Agenda

• WELCOME & INTRODUCTIONS
  RACHEL HELLER, CHAPA

• RECAP OF PRIOR DISCUSSIONS
  KAREN KELLEHER, LISC BOSTON

• PANEL
  MODERATOR: JAMIAH TAPPIN, HOUSING RESOURCES IN ACTION

• FACILITATED GROUP DISCUSSION

• CLOSING
  SONI GUPTA, THE BOSTON FOUNDATION
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 – April 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 – April 9, 2019 (Tentative New Date)
Housing production has sharply declined in Massachusetts despite increases in population and employment.

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

Data from U.S. Census Bureau, Building Permit Survey. Multifamily is defined as a structure with 2+ units.
Nearly twenty percent of households are severely cost-burdened and not receiving housing assistance.

Source: CHAS/HUD, 2010-2014
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

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

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

<table>
<thead>
<tr>
<th>Households of Color</th>
<th>White Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>31%</td>
<td>69%</td>
</tr>
</tbody>
</table>

This puts MA 49th 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 7th nationally for income inequality (down a bit from #1 in 2014)

Source: Brookings Institution

Median Net Worth In Boston

<table>
<thead>
<tr>
<th>White Households</th>
<th>Black Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>$247,500</td>
<td>$8</td>
</tr>
</tbody>
</table>

Source: Federal Reserve Bank of Boston
Home purchases by minorities are extremely concentrated by race

**Black & Latino Lending Statewide**

- **351 Massachusetts Cities & Towns**
  - 129: No loans to Blacks
  - 50: Only one loan to Blacks
  - 74: No loans to Latinos
  - 45: Only one loan to Latinos
  - 65: No loans to either Blacks or Latinos

- **Just 5 Cities got...**
  - Brockton
  - Boston
  - Springfield
  - Worcester
  - Randolph

- **45.7%** of total home-purchase loans to Blacks in MA

- **Just 8 Cities got...**
  - Springfield
  - Lawrence
  - Lynn
  - Worcester
  - Boston
  - Methuen
  - Brockton
  - Revere

- **42.0%** of total home-purchase loans to Latinos in MA

Brockton alone accounted for 18.4% for all loans to Blacks in Massachusetts, while accounting for only 1.7% of total loans in the state.

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

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

OUTCOMES

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

Four Levels of Racism

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

Slides by the Interaction Institute for Social Change (IISC)
Next Level Housing Solutions Discussion, July 17, 2019
Tackling Income Inequality and Driving Racial Equity

2015 Arlington, MA Zoning Map

Most of Arlington’s housing was built before 1980.

Weston

Minimum lot sizes
Dark Green = 20,000 square ft (4.66 acres)
Bright Green = 30,000 square ft (6.49 acres)
Light Green = 40,000 square ft (8.90 acres)
White = 60,000 square feet (1.37 acres)

Large lot zoning drives up costs.

Slides from Exclusionary Zoning Through the Lens of Fair Housing by Shelly Goehring, Massachusetts Housing Partnership
Next Level Housing Solutions Discussion, July 17, 2019
Tackling Income Inequality and Driving Racial Equity

History of Housing Discrimination
- Buchanan v. Warley (1917): Racially exclusive neighborhoods
- Shelley v. Kraemer (1948): Racial covenants outlawed
- Federal Fair Housing Act
- Today: Exclusionary zoning persists

Homeownership policy
- Homestead Act
- FHA (redlining)
- GI Bill (post WWs)
- Racial covenants (* Levittown)

Massachusetts Homeownership
Racial gap = 49th in nation
- Households of Color: 31%
- White Households: 69%

A Look at Net Worth

Slides from Exclusionary Zoning Through the Lens of Fair Housing by Shelly Goehring, Massachusetts Housing Partnership
Next Level Housing Solutions Discussion, July 17, 2019
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Discussion Groups

- Asset & Wealth Building
- Homeownership
- Zoning Reform
- Eviction Prevention
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

<table>
<thead>
<tr>
<th>Undoing Zoning Barriers</th>
<th>Tools for Homeowners</th>
<th>Transit Oriented Development</th>
</tr>
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<tr>
<td>• Housing Choice</td>
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- **Housing Choice**
- **Housing Production legislation**
- **Exclusionary Zoning**
- **Accessory Dwelling Units**
- **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
The market is not producing the housing we need.

Cost to Build & Operate Housing

The Rents or Home Prices Residents Can Pay

Financing
Next Level Housing Solutions Discussion, Sept 10, 2019
Creative Financing Solutions

- Provide Subsidy
- Take Risk
- Fill Capital Gaps
- Focus on Priorities
- Seize Market Opportunity
- Catalyze Scaled Response

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

Provide Subsidy

Full Subsidy
- No Repayment Expected
- No Interest or Return
- Grants, Tax Credits, Public or Private

Subsidy With Recapture
- Repayment Deferred/Linked to Conditions or Ability to Pay
- May Require Modest Interest
- “Soft Debt” Forgivable Loan

Incremental Subsidy
- Repayment Expected
- Below-Market Interest or Return
- Below-Market Financing

No Subsidy
- Repayment Expected
- Market Interest or Return
- Market-Rate Financing

Greatest Impact
Least Impact
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)
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)
Seize Market Opportunity

What market opportunities and challenges are on the horizon?

Next Level Housing Solutions Discussion, Sept 10, 2019
Creative Financing Solutions

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?
Potential Housing Tools

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

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

How can we leverage maximum impact? What market trends should we anticipate?
Next Level Housing Solutions

Aligning Leaders and Solutions Across Sectors

October 28, 2019

Moderator: Dr. Megan Sandel, Boston Medical Center
Next Level Housing Solutions Discussion, October 28, 2019
Aligning Leaders & Solutions Across Sectors

Business Leadership
Health Care Focus & Investment
On Solid Ground Coalition
Mass Smart Growth Alliance
Transit Matters
Partnerships for Housing Policy
Principles for Healthy and Affordable Housing

https://mapublichealth.org/housing-policy-partnerships
Next Level Housing Solutions

Building Urgency and Political Will

January 8, 2020

Moderator:  Jamiah Tappin, HRIA/Innovative Stable Housing Initiative

Speakers:  Clark Ziegler, Mass Housing Partnership
Leslie Reid, Madison Park Dev. Corp.
Isabel Gonzalez, Worcester Interfaith
Gladys Vega, Chelsea Collaborative, Inc.
Lydia Lowe, Chinatown Comm. Land Trust
The single biggest driver of high rents and home costs in metro Boston is the artificial scarcity of housing that’s caused by restrictive and exclusionary zoning.
Production of new housing reduces housing costs overall but not necessarily in the neighborhoods where that new housing is built.
A few cities, towns and neighborhoods are bearing the brunt of the region’s new housing development because other communities are not doing their share, especially around transit.
Housing subsidies and inclusionary requirements are a critical support but they cannot come close to solving our housing affordability problem.

- **223,845** Low income renter households with severe housing cost burden
- **7,066** Restricted affordable units produced in the past 5 years

MHP analysis of DHCD and U.S. Census Bureau data
How could state policy have **major** impact? 
(1) legalize small-scale multifamily housing everywhere 
(2) require dense multifamily zoning around transit
Next Level Housing Solutions

HOUSING PRODUCTION

Madison Park Development Corporation

OUR MISSION
to foster a vibrant, healthy Roxbury neighborhood that supports the well-being and advancement of the community.
The importance of reaching back to knowledge gained in the past and bringing it into the present in order to make positive progress.
HISTORY

- Founded in 1966
- Community organizing roots & urban renewal history
- First Community Development Corporation (CDC) in MA
- 1,447 mixed income homes/3,500 residents & 160,000 SF of commercial space
- 2020 - $4,000,000 in programming targeted to MPDC and Roxbury residents
MADISON PARK VILLAGE
1974 - 1998
5 Phases
546 units
ROXBURY

Race/Ethnicity:
- Black/African American 53% - down from 62%
- Hispanic 29% - up from 26%
- White/Caucasian 11% - up from 7%
- Asian 3%
- Other 1%

Median household income $25,937 vs. $55,777 Boston

Population: 51,252 8% of Boston population

20% growth over 5 years, double citywide growth
THE POWER OF PUBLIC/PRIVATE PARTNERSHIPS
WHITTIER CHOICE NEIGHBORHOOD

Boston Housing Authority
Preservation of Affordable Housing (POAH)
Madison Park Development Corporation

210 Redeveloped public housing units + 300 additional units (50 off-site)
MELNEA CASS APARTMENTS
Next Level Housing Solutions

Leslie Reid
lreid@Madison-park.org
www.Madison-park.org
Building Urgency and Political Will

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.

#nextlevelhousingsolutions
nextlevelhousing@lisc.org
bit.ly/nextlevelhousingsolutions

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What’s your next level housing solution?

In connection with the Next Level Housing Solutions Symposium, we will invite participants, leaders, community members and creative thinkers to share your next level housing solution(s). Describe your next level housing solution in a short statement, submit it to us, and, finally, post it on social media in the week leading into the Next Level Housing Symposium.

#nextlevelhousingsolutions

nextlevelhousing@lisc.org