

What's the difference: 'Workforce', 'Middle Income', and 'Affordable' housing?

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About CHAPA

CHAPA's mission is to encourage the production and preservation of housing that is affordable to low and moderate income families and individuals and to foster diverse and sustainable communities through planning and community development.

What Does CHAPA Do?



Advocate for
Opportunity



Expand Access
to Housing



Develop the
Field

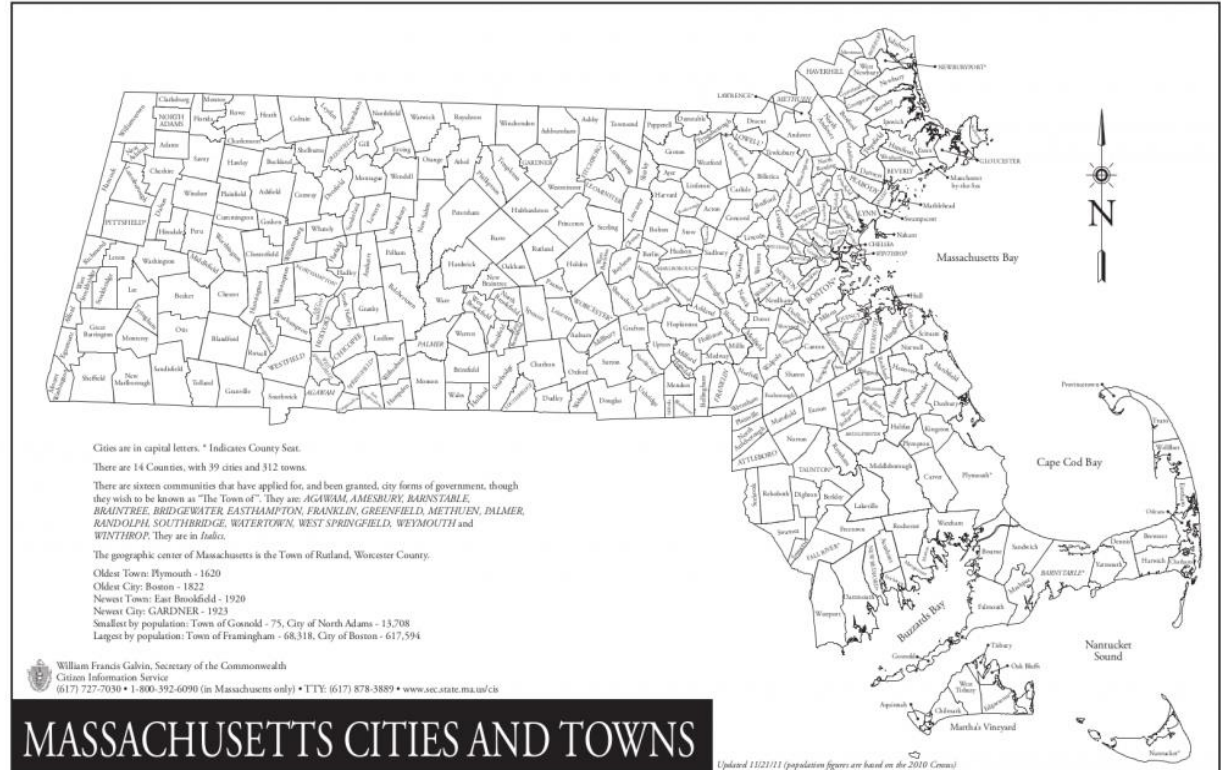
What is the Municipal Engagement Initiative?

- Founded in 2018, **MEI** works with residents on the ground to change the conversation and support existing local efforts in favor of more affordable housing.
- Each city or town has its unique housing challenges, so we focus on bringing together **big tent coalitions** to support affordable housing production.
- Through an application process, communities, with municipal approval, apply for our technical assistance **to create a pro-housing coalition** and we support those needs for 1-1.5 years
- We also provide educational workshops such as **Affordable Housing 101** and support the **Confronting the History of Housing Discrimination** workshop with the Jewish Alliance of Social Action and Law (JALSA)



Where are we currently working?

- MEI full communities
 - Needham
 - Newburyport
- MEI lite communities
 - Dennis
 - Weston
- Supporting work in:
 - Roxbury
 - Franklin County



Affordable Housing 101

- The term “affordable” is a relative term. Generally speaking, housing is considered “affordable” when associated costs are **30% or less of a household’s income**. This prevents people from being “cost burdened” by their housing costs*.
- Some affordable housing occurs naturally, for example: a landlord may choose to maintain lower rents. We sometimes call this "lower case a" affordable.
- When we talk about "Affordable Housing", we are usually talking about **deed-restricted affordable housing**. This is reserved for income-eligible households.
 - Income levels are set for this type of housing that is based on the Area Median Income which is determined by the United States Department of Housing and Urban Development (HUD)
- Affordable housing includes workforce housing and housing that is affordable for certain income levels
- Affordable housing can be funded by federal and/or state dollars or by non-profits

Types of Affordable Housing

- Public Housing- Local Housing Authorities provide publicly funded and managed Affordable Housing for income-eligible households
- Housing Vouchers- **Mobile or Project Based**
 - Housing Choice Voucher Program or Section 8
 - Massachusetts Rental Voucher Program (MRVP)
 - Continuum of Care
 - HUD-VASH (for veterans)
 - Housing Opportunities for Persons with AIDS (HOPWA)
- Affordable housing in South Hadley*:
 - As of this year, South Hadley is at **5.78%** on the Subsidized Housing Inventory (SHI)
 - **Lathrop Village- 96 units** for seniors and people with disabilities at 80% of AMI*
 - **Newton Manor- 40 units** for seniors and people with disabilities at 80% of AMI
 - **Abbey Lane/Street- 12 units** for families at a certain income level at 80% of AMI



Affordable Housing Tools in South Hadley

- Housing Production Plan (HPP) is being updated currently and is open for
- public comment
 - **HPPs** give communities more control over comprehensive permit applications for a certain amount of time
 - **ADUs** by right (in some areas)
- Existing tools not currently in South Hadley:
 - **Community Preservation Act (CPA)**- used to preserve open space, historic preservation, and affordable housing
 - **Affordable Housing Trust (AHT)**- funds can be used for: buydown programs, housing development, housing preservation, and direct assistance
 - **Inclusionary Zoning (IZ)**- requires a percentage* of new market rate housing developments to be deed-restricted affordable.



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Why do we need more affordable housing?

Housing is not just an address. Where we live determines nearly every aspect of our lives - where we can work, where our kids go to school, the safety of our environment, our mental health, and so much more. When people of all income levels, races, and backgrounds can live together, our communities thrive.

In Massachusetts, nearly **1 out of 2 renters** and **1 out of 3 homeowners** cannot afford their current housing costs - leaving them at risk of eviction or foreclosure. Many households forego other basic needs in order to stay housed.

In order to meet the needs of our residents, **Massachusetts needs 200,000 more homes by 2030.**

What is the benefit of more housing diversity?

- **When costs are high and supply is limited...**
 - **Seniors** wanting to downsize and stay in town have nowhere to go
 - **Young couples** looking to start a family can't find homes
 - **College graduates** cannot return to their hometown
 - **Local businesses** struggle to find employees
 - **All of us** lose out on new neighbors, and the opportunities they could bring to our community



What is considered ‘Middle Income’?

- “Middle Income” refers to households earning 80-120% of AMI
 - What jobs pay “middle income” wages?- Registered nurse in the Emergency Department at the Eastern Connecticut Health Network
- Housing stress on middle-income families is most prevalent in expensive metropolitan areas where regulatory barriers have driven up costs and restricted new development (brookings.edu)
 - Middle income housing usually targets demand over need
- The term ‘middle-income housing’ comes into play as it is a more precise term than workforce housing
 - Lower income folks and extremely low income folks usually still work, there are even move to work vouchers for section 8
 - Sometimes workforce housing can be dedicated to a certain profession or industry
- New Example in MA of housing legislation to target middle income people’s housing needs: Chapter 40Y: Starter Home Zoning Districts

What is missing middle housing?

- “Missing Middle Housing” refers to types of housing that are in between single-family homes and mid-rise apartment buildings, coined by Daniel Parolek
- Very few homes of this type have been built since the 1940s
- Building more of this type of housing **increases housing supply and diversity, only gently increases density, supports walkable neighborhoods, supports multigenerational housing and create more inclusive neighborhoods for everyone**
- Examples:
 - Townhomes
 - Duplexes
 - Triplexes or Triple Deckers
 - Courtyard clusters
 - Accessory Dwelling Units



What is Workforce Housing?

- **Definition**- Housing that is affordable to households earning between 80-120% of the Area median Income
 - Area Median Income for a family of 4 is \$93,700. 80% of that is \$79,700. 120% of AMI is \$112,440
- Targets moderate income folks, folks who do not qualify for housing vouchers or LIHTC units
- The main difference between affordable housing and workforce housing is the income limit.
- Background:
 - Many low-moderate income families struggle to find housing near the places they work and often get **pushed to the margins of those areas**
 - From the 1940's to the 1990's, housing was affordable to many middle-income workers due to wages remaining relatively correlated with costs of living, and homeownership becoming more affordable through the introduction of the 30-year mortgage loan (Parlow, 2015).
 - During the late 1990's and early 2000's, incomes began to lag behind rising costs of living, and housing supply for middle-income workers grew stagnant, causing an acute need for Workforce Housing especially in larger metropolitan areas (Parlow, 2015).

How to create more Workforce Housing

- Example Implementation strategies from the Urban Land Institute to Collier, Florida:
 - Create a shared vision for the future
 - Recognize that housing affordability affects all segments of your community
 - Increase supply of affordable rental housing*
 - Adopt a SmartCode to allow greater flexibility in zoning and more innovative building opportunities
 - Reactivate/establish an Affordable Housing Trust Fund
 - Strengthen public transit around mixed income and multifamily housing
 - Raise public awareness and communicate with your community



Thank you!

- Feel free to email me at: mkeel@chapa.org
- If you want to talk more about Affordable Housing and/or the Municipal Engagement Initiative, sign up for my office hours at:
<https://calendly.com/meiofficehours>
 - Office Hours: Thursdays- 1-3pm and Fridays- 10am-12pm

