

Executive Summary

Housing Compass Overview

Housing Compass is a plan of action to **protect residents** from rising housing costs, **preserve housing** that currently meets community needs, and **produce affordable homes** in the right places. It has been written to state standards, protecting access to grant funding and enabling greater local control over Chapter 40B permitting processes. Gloucester has consistently implemented policies to meet housing needs. The Housing Compass plan builds on this progress with strategies to expand housing options and improve affordability.

The plan was shaped through a year-long process of engagement with residents, workers and employers, seniors, young people, families, artists, housing insecure populations, and service providers, offering many ways to share input.

The message from the community was clear: people love Gloucester and want to stay, but limited choices, rising costs, and instability are making that harder. Meeting housing needs is critical for Gloucester's economy, from the working waterfront to Main Street to Blackburn Industrial Park. Homes for the people of Gloucester are essential to preserving the economy, culture, and year-round community that make the city a special place.

Housing Compass aims to expand both deed-restricted Affordable Housing and more attainable housing choices.

Affordable Housing (capital A) is deed-restricted to ensure eligible residents generally pay no more than 30 percent of their income toward housing costs. Medium to larger developments capable of producing Affordable Housing are best suited for downtown Gloucester, where there is existing infrastructure and fewer environmental constraints.

attainable housing (lowercase a) includes smaller-scale options, such as accessory dwelling units, cottage clusters, and small multifamily homes, that can provide more affordable choices in the market, compared with large expensive single-family homes. While Gloucester's neighborhoods are not generally suited for larger multifamily due to infrastructure limits and complex environmental constraints, they can be host to smaller attainable homes that fit existing neighborhood patterns.



Community members share their housing goals and challenges at the City Halloween Party, October 2025



Participants at a March 2026 Community Forum discuss appropriate locations for housing growth

What Data and Community Engagement Tell Us

Plan recommendations are informed by a comprehensive housing needs assessment rooted in community engagement and an analysis of the most current demographic, housing stock, and affordability data. **Key findings of the assessment are:**

Gloucester is becoming harder to afford - rising rents and for-sale prices are putting pressure on residents, workers, and families. About half of Gloucester households are income-eligible for deed-restricted Affordable Housing, but there is only one Affordable Housing unit in Gloucester for every six eligible households.

Renters are vulnerable, homeownership is out of reach - renters fear having to leave Gloucester, and year-round rentals are scarce. At the same time, homeownership feels out of reach for the people who grew up in Gloucester.

Housing challenges strain Gloucester's economy and culture - Focus groups with major employers and Gloucester's artist community showed that housing costs and limited supply are making it harder to recruit and retain workers. Artists, creatives, and small business owners are also finding it increasingly difficult to stay in Gloucester, threatening the community's cultural identity and economy.

Gloucester is aging - about 42% of households include seniors, increasing the need for smaller, accessible homes and support for residents living on fixed incomes.

Veterans face added housing barriers - older veterans, widows, and veterans with disabilities need more affordable, accessible homes and better connections to supportive services.

Residents want more housing choices – the Gloucester community has clearly expressed a desire for more housing options including smaller homes, family-sized homes, affordable homeownership, year-round rentals, and mixed-use housing near transit, jobs, and services.

Growth must be strategic - environmental constraints, flood risk, infrastructure, and land use limitations shape where housing can go. Downtown offers the strongest opportunities for medium to larger housing, the scale that most often brings Affordable Housing units. Gloucester's neighborhoods also have a role in expanding housing choice by encouraging smaller, more attainable housing types that fit existing neighborhood conditions.

Priority Recommendations

The Housing Compass recommendations are organized around three connected principles: **Protect, Preserve, and Produce**. Together, these strategies respond to what the community shared throughout the planning process. The priority recommendations are briefly described below. For additional detail and a full list of recommendations, review the recommendations section of the plan.

Protect: Help residents stay housed and reduce displacement risk



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

Preserve: Keep homes that currently meet community needs accessible



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

Produce: Create new Affordable Housing and attainable homes in the right places.



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

Where New Housing is Recommended

Since Gloucester has limited land available for new housing, the City must be strategic about where to guide residential development. The following recommendations are based on extensive community engagement and analysis of development constraints.

Affordable Housing Opportunity Sites - Downtown Gloucester

Specific housing opportunity sites are identified in downtown where available infrastructure makes it possible to produce development of the scale necessary to create Affordable Housing. To meet state standards, the plan must identify specific sites for this purpose. The following are all privately-owned sites considered suitable for multifamily and mixed-use housing development. **The City is not proposing to build on these sites, that decision is entirely up to the private property owner.** The City's role is to consider policy changes, grants, incentives, and partnerships that make Affordable Housing more feasible on these sites.

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

The plan recommends considering smart growth overlay zoning for several of these sites. Using this tool could provide immediate state funding if the zoning is locally adopted.

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

Attainable Housing Options - Gloucester's Neighborhoods

Gloucester's neighborhoods are subject to complex environmental constraints and lack the infrastructure for larger-scale development. However, they can play an important role in expanding smaller housing options like accessory dwelling units, cluster cottages, and small multifamily that are more attainable in the marketplace. The plan makes general recommendations for how to expand attainable housing in Gloucester neighborhoods:

- **Consider adopting an attainable housing overlay district** – Consider a neighborhood-based overlay zoning approach to streamline permitting for smaller, more attainable housing options. The proposed overlay should reduce zoning barriers, such as lot size, lot width, and setback requirements, while better aligning development with existing neighborhood patterns. It should also offer incentives for below-market homes, limit short-term rentals, and ensure new housing is appropriate for local site, infrastructure, and wastewater conditions.
- **Offer financial support for small attainable housing types** – Create an Affordable Housing Trust subsidy program to help income-eligible households develop accessory dwelling units, three-family homes, and other small-scale housing types. These homes can be difficult to finance because construction costs are high, small projects have limited budgets, and new three-family homes must now include sprinkler systems under State building codes.

Railroad Avenue: A Key Opportunity

The Shaw's Supermarket at 7 Railroad Avenue closed on April 12, 2025. Since then, the property owner and the City have worked to attract another grocery tenant, but market conditions no longer appear to support a large-format supermarket at this location. Strategic redevelopment could make a smaller, neighborhood-serving grocery store financially feasible by pairing it with housing above, creating a built-in customer base and supporting a more sustainable mixed-use project. The site is one of Gloucester's strongest opportunities for new housing, located next to the Downtown Gloucester Commuter Rail Station, served by sewer, walkable to jobs, shops, and services, and less constrained by flood risk and environmentally sensitive areas than many other locations. Smart growth zoning could help advance this vision, support a significant number of affordable homes, strengthen downtown businesses, create jobs, generate tax revenue, and unlock immediate state incentive payments for the City's general fund.

Moving Forward

Gloucester Housing Compass charts a course for action. Gloucester needs more housing choices, stronger protections for residents, and a focused strategy for encouraging Affordable Housing where it makes the most sense. By protecting residents, preserving existing homes, and producing new housing in the right places, Gloucester can remain a strong, inclusive, and year-round community for generations to come.