



## HOUSING SOLUTIONS

Discussion: Aligning Leaders and Solutions Across Sectors  
October 28, 2019

# Agenda

- **WELCOME & INTRODUCTIONS**

RACHEL HELLER, CHAPA

- **RECAP OF PRIOR DISCUSSIONS**

SONI GUPTA, THE BOSTON FOUNDATION

- **PANEL: HEALTHCARE AND HOUSING**

MODERATOR: MEGAN SANDEL, BOSTON MEDICAL CENTER

- **PANEL: CROSS-SECTOR COLLABORATION**

MODERATOR: KAREN KELLEHER, LISC

- **FACILITATED GROUP DISCUSSION**

## The Affordable Housing Crisis

### Next Level Housing Solutions

Next Level Housing Solutions is a call to action to Massachusetts leaders to take our responses to the housing crisis to the next level. The crisis is multi-dimensional and requires creative cross-sector collaboration and cross-sector solutions. We know that it will get worse if we continue to do what we are doing now.



### Next Level Housing Solutions Discussion Series

July 2019 – February 2020

Tackling Income Inequality and Driving  
Racial Equity – *July 17*

Creative Policy Solutions – *July 30*

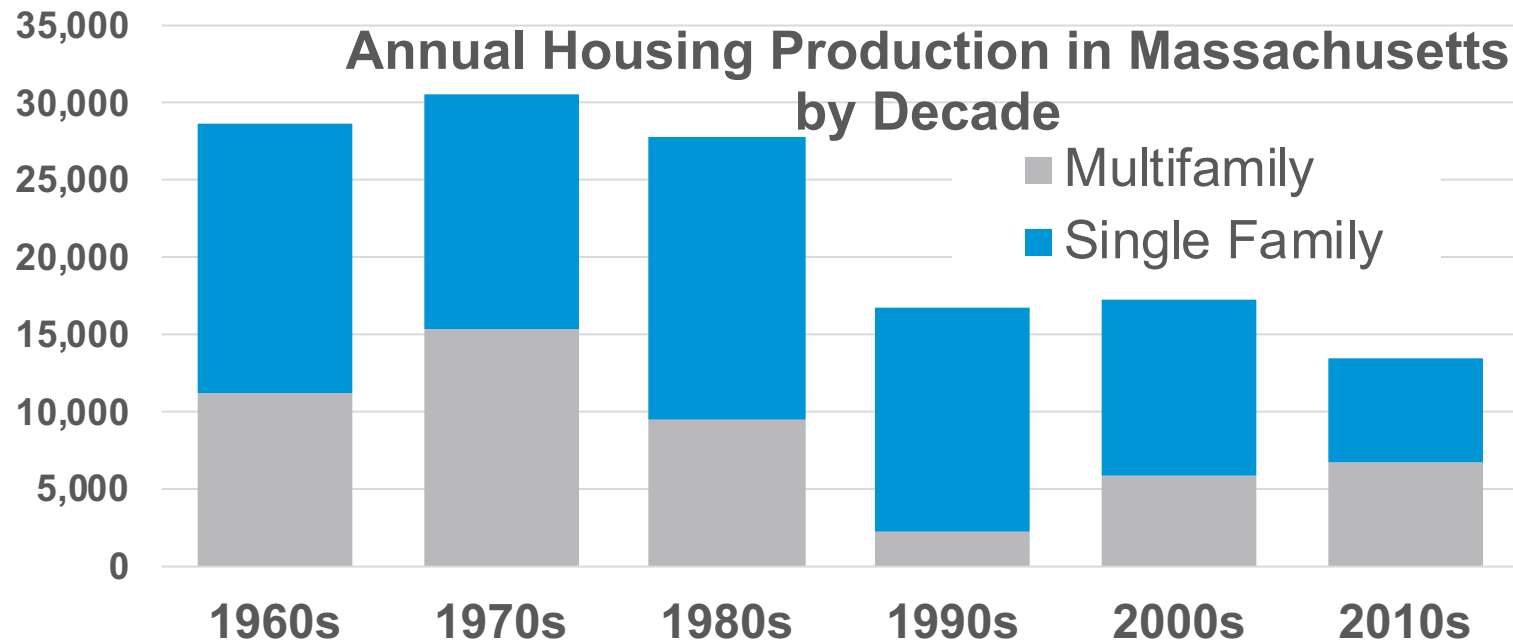
Creative Financing Solutions – *Sept. 10*

Aligning Leaders and Solutions Across  
Sectors – *Oct. 28*

Building Urgency and Political Will –  
*Dec. 4*

Next Level Housing Symposium –  
*Feb. 6, 2020*

# Housing production has sharply declined in Massachusetts despite increases in population and employment



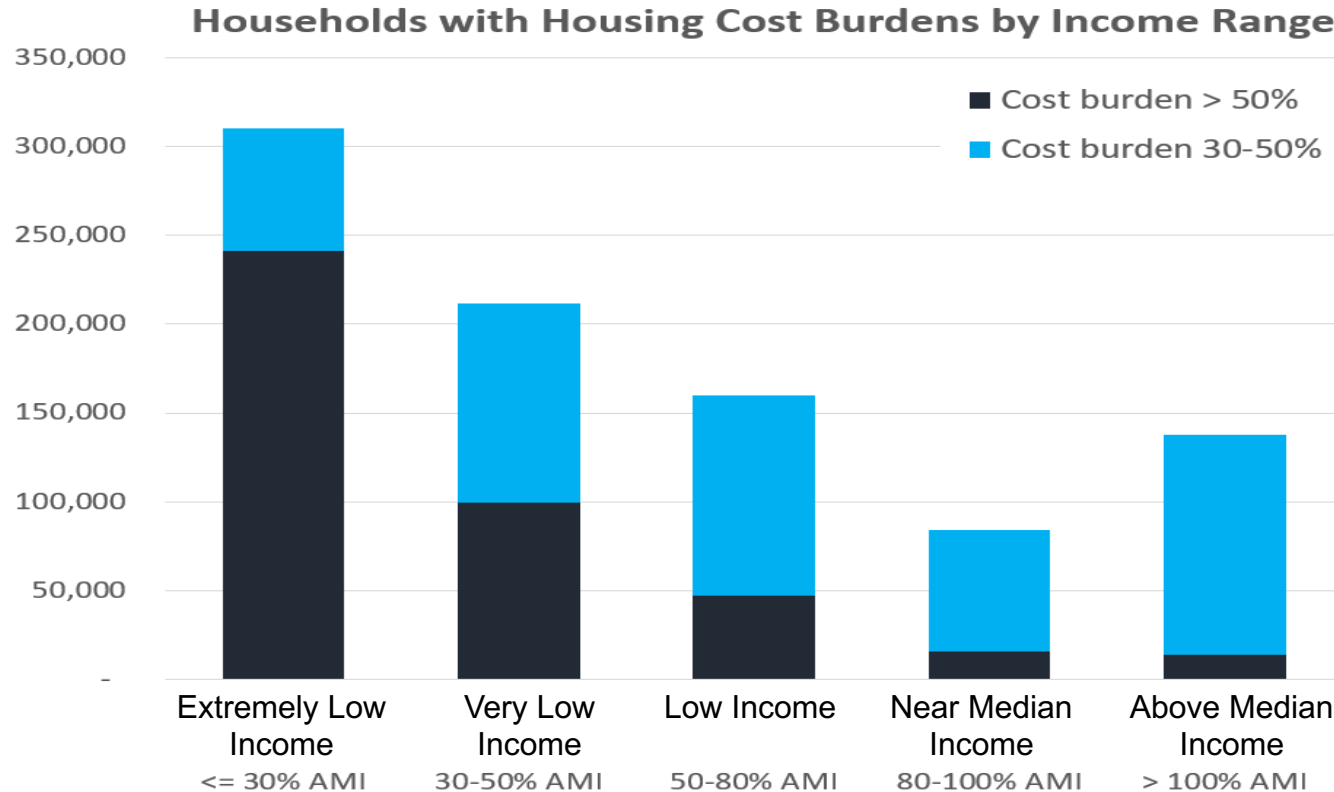
Data from U.S. Census Bureau, Building Permit Survey. Multifamily is defined as a structure with 2+ units.

**Without adding any more jobs or people the state has a housing supply gap of 39,000 units, heavily concentrated in metro Boston.**





# Nearly twenty percent of households are severely cost-burdened and not receiving housing assistance.



# Two major drivers behind housing supply gap

## ABOVE-AVERAGE CONSTRUCTION COST

Cost per square foot to build multifamily housing in metro Boston is about 20 percent above national average (RS Means data)



## HYPER-LOCAL LAND USE REGULATION

Massachusetts has some of the smallest zoning jurisdictions in the U.S. Most states regulate land use at the county or regional level



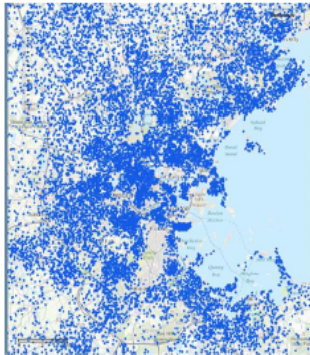
## Few Localities Work to Solve It

More than 50% of the multifamily units permitted over the last 5 years were in just **5 cities and towns:** Boston, Cambridge, Chelsea, Everett and Watertown.

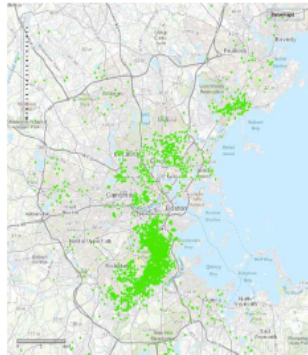
Meanwhile more than half of the cities and towns in Massachusetts (177 of 351) did not permit any multifamily housing in the past decade

# Strong economic growth & unmet housing demand is displacing Boston households of color

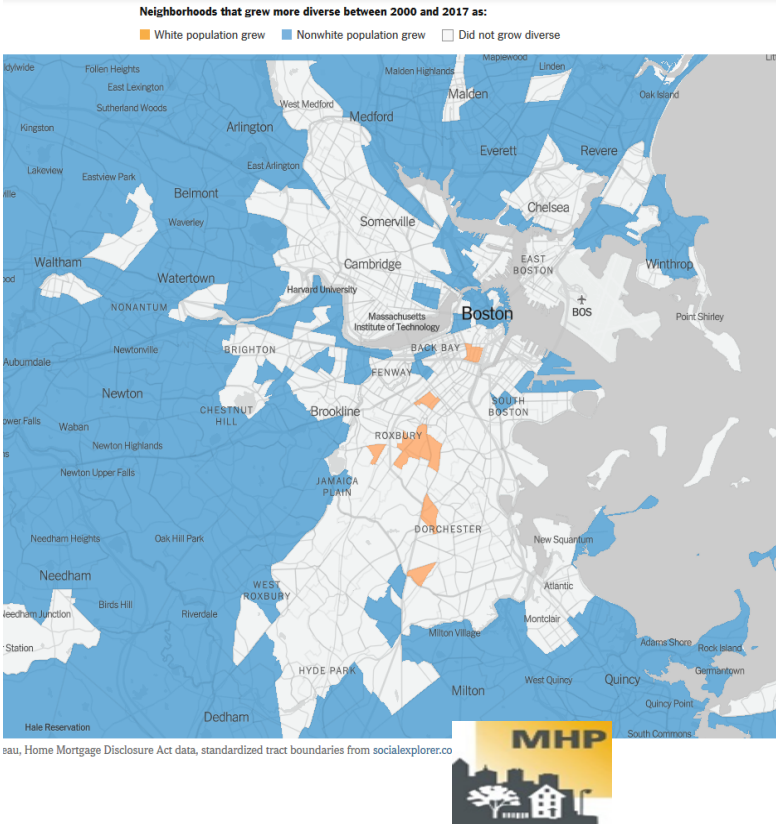
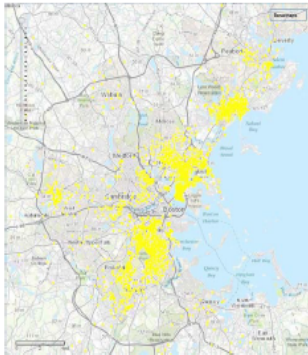
Whites



Blacks



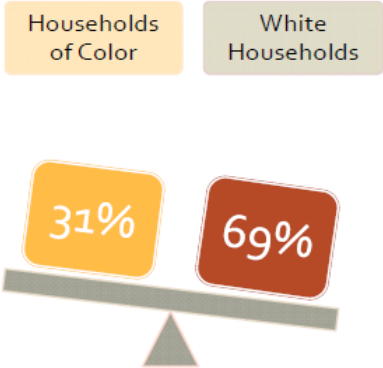
Latinos



Source: Census Bureau data mapped by The New York Times

# Black and Latino homeownership rates are much lower than White homeownership rates.

## Racial Homeownership Gap



This puts MA 49<sup>th</sup> in the nation. It contributes to persistent Income inequality and racial wealth gaps that are also among the highest in the nation.

## Income Inequality

Boston was recently ranked 7<sup>th</sup> nationally for income inequality (down a bit from #1 in 2014)

Source: Brookings Institution

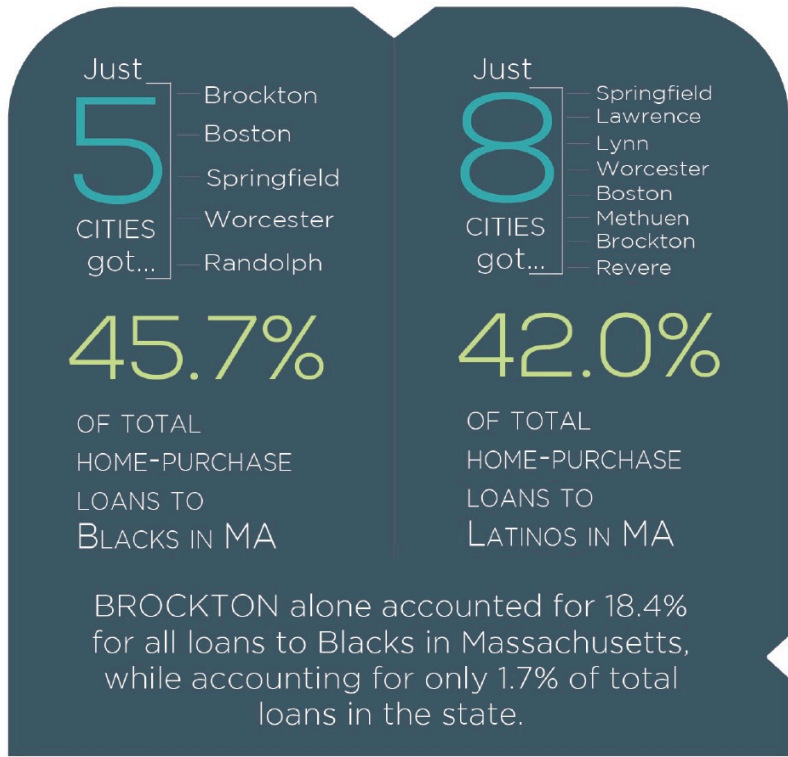
## Median Net Worth In Boston

White Households	Black Households
\$247,500	\$8



# Home purchases by minorities are extremely concentrated by race

## BLACK & LATINO LENDING STATEWIDE



## Next Level Housing Solutions



**Tackling  
Income  
Inequality and  
Driving Racial  
Equity**

***July 17, 2019***

# Next Level Housing Solutions Discussion, July 17, 2019

## Tackling Income Inequality and Driving Racial Equity

### EQUITY

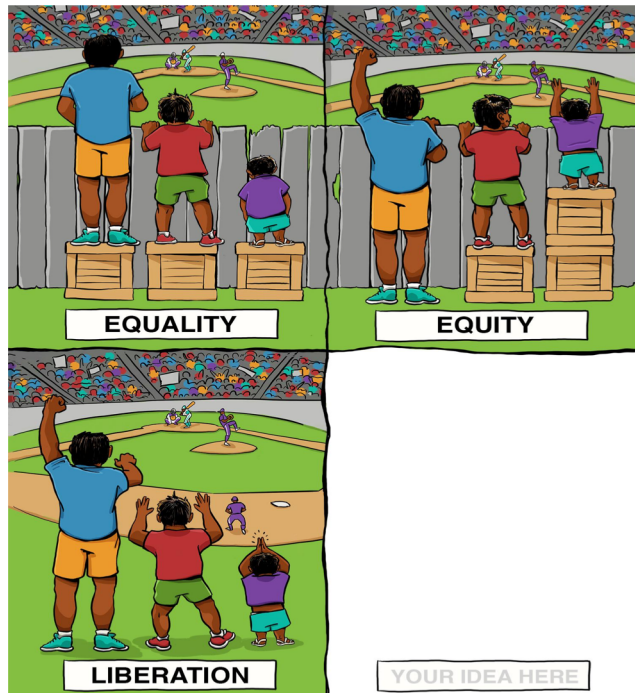
#### PROCESS



#### OUTCOMES

all groups have  
access to the  
resources and  
opportunities  
necessary to  
improve the quality  
of their lives

differences in life  
outcomes cannot  
be predicted  
on the basis of  
race, class, or  
other dimensions  
of identity



<https://www.storybasedstrategy.org/the-4th-box/>

### Four Levels of Racism

MACRO  
LEVEL

INSTITUTIONAL



STRUCTURAL



MICRO  
LEVEL

INTERNALIZED



INTERPERSONAL

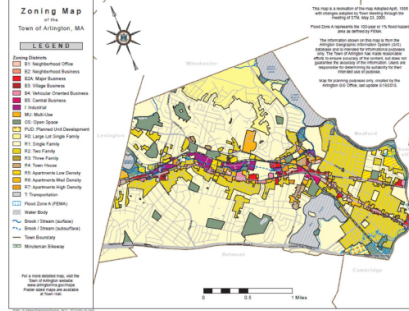




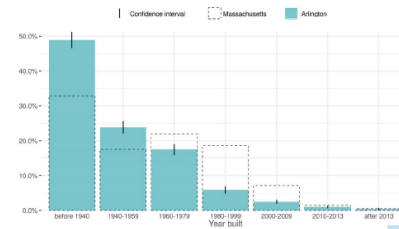
# Next Level Housing Solutions Discussion, July 17, 2019

## Tackling Income Inequality and Driving Racial Equity

### 2015 Arlington, MA Zoning Map



### Housing stock by year built Arlington v. State



Most of  
Arlington's  
housing was  
built before  
1980.

Source: U.S. Census Bureau, American Community Survey, 2013-2017 5-year estimates  
Table S2504. Physical Housing Characteristics for Occupied Housing Units

### Weston

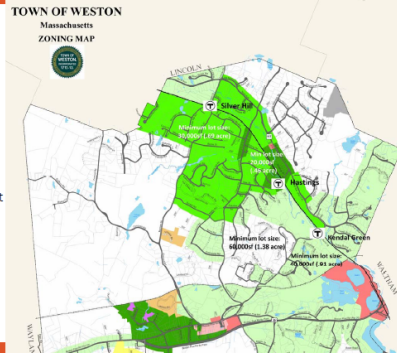
#### Minimum lot sizes

**Dark Green** = 20,000 square ft  
(0.46 acre)

**Bright Green** = 30,000 square ft  
(0.69 acre)

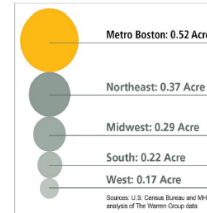
**Light Green** = 40,000 square ft  
(0.91 acre)

**White** = 60,000 square feet  
(1.37 acres)

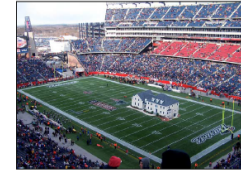


### Large lot zoning drives up costs.

Greater Boston  
median lot size:



Greater Boston  
average lot size:



Sources: U.S. Census Bureau and MHP  
analysis of The Urban Group data





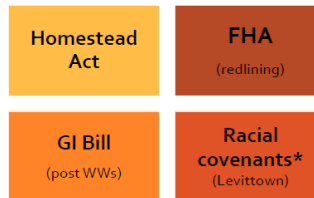
# Next Level Housing Solutions Discussion, July 17, 2019

## Tackling Income Inequality and Driving Racial Equity

### History of Housing Discrimination

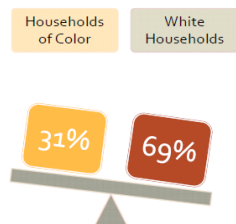


### Homeownership policy



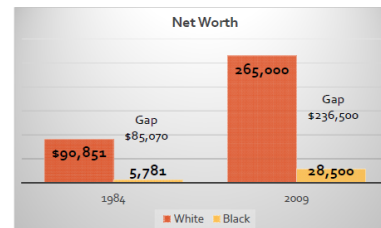
### Massachusetts Homeownership

Racial gap = 49<sup>th</sup> in nation



[www.scorecardproject.com/2016](http://www.scorecardproject.com/2016)

### A Look at Net Worth



Brandeis Institute on Assets & Social Policy, "The Roots of the Widening Racial Wealth Gap: Explaining the Black-White Economic Divide," 2013.



## **Next Level Housing Solutions Discussion, July 17, 2019**

### **Tackling Income Inequality and Driving Racial Equity**

#### **Discussion Groups**

**Asset & Wealth  
Building**

**Homeownership**

**Zoning Reform**

**Eviction  
Prevention**

## Next Level Housing Solutions

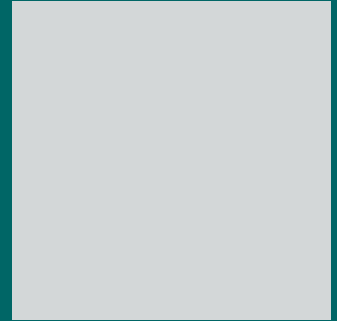


**Creative Policy  
Solutions**

*July 30, 2019*

# Housing Policy Landscape

- **Production:** We need to produce more homes and more homes that are affordable to people with extremely low, very low, moderate, and middle incomes.
- **Preservation:** We need to preserve the affordable housing we have AND preserve the ability of people to stay in the neighborhoods where they have lived and built community.
- **Planning:** We need to plan for and allow more diversity in our housing stock.
- **Prosperity:** Everyone should have a safe, healthy, affordable home and opportunities to prosper.



# Housing Policy Landscape: Production

## Multifamily Housing Production

- Housing Production Legislation requiring multifamily zoning and affordability goals
- Public Housing Redevelopment – public private partnerships to add mixed income housing

## Removing Barriers to Production

- Governor's Housing Choice: reducing voting threshold for housing-related best practices in zoning & reducing special permit threshold for mixed-use & TOD affordable housing developments

## Investing in Affordable Housing

- Transfer Tax: allow municipalities to assess fees between .5% to 6% of the purchase price of properties
- Deeds Excise Tax: Increase deeds excise for climate resiliency and affordable housing
- Rental Assistance
- ✓ Community Preservation Act

# Housing Policy Landscape: Preservation

## Rental Assistance & Operating Support

- Massachusetts Rental Voucher Program (MRVP)
- Alternative Housing Voucher Program
- Public Housing

## Tenant Protections & Anti-displacement

- Right to Counsel
- Right to Purchase
- No Fault Evictions for Seniors
- Rent Arrearage Program
- Rent Control
- Land Trusts

## Improving Housing Conditions

- Lead Poisoning Prevention
- Neighborhood Stabilization Act

# Housing Policy Landscape: Planning

## Undoing Zoning Barriers

- Housing Choice
- Housing Production legislation
- Exclusionary Zoning

## Tools for Homeowners

- Accessory Dwelling Units

## Transit Oriented Development

- Reducing Parking Requirements
- MBTA-owned land

# Housing Policy Landscape: Prosperity

## Addressing Cliff Effects

- System Coordination to Improve Access to Services
- Impact study for minimum wage increases on cliff effects
- ✓ Lift the Cap on Kids

## Asset Building

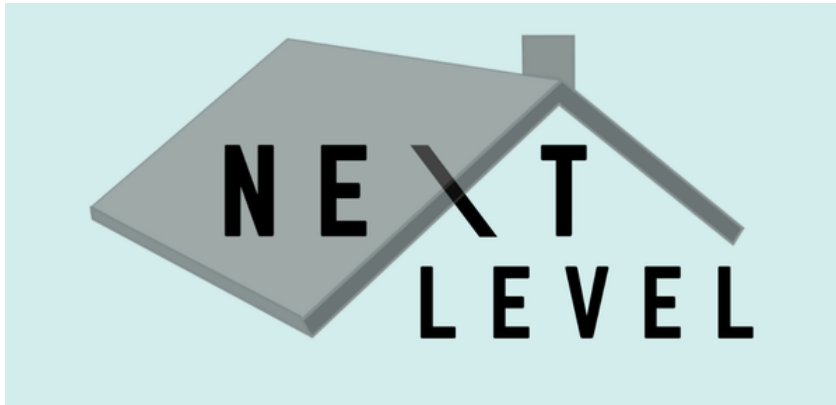
- Homeownership
- Addressing racial homeownership gap

## Access to Affordable Housing & Assistance

- Eviction Record Sealing
- Streamlining SNAP applications through MassHealth
- Increase Welfare Benefits
- Data Transparency



## Next Level Housing Solutions



**Creative  
Financing  
Solutions**

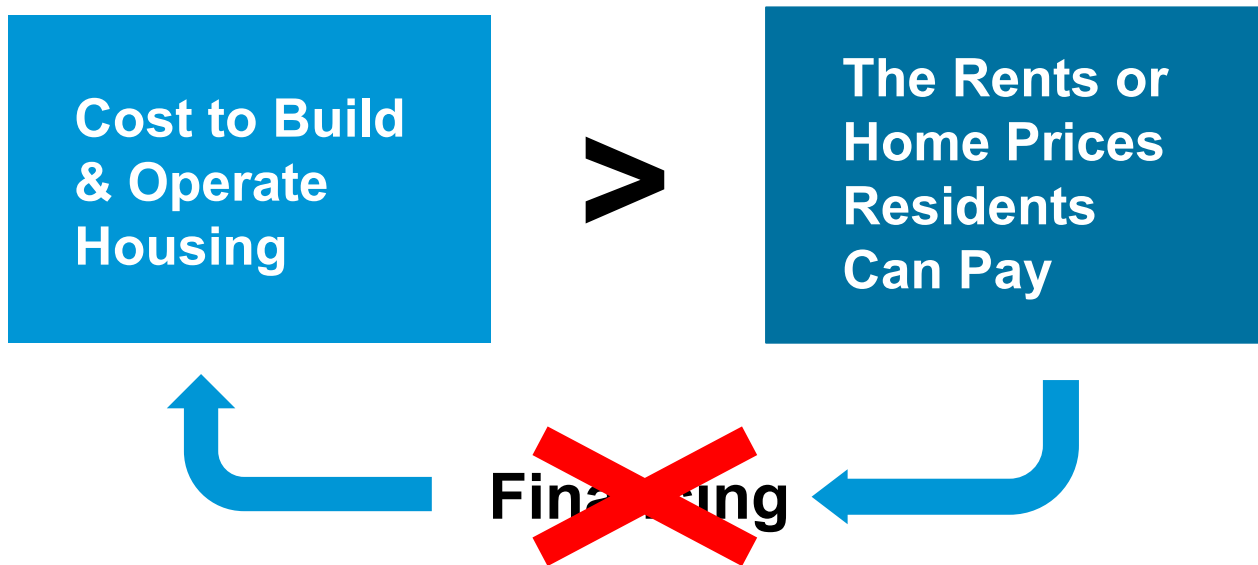
***September 10, 2019***



## Next Level Housing Solutions Discussion, Sept 10, 2019

### Creative Financing Solutions

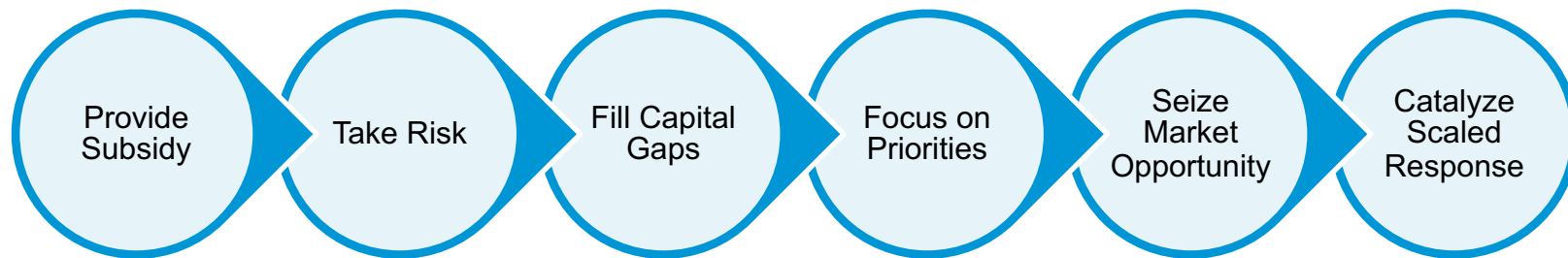
The market is not producing the housing we need.





## Next Level Housing Solutions Discussion, Sept 10, 2019

### Creative Financing Solutions

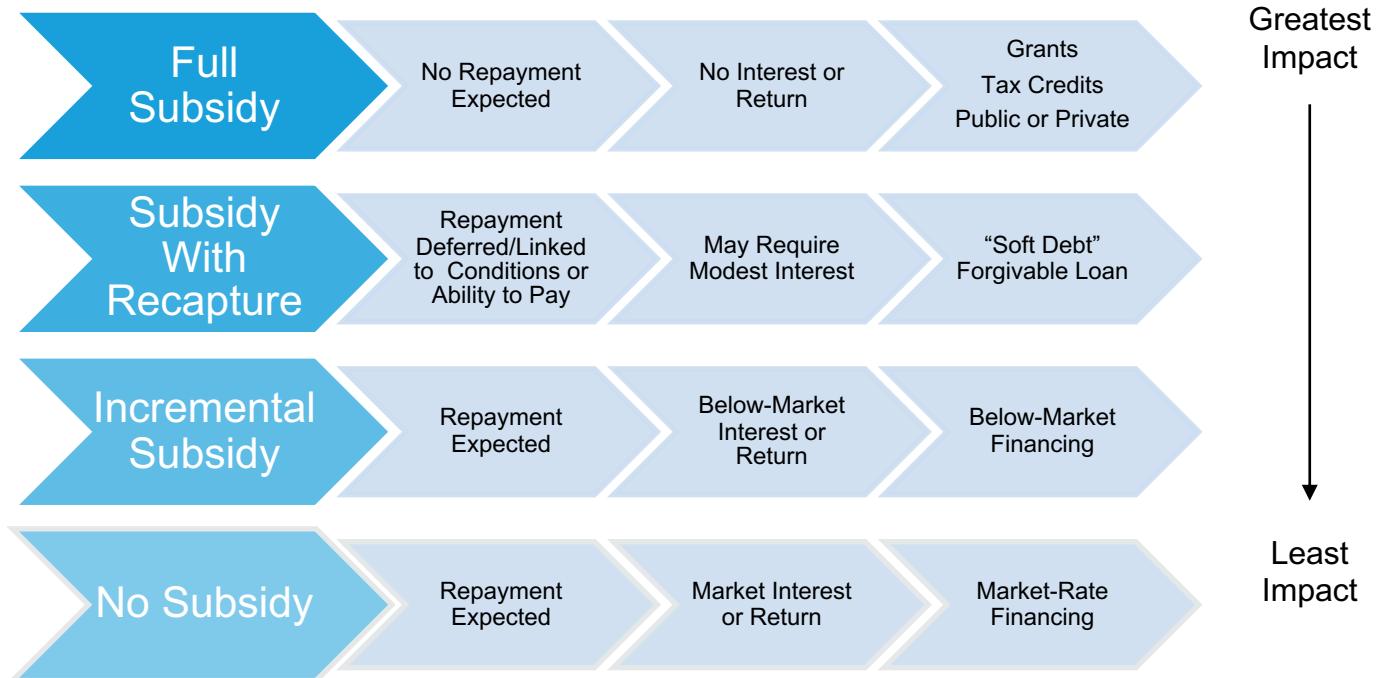


Financing solutions that address the housing crisis may do one or more of these.



## Next Level Housing Solutions Discussion, Sept 10, 2019

### Creative Financing Solutions





## Next Level Housing Solutions Discussion, Sept 10, 2019

### Creative Financing Solutions

#### Acquisition and/or Predevelopment Period

- Risks: permitting, financing and feasibility
- Need to wait in line for State and local subsidy
- 2-5 Year Term, determined by development process
- Typically repaid upon closing of construction financing

#### Construction Period

- Risks: unexpected conditions, cost overruns and lease-up
- Permitting and financing risk eliminated at closing
- Term is typically 18-30 month period
- 10% contingency, payment and performance bonds typical
- Typically repaid upon completion, lease-up and stabilization

#### Permanent or Occupancy Period

- Lowest Risk
- Stable occupancy required
- Limited market risk due to scarcity of affordable units
- Longest Term (17-40 years)

Take  
Risk



## Next Level Housing Solutions Discussion, Sept 10, 2019

### Creative Financing Solutions



**What should our priorities be?**

- **Priority: Fight Displacement of Residents in High Cost Markets**  
Financing Strategy: Acquisition Opportunities Program (Boston)  
Financing Strategy: 100 Homes Program (Somerville)
- **Priority: Healthy Communities**  
Financing Strategy: Healthy Neighborhoods Equity Fund (MHIC and CLF)
- **Priority: Middle Income Housing**  
Financing Strategy: Workforce Housing Program (MassHousing)
- **Priority: Green & Healthy Housing**  
Financing Strategy: Green & Healthy Housing Financing Incentives (MHP)  
Financing Strategy: Grants for Energy & Resiliency Audits (LISC)
- **Priority: Small Projects**  
Financing Strategy: Community Scale Program (DHCD and MassHousing)



## Next Level Housing Solutions Discussion, Sept 10, 2019

### Creative Financing Solutions

Fill  
Capital  
Gaps

What other capital  
gaps need filling?

#### Healthy Neighborhoods Equity Fund

MHIC and CLF's \$22 million equity fund seeks to drive design, operation and practices that contribute to community health and **to provide low-cost, patient equity for mixed-income, mixed-use development near transit.**

Public grant and philanthropic investments funds provide a top loss reserve, reducing risk for private institutional and high net worth investors.



Take  
Risk

Focus on  
Priorities

Seize  
Market  
Opportunity



## Next Level Housing Solutions Discussion, Sept 10, 2019

### Creative Financing Solutions



**What market opportunities and challenges are on the horizon?**

#### 40B and Inclusionary Zoning Programs

These regulatory programs essentially capture market value to subsidize affordable housing. Are we optimizing them? Are we leaving other value on the table?

#### Naturally Occurring Affordable Housing

Some markets prioritize the purchase of “naturally occurring affordable housing” to preserve affordability long term. It’s tough in high cost markets, but may be cheaper than preservation. Can low-cost private capital pair with subsidy to make it possible?

#### Financing 40T and TOPA Acquisitions

Massachusetts’s Chapter 40T and the District of Columbia’s Tenant Opportunities to Purchase Act provide opportunities to purchase properties for preservation as affordable housing. Access to creative financing (and subsidy) is critical.

#### Sustaining Supportive Services?

If supportive services drive better health outcomes, how can we leverage the health care industry’s interest in savings to expand sustainable funding for them?





# Next Level Housing Solutions Discussion, Sept 10, 2019

## Creative Financing Solutions

Potential Housing Tools

What creative financing strategies and priorities might a catalytic housing strategy include in Massachusetts?

1. Affordable Transit-Oriented Housing Product?
2. Healthy Housing Product?
3. Neighborhood Stabilization Product?
4. Homeownership Product?
5. Workforce Housing or NOAH Product?
6. Grant Pool for Policy and Impact Initiatives

How can we leverage maximum impact?  
What market trends should we anticipate?

Catalyze  
Scaled  
Response

LSC BOSTON



## Aligning Leaders and Solutions Across Sectors

### How can I take my Response to the Next Level?

Join the discussions.  
Contribute your ideas.  
Invite others to join us.  
Share what you learn.



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[bit.ly/nextlevelhousingsolutions](http://bit.ly/nextlevelhousingsolutions)

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## Next Level Housing Solutions



**Aligning Leaders  
and Solutions  
Across Sectors**

***October 28, 2019***

# Healthcare on Housing



Moderator: Megan Sandel, Boston Medical Center



## Aligning Leaders and Solutions Across Sectors

# Partnerships for Housing Policy Principles for Healthy and Affordable Housing

<https://mapublichealth.org/housing-policy-partnerships>

**MASSACHUSETTS PUBLIC HEALTH ASSOCIATION**  
*Action for Equity in Health*

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## Partnerships for Housing Policy

### Principles for Healthy and Affordable Housing

Health and housing leaders across Massachusetts recognize that the lack of quality, affordable housing in the region impacts health care outcomes and costs. To address this situation, MPHA and the Alliance for Community Health Integration have joined forces with the Massachusetts Health and Hospital Association, the Boston Area Accountable Care Organization Social Determinants of Health Collaboration, & the Massachusetts League of Community Health Centers to develop the **Massachusetts Principles for Healthy and Affordable Housing**. We invite health care provider organizations, hospitals, health centers, public health leaders, consumer advocates, and social service providers to [join us in endorsing this statement](#).

[Click here to read and endorse the statement of principles](#)

As part of this effort, our organizations hosted a two-part webinar series designed for leaders within health care institutions to learn about the health impacts of housing, the housing policy landscape in Massachusetts, and current health care/housing partnerships in Massachusetts. The webinars were co-hosted with Citizens Housing and Planning Association, the Massachusetts Association of Community Development Corporations, the Massachusetts Housing & Shelter Alliance, the Massachusetts Law Reform Institute, and Homes for Families. [The webinar invitation can be viewed here](#).

## MASSACHUSETTS PRINCIPLES FOR HEALTHY AND AFFORDABLE HOUSING

We, as the Massachusetts health sector, recognize that the challenge of unaffordable and unstable housing has reached epidemic proportions. We are health care providers, hospitals, health centers, public health leaders, consumer advocates, and social service providers. We believe that quality, affordable housing for all is a foundation for healthy, equitable, and vibrant communities. We are committed to using our institutional resources to be part of the solution. Because we know the health sector alone cannot solve this problem, we ask others to join us. In particular, we call on Massachusetts policymakers to take concerted action to ensure that all residents can access quality, affordable housing as an essential resource for health.

Good health requires that all of us live in quality homes that we can afford. Overwhelming evidence shows that housing instability directly contributes to poor health outcomes. Conversely, a stable place to live supports the health of people across the life course, promotes health equity, and helps to create thriving communities.

The Massachusetts epidemic of housing instability demands action. In a recent report from the National Low Income Housing Coalition, Massachusetts was ranked the 3rd least affordable state in the nation. An estimated 20,000 people are experiencing homelessness on any given day in Massachusetts – individuals and families young adults and seniors, people with a variety of backgrounds and life experiences. Our housing challenges touch all regions of the state; low-income households and people of color are hit the hardest.

Many of our institutions are anchors within our communities; as such, we are at the forefront of a growing movement that recognizes the critical role health care plays in tackling the social determinants of health, including housing. We care about housing for the benefit of our patients, but also as major employers – not being able to afford a home impacts our ability to attract and sustain a talented workforce. Many of us are already screening and providing referrals for patients facing housing insecurity, connecting them with community services to help them find or maintain stable homes. Some of us are investing in housing directly. We are proud that our actions are making a difference in the lives of our patients and our communities, and we will strive for even greater impact in the years ahead. Working together across sectors, we can solve this problem.

Policy action from our elected and appointed leaders is crucial to meet this challenge. In particular, we believe that state action is urgently needed to advance these goals:

1. **Increase resources** to produce and preserve more housing that is affordable to low and extremely low income families and individuals
2. **Improve the quality of housing** to ensure all residents live in safe and healthy homes
3. **Ensure protections for tenants** and low-income households facing eviction and displacement
4. **Expand rental supports** for low-income households, and
5. **Increase low-barrier supportive housing** with the services needed to help individuals and families with complex physical and behavioral health challenges.

# Cross-Sector Collaboration



Moderator: Karen Kelleher, LISC



## Aligning Leaders and Solutions Across Sectors

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