentration (16%) of elderly persons. Lynn (13%) ranked in the middle in the percentage of elderly persons. The Commonwealth (32%) had the highest concentration of baby-boomers (35 to 44 and 45 to 54) while Lawrence (25%) had the lowest percentage. Lynn (28%) was similar to Brockton (28%) for this generation, between Revere (29%) and Lowell (27%).

Figure 3

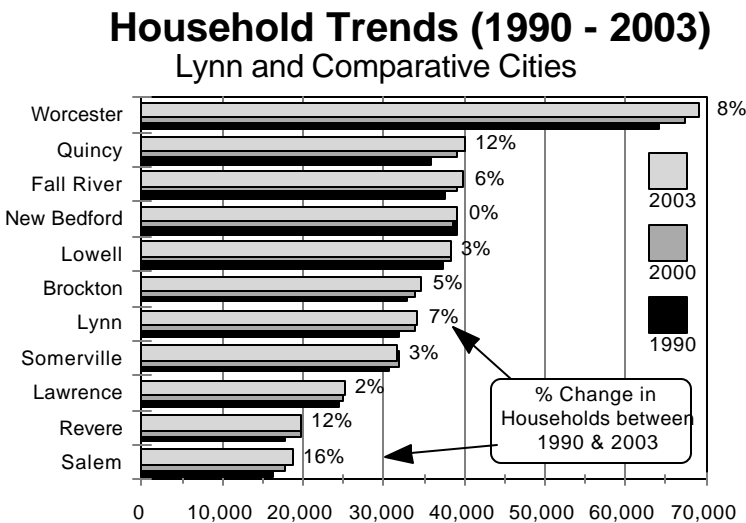


Source: US Census, D-NOW & RKG Associates, Inc.

**B. Household and Income Trends**

In 2003, Lynn had 33,890 households, indicating a 7% gain since 1990. This gain was between that indicated in Worcester (8%), and Fall River (6%). Brockton (34,330) was similar in household counts in 2003 as Lynn, but the growth rate since 1990 was slightly lower. Salem (16%) experienced the highest increase in households, followed by Quincy (12%) and Revere (12%). New Bedford (0%), on the other hand, experienced hardly any change in households between 1990 and

Figure 4



Source: US Census, D-NOW & RKG Associates, Inc.

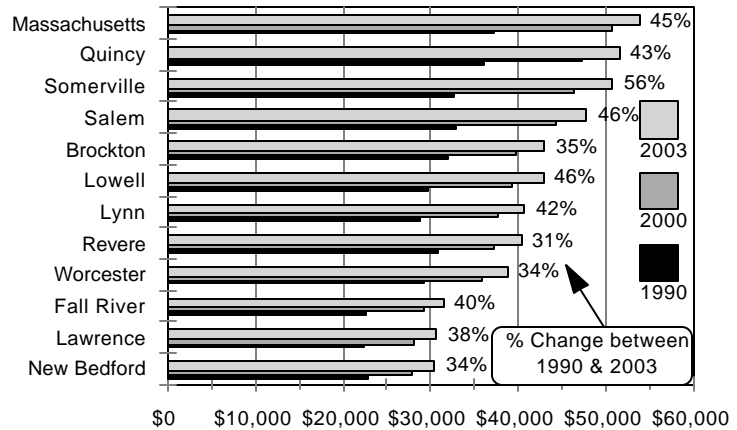
2003. Lawrence (2%) and Lowell (3%) had small increases in households during this period.

### 1. Households Income

Lynn’s median household income was estimated at \$40,500 in 2003, reflecting a 42% increase since 1990, as shown in Figure 5. By way of comparison, the Consumer Price Index (CPI) increased by 47% during that time frame indicating that median income levels in Lynn did not keep pace. Somerville (56%) was the only city whose income exceeded the CPI indicator, although the change in Lowell (46%) and Salem (46%) was just below this measure. Lynn’s median household income in 2003 was fairly similar to that in Revere (\$40,140) and lower than that in Lowell (\$42,770). Massachusetts (\$53,600) had the highest median income level in 2003, followed by Quincy (\$51,400) and Somerville (\$50,570). At the other end of the scale, New Bedford (\$30,250), Lawrence (\$30,580) and Fall River (\$31,370) had the lowest median household incomes.

Figure 5

### Median Household Income Trends Lynn & Comparative Cities (1990-2003)



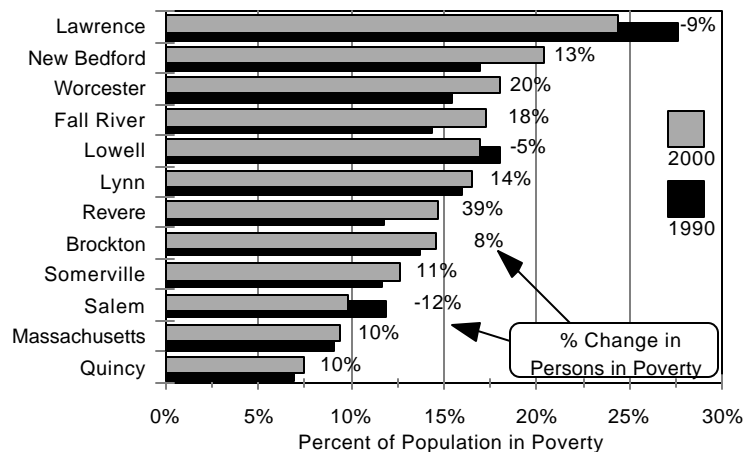
Source: US Census, D-NOW & RKG Associates, Inc.

### 2. Poverty Rate

Lynn had a poverty rate of 16.5% in 2000, reflecting a 14% increase in the persons in poverty since 1990 when the rate was 15.9%, as shown in Figure 6. Lynn’s poverty rate in 2000 was lower than indicated for Lowell (16.8%), but higher than in Revere (14.6%) and Brockton (14.5%). Lawrence (24.3%) had the highest poverty rate of the comparative cities, and Quincy (7.3%) had the lowest in 2000. Revere (39%) experienced the highest percent increase in persons in poverty, while Salem (-12%) had the highest decline. Lynn’s percent gain in impoverished persons was higher than indicated statewide (10%) but lower than indicated for Worcester (20%) and Fall River (18%). The recent American Community Survey (ACS) from the US Census indicated an increase in the statewide poverty rate from 9.3% in 2000 to 9.4% in 2003. This was likely associated with a weaker economic climate in 2003 as a result of the

Figure 6

### Poverty Rate Trends (1990 - 2000) Lynn and Comparative Cities



Source: US Census and RKG Associates, Inc.

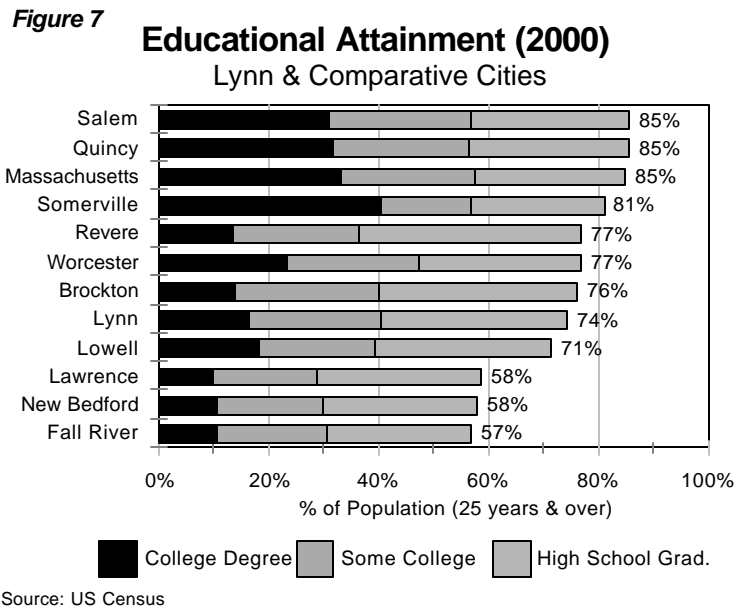
recession in 2001. This suggests that poverty rates in these eleven cities may be higher in 2003 than reported in 2000 by the US Census.

**C. Education Variables**

Selected variables regarding the educational characteristics of Lynn’s population are presented in this section and compared with those of the ten cities and the Commonwealth.

**1. Educational Attainment Levels**

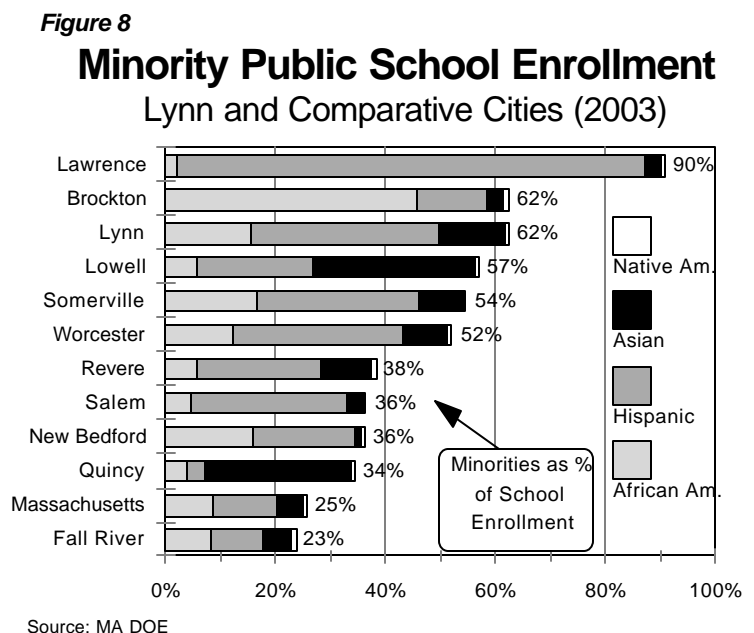
More than 74% of Lynn’s population (25 years and older) had completed high school or college, as shown in Figure 7. This ranks Lynn below the statewide standard of 85%, which Salem and Quincy reached. In comparison, Lawrence, New Bedford and Fall River had less than 60% of their population complete high school or college. As shown in Figure 7, Lynn ranked between Lowell (71%) and Brockton (76%), but Lynn had a higher percentage of college graduates than Brockton, but lower than Lowell. According to the recent ACS, the statewide standard of completing high school or college increased to nearly 88% in 2003, suggesting that the Census 2000 statistics may understate current educational attainment levels in these cities.



**2. Minority Public School Enrollment**

In 2003, nearly 62% of the enrollment at Lynn’s public schools was in a minority population, as shown in Figure 8. This percent of enrollment is similar to Brockton (62%) but higher than Lowell (57%). Fall River (23%) had the lowest percent of minority students, slightly below the statewide standard (25%), while Lawrence (90%) had the highest in 2003.

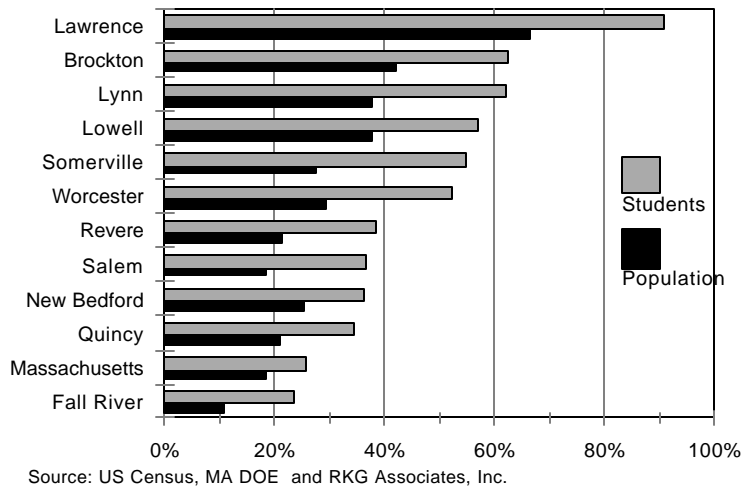
Nearly 34% of Lynn’s enrollment in 2003 was Hispanic, and this was the second highest percent in this



ethnicity group, well behind Lawrence (85%) but ahead of Worcester (31%), Somerville (30%) and Salem (29%). Another 15% of public school students in Lynn were African American, and this representation was between New Bedford (16%) and Somerville (17%) and Worcester (12%). Brockton (46%) had the highest representation of African American students, and Lawrence (2%) had the lowest. Approximately 12% of Lynn’s students were Asian which was a lower representation than Quincy (27%) and Lowell (29%), but higher than Revere (9%) and Worcester (8%), as well as the statewide standard (5%).

Comparing the minority school enrollment with citywide minority population, indicates that the public school districts had a higher concentration of minorities than the cities overall. As shown in Figure 9, Lynn’s minority population represented 38% of the overall base, while minority students enrolled in the local school districts account for 62% of total students. This difference is apparent in all the school districts of the comparative cities, and statewide. Somerville had the highest difference as 27% of its population was minorities, and 54% of its students were minorities. Lawrence and Worcester. The Commonwealth had the smallest differential, while New Bedford was the smallest among the comparative cities. This dynamics in minority distribution has also had an effect on test scoring in the various cities as discussed next.

**Figure 9**  
**Minority Students and Population**  
Lynn and Comparative Cities (2003)

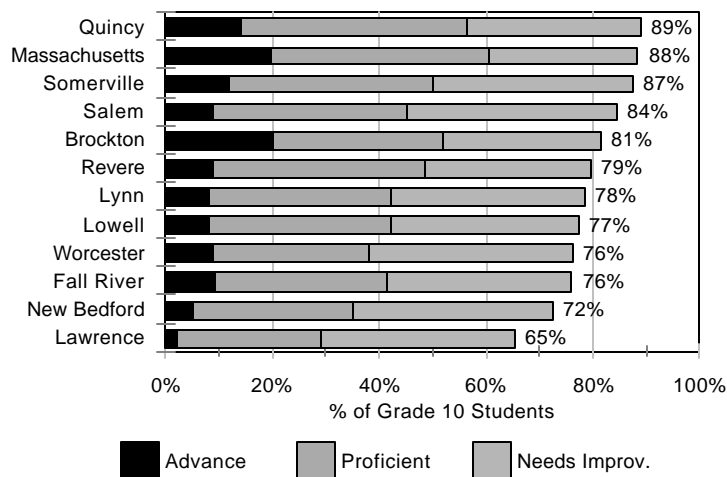


**3. MCAS Results**

Figure 10 illustrates the percent of Grade 10 students in the comparative cities and statewide that scored “needs improvement”, “proficient” or “advanced” on the English Language Arts portion of the Massachusetts Comprehensive Assessment System (MCAS) test in 2003. The percent that received “warning/failing” is not exhibited.

Approximately 78% of the Grade 10 students in Lynn scored ‘needs improvement’ or higher. This ranks Lynn slightly higher than Lowell (77%) and slightly lower than Revere (79%), but well below the statewide (88%) indicator. Quincy (89%) was the only district in the group to have a higher

**Figure 10**  
**MCAS-English Language Arts (2003)**  
Lynn & Comparative Cities

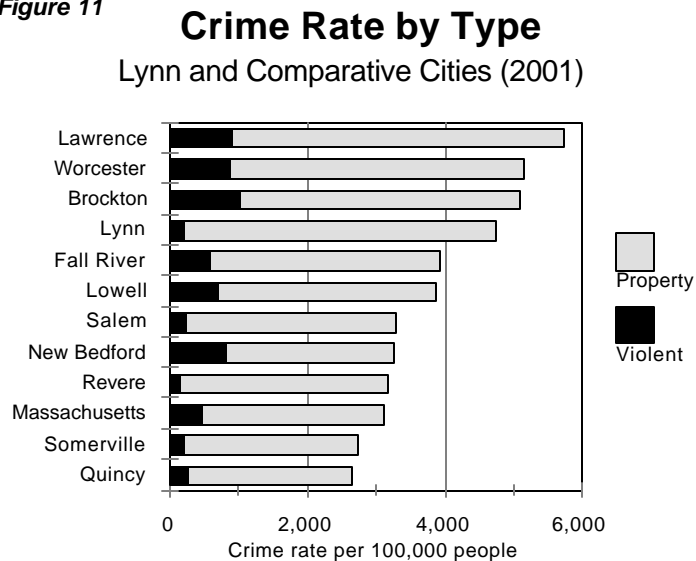


percent than the Commonwealth, and Somerville (87%) was also close. Lawrence (65%) had the lowest percent of the comparative cities, behind New Bedford (72%). As shown in Figure 10, Brockton (20%) had the highest percent of students that score “advance” the same as the statewide indicator. Lawrence (2%) had the lowest percent in this group, while Lynn (8%) ranked just below the mid-point similar to Lowell (8%), and just behind Revere, Worcester and Salem (9%). In short, students in Lynn’s schools ranked in the middle with the comparative cities, however, they performed better on the English Language Arts portion of the MCAS than other schools that had a lower minority enrollment.

#### D. Crime Rates

The crime rate in Lynn, according to the FBI uniform crime report, was 4,711 crimes per hundred thousand people in 2001, which ranked Lynn at the upper end of the range, below Brockton (5,061), Worcester (5,137) and Lawrence (5,686) as shown in Figure 11. Somerville (2,696) and Quincy (2,608) had the lowest crime rates of the comparative cities, even below the state average (3,099). However, regarding the violent crime rate, statistics in Lynn (201 crimes per 100,000 persons) were the second lowest of the cities, and above Revere (147). Lawrence (904) and Brockton (1,034) had the highest violent crime rate of the comparative cities, and higher than indicated statewide (480).

Figure 11



Source: FBI Uniform Crime Reports at [www.bestplaces.net](http://www.bestplaces.net) & RKG Associates, Inc.

#### E. Conclusions

The demographic variables indicated that Lynn’s population base was stable in size, and has nearly recovered to levels in 1970. The population base has also experienced diversification in its minority composition in relation to the other comparative cities. The age distribution of Lynn’s population appears balanced between the different age groups unlike some of the other cities. Income levels in Lynn and all other comparative cities, except Somerville, has not kept pace with inflation between 1990 and 2003. Also the poverty rate in Lynn increased, however, the increase was below that indicated a few of the other cities.

The minority population enrolled in Lynn’s schools was among the highest of the comparative cities, which likely impacted the percentage of students scoring “needs improvement” or higher on the MCAS test. However, the performance of Lynn’s students on the MCAS test was higher in many instances than indicated in other cities with a lower concentration of minority students. In fact, Lynn’s students ranked in the middle of the comparative cities although room for improvement was apparent, and improvement would enhance the market appeal of the city.

Finally, violent crimes in Lynn was among the lowest of the comparative cities and below that indicated in the Commonwealth. However, the index of property crimes in Lynn was among the highest, such that Lynn ranked at the higher end of the range in comparison to the other cities.

## IV. Economic Variables for Comparison

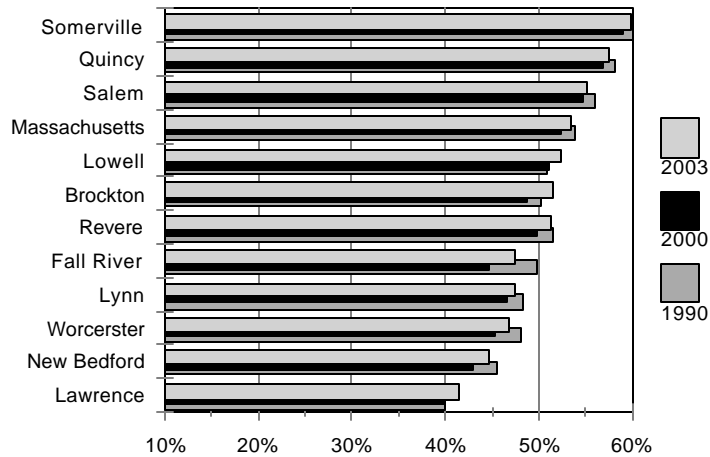
This section highlights findings in labor force trends, unemployment rates and changes in persons that work at local jobs. Trends in the economic base are also discussed as well as the average wages at local jobs in the comparative cities. The Appendix has more detailed statistics.

### A. Labor Force Trends

The labor force in Lynn increased by approximately 3,300 persons between 1990 and 2003, indicating an 8% growth rate. This increase in the labor force also equated to about 40% of the population growth in Lynn (8,330), which increased by 10% between 1990 and 2003. Lynn's increase in labor force was slightly lower than Revere and Salem (9%), which had the highest increase. Statewide the labor force increased by 6% during that period. The percentage of labor force to population in Lynn declined in

Figure 12

### Labor Force as a % of Population Lynn & Comparative Cities (1990-2003)



Source: MA DET, US Census; Demographics NOW & RKG Associates, Inc.

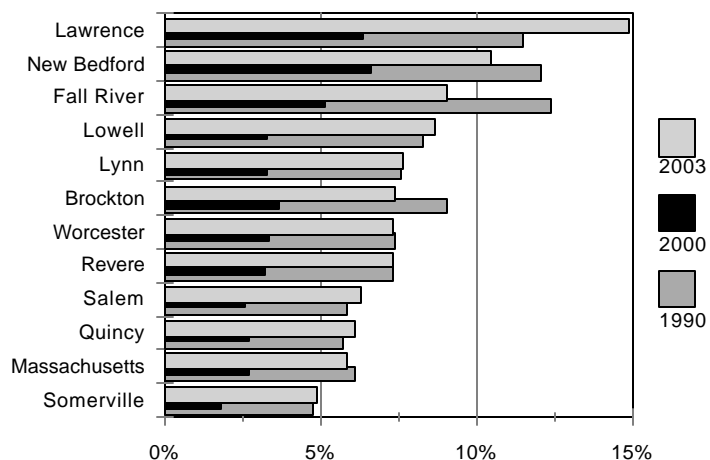
2003 to 47% from 48% in 1990, as shown in Figure 12. Lynn ranked toward the bottom of the comparative cities in this variable, on par with Worcester and Fall River. Somerville, Quincy and Salem were all ahead of the statewide standard. This difference in Lynn is attributed to a higher percentage of children (under 16) and retirees (65 and over) outside the labor force.

### 1. Unemployment Rates

The unemployment rate in Lynn averaged 7.6% in 2003, and was higher than indicated in 1990 (7.5%). As shown in Figure 13, Lynn had a much lower unemployment rate in 2000 (3.2%), when the rates in these comparative cities ranged between 1.7% (Somerville) and 6.6% (New Bedford). In 2003, Lawrence (14.8%) had the highest rate, while Somerville (4.8%) had the lowest. Lynn had a rate in 2003 that was between Brockton (7.3%) and Lowell (8.6%), and all these cities were higher than the statewide average (5.8%).

Figure 13

### Unemployment Rate Trends Lynn & Comparative Cities (1990-2003)



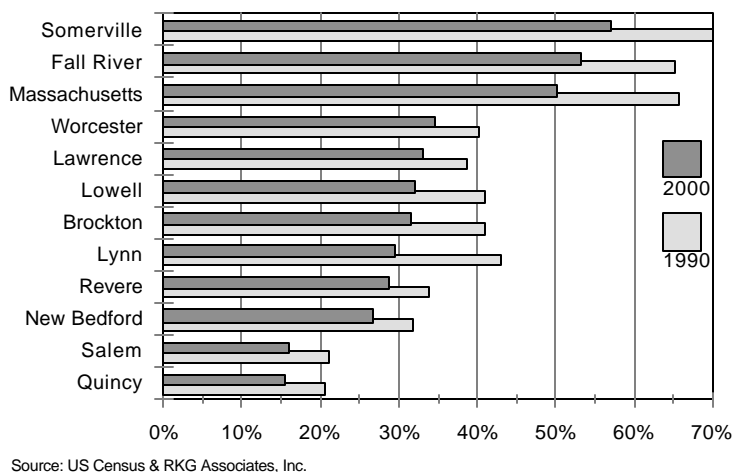
Source: MA DET

## 2. Local Residents Employed at Place of Residence

In 2000, approximately 29% of the resident workers in Lynn had jobs in Lynn, which was a decline from a 43% representation in 1990. As shown in Figure 14, the decline in Lynn was evident in all the comparative cities during the 1990s, as more persons had to commute out of town for jobs, effectively transitioning some of these cities into “bedroom communities”. The percent of Lynn residents at local jobs in 2000 was between Revere (28%) and Brockton (31%). Quincy (15%) and Salem (16%) had the lowest percentage and Somerville (57%) and Fall River (53%) the highest, above the statewide average (50%). During the 1990s, Lynn experienced a 13 point decline in residents at local jobs, which was among the highest in declines, trailing only the Commonwealth (-16%) and tied with Somerville (-13%) and slightly lower than Fall River (-12%).

Figure 14

**% of Residents at Local Jobs  
Lynn & Comparative Cities (1990-2000)**

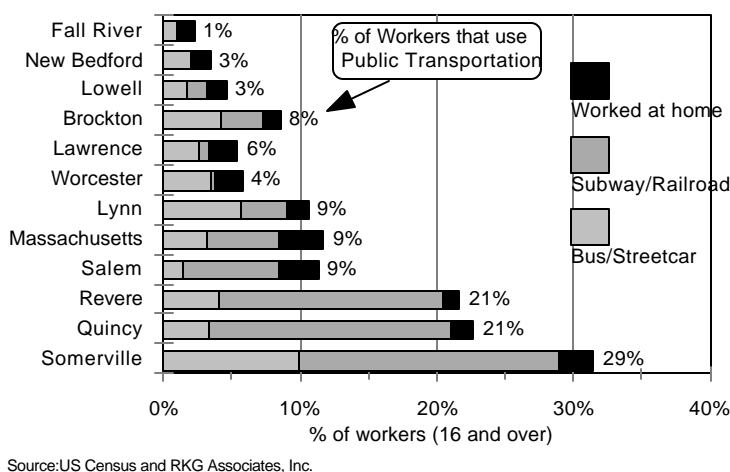


## 3. Means of Transportation

In 2000, more than 9% of Lynn’s workers used public transportation, as shown in Figure 15, including 6% that took the bus, and 3% that took the commuter rail or subway. This percent of public transportation users was similar to that indicated statewide and in Salem. Salem, which also has a commuter rail station, had a higher percent (7%) of rail users than Lynn. Somerville (29%) had the highest percent of public transportation users, followed by Quincy and Revere (21%). These three cities have a MBTA subway station and as a result have a much higher participation of rail users, ranging between 16% (Revere) and 19% (Somerville). Only 1% of Lynn’s workers stayed at home which was typical with most of the cities. Worcester, Lawrence and Somerville had 2% of the work force working at home, all below the state average (3%).

Figure 15

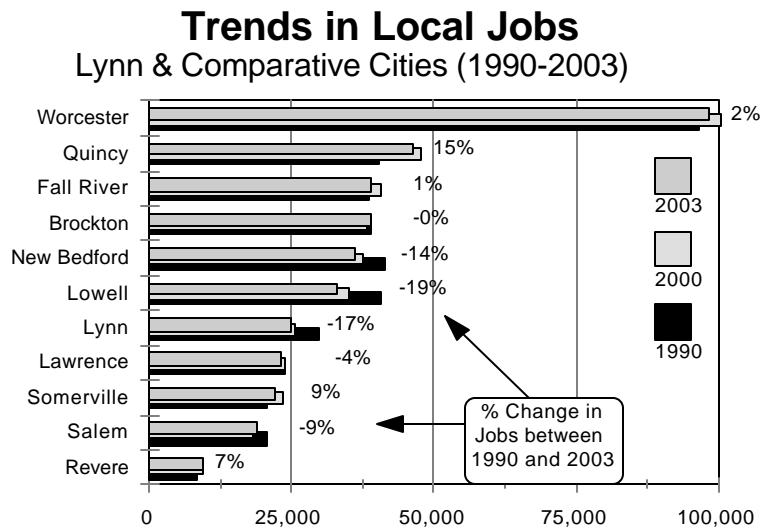
**Means of Transportation To Work  
Lynn and Comparative Cities (2000)**



## B. Local Employment Trends

Lynn had nearly 24,500 jobs at local industries in 2003, which was a 17% decline in the local employment base since 1990, as shown in Figure 16. The 2003 employment base in Lynn was smaller than in Lowell (32,520) but larger than in Lawrence (22,540). Of the comparative cities, Revere (8,780) had the smallest base in 2003, while Worcester (98,070) had the largest. As shown in Figure 16, employment in 2003 was lower than in 2000 in all cities except in Salem, Brockton and Revere.

Figure 16



Source: MA DET & RKG Associates, Inc.

Between 1990 and 2003, the Commonwealth benefited from a 7% increase in the jobs at local industries. However, only three comparative cities enjoyed an equal if not higher increase in their employment base, including Revere (7%), Somerville (9%) and Quincy (15%). Interestingly these were the only cities to have subway stops on the MBTA lines. As shown in Figure 16, Lowell (-19%) experienced the sharpest decline in jobs, followed by Lynn (-17%) and New Bedford (-14%). Worcester (2%), Fall River (1%) and Brockton (0%) experienced nominal growth in jobs during this time frame. Long term, if Lynn is able to secure a MBTA subway line this may play an important role in the transition of its economic base.

### 1. Employment Changes in Selected Industries

This section presents more detail on the type of changes in employment that occurred in the comparative cities between 1990 and 2003, from a review of employment trends in three of the major industry sectors, according to ES-202 data from the Massachusetts Division of Employment and Training (MA DET). Employment data was numerically categorized into “Standard Industrial Classification” codes (SIC) up until the late 1990s, whereupon data was then reclassified into North America Industry Classification System (NAICS) codes, effectively eliminating the SIC codes with a broader system that was more reflective of new business types.

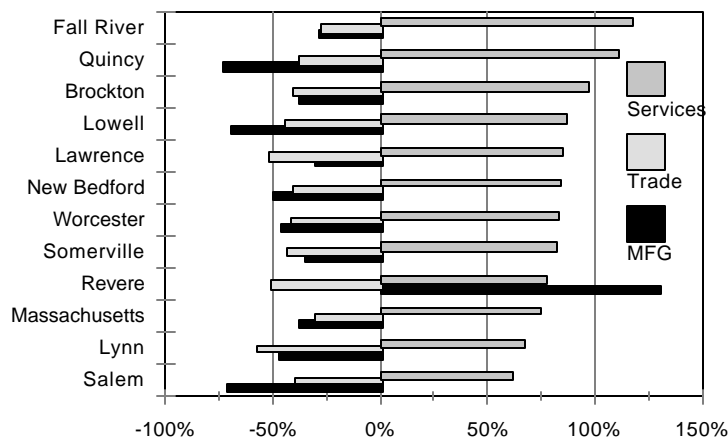
The three major industry sectors selected for this review include Manufacturing, Trade (Wholesale & Retail) and Services, according to the SIC categories. The reason is that employment in these groups collectively represents the highest concentration of employment in nearly all the comparative cities. The other SIC sectors not evaluated include Agriculture, Construction, TCPU (Transportation, Communication, and Public Utilities), FIRE (Finance, Insurance, and Real Estate) and Government. MA DET provides employment data for 1990 and 2000 according to the SIC classification, but data for 2003 was provided according to NAICS, and minor discrepancies exist between the two classification systems.

As shown in Figure 11, jobs in the Manufacturing (MFG) sector declined the most, not only in the comparative cities (except Revere), but also statewide between 1990 and 2003. Lynn’s

manufacturing base declined by 47% during this period, similar to Worcester (-47%) but less severe than New Bedford (-50%). Quincy (-74%) and Salem (-72%) experienced the highest decline, while Fall River (-29%) suffered the least. Revere was the only comparative city to experience any increase in manufacturing employment between 1990 and 2003. In addition to losses in manufacturing, all cities and the Commonwealth, experienced a decline in Trade employment during this period, as shown in Figure 17. Lynn experienced the highest decline (-57%), followed by Lawrence (-52%) and Revere (-51%). Retail (portion of Trade) employment in Lynn and Revere was likely impacted by the commercial/retail build-up along Route 1 in Saugus during this time frame. Also part of the loss in the retail sector is attributable to the reclassification of some businesses to the services sector, such as restaurants.

Figure 17

### Local Job Changes by Type Lynn & Comparative Cities (1990-2003)



Source: MA DET & RKG Associates, Inc.

Lynn experienced the highest decline (-57%), followed by Lawrence (-52%) and Revere (-51%). Retail (portion of Trade) employment in Lynn and Revere was likely impacted by the commercial/retail build-up along Route 1 in Saugus during this time frame. Also part of the loss in the retail sector is attributable to the reclassification of some businesses to the services sector, such as restaurants.

As shown in Figure 17, all cities experienced a gain in services employment between 1990 and 2003 offsetting job losses experienced in the other sectors. In Lynn, jobs in the services sector increased by 67% during this period, which was only higher than indicated in Salem (62%) but lower than indicated statewide (74%). Fall River (117%) and Quincy (110%) experienced the most employment gains in the services sector.

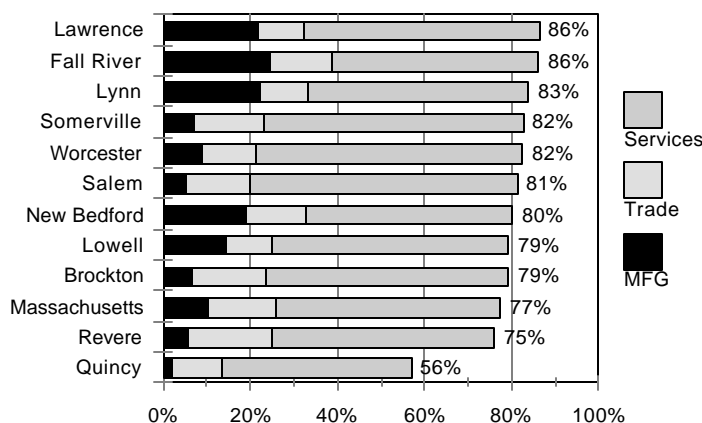
## 2. Local Employment In Selected Industries

This shift in employment also affected the distribution of jobs in the comparative cities as shown in Figure 18. Approximately 83% of Lynn's job base in 2003 was concentrated in three sectors (Manufacturing, Services and Trade). This was similar to Lawrence and Fall River (86%), and Somerville and Worcester (82%).

Lynn's manufacturing base (22%) was similar to Lawrence (22%) and behind Fall River (25%). Statewide the concentration of manufacturing employment was 10%. Quincy (2%) had the lowest concentration of manufacturing employment, as well as the lowest concentration in the selected sectors, suggesting a more diversified employment base in this city in comparison to the others.

Figure 18

### Jobs in Selected Industries Lynn & Comparative Cities (2003)

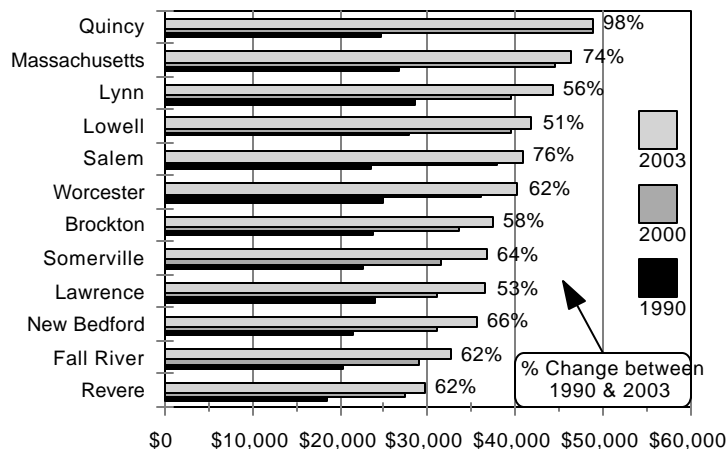


Source: MA DET & RKG Associates, Inc.

### 3. Average Wage Trends

In 2003, the average wage for jobs in Lynn (\$44,040) was the second highest of the comparative cities, trailing only Quincy (\$48,570), but ahead of Lowell (\$41,700). Statewide (\$46,330) the average wage was higher than in Lynn but below that in Quincy. The average wage in Revere (\$29,480) was among the lowest of the comparative cities, as shown in Figure 19. Between 1990 and 2003, average wages in Lynn increased by 56%, which was higher than the change in CPI (47%) during that period. This increase in Lynn's wages was among the lowest of the comparative cities, but higher than Lawrence (53%) and Lowell (51%). Quincy (98%) and Salem (76%) experienced the highest increase on a percentage basis.

**Figure 19 Trends in Average Wages  
Lynn & Comparative Cities (1990-2003)**



Source: MA DET & RKG Associates, Inc.

Between 2000 and 2003, the average wage in Quincy (0.2%) had not experienced much growth, nor had average wages in the Commonwealth (4.5%) increased at a rate commensurate with CPI (11%) during that period. Wages in Lynn (12%) did increase at a rate higher than inflation, but below the increases in wages in Somerville (17%) and Lawrence (18%). As previously discussed, median household incomes in Lynn did not keep pace with inflation between 1990 and 2003, as compared to average wages. However, only 29% of Lynn's residents work at local jobs, indicating that most of the workers at local jobs commute from out of town.

### C. Conclusions

Unemployment in Lynn was higher in 2003 than in 1990, reflecting a change in the economic base of the city. Local employment levels in 2003 were below those in 2000, suggesting that any recovery from the national recession of 2001 had not been experienced locally. In addition, jobs in 2003 were below those in 1990, suggesting that Lynn has not been able to capture its share of employment growth in Massachusetts. Lynn's labor force experienced growth between 1990 and 2003, however more residents were employed out-of-town rather than locally. This phenomenon has likely impacted the major commuting routes in the City, since only a small percentage of residents utilize public transportation for work. Interestingly, the three comparative cities (Revere, Somerville and Quincy) with subway stops enjoyed more economic prosperity than Lynn. Effectively, the statistics indicate that Lynn is becoming more of a bedroom community and losing its prominence as a major economic center to the region. However, Lynn is not alone since this phenomenon is evident at most of the other comparative cities. Long term, if Lynn is able to secure a MBTA subway line this may play an important role in the transition of its economic base

## V. Housing Variables for Comparison

This chapter identifies changes in various housing characteristics in Lynn and the comparative cities. Trends in housing development are reviewed, as well as the overall density of housing, in the selected geographies. The types of housing and tenure characteristics are discussed, as well as the supply of rental assisted or subsidized housing.

### A. Housing Characteristics

Between 1990 and 2003, Lynn’s housing stock increased by 1%, as shown in Figure 20. Quincy (11%) had the highest increase in housing, followed by Revere and Salem (10%). Lawrence (-4%) experienced the most decline, followed by Lowell (-1%), as shown in Figure 20.

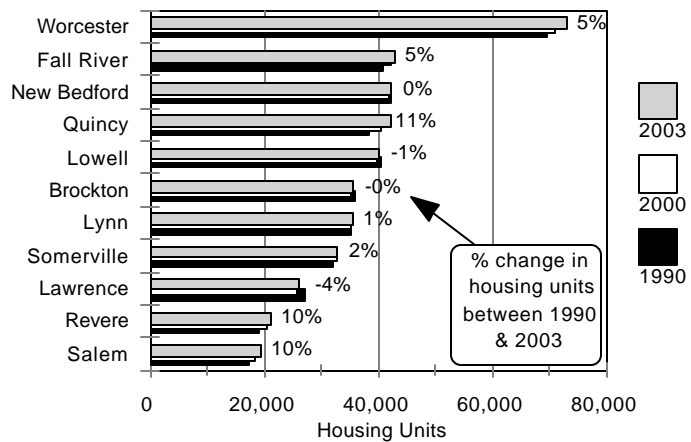
The production of housing in Lynn during the 1990s was affected by an aggressive demolition strategy in the early-to-mid 1990s in which some abandoned and blighted multi-family properties were razed and replaced in many instances with new single-family homes.

#### 1. Post-1960 Housing Development

Only 28% of Lynn’s housing had been built in the last forty-four years, including 11% built since 1980. This amount of housing production since 1960 ranked Lynn at the lower end of the comparative cities, as shown in Figure 22. Only Somerville (18%) had a lower percentage of units built after 1960. At the high end Revere (46%) had a similar percent of new housing development as the Commonwealth, followed closely by Brockton (44%) and Quincy (39%). As mentioned before, Quincy and Revere both have subway stops on a MBTA line, which is likely attributed to their higher housing production. Between 2000 and 2003, Quincy and Salem (4%) had the highest percentage of housing

Figure 20

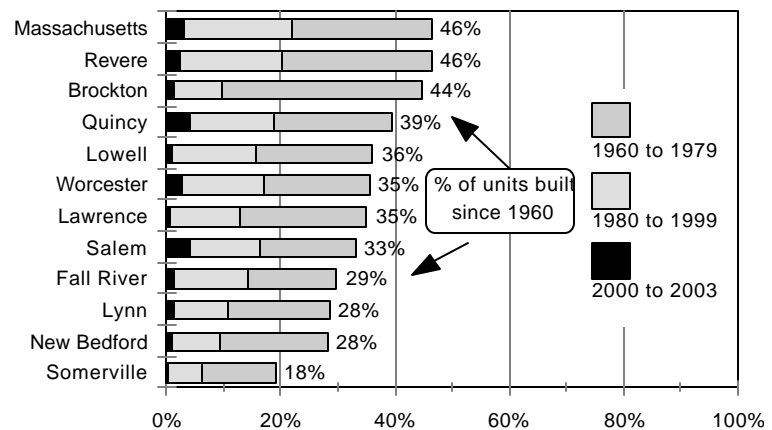
**Trends in Housing**  
Lynn & Comparative Cities (1990-2003)



Source: US Census & RKG Associates, Inc.

Figure 22

**Housing Development Since 1960**  
Lynn & Comparative Cities (2003)



Source: US Census & RKG Associates, Inc.

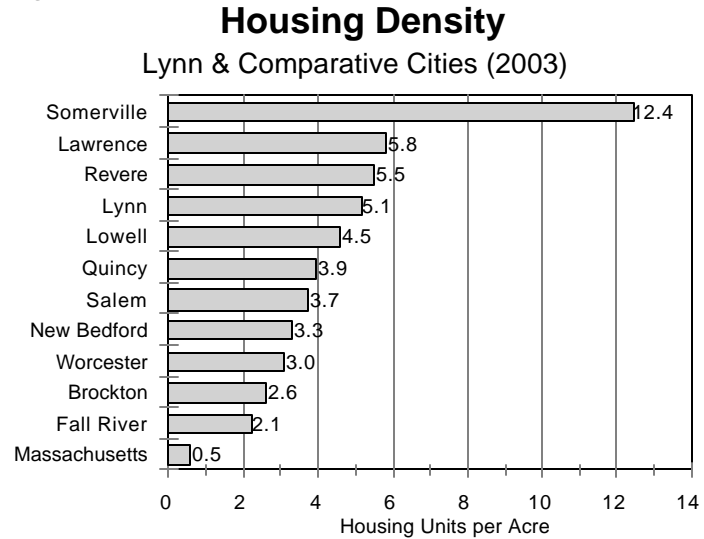
development in the selected cities, even exceeding the Commonwealth (3%), while Lynn (1%) was among the lowest during that period.

## 2. Housing Density

Figure 22 compares the number of housing units in 2003 with the land area (in acres) of the comparative cities. Somerville (12.4 units per acre) had the highest density, and it was more than double that indicated in Lawrence (5.8). Lynn's (5.1) density was between that of Revere (5.5) and Lowell (4.5), and among the highest of the comparative cities. Statewide housing density averaged roughly two units per acre.

Adjusting Lynn's acreage to account for Lynn Woods (2,000 acres), housing density would increase to 7.4 units per acre. Effectively, Lynn has the highest density of all the comparative cities except Somerville.

Figure 22



Source: US Census & RKG Associates, Inc.

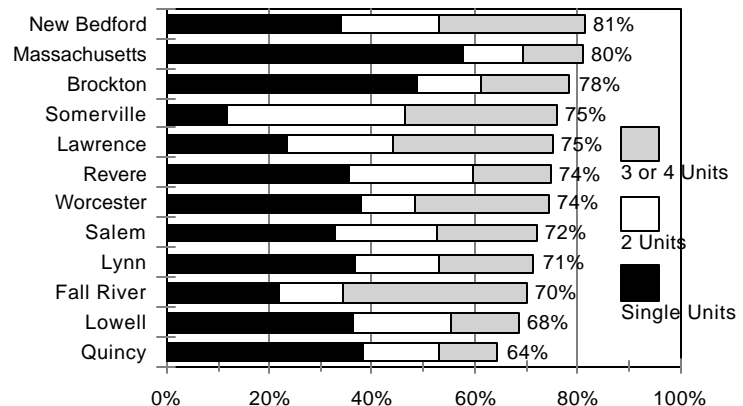
Reducing density in selected neighborhoods should be a goal for LHAND as a means to enhance residential amenities and improve values. On the other hand, allowing higher density in Lynn's newly defined downtown by permitting mid-to-high rise construction is also a means to attract new investment and add more market rate housing that in turn would strengthen the commercial core. The City should be strategic regarding density in the future and utilize zoning as a means to target density to specific neighborhoods for the long term.

## 3. Housing Units by Type

Lynn's housing stock was fairly evenly distributed among the different structure types, as 71% were in single family or small multi-family properties as shown in Figure 23. Quincy (64%) had the lowest percent of units in smaller buildings, while New Bedford (81%) had the highest, even higher than indicated statewide (80%). In terms of single-family units, Lynn (37%) ranked toward the upper end of the range indicated by the comparative cities. Brockton (49%) had the

Figure 23

### Housing Units by Building Types Lynn & Comparative Cities (2003)



Source: US Census & RKG Associates, Inc.

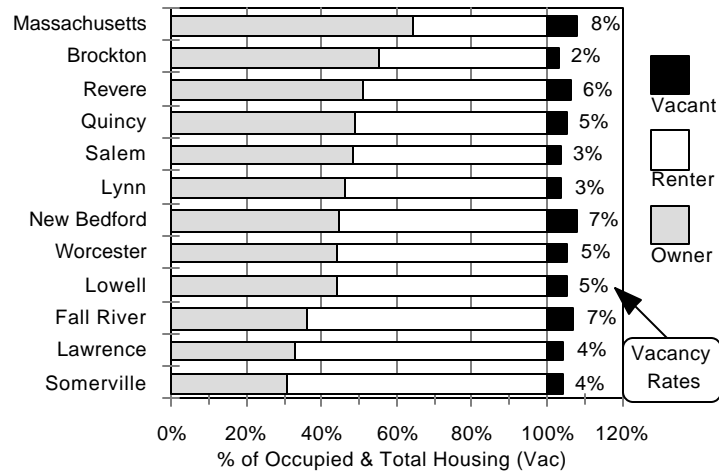
highest percent while Somerville (12%) had the lowest. Lynn ranked between Worcester and Quincy (38%), and Revere and Lowell (36%) in this regards.

**4. Tenure and Vacancy Characteristics**

In 2003, owner-occupancy (46%) in Lynn ranks in the middle of the comparative cities, higher than New Bedford (45%) but lower than Salem (48%). Brockton (55%) has the highest rate although lower than the statewide rate (65%). Somerville (31%) and Lawrence (33%) are at the low end. Lynn and the other cities experienced an increase in owner occupancy, due in part to new single-family construction and condominium conversion in some of the older properties, including former commercial and industrial buildings. However, the increase

Figure 24

**Tenure and Vacancy**  
Lynn & Comparative Cities (2003)



Source: US Census; D-NOW & RKG Associates, Inc.

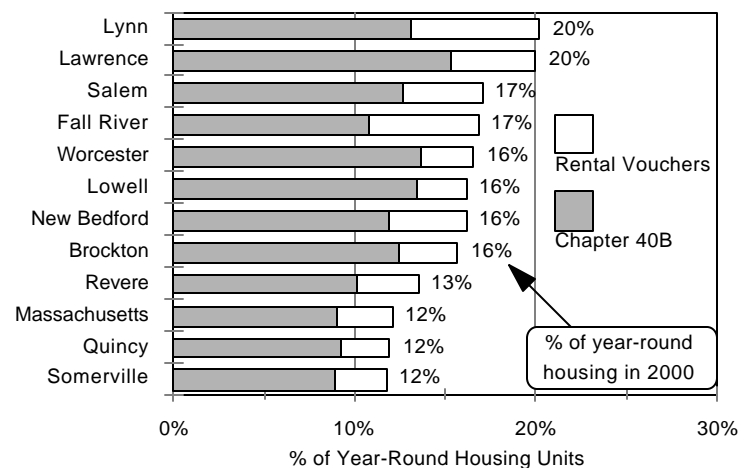
has not had a significant impact on the rate, due in part to a higher inventory of renter or multi-family properties. As shown in Figure 24, vacancy was estimated at 3% in Lynn, similar to that in Salem. Brockton (2%) had the lowest rate while New Bedford and Fall River (7%) was the highest rate of the comparative cities. The statewide vacancy rate (8%) was higher than indicated in the selected cities.

**5. Rental Assistance**

Lynn has 4,522 units classified as affordable for income eligible households or Chapter 40B housing. This represents 13.1% of the year-round housing units and means that Lynn had exceeded the 10% goal set by the Commonwealth under the Chapter 40B legislation. Another 2,410 rental vouchers (Section 8 or MRVP) are also administered to Lynn’s low-income households, representing another 7.0% of Lynn’s housing.

Figure 25

**Rental Assisted Housing**  
Lynn & Comparative Cities (2004)



Source: MA DHCD & RKG Associates, Inc.

Combined, the Chapter 40B units and rental vouchers represent more than 20% of Lynn’s housing supply, and ranks Lynn at the top of the comparative cities as illustrated in Figure 25, similar to Lawrence (20%). Somerville (12%), Quincy (12%) and

Revere (13%) have the lowest percentage of rental assistance of the comparative cities. Quincy (9.3%) and Somerville (8.9%) are also below the 10% threshold of Chapter 40B units, while Revere (10.1%) meets the standard. As mentioned earlier, these three cities have subway stops, while all the other cities lack this connection. All the other cities also exceeded the statewide benchmark for Chapter 40B housing. These statistics indicate that Lynn and most of the comparable cities have done their fair share in providing necessary affordable housing. However, many of their neighboring communities may not be doing their part, placing the burden on these cities, which in turn impacts municipal and school services, as well as other social and economic variables in these cities.

## **B. Conclusion**

Lynn has a diversified stock of primarily older housing, and housing production has lagged that indicated in some of the comparative cities. Home ownership has been increasing in Lynn and this in turn has helped revitalize many of Lynn's neighborhoods. The overall density in Lynn is among the highest of the comparative cities (excluding Somerville) and the City should be strategic in how it enacts zoning to control density in some neighborhoods, while stimulating investment in other areas, namely in the downtown and on the waterfront.

Lynn also needs to be strategic about its supply of affordable housing, since Lynn's supply is among the highest of the comparable cities. Lynn has a 17% poverty rate in comparison to a 20% supply of affordable housing. This indicates at least from a statistical perspective that Lynn has done its fair share for providing housing to its most impoverished residents. Lynn however is also bearing the burden for many of the surrounding communities in the North Shore region that are not meeting the statewide standard. Lynn's year-round housing supply would have to increase by 10,000 units (from 34,570 to 44,570) in order for the current percentage (13%) of Chapter 40b units (4,520) to be closer to the 10% statewide mandate.

## VI. Real Estate Market Variables for Comparison

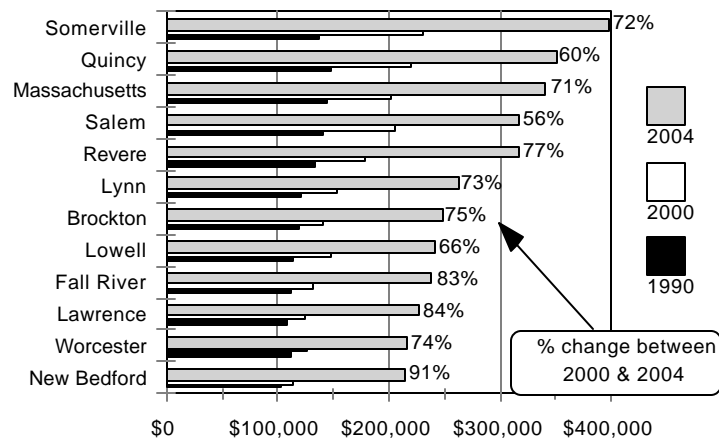
In this chapter, selected real estate market variables in Lynn are compared to those in the comparative cities. Trends in median sales values for single-family homes and condominiums are examined, as well as trends in the median gross rents. The cost of housing is compared to median income levels for an understanding of affordability in the selected cities.

### A. Trends in Median Values

Median values for single family homes in nearly all the comparative cities experienced noticeable appreciation by setting new pricing standards for each of the last four or five years. As shown in Figure 26, the median value for single-family homes in Lynn was \$260,000 in 2004 (through July) representing a 73% increase since 2000. Lynn's median value in 2004 ranked in the middle of the comparative cities, lower than Revere(\$315,000) but higher than Brockton (\$244,900). Somerville (\$395,000) and Quincy (\$348,000) ranked at the top of the comparative cities, ahead of the Commonwealth (\$340,400). Salem and Revere (\$315,000) had median values in excess of \$300,000, while New Bedford (\$212,000), Worcester (\$215,160) and Lawrence (\$224,600) had median pricing at the low end of the range for these cities. Between 2000 and 2004, New Bedford (91%) experienced the highest appreciation, followed by Lawrence (84%) and Fall River (83%). Salem (56%) and Quincy (60%) experienced the lowest change during that period.

Figure 26

### Single Family Median Values Lynn & Comparative Cities (1990-2004)



NOTE: Through July, 2004

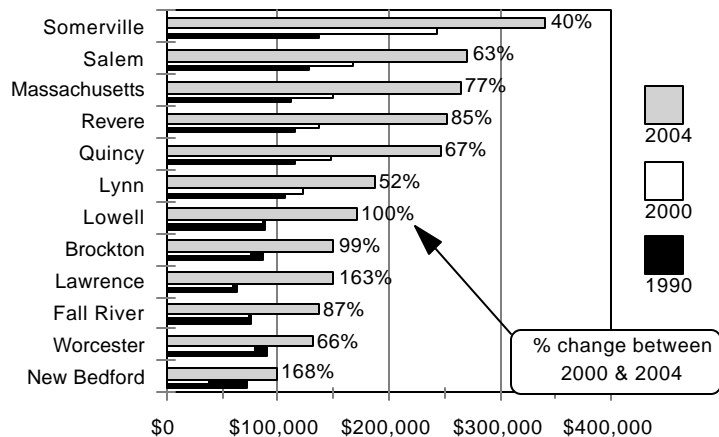
Source: Warren Information Services & RKG Associates, Inc.

#### 1. Condominium Median Values

In July 2004 the median condominium value in Lynn was \$185,000, reflecting a 52% increase since 2000, as shown in Figure 27. By 2000, the median value surpassed the 1990 value in Lynn, but this was not the case in Lowell, Brockton, Lawrence, Fall River, Worcester and New Bedford. Somerville (\$339,150) had the highest condominium value of the comparative cities, as was also the case with single-family values. New Bedford

Figure 27

### Condominium Median Values Lynn & Comparative Cities (1990-2004)



NOTE: Through July, 2004

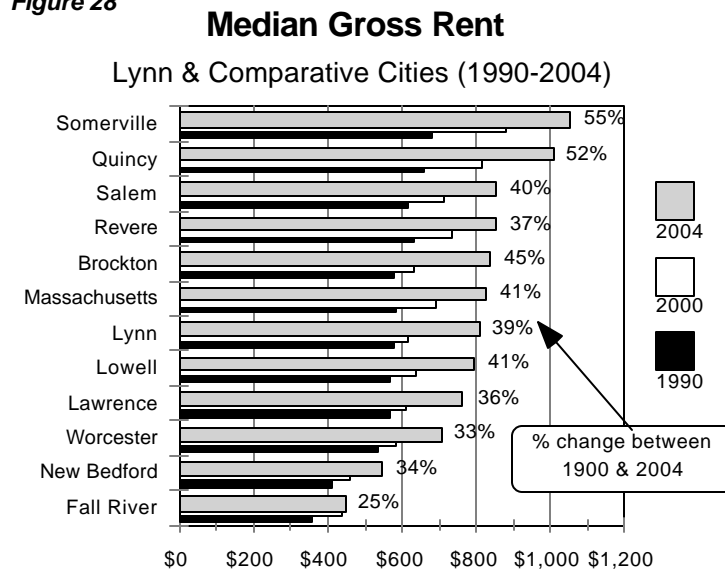
Source: Warren Information Services & RKG Associates, Inc.

(\$98,500) had the lowest value. The condominium market should likely present future ownership opportunities in many of these cities with conversion/redevelopment of older properties. This has been the case in Lynn and its downtown as new condominium units were selling at \$200,000 or more, higher than the median. Providing amenities such as parking, green space, cultural and entertainment activities, as well as convenient services and goods are essential to the living environments in the older urban centers in addition to accessible transportation connections.

## 2. Median Gross Rent

In Lynn, the median gross rent increased by 39% between 1990 and 2004, or from \$575 to \$800 per month.<sup>1</sup> As shown in Figure 28, most of the increase occurred in the last four years, due in part to the appreciation of sales values for the small multi-family properties. The estimated 2004 median rent in Lynn (\$800) was in the middle of the range indicated by comparative cities. Somerville had the highest median rent (\$1,050) in 2004 and Fall River had the lowest (\$440). In terms of appreciation, Somerville had the highest increase (55%), while Fall River had the lowest (25%).

Figure 28

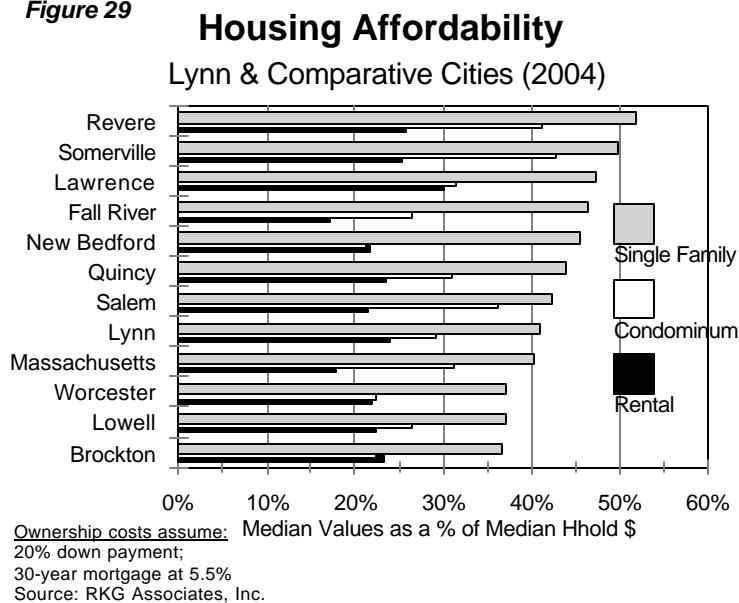


Source: US Census, HUD & RKG Associates, Inc.

## 3. Affordability of Housing

Figure 29 compares the annual cost for housing at the 2004 median levels in each of the comparative cities with the median household incomes for a determination of what percent of income would be spent for housing. In Lynn, housing costs (mortgage and taxes) for a median value home (\$260,000) represents about 41% of the median household income (\$40,450), above the 30% standard. Lynn ranks as one of the most affordable of the comparative cities in this category. Brockton (36%), Lowell and Worcester (both 37%) have a lower percent, while

Figure 29



<sup>1</sup> Median gross rents in 2004 were estimated by comparing the relationship in 1990 and 2000 between median gross rent in each of the comparative cities and HUD's fair market rent (FMR) for a two bedroom unit in the region of the city. This relationship was then applied to the FMR for 2004 in order to estimate median gross rent in each comparative city for 2004.

Revere (52%) and Somerville (50%) have the highest. Lynn's affordability is slightly higher than the statewide indicator (40%).

Costs for a median value condominium (\$185,000) in Lynn represents about 29% of median income, just below the 30% standard. Lynn ranks in the middle of the comparative cities, lower than Quincy (31%) and higher than Fall River (26%). Similar to single-family homes, Somerville (43%) and Revere (41%) ranks as the least affordable, while New Bedford (21%), Worcester and Brockton (both 22%) are the most affordable.

A concern is whether or not the household in Lynn or elsewhere at the median income level would have a 20% down payment without assistance from a family member. A lower percent of down payment would increase costs to a higher percent of income making it less affordable. Another issue is whether interest rates will remain at the current levels or will increase as experienced in the future. Assuming a higher interest rate (7%), housing costs in Lynn for a median value single family home would increase to 47% of median household income, and for a median value condominium higher interest rates would increase costs to 33% of income.

Rental costs at the median level (\$800) in Lynn equates to 24% of the median household income, and ranks Lynn toward the upper end of affordability between Quincy (23%) and Somerville (25%) and Revere (25%). Lawrence (30%) is the least affordable in regards to rental costs, while Fall River (17%) is the most affordable, similar to the statewide indicator (17%).

## **B. Conclusion**

Median sale values for single-family homes and condominiums in Lynn continue to set new levels in pricing, and have experienced significant appreciation over the past four to five years. This is also happening to different degrees in the ten comparative cities. For Lynn, these new high values make the feasibility of new residential projects much better, and investment in such projects, particularly adaptive reuse projects are occurring in the downtown. Rental rates have also experienced appreciation but to a smaller degree than sale pricing. Lynn's affordability has been affected, as income levels have not kept pace with the appreciating value of ownership properties. The condominium and rental market remains affordable, although this may not be the case for all Lynn's households. In terms of overall sales values Lynn ranks pretty much in the middle of the comparative cities. Interestingly, Revere, Somerville and Quincy each had higher median values than Lynn, for all property types, and as mentioned previously these communities also have MBTA subway stations.

## VII. Tax Base & State Aid Variables for Comparison

Trends and characteristics of the tax base in Lynn are compared to those in the selected cities in this section. Trends in assessed values are reviewed as well as the residential portion of the tax base. Real estate tax rates are also compared as well as the costs to educate students at the public school districts.

### A. Trends in Equalized Assessed Values

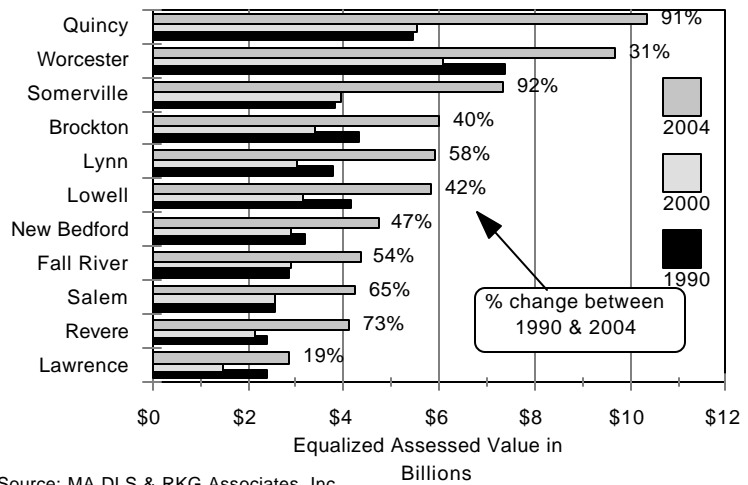
Assessed values in Lynn have increased by 58% between 1990 and 2004, as shown in Figure 30. Total equalized assessment in Lynn was \$5.9 billion (b) in FY-2004, which ranked the city in the middle below Brockton (\$6.0b) and above Lowell (\$5.8b). In 2004, Quincy (\$10.3b) had the highest assessment, surpassing Worcester (\$9.6b). Lawrence (\$2.8b) had the lowest assessment of the comparative cities.

As shown in Figure 30, Lynn's 2000 assessment was lower than indicated in 1990, suggesting that all the increase in assessment occurred in the last few years. This phenomenon was also exhibited in most of the other cities, with the exception of Quincy, Somerville, Fall River, and Salem. It should be noted that if inflation were factored into the 1990 figures, as compared to those in 2000, all cities would have experienced a decline in value. As it turns out, assessments in FY-2004 in all cities were ahead of those in FY-1990. Somerville (92%) and Quincy (91%) experienced the greatest increase between 1990 and 2004, while Lawrence (19%) and Worcester (31%) had the lowest increase. Brockton (40%), Lowell (42%) and New Bedford (47%) experienced increases below that in Lynn as well as below the change in CPI (47%).

#### 1. Distribution of the Tax Base

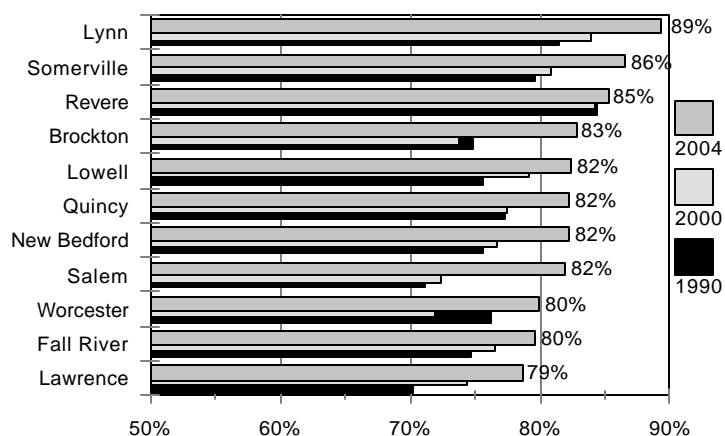
In 2004, Lynn relies more heavily on the residential portion of its tax base than any of the comparative cities. As shown in Figure 31, approximately 89% of Lynn's assessment in FY-2004 was

**Figure 30**  
**Trends in Assessed Values**  
Lynn & Comparative Cities (1990-2004)



Source: MA DLS & RKG Associates, Inc.

**Figure 31**  
**Residential Portion of the Tax Base**  
Lynn & Comparative Cities (1990-2004)



Source: MA DLS & RKG Associates, Inc.

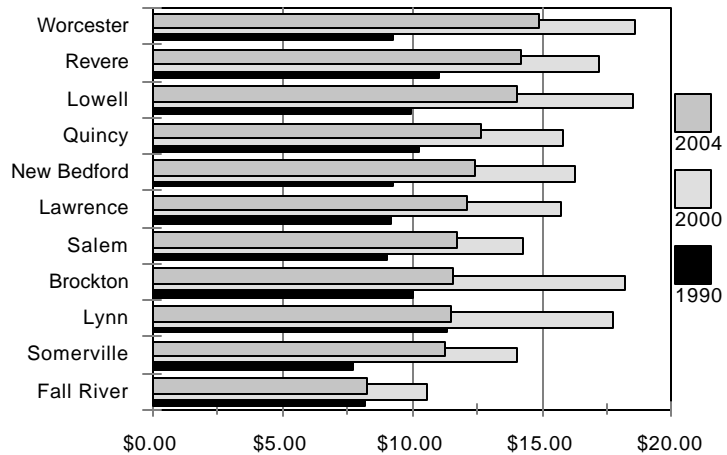
residential, with the remaining 11% distributed among commercial, industrial and personal property. Lynn's reliance on residential values increased from 81% in 1990. Somerville (86%) and Revere (85%) also had a high dependence on residential property for its tax base. In fact, the difference between all the comparative cities was relatively small, and all cities had a greater concentration of assessment in residential properties in 2004 than in the prior years. This in turn has impacted the tax rate.

**B. Real Estate Tax Rates**

Lynn's residential tax rate in 2004 at \$11.43/1000 was among the lowest of the comparative cities, and slightly more than Somerville (\$11.17) and lower than Brockton (\$11.51). Fall River had the lowest residential rate (\$8.21) while Revere (\$14.15) and Worcester (\$14.75) had the highest rates. Lynn has had quite a turnaround, since in 2000 its tax rate (\$17.68) was among the highest of the comparative cities, but subsequently declined to a rate similar to that in 1990. In fact, the residential rate in all the comparative cities is lower in 2004

Figure 32

**Residential Tax Rates**  
Lynn & Comparative Cities (1990-2004)



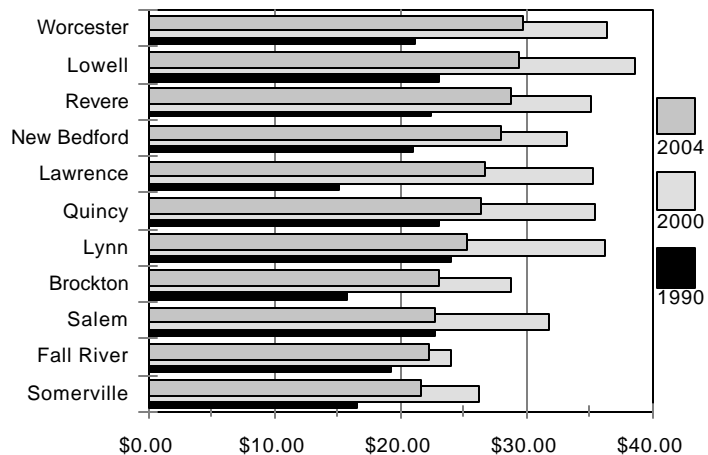
Source: MA DLS & RKG Associates, Inc.

than in 2000, although Brockton and Lynn experienced the most declines. This can be partially attributed to increase in overall assessments as previously discussed.

The 2004 tax rate for non-residential properties in Lynn (\$25.27) was in the middle of the comparative cities, which ranged from Somerville (\$21.49) to Worcester (\$29.60). Similar to the residential tax rates, the non-residential rates were lower in 2004 than in 2000, and Lynn experienced the largest decline in the rate. In all the comparative cities, the non-residential tax rate was higher in 2004 than in 1990, but the difference in Lynn was not as great as in some of the other cities.

Figure 33

**Non-Residential Tax Rates**  
Lynn & Comparative Cities (1990-2004)

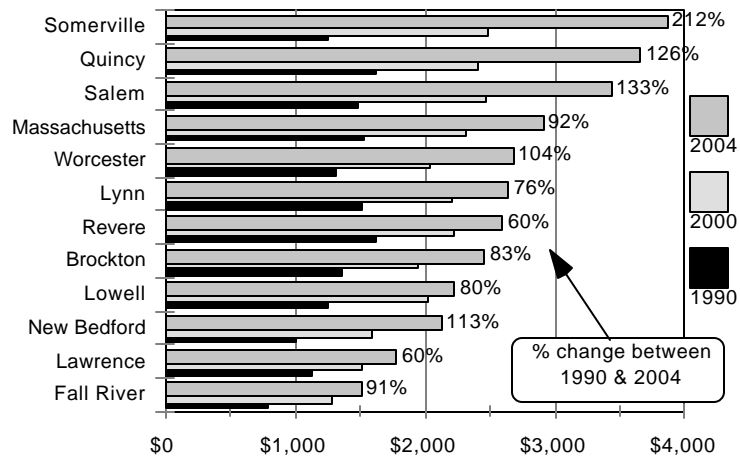


Source: MA DLS & RKG Associates, Inc.

These changes in assessments and tax rates have had an effect on the average tax bill for a single family home, which increased in all cities between 1990 and 2004, as shown in Figure 34. In 2004, the average tax bill in Lynn (\$2,620) is in the middle of the overall range between Fall River (\$1,480) and Somerville (\$3,840). The increase in the average tax bill between 1990 and 2004 was 76% in Lynn, which was on the low end of the range indicated by Lawrence (60%) and Somerville (212%).

Figure 34

### Average Single Family Tax Bill Lynn & Comparative Cities (1990-2004)



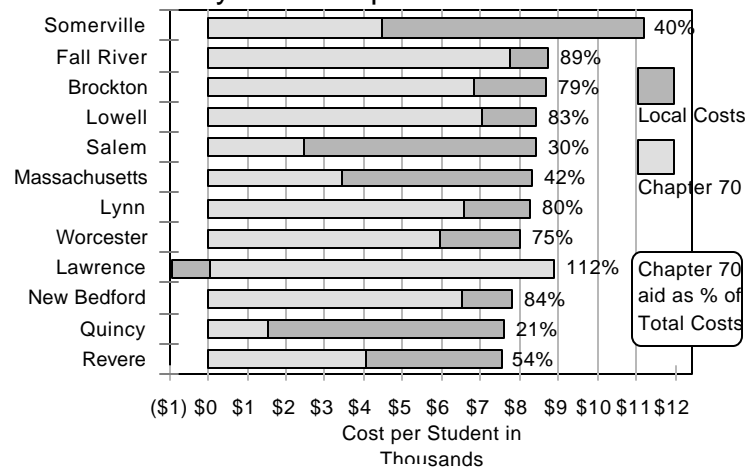
Source: MA DLS & RKG Associates, Inc.

### C. Education Costs and Chapter 70 Aid

The total cost for day programs to educate public school students in Lynn averaged nearly \$8,220 per student in 2003, which was slightly lower than the statewide average (\$8,260). As shown in Figure 35, the average school cost per pupil in Lynn was at the mid-point of the other cities, which ranged from a low in Revere (\$7,480) to a high in Somerville (\$11,110). The cost in Lynn was fairly comparable to the cost in Salem (\$8,360) and Lowell (\$8,410) but higher than in Worcester (\$7,960) or Lawrence (\$7,900).

Figure 35

### School Costs & Chapter 70 Aid (2003) Lynn & Comparative Cities



Source: MA DOE, MA DLS & RKG Associates, Inc.

Also shown in Figure 35 are the percents of state aid for education (Chapter 70) that are returned to the comparative cities on a per student basis, and the percents of local costs. In Lynn, nearly 80% of education costs was returned in Chapter 70 aid in 2003, and equated to about \$6,545 per student. This indicated that local school costs were \$1,675 per student in Lynn, which was more than Lowell (\$1,400) and New Bedford (\$1,210) but less than Brockton (\$1,810) and Worcester (\$2,010). Somerville had the highest amount of local costs (\$6,660) while Lawrence actually had more Chapter 70 aid than school costs such that a credit (-\$910) was indicated, and Fall River had the next lowest (\$920).

In 2003 the percent of Chapter 70 aid for Lynn (80%) was higher than Worcester (75%) and Brockton (79%), but lower than Lowell (83%) and New Bedford (84%). Lynn ranked toward

the high end in terms of state aid for education, while Lawrence (112%) and Fall River (89%) received the most. Quincy (21%), Salem (30%) and Somerville (40%) received the least amount, and lower than indicated statewide (42%). Interestingly, the cities that had the highest percent of warning/failing scores on the MCAS in 2003, generally received the highest percent of Chapter 70 aid. In addition, many of these communities had the lowest educational attainment levels in 2000, as well as the highest minority student enrollment. Clearly this suggests room for improvement in these cities, as well as Lynn.

## **D. Conclusion**

Lynn experienced strong growth in total assessed values between 1990 and 2004, and the gains exceeded the rate of inflation at that time. The residential portion of the tax base also increased to 88% of total assessment. This heavy dependence on residential assessment was the highest among the comparative cities. Fortunately, Lynn's residential tax rate was among the lowest in 2004, however, the average tax bill for a single-family home was in the middle of the range indicated by the comparative cities.

Clearly a strategy to maintain these residential values will be important for the city since the residential base provides a significant portion of municipal revenues. Improving the non-residential portion will also be important. However, adding additional market rate housing in the downtown will help strengthen the downtown commercial core.

Education costs per student in Lynn ranks in the middle of the other cities and similar to the statewide average. However, Chapter 70 aid from the Commonwealth was among the highest of the comparative cities. It remains unknown if the high percentage of Chapter 70 aid will continue in Lynn especially in light of continued statewide deficits, and increasing education costs.