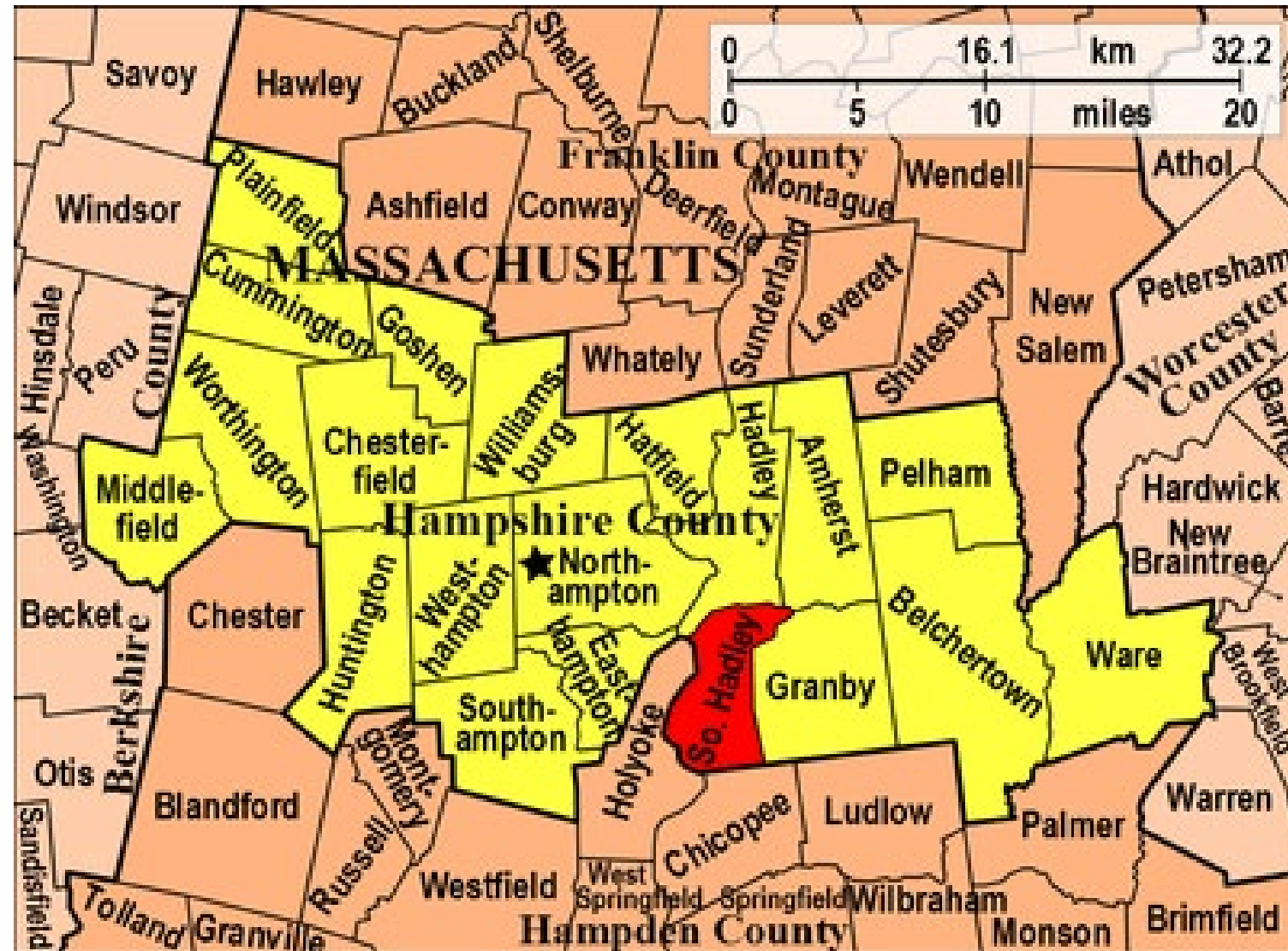


Affordable Housing 101

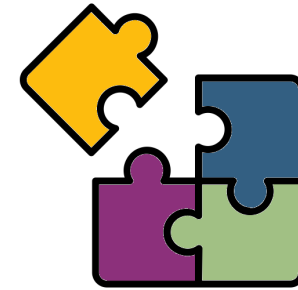
South Hadley Housing Forum
September 20, 2023

Katy Lacy
Senior Planner, MHP
klacy@mhp.net



Massachusetts Housing Partnership

MHP works with communities to create innovative policy and financing solutions that provide affordable homes and better lives for the people of MA.



Community Assistance

- Municipal Land Development
- 40B TA
- Housing Trusts
- Zoning for Affordability

Lending

- Financing for affordable rental projects
- Over \$1.4B for over 27,000 units

ONE Mortgage

- First time homebuyers
- Fixed-rate, 30-year
- No PMI

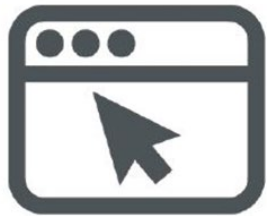
Center for Housing Data

- Collect, analyze & share info for effective policy creation

MHP Online Resources



WORKSHOPS & TRAININGS



RESOURCES & PUBLICATIONS



TECHNICAL ASSISTANCE



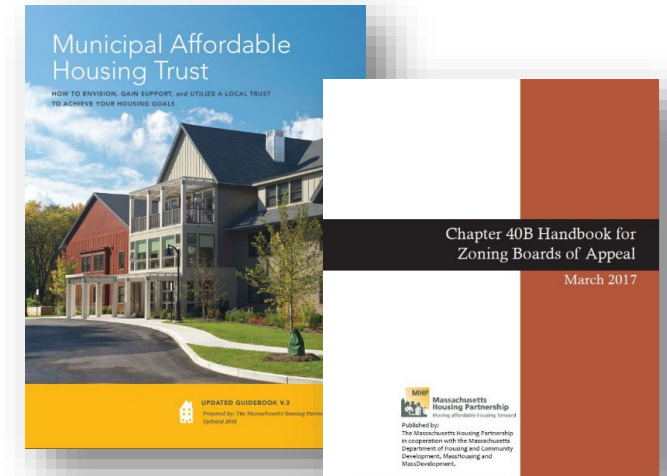
COMMUNITY INFO, ONE PLACE

Relevant data for every community in the Commonwealth to help make the case for housing.

HOUSING TOOLBOX

for Massachusetts Communities 

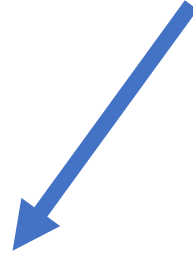
Strategies and best practices for the creation and preservation of affordable housing.



WHAT IS AFFORDABLE HOUSING?



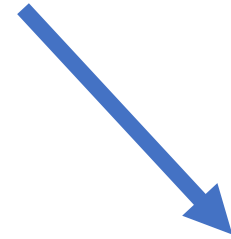
“affordable” vs. “Affordable”



Naturally occurring affordability, with no restrictions on income or rent

“Woah I can’t believe what a good deal this apartment is!”

Anyone can live there, as long as you make it past the landlord’s checks.



Built or preserved with at least some local, state, or federal funds, or uses these funds to operate.

Has restrictions on maximum incomes and maximum rents.

Only people earning less than a certain max income can qualify to live there.

“Big A” Affordable Housing

Eligible form of subsidy

A sum of money granted by the government or a public body to assist an industry or business so that the price of a [commodity](#) or service may remain low or competitive.

Subject to Affirmative Fair Housing and Lottery Requirements (AFHMP)

Subject to long-term Affordability Restriction (Regulatory Agreement)

- Income Limits

- Cost (rent or sale) limits

Ongoing monitoring and compliance by qualified third party



Eligible for the State’s Subsidized Housing Inventory

Income Eligibility in South Hadley



FY 2023 INCOME LIMITS DOCUMENTATION SYSTEM

[HUD.gov](https://www.hud.gov) [HUD User Home](#) [Data Sets](#) [Fair Market Rents](#) [Section 8 Income Limits](#) [MTSP Income Limits](#) [HUD LIHTC Database](#)

FY 2023 Income Limits Summary

FY 2023 Income Limit Area	Median Family Income Click for More Detail	FY 2023 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Springfield, MA HUD Metro FMR Area	\$93,700	Very Low (50%) Income Limits (\$) Click for More Detail	34,900	39,850	44,850	49,800	53,800	57,800	61,800	65,750
		Extremely Low Income Limits (\$)* Click for More Detail	20,950	23,950	26,950	30,000	35,140	40,280	45,420	50,560
		Low (80%) Income Limits (\$) Click for More Detail	55,800	63,800	71,750	79,700	86,100	92,500	98,850	105,250

2023 Rent Limits South Hadley



	SRO	Studio	1 BR	2 BR	3 BR	4BR
30% RENT	392	523	561	673	814	1,007
50% RENT	654	872	934	1,121	1,295	1,445
TC 50% RENT	872	872	934	1,121	1,295	1,445
60% RENT	785	1,047	1,121	1,345	1,554	1,734
TC 60% RENT	1,047	1,047	1,121	1,345	1,554	1,734
80% RENT	1,046	1,395	1,495	1,793	2,072	2,312

PUBLIC HOUSING in MASSACHUSETTS



- Typically funded, built, owned and managed by a government authority
- Federally Subsidized (HUD) 33,000 units
- State Subsidized 41, 000 units (1 of 4 States)
- Managed by a Local Housing Authority (LHA)
- Can be age restricted or family housing
- Eligibility: MAX < 50%-80% Area Median Income (but usually much lower)
- Rent: Generally, between 27- 30% of the resident's actual income (whatever that may be)



WHY AREN'T WE BUILDING MORE OF IT?

SUBSIDIZED AFFORDABLE HOUSING



-Generally built, owned and managed by a private corporation or non-profit entity

-At least partially funded by an approved federal or state subsidy source

Low Income Housing Tax Credits (LIHTC)

HOME Program

State LIHTC

Affordable Housing Trust Fund (AHTF)

Housing Stabilization Fund (HSF)

Housing Innovation Fund (HIF)

Commercial Area Transit Node Housing (CATNHP), ETC!

-Local Sources, Too!

CPA, Housing Trusts, Public Land Disposition

-Rent/Sale Calculation set at a certain percentage of the targeted AMI income limit (30%, 50%, 80%), rather than the resident's actual income.



Housing Vouchers



Source: Federal (i.e. Section 8) or State (i.e. MRVP)

Administered by Local Housing Authorities (LHAs)

Tenant-Based Provided by an LHA to eligible individuals who then find their own apartment in the private market.

Property-based Assigned by State or LHA to a specific project or unit, where the owner rents them to eligible households

Rent Limits: Depends on household size and area Fair Market Rents (FMR)

Income Limits: Typically limited to households earning $> 50\%$ AMI

Types: Senior, Family, Veterans, Disables

LANDLORDS ARE REQUIRED TO ACCEPT THEM!



Chapter 40B



40B or Comprehensive Permit Projects

- Mixed Income
- Traditional 40B Developments
- Local Initiative Program (LIP)

- Zoning Relief in exchange for 25% affordability for households earning less than 80% AMI

- Rents generally capped at 30% of 80% AMI

- Pre-approval by subsidizing agency

- Permitted locally by ZBA

- Developer loses right to appeal if community attains 10% affordable housing on Subsidized Housing Inventory

- Biggest source of multi-family housing--Over 60,000 units built to date



Chapter 40B-Local Action Units (LAUs)



What is a “Local Action”

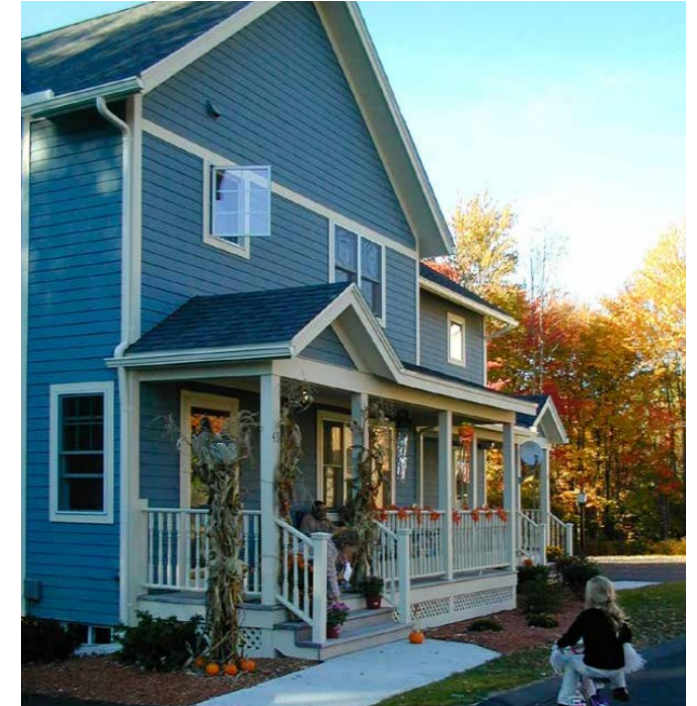
- Inclusionary Zoning
- Town-owned Land
- Buy-Down Programs
- CDBG Units

Privately built, owned and managed

Approval by EOHLC’s LIP Program

Subject to Income/Cost Restrictions

Feasibility a MUST \$\$

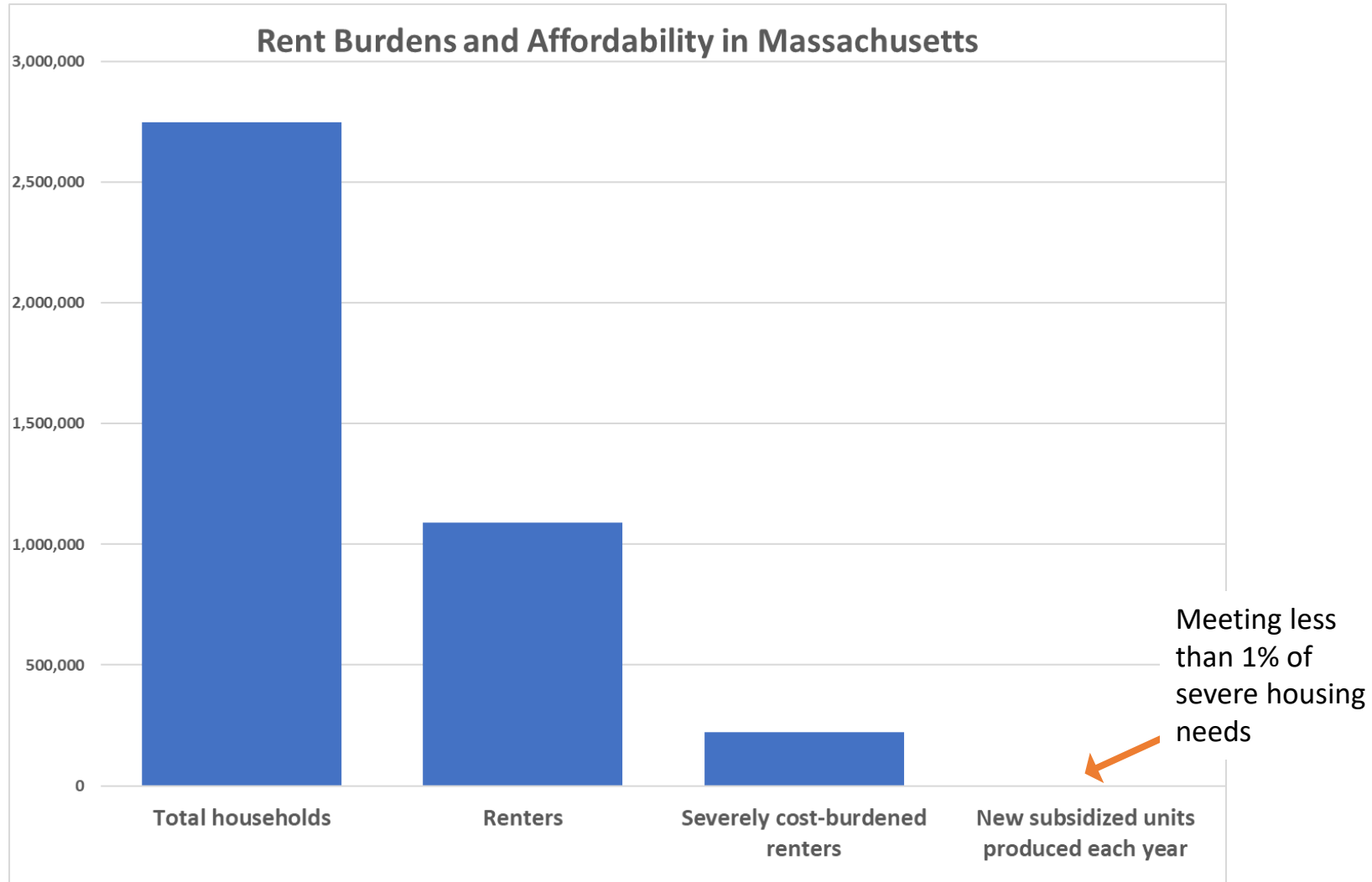


EXECUTIVE OFFICE OF HOUSING AND LIVABLE COMMUNITIES CH40B SUBSIDIZED HOUSING INVENTORY

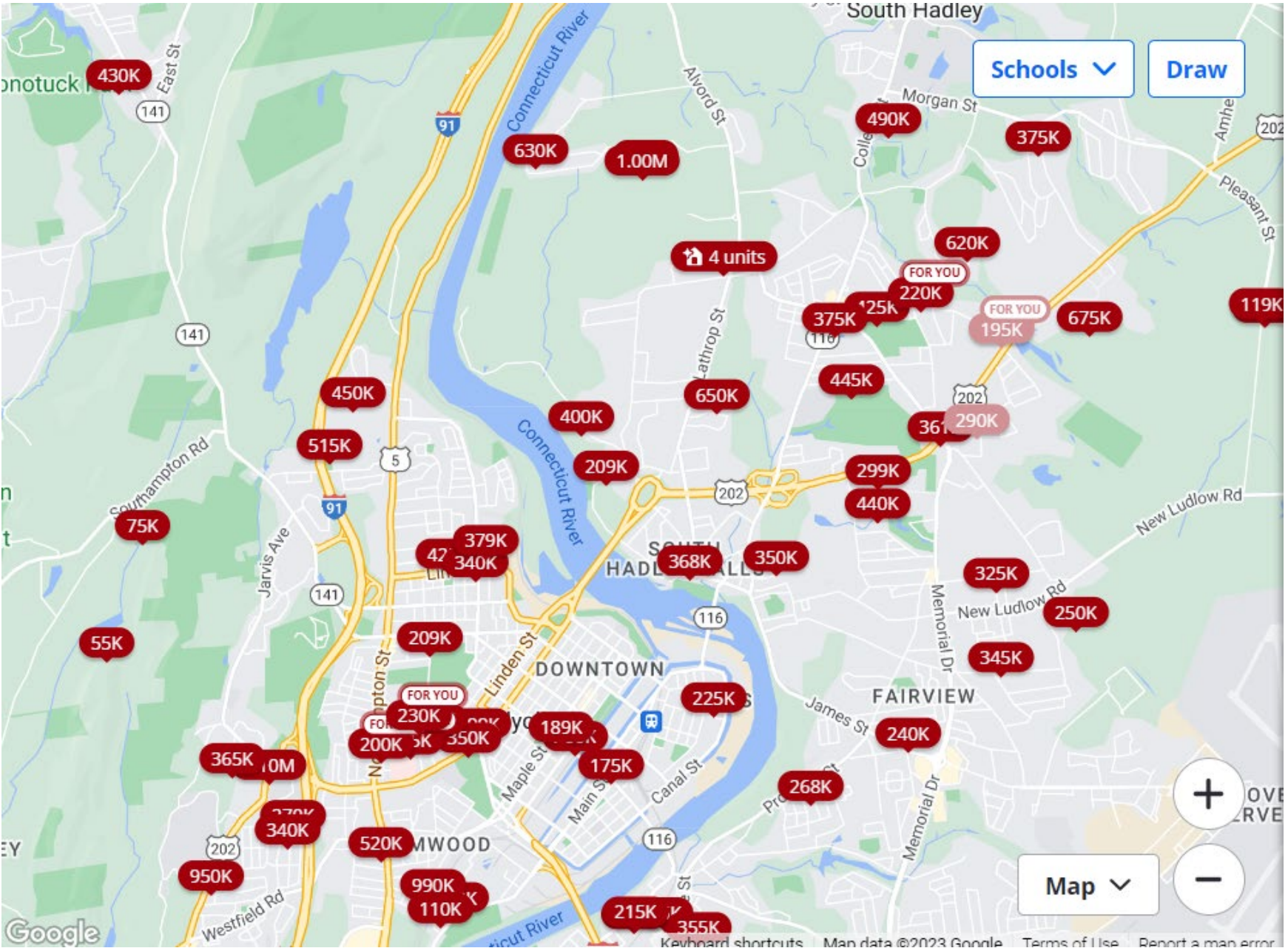
South Hadley

DHCD ID #	Project Name	Address	Type	Total SHI Units	Affordability Expires	Built w/ Comp. Permit?	Subsidizing Agency
2853	Lathrop Village	69 Lathrop St.	Rental	48	Perp	No	EOHLC
2854	Lathrop Village	69 Lathrop St	Rental	48	Perp	No	EOHLC
2855	Newton Manor	643 Newton St	Rental	40	Perp	No	EOHLC
2856	n/a	27 Abbey Lane	Rental	8	Perp	Yes	EOHLC
2857	Abbey St.	Abbey St.	Rental	12	Perp	Yes	EOHLC
2858	Hampshire Cty RHA	North Street	Rental	2	Perp	No	EOHLC
2859	Riverboat Village	River Lodge Road	Rental	170	Perp	Yes	EOHLC
4460	DDS Group Homes	Confidential	Rental	52	N/A	No	DDS
9020	North St	North St	Rental	2	Perp	NO	EOHLC
9144	Hubert Place	93 Canal St	Rental	44	2048	NO	HUD HUD EOHLC
South Hadley Totals				426	Census 2020 Year Round Housing Units		7,375
					Percent Subsidized		5.78%

While subsidized housing production remains critically important, it also has a very limited impact on housing supply and the housing affordability gap



What About “Naturally Occurring” or “little a” Affordable Housing?



What About “Naturally Occurring” or “little a” Affordable Housing?



Zillow

Save Share Hide More

\$194,900 3 bd | 2 ba | 1,104 sqft

22 Easy St, South Hadley, MA 01075

For sale Zestimate®: \$204,000

Est.: \$1,293/mo Get pre-qualified

Request a tour
as early as tomorrow at 9:00 am

Contact agent

Overview Facts and features Home value Price and tax h >

Likely to sell faster than 99% nearby.
Schedule a tour

Single family residence

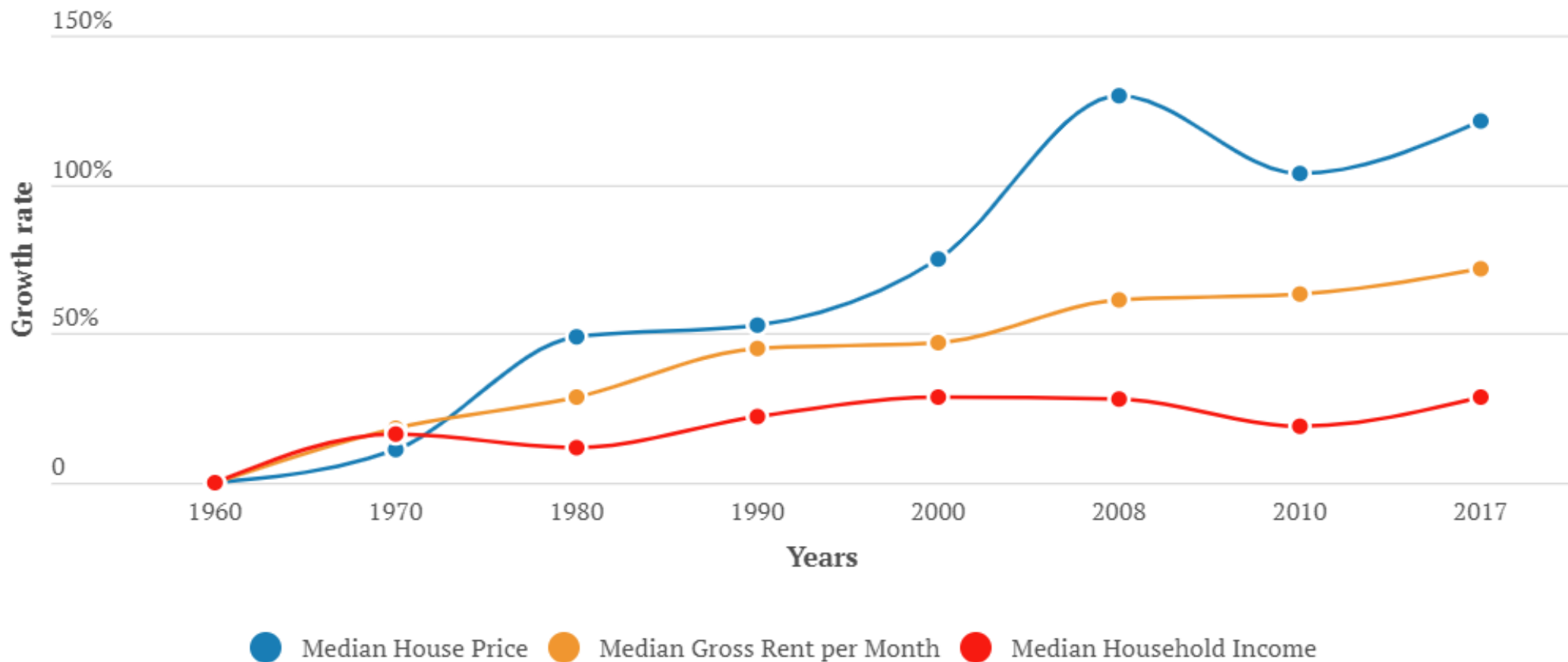
Built in 1949



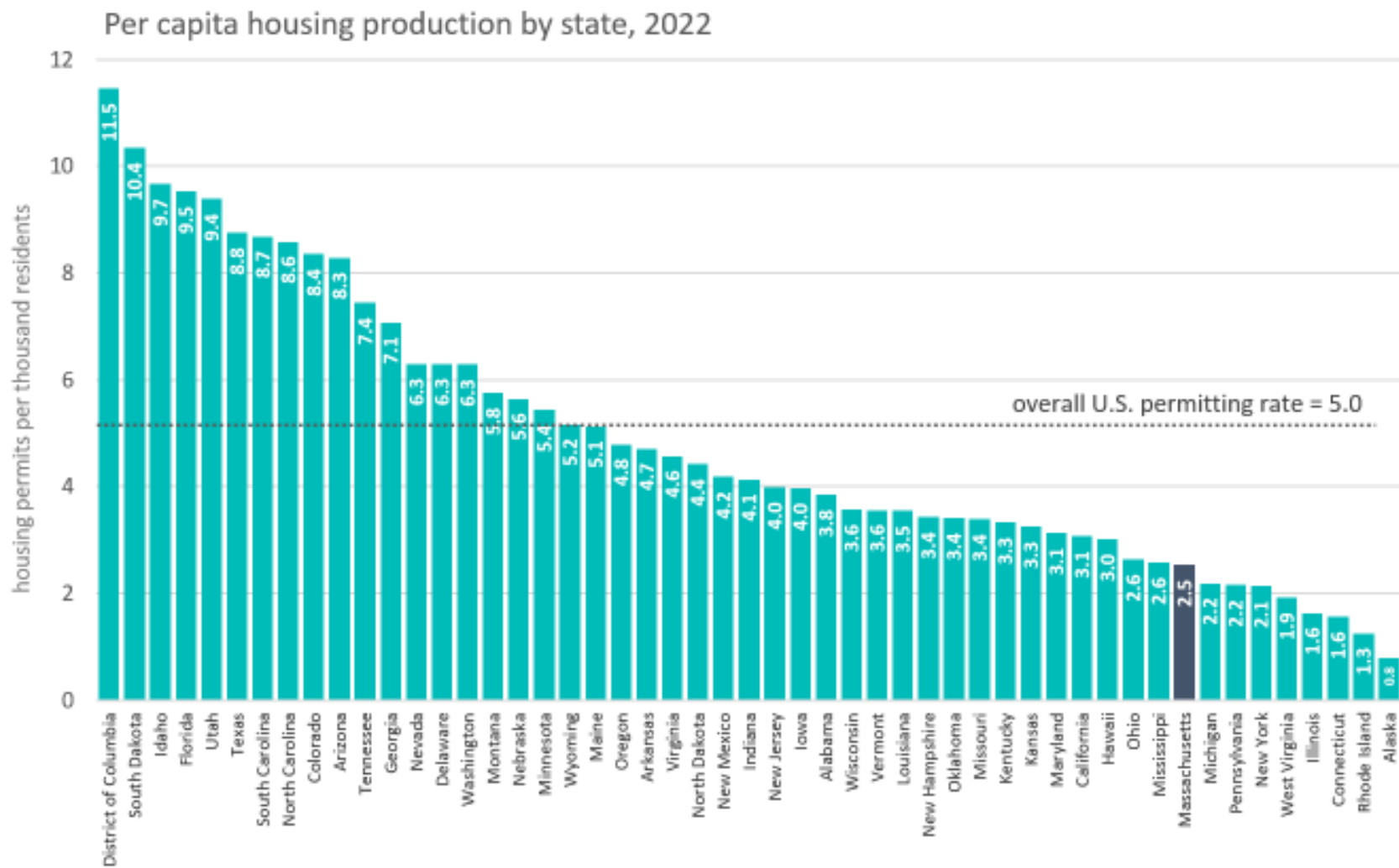


Zillow

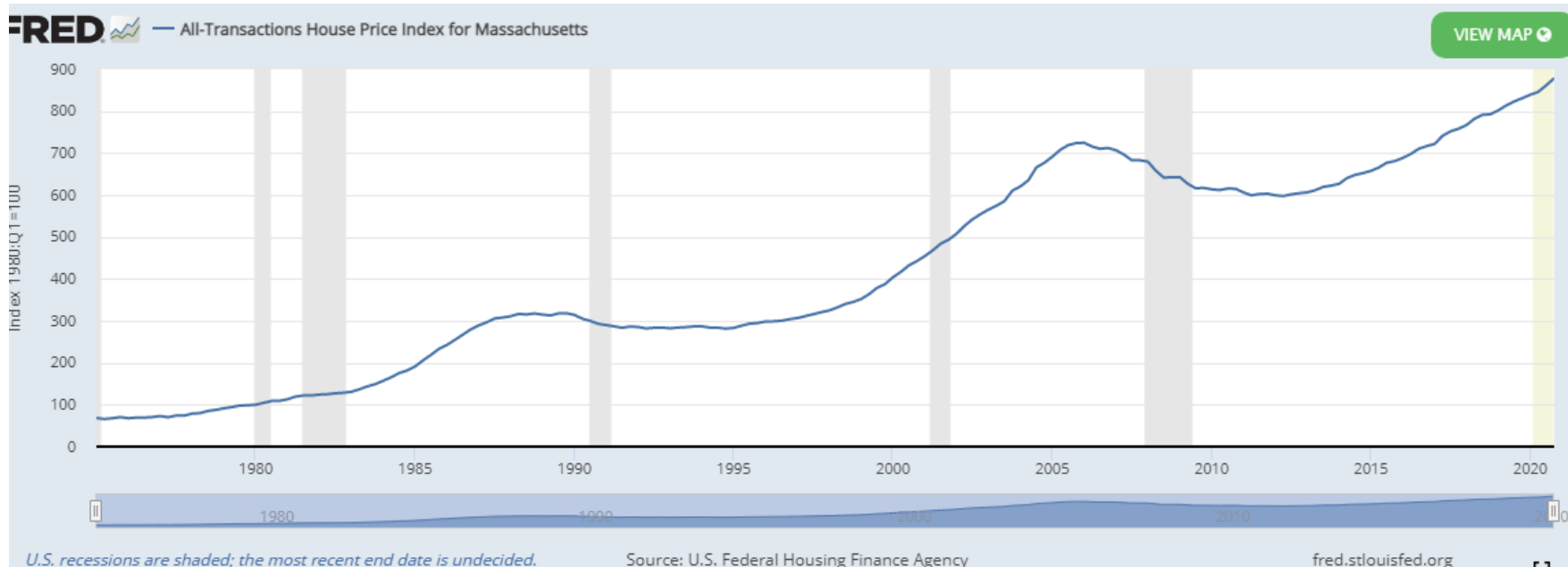
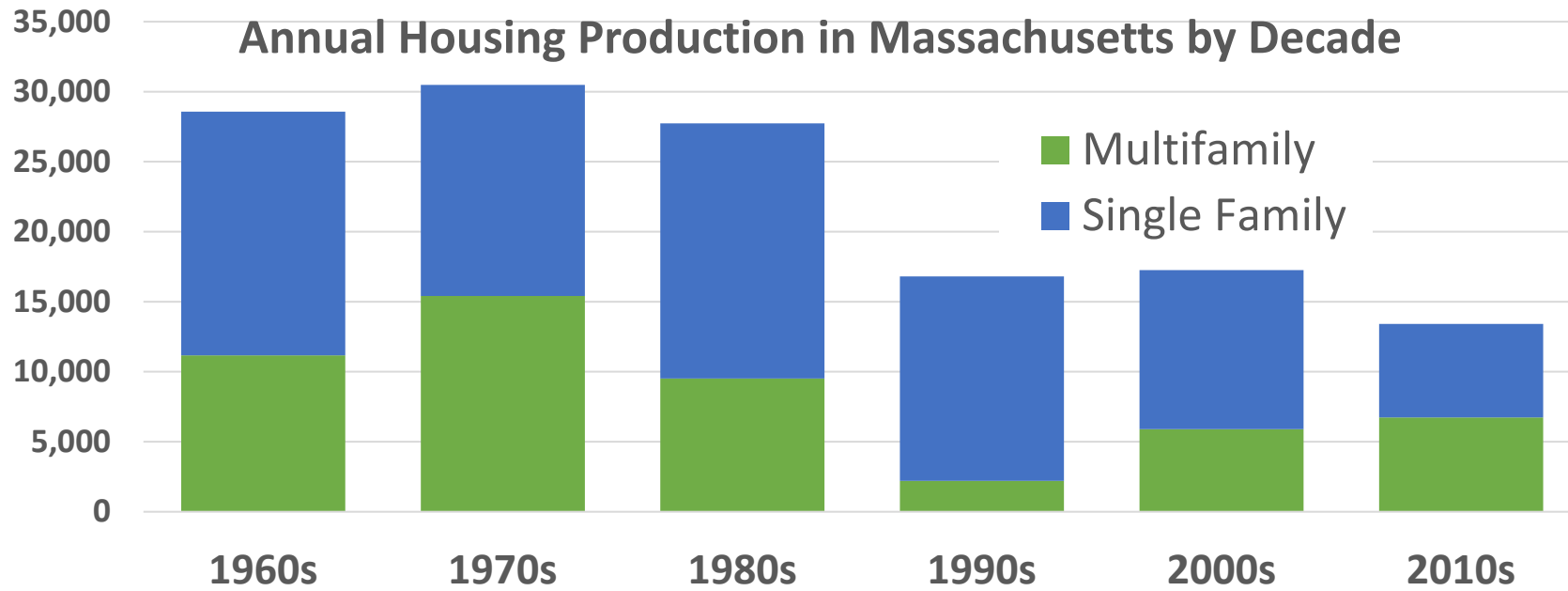
Growth Rate of Median Home Prices v. Median Household Incomes v. Median Rents Nationwide



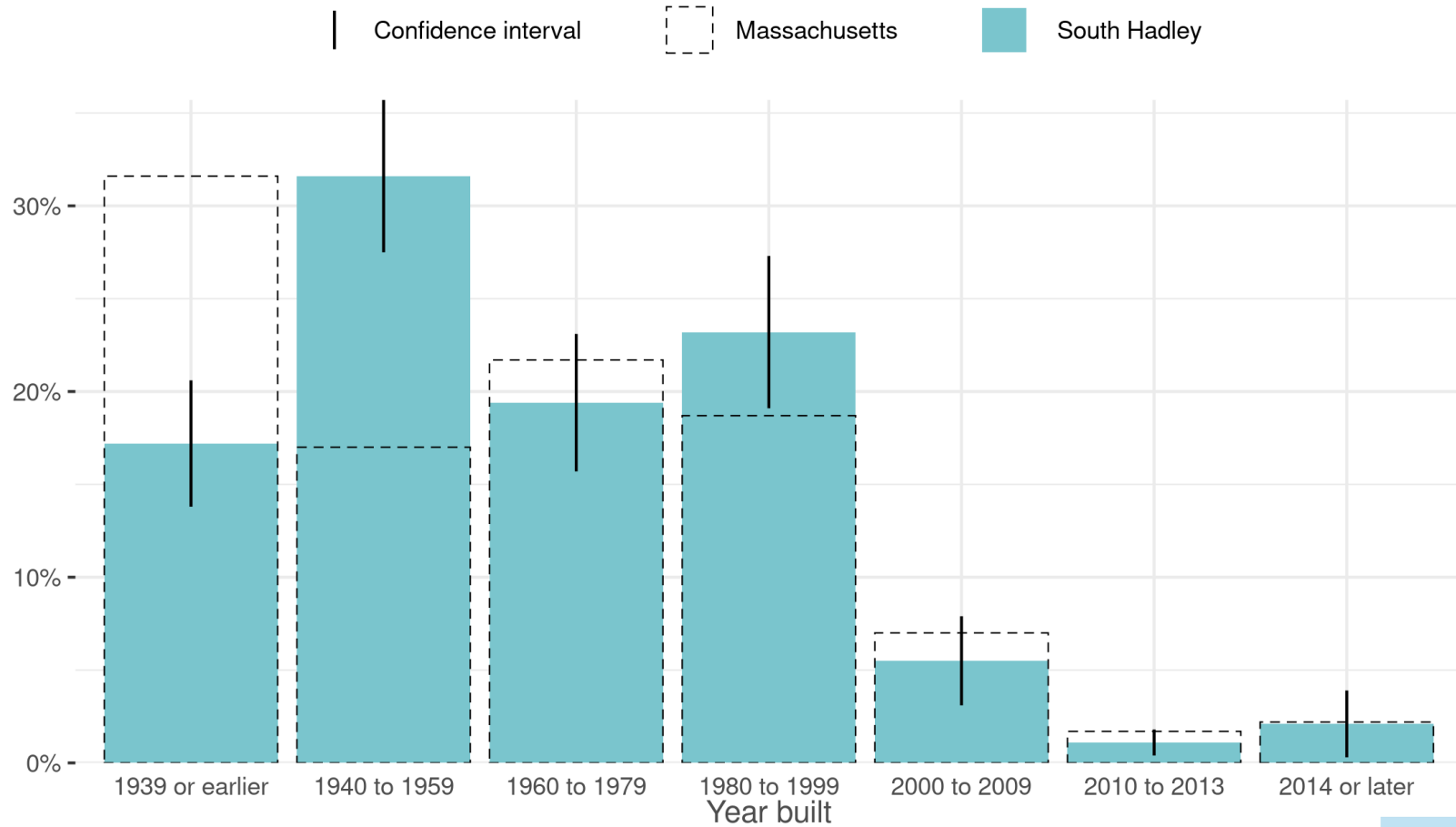
Most states build substantially more housing per capita than Massachusetts. As a result, our home prices and rents remain among the highest in the U.S.



Supply and Demand?

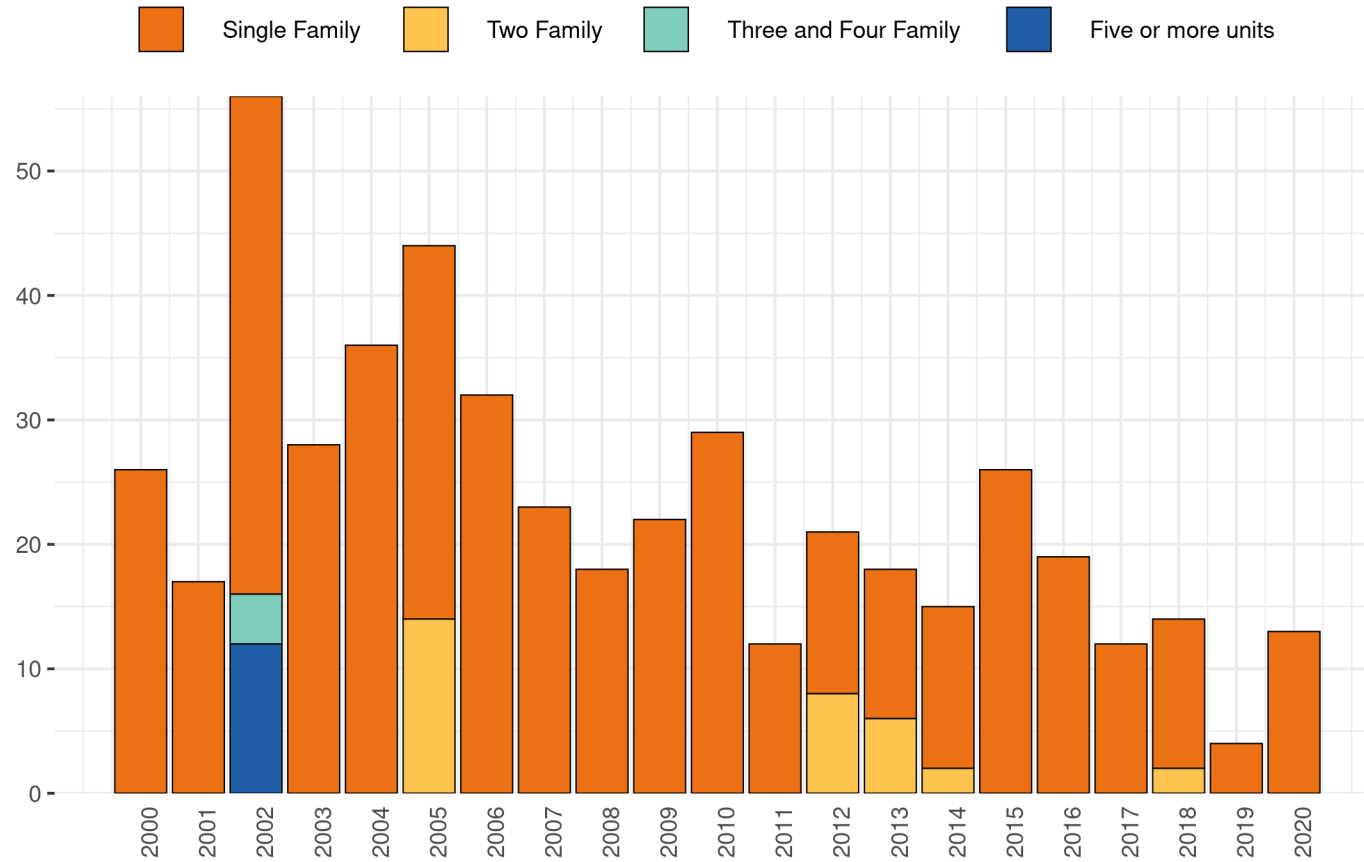


Housing stock by year built South Hadley v. State



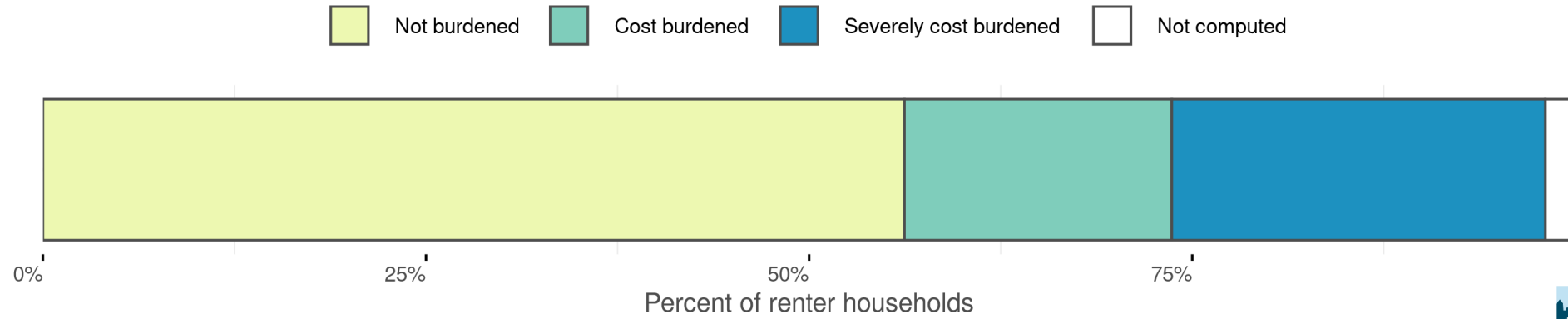
Source: U.S. Census Bureau American Community Survey,
2016-2020 5-year estimates. Table S2504: Physical Housing Characteristics

Annual housing units permitted by building type in South Hadley



Source: U.S. Census Bureau - Annual Building Permit Survey (Reported and Imputed)

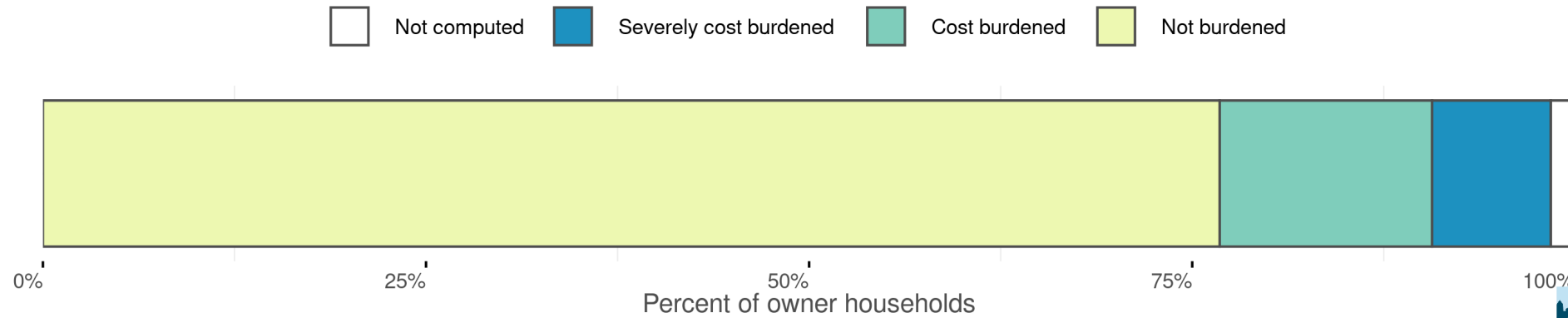
South Hadley renter households by cost burden



Source: U.S. Census Bureau American Community Survey, 2016-2020 5-year estimates.
Table B25070: Gross rent as a percentage of household income in the past 12 months



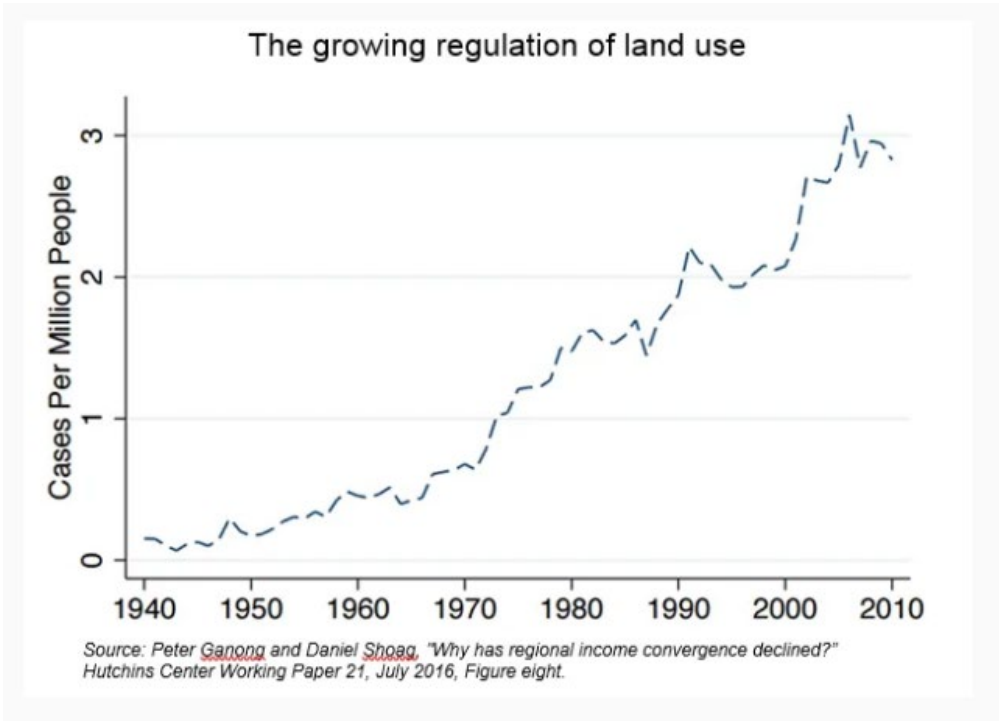
South Hadley owner households by cost burden



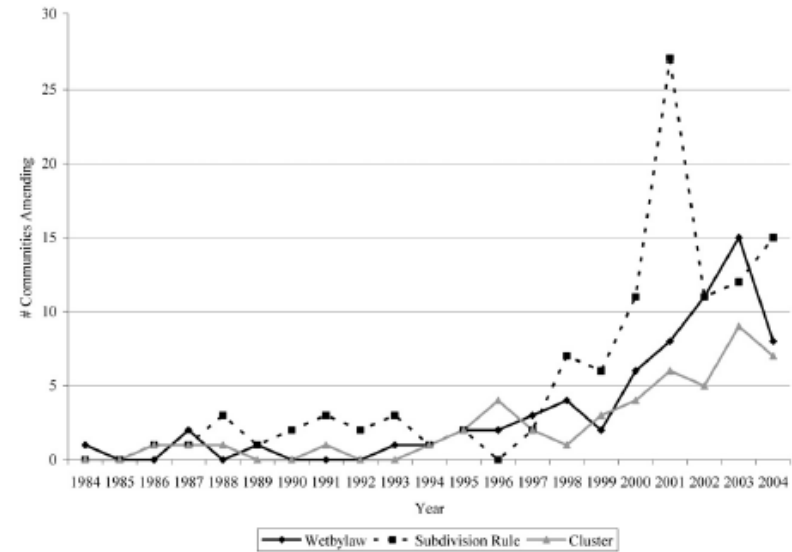
Source: U.S. Census Bureau American Community Survey, 2016-2020 5-year estimates. Table B25091:
Mortgage Status by selected monthly owner costs as a percentage of household income in the past 12 months



State and National Trends in Land Use Regulation

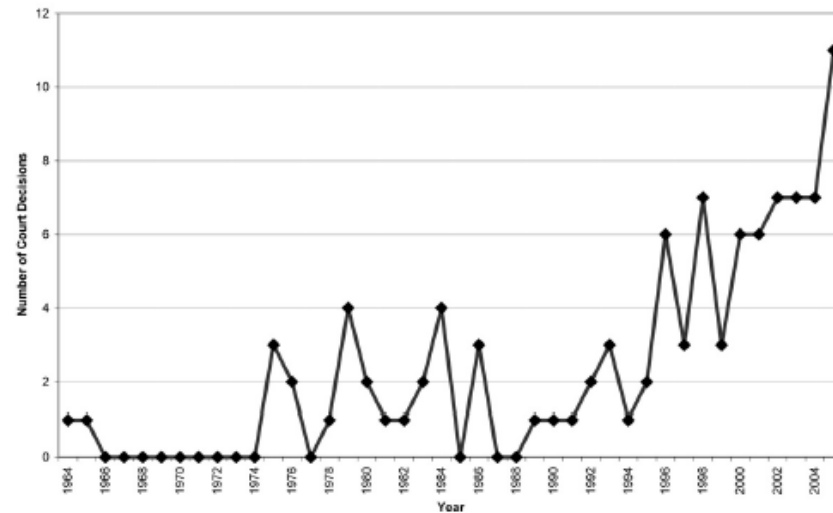


E.I. Glaeser, I.A. Ward / Journal of Urban Economics 65 (2009) 265–278



Source: Pioneer Institute's Housing Regulation Database for Massachusetts Municipalities in Greater Boston.

Fig. 5. Number of communities amending wetlands bylaws, subdivision rules, and cluster provisions, 1984–2004.



Source: Lexis-Nexis.

Trends in Massachusetts Zoning Since 1970s

- Larger Lot Sizes
- Bigger Setbacks
- Use Restrictions (Single Family)
- Building Height Restrictions
- Increased Parking Requirements
- Special Permit Requirements
- Design Review
- Site Plan Review
- Environmental Protection Overlay Districts



THANK YOU!

