

Commonwealth of Massachusetts
*Department of Housing and Community
Development*

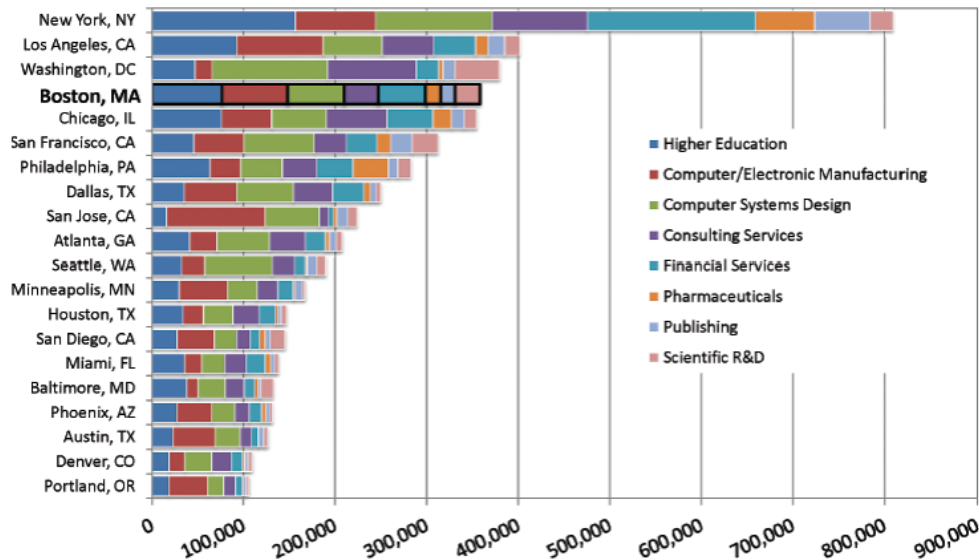
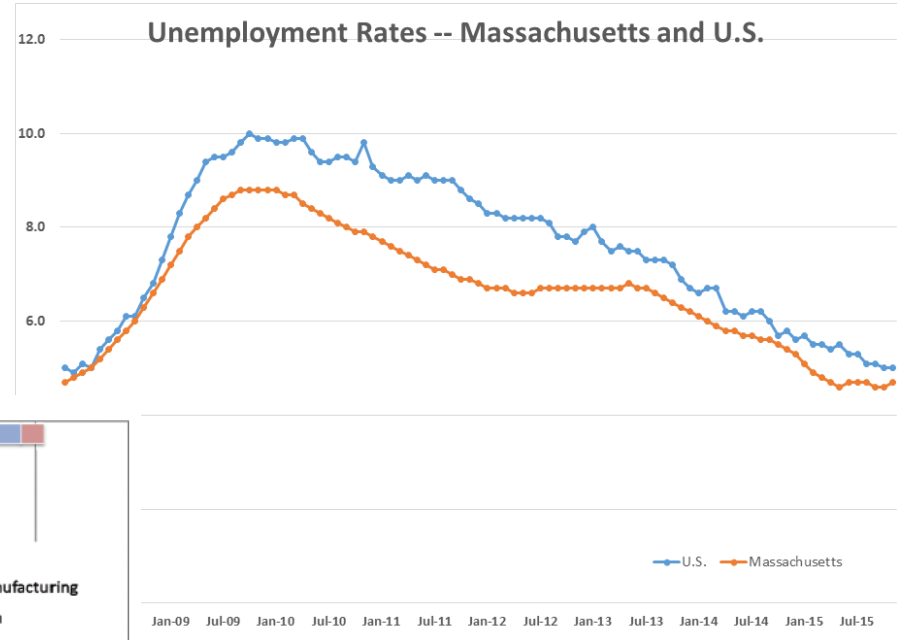


METROWEST SUBURBAN EDGE COMMUNITY COMMISSION
NOVEMBER 18, 2016



Massachusetts: Things are pretty darn good

MA unemployment rate consistently below national average; recovered jobs lost in recession by early 2013, well ahead of U.S.



We have a diverse, knowledge-based economy not dependent on just a few companies or industries.

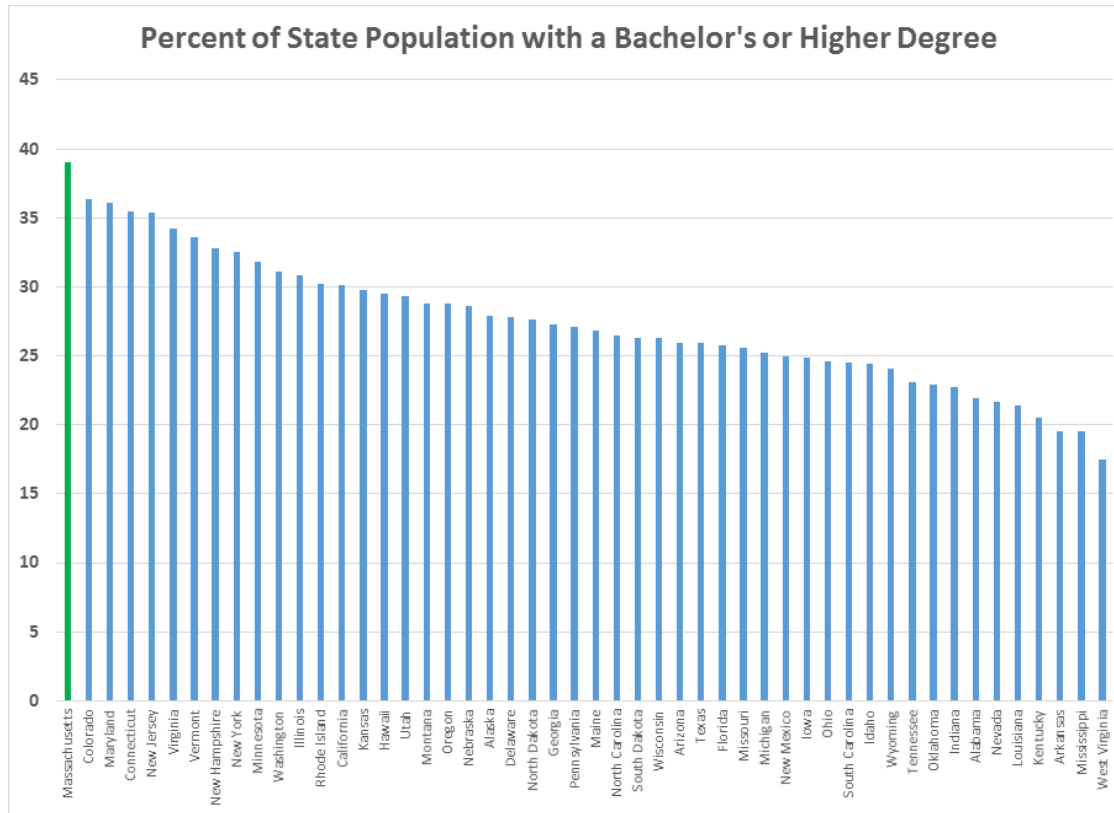
Data Source: 2012 American Community Survey 1-Year Estimates, Public Use Files
Geographic Unit of Analysis: U.S. Census Bureau's Core Based Statistical Area (CBSA). A CBSA is a geographical area defined by an urban center of at least 10,000 people and adjacent areas related to the urban area by commuting patterns. For Boston, this area includes Essex, Middlesex, Norfolk, Plymouth, and Suffolk counties, as well as the New Hampshire counties of Rockingham and Stafford.



Massachusetts: Things are pretty darn good

Our workforce is among the best educated in the country.

We are home to many of the nation's most prestigious hospitals and universities.





Success: The blessing.....

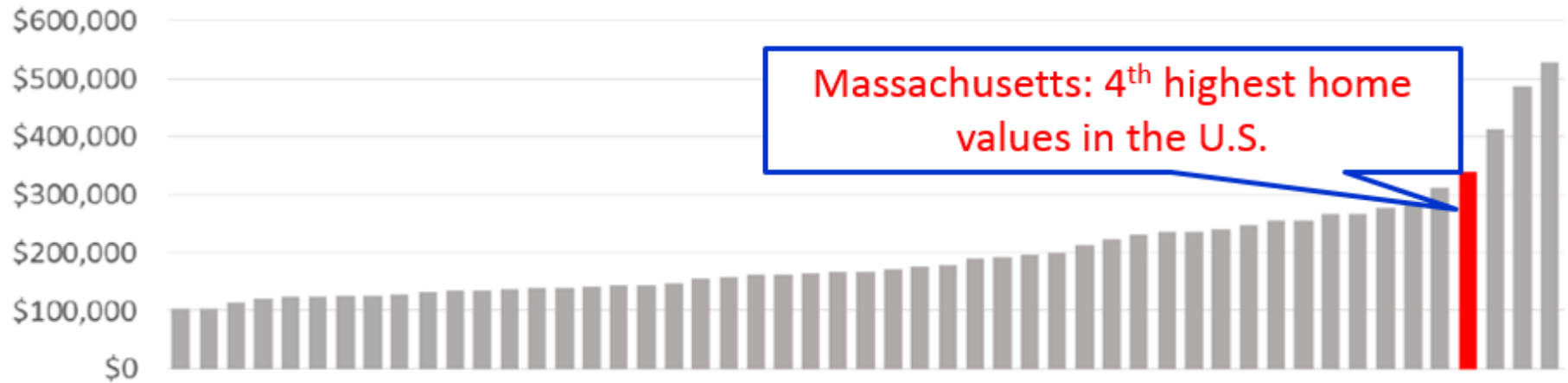
Urban Resurgence & Town Center Revitalization





Success: and the curse for Housing

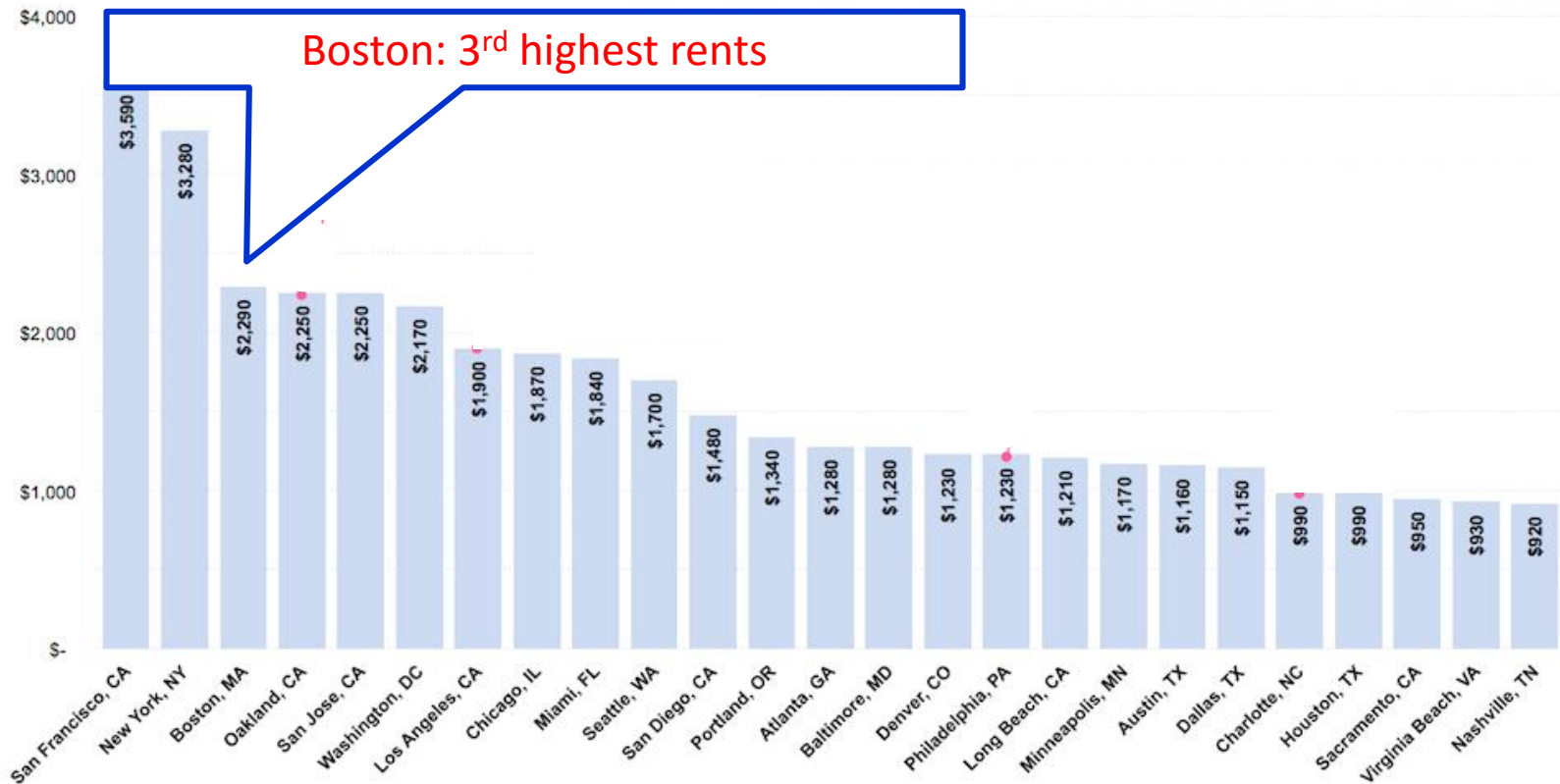
Median Home Price by State



Source: 2014 ACS 1-Year Estimates, U.S. Census Bureau

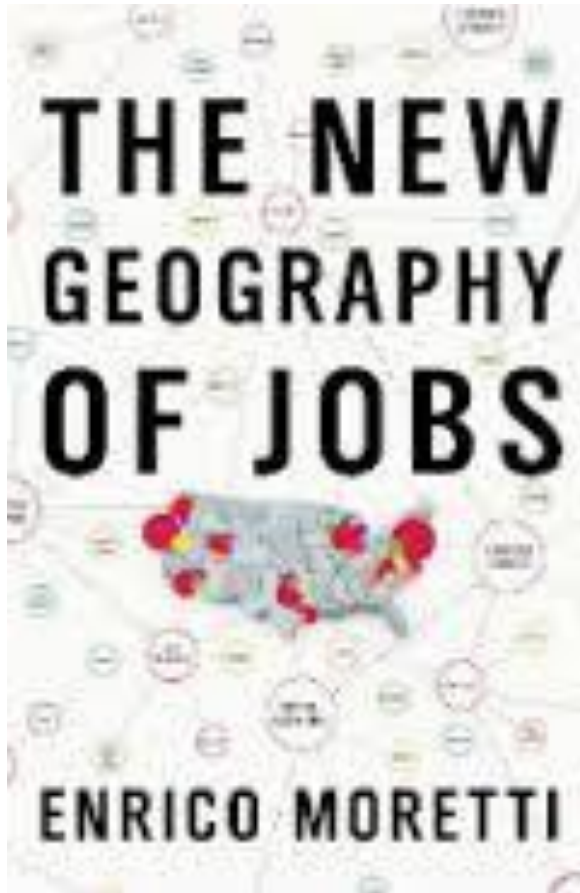


Success: and the curse for Housing





Housing – For Who?



“With only a fraction of the jobs, **the innovation sector generates a disproportionate number of additional local jobs and therefore profoundly shapes the local economy.** My research, based on an analysis of 11 million American workers in 320 metropolitan areas, shows that **for each new high-tech job in a metropolitan area, five additional local jobs are created outside of high tech** in the long run.

These five jobs benefit a diverse set of workers. **Two of the jobs created** by the multiplier effect are **professional jobs — doctors and lawyers** —while **the other three** benefit workers in **nonprofessional occupations — waiters and store clerks.”**

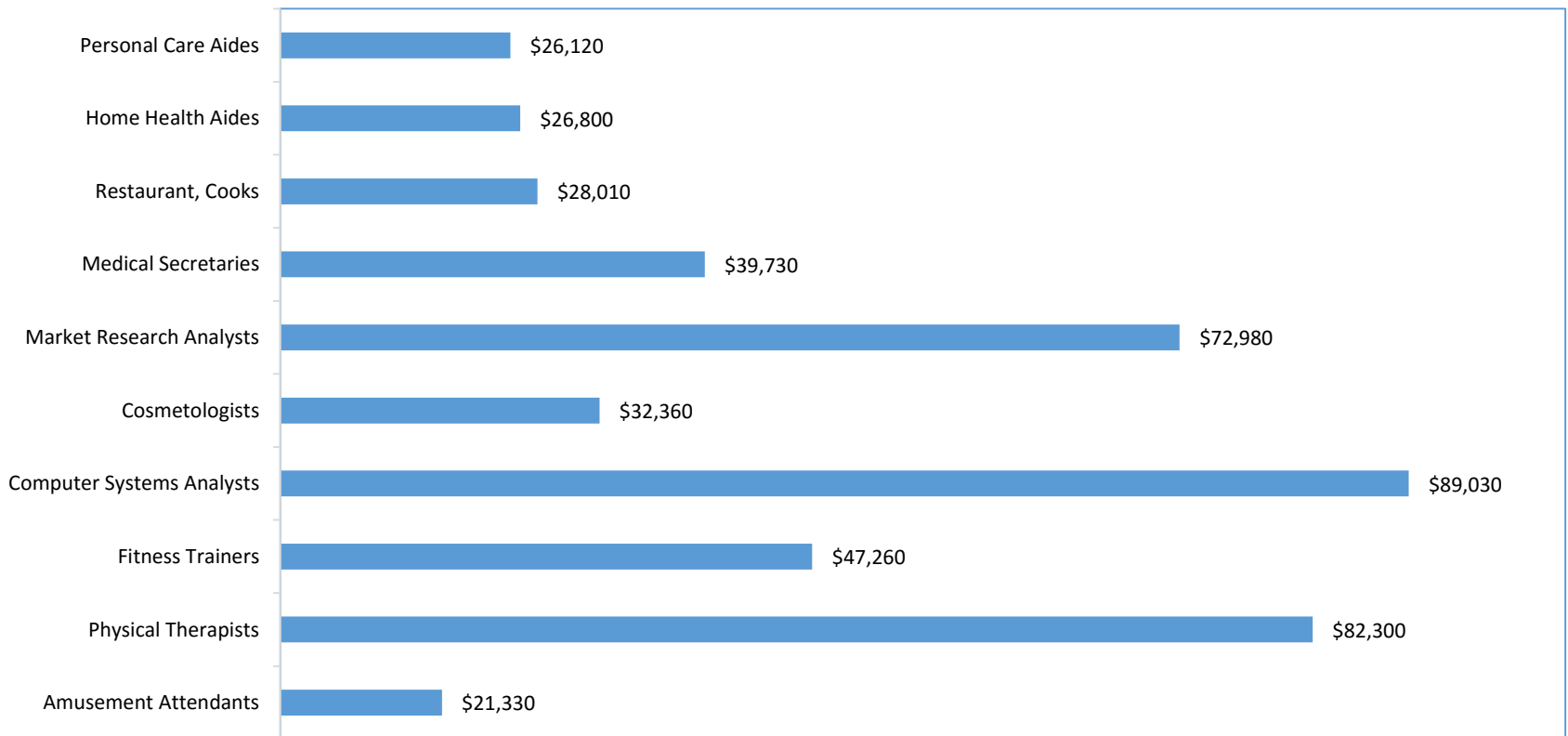


Housing – For Who?

10 Fastest Growing Occupations

Projections 2012 - 2022

2014 Salaries





Housing – For Who?

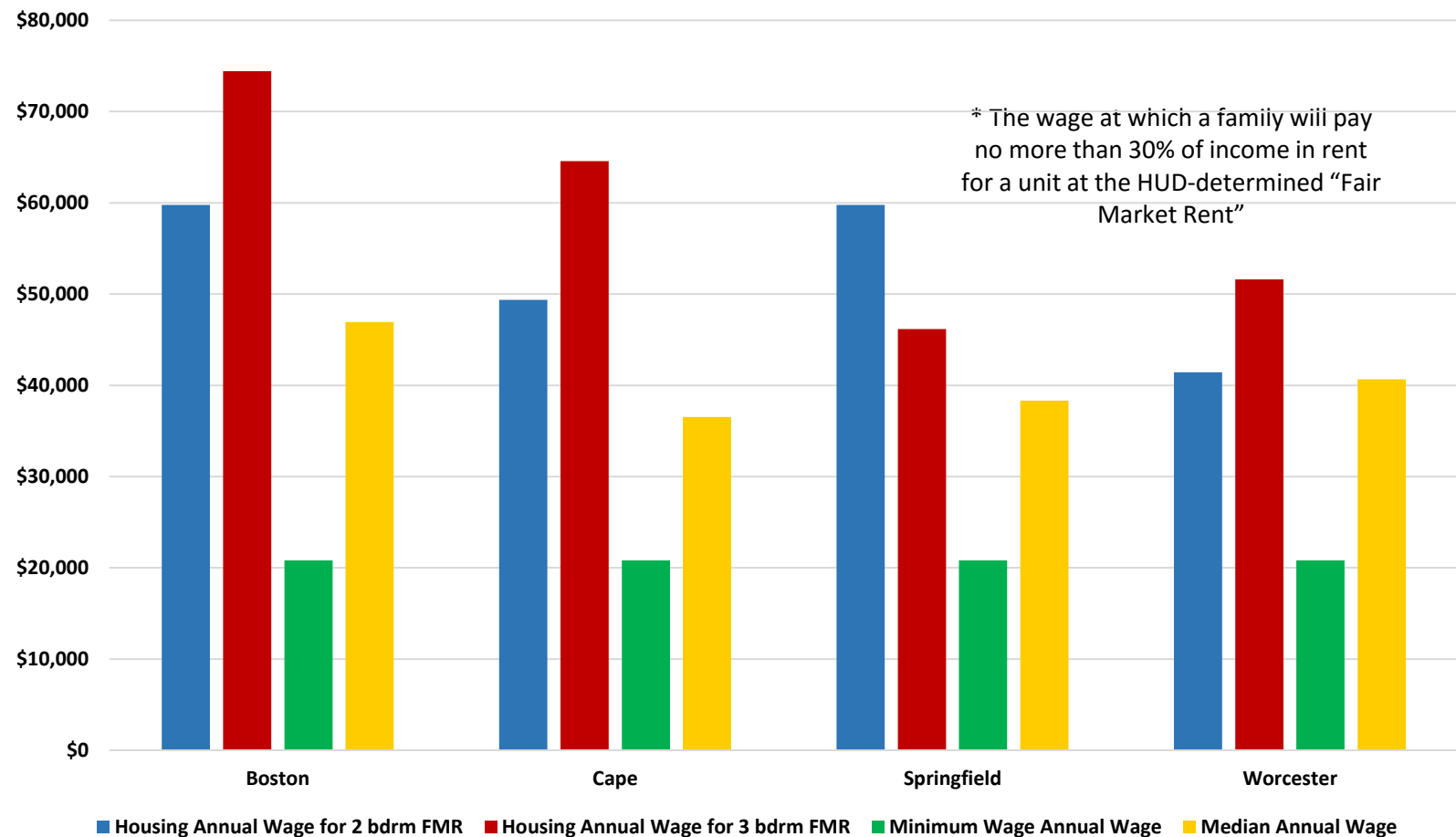
- The majority of statewide job growth by 2022 is projected to be in low to moderate-skill positions.
- MA mean annual salaries:
 - Dentists = \$175,280
 - Schoolteachers = \$62,980
 - Cooks = \$25,220
 - Retail Clerks = \$26,240
- The top three occupations projected to add the largest number of jobs are personal care aides, home health aides, and restaurant cooks – all pay a mean wage of under \$30,000/year.





The Housing-Wage Gap

Needed Annual Wage* to Afford Housing vs. Actual Wages



Source: National Low-Income Housing Coalition, "Out of Reach 2015"



The Housing-Wage Gap

- **Nationally and locally, the number of renters continues to increase.**
 - 43 million Americans are renters – 37% of the nation and the highest share since the mid-1960's. In 2005, there were only 34 million.
 - 38% of Massachusetts residents are renters.
- **Households are paying a greater share of their income for rent than ever before, and it is becoming a middle-class problem.**
 - In the Boston area, 38% of households making \$45,000-75,000 per year spend more than 30% of income on rent.



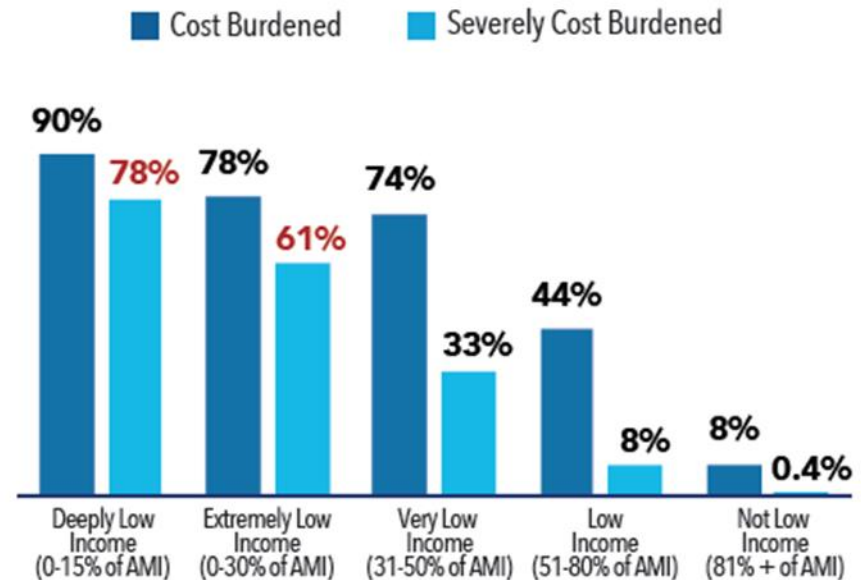
The Housing-Wage Gap

In nearly every county in the state, nearly half of households are paying more than 40% of their income in rent.

- In all but one MA county (Nantucket), between 40-60% of *all renters* pay more than 30% of income for housing – the National standard for housing cost burdened
- Three-quarters of both Very- (50% AMI) and Extremely-Low (30% AMI) Income households pay over 30% of income in rent. The majority of both groups pay over 50%.

HOUSING COST BURDEN BY INCOME GROUP

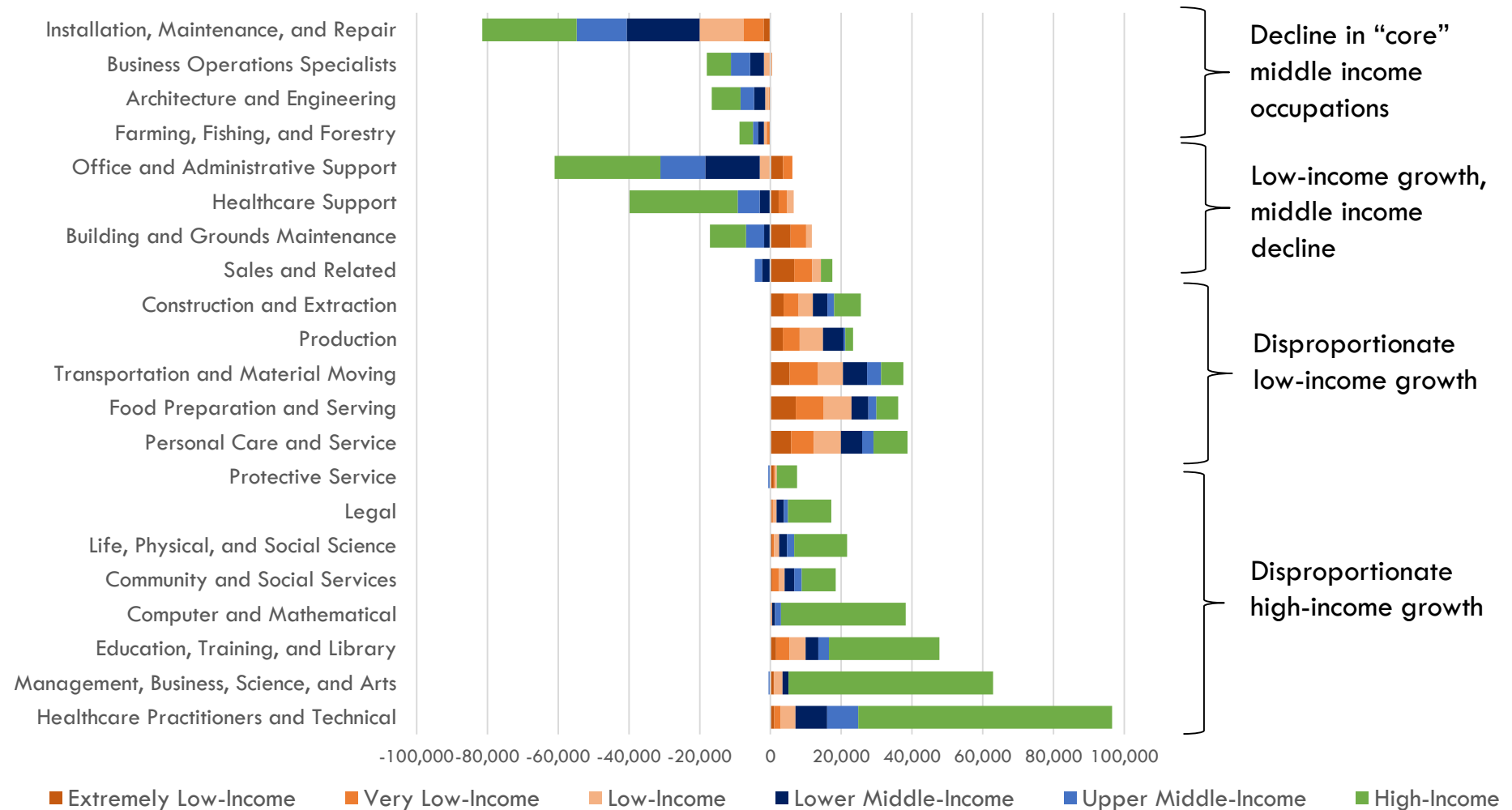
Renter households spending more than 30% of their income on housing costs and utilities are cost burdened; those spending more than half of their income are considered severely cost burdened.



Source: National Low-Income Housing Coalition

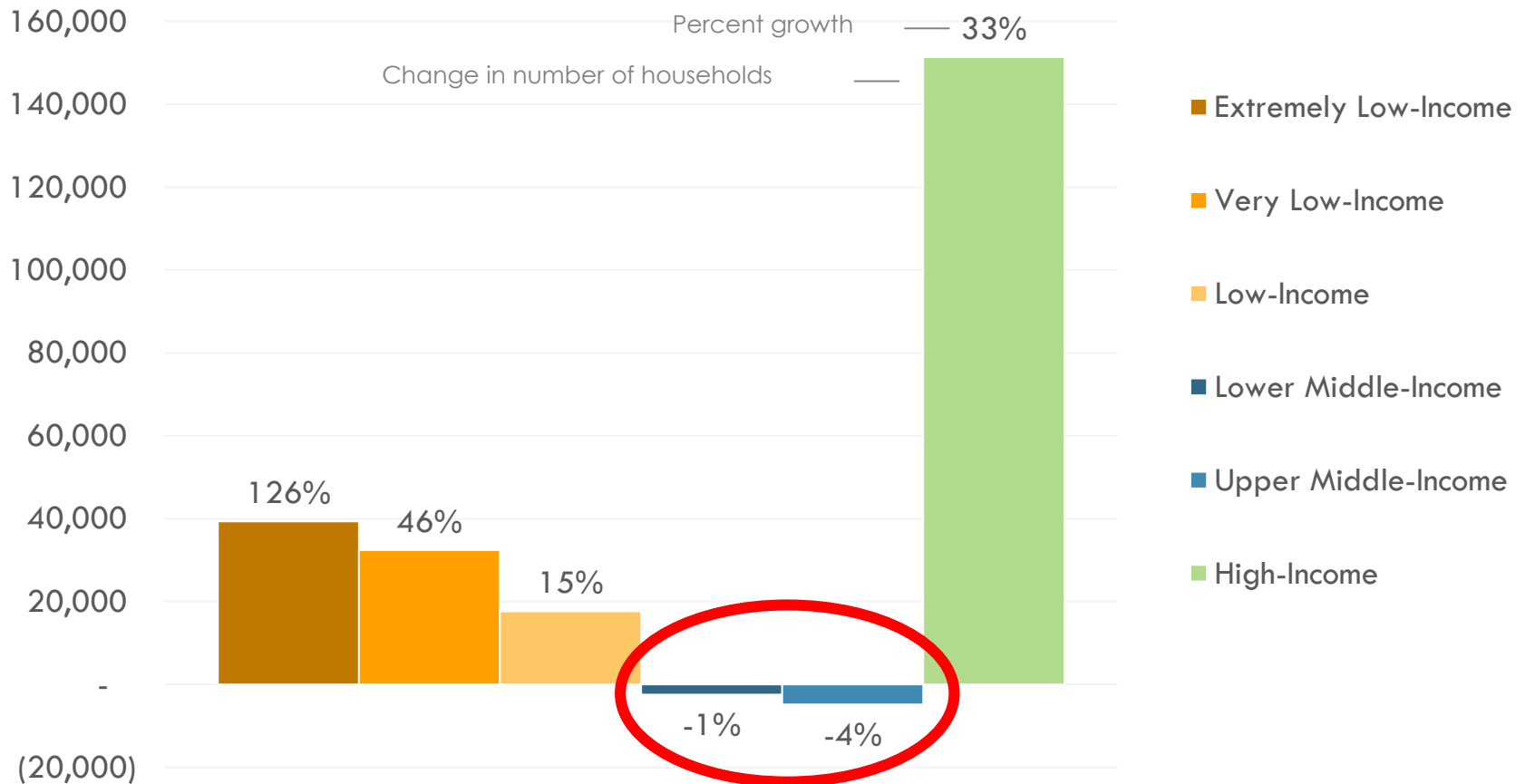
25 years of wage polarization

Occupational Group Change by Household Income Category;
Metro Boston, 1990 to 2014



The Incredible Shrinking Middle Class

Working Households by Income Category
Metro Boston, 1990 - 2014



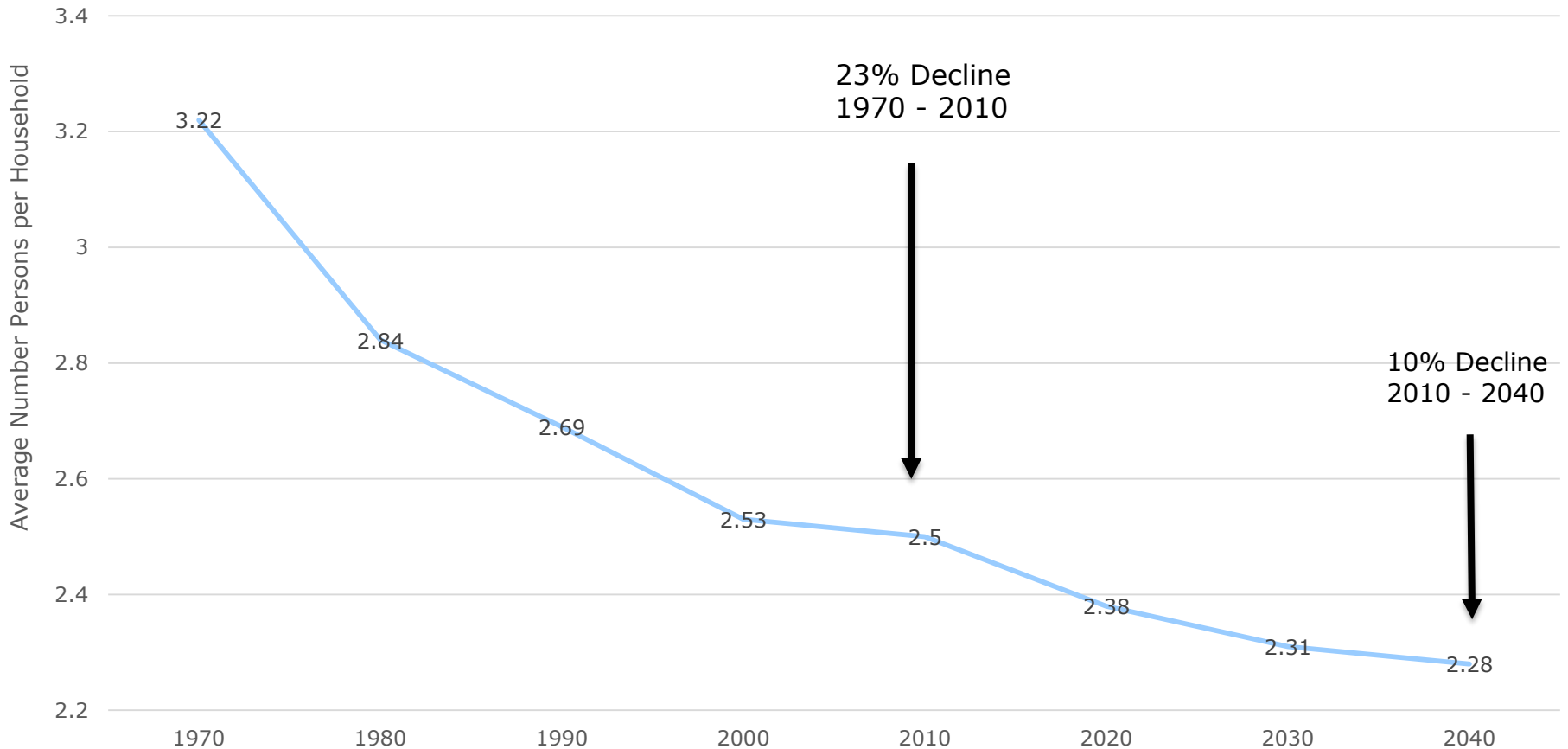
**Middle-Income Working
Households down 3%**



Why Multifamily Production?

Average Household Size

Metro Boston 1970 - 2040

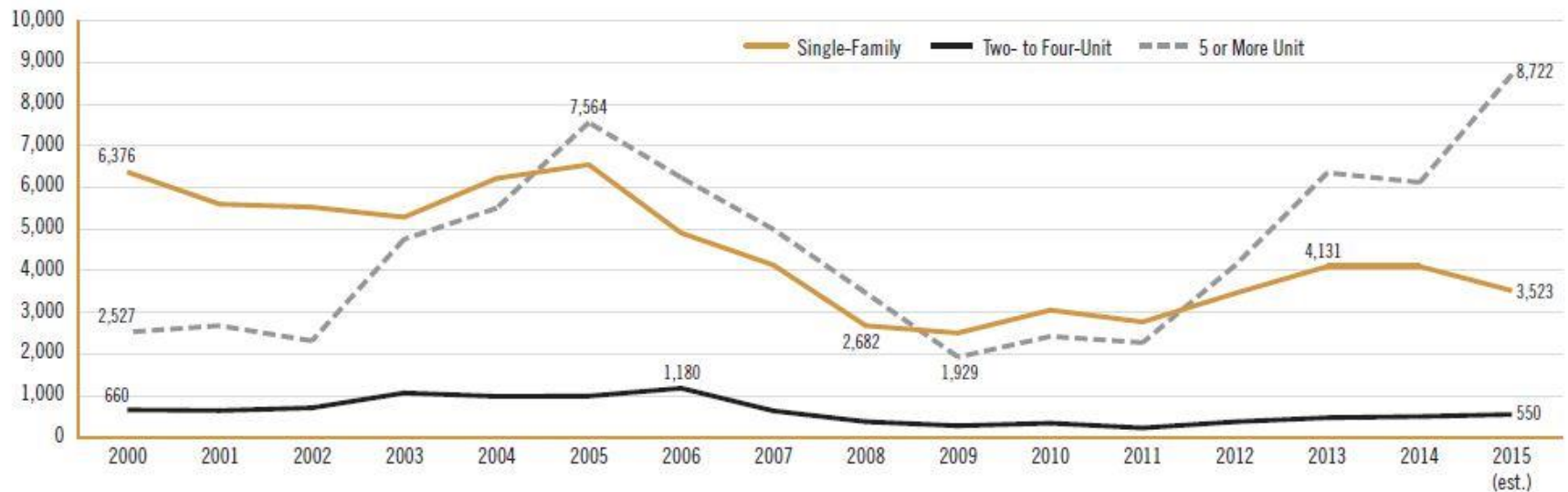




Why Multifamily Production?

FIGURE 2.6

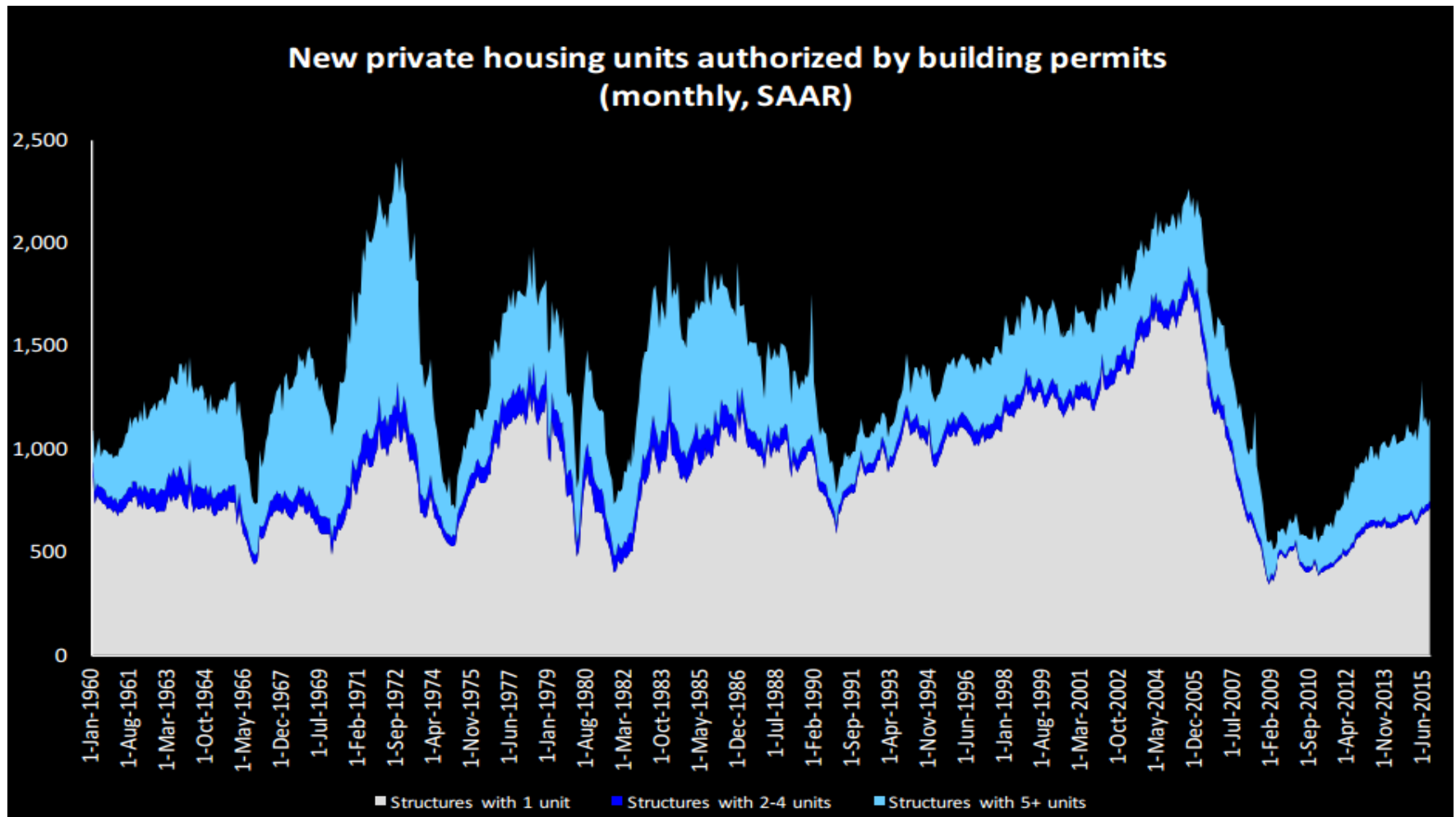
Number of Housing Unit Permits in Five-County Greater Boston Region, by Structure Type 2000–2015



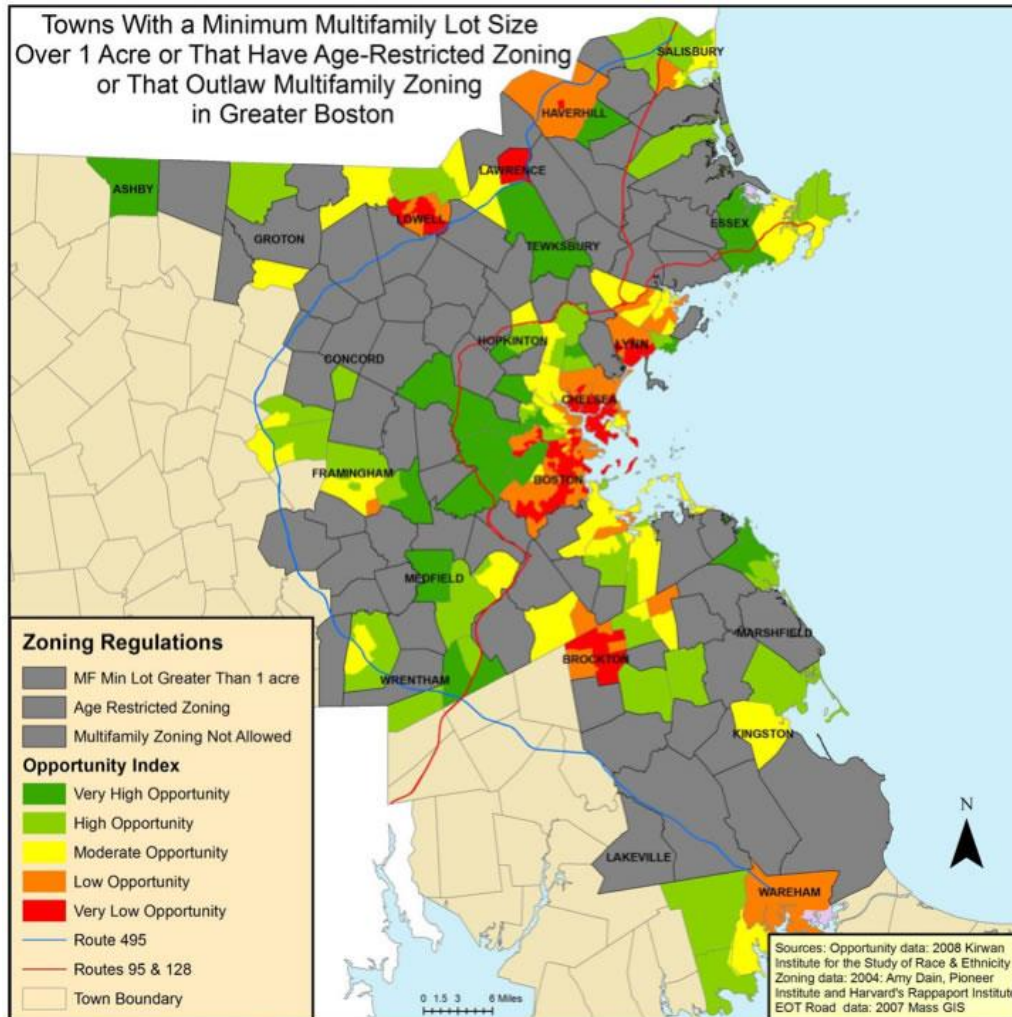
Source: U.S. Census Bureau, Building Permits Survey for Essex, Middlesex, Norfolk, Plymouth and Suffolk counties



Why Multifamily Production?



Why Multifamily Production?



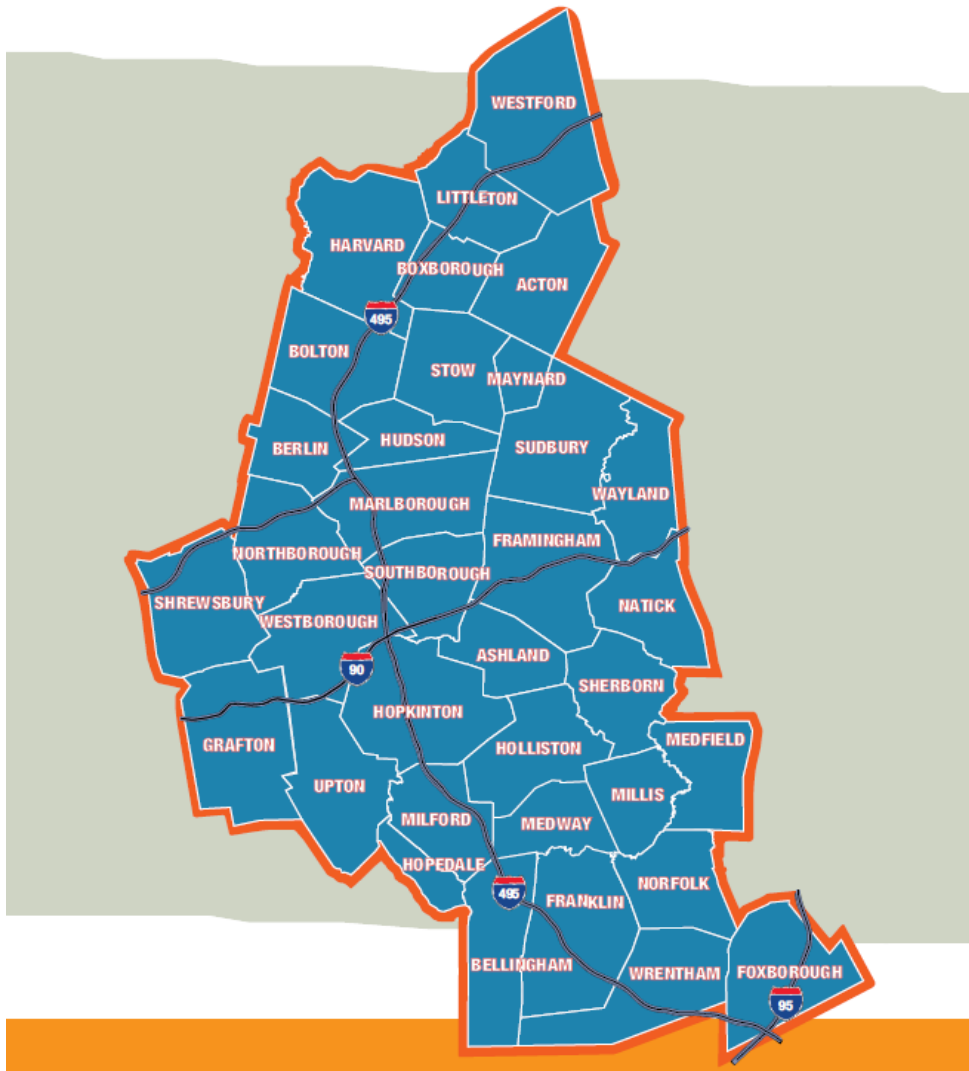
Source: Metropolitan Area Planning Council

207 out of 351 cities & towns did not permit any multifamily housing in past decade.

- Tend to be communities with access to quality education, health care, transportation and jobs and other amenities.
- Because of supply and demand, this artificially drives up housing costs.
- ½ all MA multifamily (5+ units) housing production in past decade concentrated in 10 cities & towns



Housing in the Region



- Of the 35 communities in the 495/Metrowest Corridor Partnership, six have met or exceeded the 10% SHI goal.
- 25 communities have an approved Housing Production Plan (HPP).
- Since 2010, DHCD has invested in 18 projects in the region totaling over \$95.5M in tax credits and DHCD subsidies.



What are we doing?

Evolving Implementation Framework

- **Build....and fast**
 - Plan
 - Community Scale Production
 - Supportive Housing Solutions
 - Workforce Housing Opportunity Fund
 - Partnership to Expand Housing Opportunities

- **Subsidy**
 - Increased MRVP budget

- **Make more homeowners...on smaller lot sizes and smaller units**
 - ONE Mortgage
 - 40R Starter Home Overlay Districts



What are we doing?

Investment Framework

- ✓ Continue **\$185 million** investment to produce about **1,600** and preserve more than **45,000 affordable homes** across the Commonwealth every year.
- ✓ **\$160 million** increased investment that **leverages \$150 million** of **MassHousing** funds and other resources to produce and preserve more than **5,000 affordable and workforce units** over 5 years.
- ✓ Use housing policy to **catalyze economic prosperity** for Massachusetts citizens.



What are we doing?

Investment Framework

CAPITAL EXPANSION

Initiative Category	FY2017	FY2018	FY2019	FY2020	FY2021	5 Yr Total
Preservation (CIPF)	\$ 10,000,000	\$ 15,000,000	\$ 10,000,000	\$ 10,000,000	\$ 5,000,000	\$ 50,000,000
Supportive Housing Solutions (HIF & HSF)	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 25,000,000
Community Scale (HSF & AHTF)	\$ -	\$ -	\$ 4,000,000	\$ 5,000,000	\$ 5,000,000	\$ 14,000,000
Open for Business (CATNHP/TOD)	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 9,000,000
Public Housing Mixed-Income Demonstration	\$ -	\$ -	\$ 8,500,000	\$ 8,500,000	\$ 8,500,000	\$ 25,500,000
Mixed-Income Community Development (AHTF)	\$ -	\$ 4,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 34,000,000
TOTAL	\$ 15,000,000	\$ 24,000,000	\$ 40,500,000	\$ 41,500,000	\$ 36,500,000	\$ 157,500,000



What are we doing?

Investment Framework

<u>Account Name</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>5 Yr Total</u>
Facilities Consolidation Fund	\$ 11,955,104	\$ 11,955,104	\$ 11,600,000	\$ 11,600,000	\$ 11,600,000	\$ 58,710,208
Housing at Transit Nodes	\$ 2,000,000	\$ 2,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 19,000,000
Housing Innovations Fund	\$ 14,938,194	\$ 15,008,930	\$ 14,938,194	\$ 14,938,194	\$ 14,938,194	\$ 74,761,706
Housing Stabilization Fund	\$ 23,675,000	\$ 23,675,000	\$ 25,675,000	\$ 26,175,000	\$ 26,175,000	\$ 125,375,000
Mass Rehabs Home Modification Loan Program	\$ 6,500,000	\$ 6,500,000	\$ 6,500,000	\$ 6,500,000	\$ 6,500,000	\$ 32,500,000
Public Housing - Affordable Housing Trust Fund	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 25,000,000
Public Housing - General	\$ 85,000,000	\$ 85,000,000	\$ 87,000,000	\$ 90,000,000	\$ 90,000,000	\$ 437,000,000
Public Housing Innovation Development Program (PHIDP)	\$ -	\$ -	\$ 8,500,000	\$ 8,500,000	\$ 8,500,000	\$ 25,500,000
Capital Improvement and Preservation Fund	\$ 10,000,000	\$ 15,000,000	\$ 10,000,000	\$ 10,000,000	\$ 5,000,000	\$ 50,000,000
Urban Revitalization Development Grant Program (URDG)	\$ 1,168,306	\$ 1,168,306	\$ 1,094,898	\$ -	\$ -	\$ 3,431,510
Affordable Housing Trust Fund	\$ 35,000,000	\$ 39,000,000	\$ 47,000,000	\$ 47,500,000	\$ 47,500,000	\$ 216,000,000
Community Based Housing	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 25,000,000
ANNUAL TOTALS	\$ 200,236,604	\$ 209,307,340	\$ 227,308,092	\$ 230,213,194	\$ 225,213,194	\$ 1,092,278,424



What are we doing?

Legislative Framework

- ✓ Economic Development Bill – **Opportunities For All** provides **\$25 million** to support Smart Growth Trust Fund and other modifications to promote housing production across the Commonwealth. This includes the **Housing Development Incentive Program, Starter Home Overlay Districts** and a **\$500 million increase for MassWorks** funding.



What are we doing?

Key Strategies

- **Unlock the value of public land**
 - Open for Business: allow key sites to move more quickly through the process
 - Mixed-income public housing communities – create more housing and preserve deep affordability
 - Urban Agenda
- **Partner with communities to meet varied housing needs**
 - As market conditions continue improving, respond to municipalities' increasing interest in developing downtown, transit-oriented housing through Chapter 40R and the Urban Center Housing Tax Increment Financing.
 - Incentivize development of “starter homes”, smaller and more affordable
 - Plan, plan, plan
- **Increased resources to preserve deeply affordable units**
 - 13A
 - 40T transactions
 - Public housing
 - Increased MRVP funding
- **Economic Prosperity**
 - Advisory Council
 - Public housing comprehensive services strategy



What we are doing?

Early success

- Preserved **4,400 affordable units** in 2015 and in awarded funding in 2016 to create or preserve **an additional 1,420 units of housing**.
- Investing in **mixed-income housing** development at Chelsea and Somerville Housing Authorities, **renovating 312 public housing units** and **creating 534 new market-rate housing units**.
- **Reducing** the number of families in the **Emergency Assistance programs**
 - Since January 2015, the Baker-Polito Administration has been working with our partners in the legislature on a **comprehensive approach** to reducing caseloads through prevention, diversion and rapid rehousing.
 - The number of families in hotels has been **reduced by 87%** - from 1,555 to 206 (11/16/16).



What you can do

Plan and permit multifamily housing for **FAMILIES**





What you can do

Prioritize CPA funds for affordable multifamily development





What you can do

Encourage and support development near transit



Framingham, MA



What you can do

Keep sharing your ideas

