

Summary Presentation

Presented by Jerry Townsend

June 14-15, 2023
Hybrid Event

16th

**Massachusetts
Housing Institute**

Training for local officials

Massachusetts Housing Partnership

AFFORDABLE HOMES, BETTER LIVES



How MHP Works

www.mhp.net

Community Assistance

We support communities, housing authorities and nonprofits during the early stages of affordable housing development.

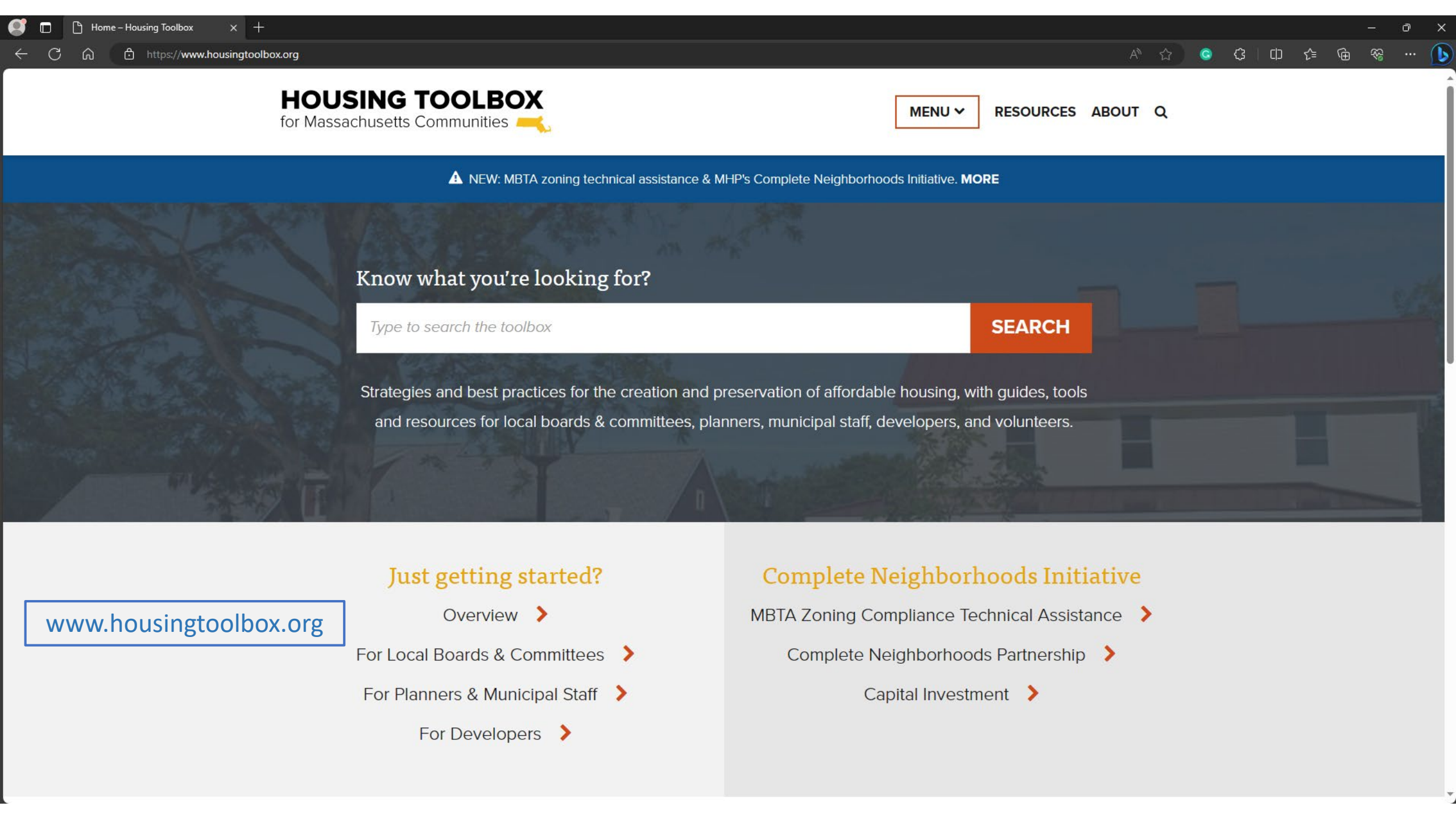
Rental Financing

We use private sources of capital to provide long-term, fixed-rate financing for multifamily housing.

ONE Mortgage

We partner with lenders all over Massachusetts to offer the state's most affordable program for first-time buyers.





 NEW: MBTA zoning technical assistance & MHP's Complete Neighborhoods Initiative. **MORE**

Know what you're looking for?

Type to search the toolbox

SEARCH

Strategies and best practices for the creation and preservation of affordable housing, with guides, tools and resources for local boards & committees, planners, municipal staff, developers, and volunteers.

Just getting started?

Overview >

For Local Boards & Committees >

For Planners & Municipal Staff >

For Developers >

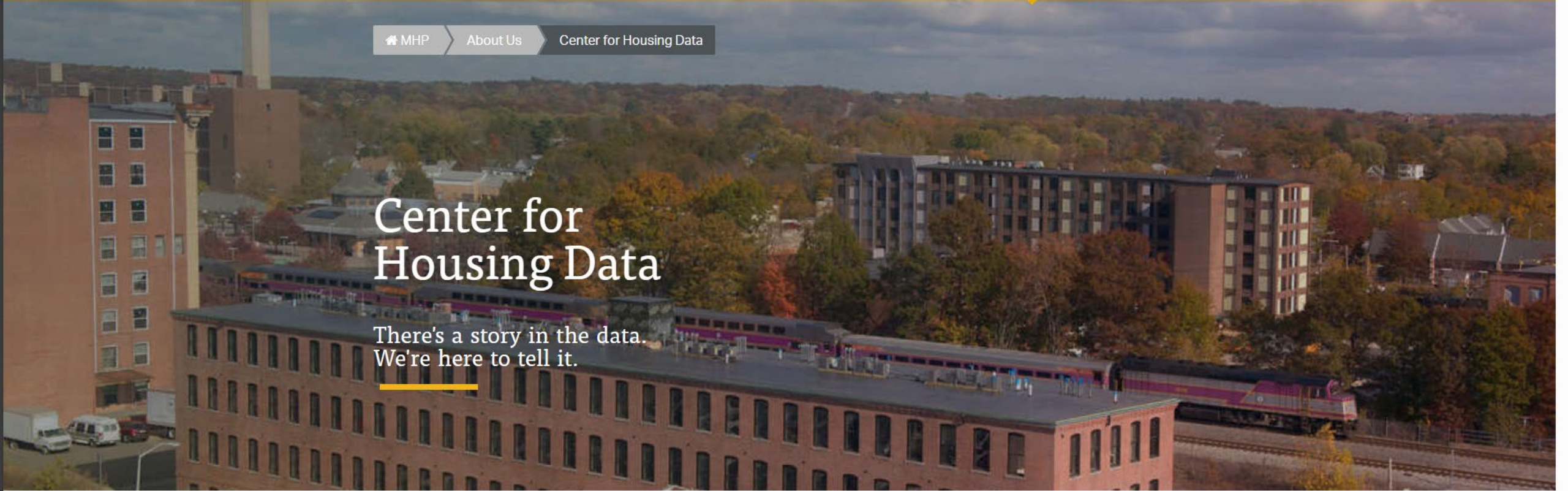
Complete Neighborhoods Initiative

MBTA Zoning Compliance Technical Assistance >

Complete Neighborhoods Partnership >

Capital Investment >

www.housingtoolbox.org



Center for Housing Data

There's a story in the data.
We're here to tell it.

www.mhp.net/data

We collect, interpret
& share data

— to improve state policy, foster effective community
conversations and ensure that we meet our housing needs
throughout Massachusetts.

Proposed Solution for Affordable Housing

Complete Neighborhoods Initiative



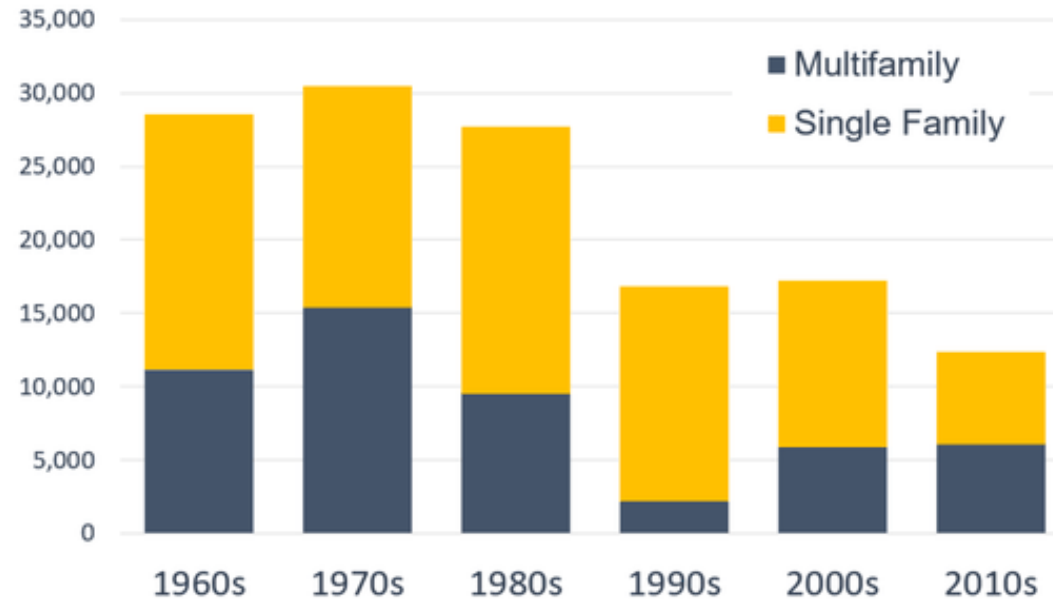
What is a Complete Neighborhood?



Framing the Housing Challenge in Massachusetts

We are allowing less housing

Average annual housing permits
by decade in Massachusetts



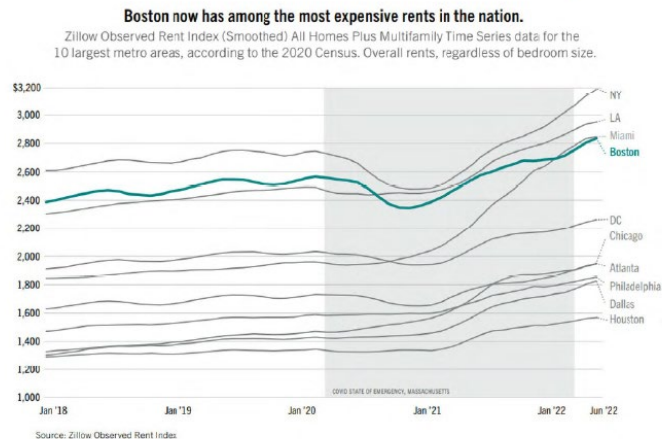
Data source: U.S. Census Bureau, Building Permit Survey



- Massachusetts is in a severe housing crisis.
- New house production has steadily dropped over the last several decades.

Many of our housing problems are self-imposed.

Massachusetts and Metro Boston have some of the highest rents in the U.S.



Compare Median Rent in Markets

Rent in Sutton, MA is 30% lower than Boston, MA.

Sutton, MA

vs.

Boston, MA



\$2,300

\$3,275

Compare Median Rent in Markets

Rent in Sutton, MA is 16% higher than Worcester, MA.

Sutton, MA

vs.

Worcester, MA



\$2,300

\$1,990

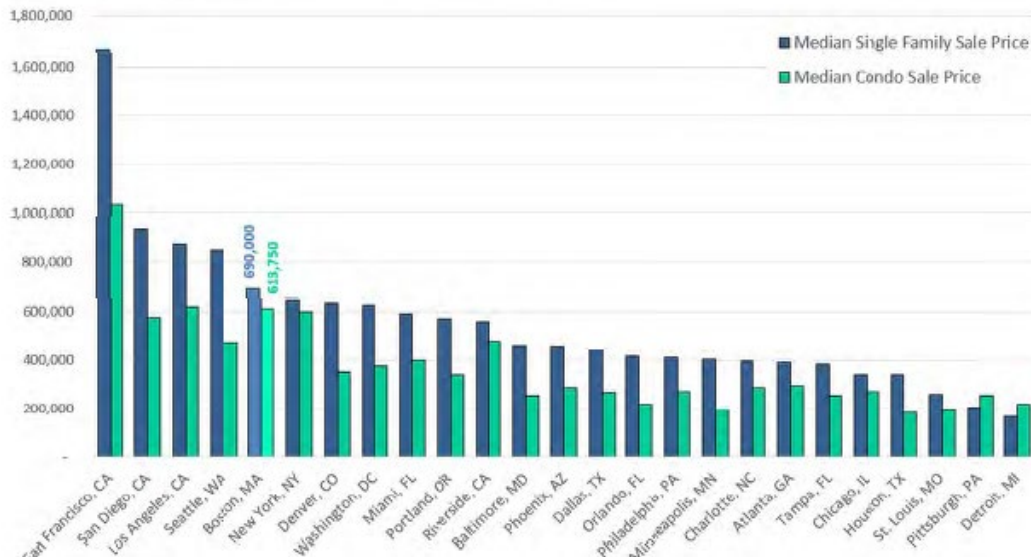
$$\begin{array}{ccccc} (2,300 & + & 300) & \times & 12 = 31,200 \\ \text{rent} & & \text{utilities} & & \text{months} \end{array}$$

$$31,200 (30\%) = \$104,000 \text{ Annual Income}$$

Note: for the past 50 years, Massachusetts homes have increased in value more than any other state in the US.

...and home prices that are among the nation's highest and have grown more than any other state since 1980

Median Home Sale Price - 25 Metros with the Largest Housing Supply
April 2023



Source: Redfin



Sutton Home Values

\$579,321

↑ 3.8% 1-yr

The average Sutton home value is \$579,321, up 3.8% over the past year.

In 2022 the average new home construction cost in Sutton was \$419,012 per the Building Department.

This means that these home would sell for an average of

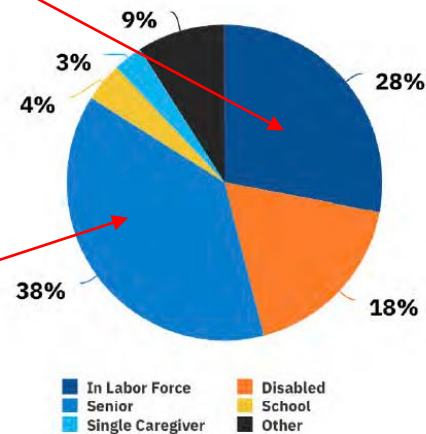
\$700,000

Why is Affordable Housing Important?

MA HOUSING CRISIS: WHO'S AT RISK?

In-Labor Force

EXTREMELY LOW INCOME RENTER HOUSEHOLDS

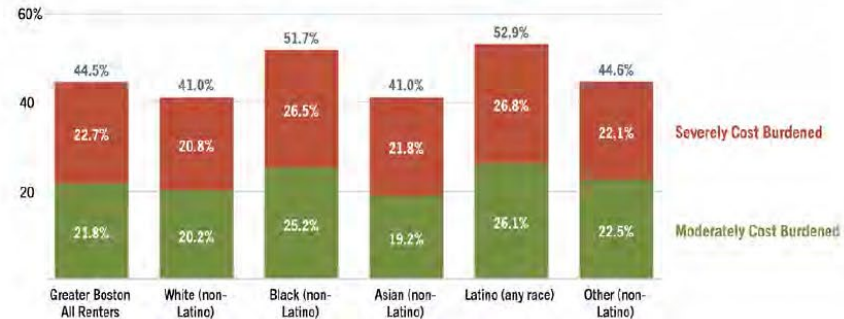


Seniors

Extremely Low Income defined as those whose incomes are at or below 30% of the area median income.
<https://nlihc.org/housing-needs-by-state/massachusetts>

Around 45 percent of renters in Greater Boston are cost burdened, and more than half of Black and Latino renters are cost burdened.

Share of renters by race who are moderately cost burdened (paying 30% - 50% of their income on rent) and severely cost burdened (paying more than 50% of their income on rent).



Note: Other includes American Indian and Alaskan Native, Pacific Islander, and multiracial non-Latino.
Chart: Boston Indicators • Source: 2014-2018 HUD Comprehensive Affordability Strategy

How does this relate to Sutton?



2020 65+ POPULATION
1510 RESIDENTS

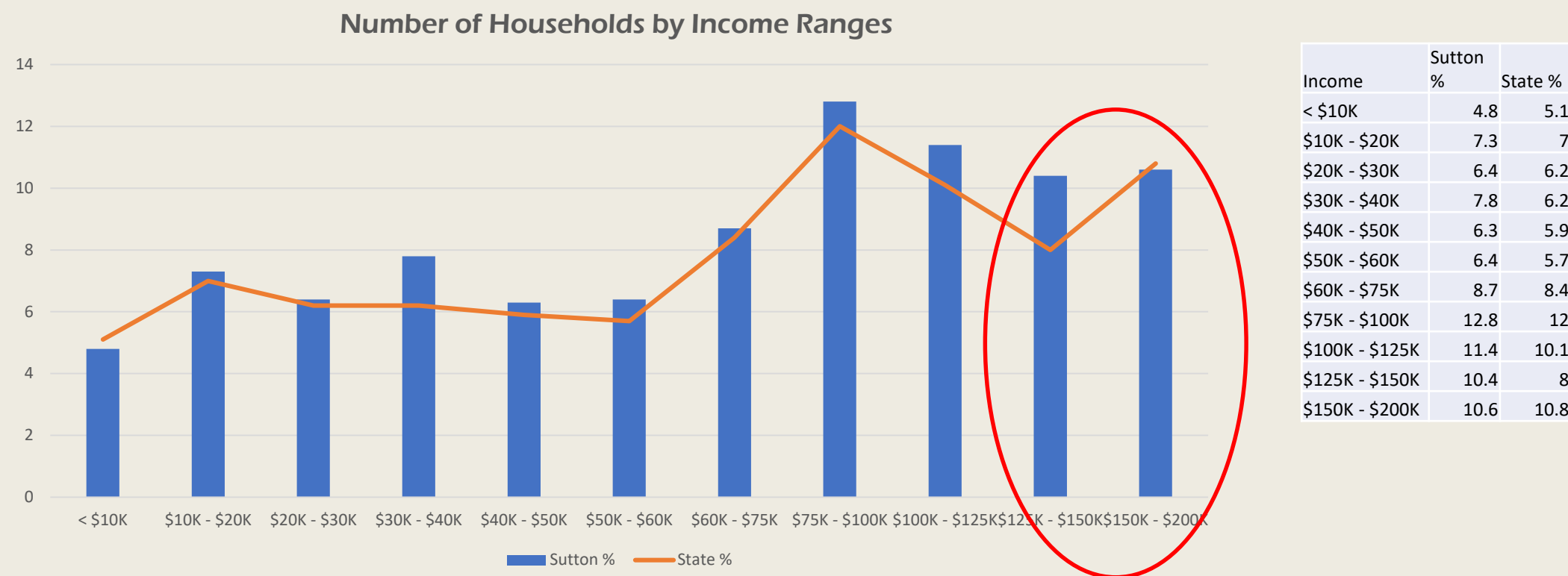


AMI
(AREA MEDIAN INCOME)
FOR SUTTON AREA
\$123, 542



AVG ANNUAL HOUSEHOLD INCOME IN SUTTON
\$153,366

Sutton's Income Statistics



Source: Sutton, Massachusetts (MA) income map, earnings map, and wages data (city-data.com)

21% of Sutton's Household are at or above the AMI.

Massachusetts defines Affordable Housing as a unit that could be purchased or rented by a household making up to 80% of the area median income (AMI).

\$123,542

(Sutton AMI)

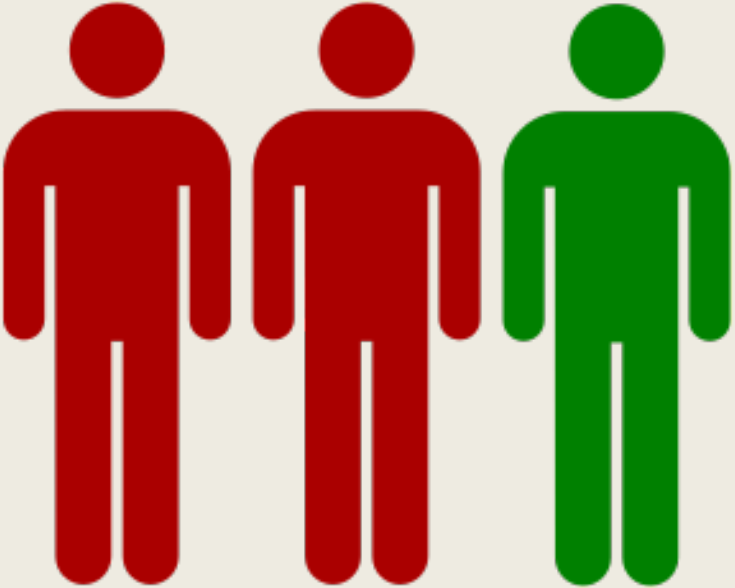
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80%

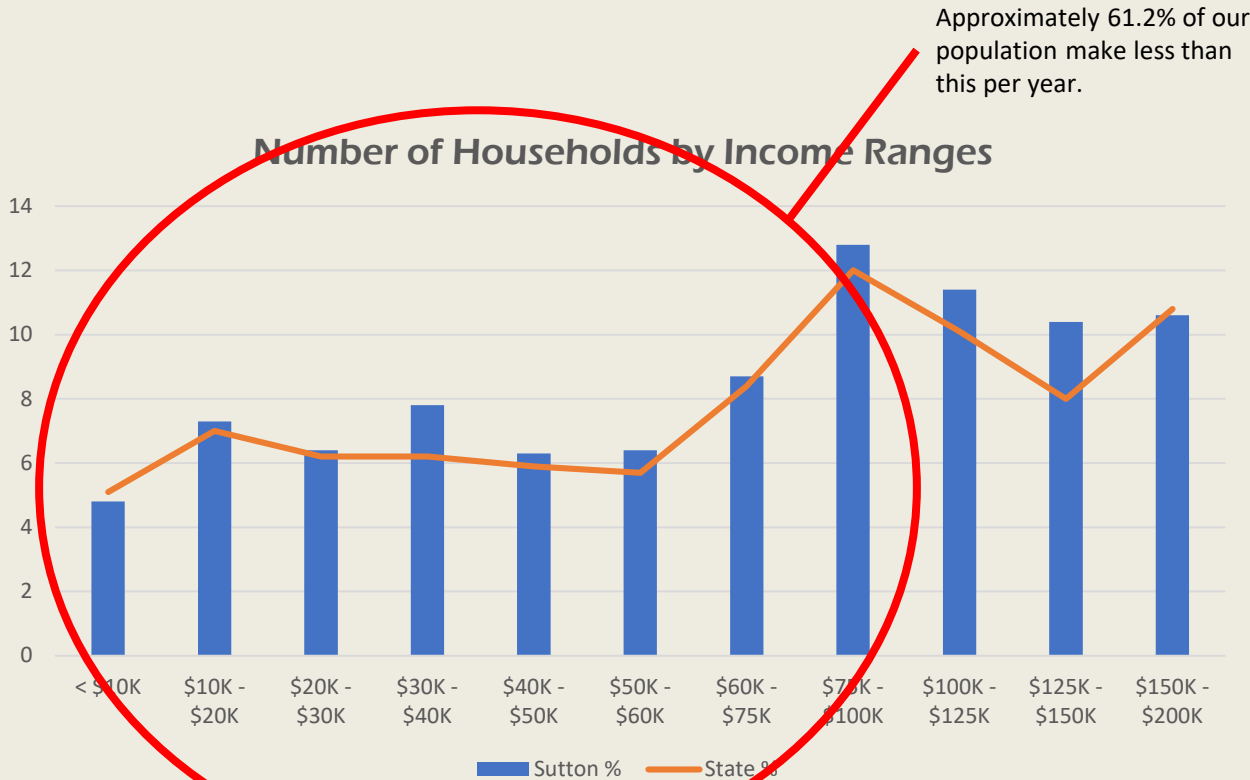
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\$98,833.60

(Household income to qualify for affordable housing.)



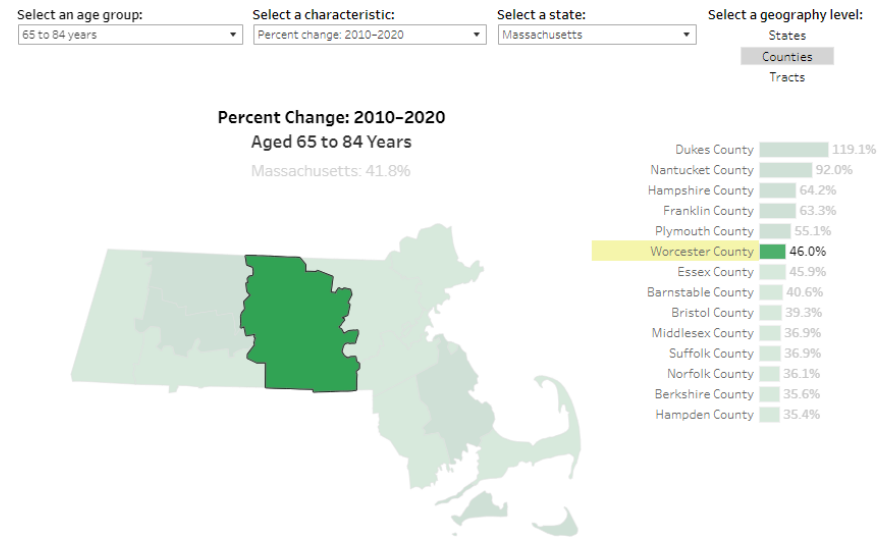
2 out of 3 residents qualify for affordable housing.



Aging Population

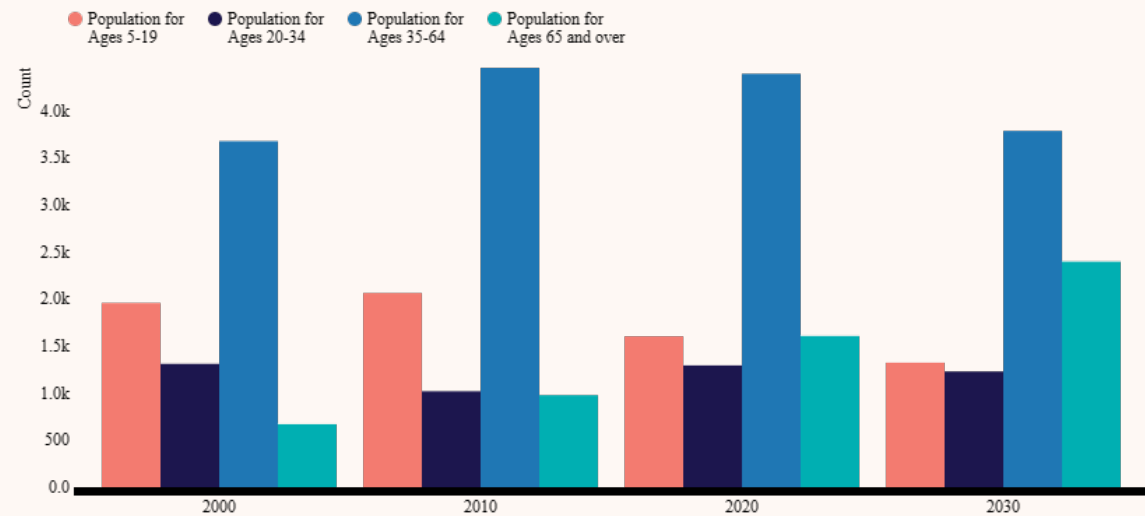
Exploring Age Groups in the 2020 Census

Learn About Age, Sex, and Racial and Ethnic Diversity for States, Counties, and Census Tracts




64-84 age group population has increased 46% in ten years.

Sutton's 65+ population will increase 40% by 2030 while the total population will only increase by 1.1%



1510 seniors in 2020 estimated to grow to 2114 seniors in 2030



The inventory of
affordable senior
housing has not
increased in Sutton
since the 1980's



Employment Travel in Sutton

**2,844 individuals
travel to Sutton
for work.**



**4,183 residents
travel outside of
Sutton to work.**

A large orange circle is positioned on the left side of the slide, partially cut off by the edge. It contains white text.

Where do
“Town
Employees”
live?

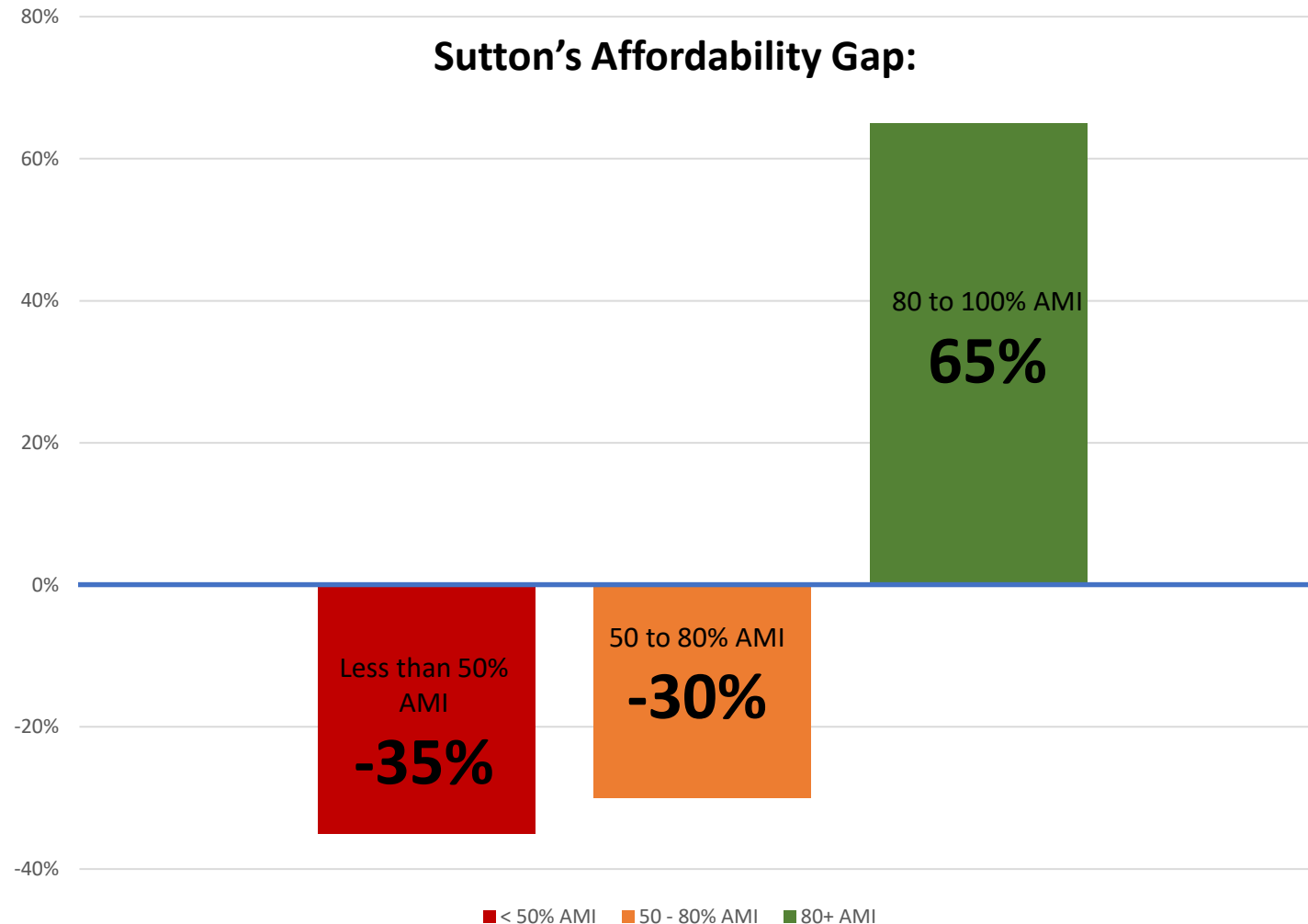
The Town employs 461 individuals.

211 or 45.8% of the Town employees
live in Sutton.

250 or 54.2% of the Town employees
live outside of Sutton.

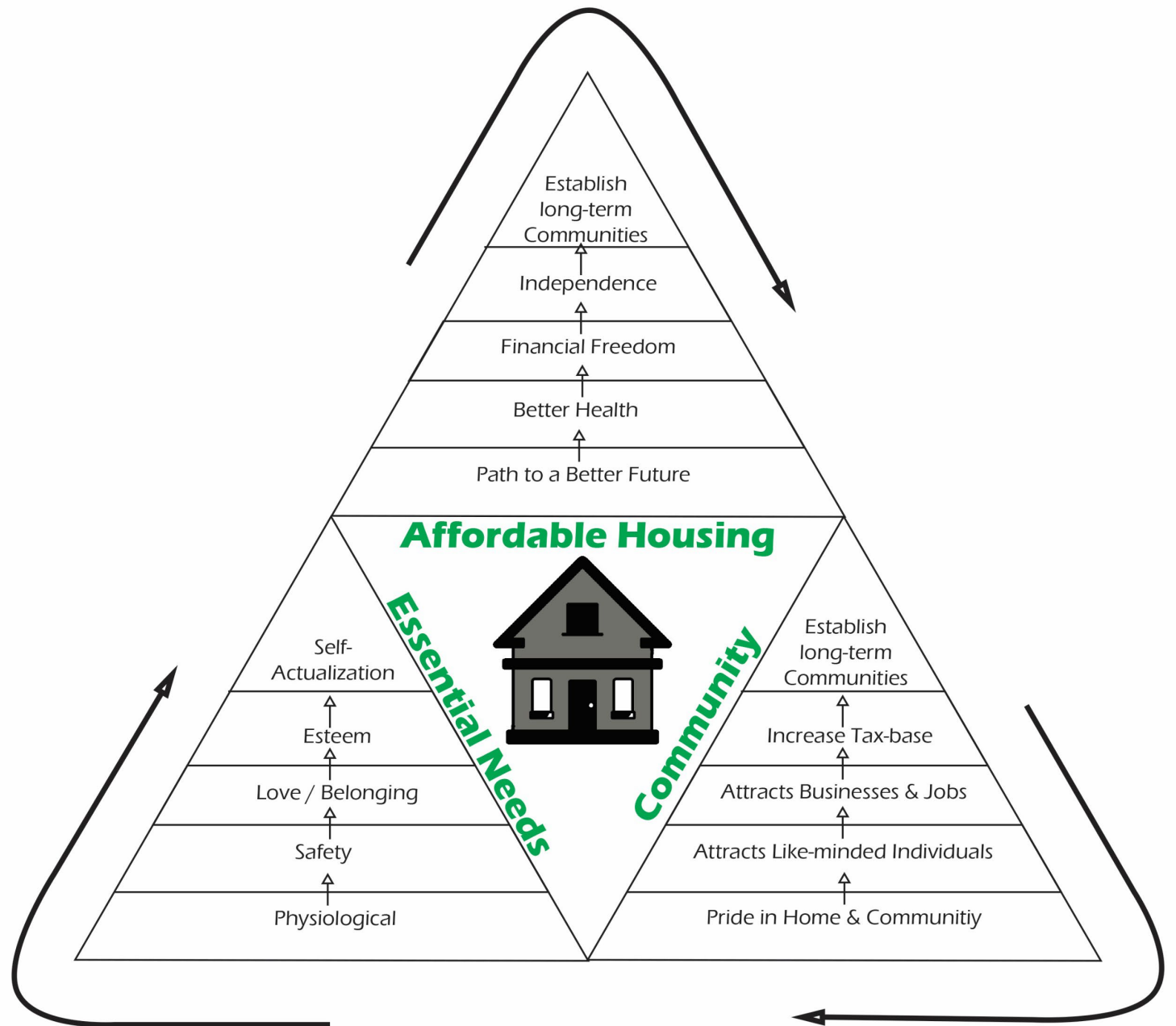
Affordability Gap

To measure the extent to which affordability is a supply problem versus a distribution problem, we calculate the affordability gap.



Why Sutton needs more affordable housing.

Affordable Housing meets the essential needs of individuals and family. By meeting these needs we establish long-term communities that are financially viable.



This diagram is an elaboration of Maslow's Hierarchy of Essential Needs. It takes Maslow's psychological theory and expands it to represent affordable housing and community in which this becomes self-sustaining.