



# Affordable Housing 101

MUNICIPAL ENGAGEMENT INITIATIVE

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# What does CHAPA do?

Our 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.

Every person in Massachusetts should have a safe, healthy, and affordable place to call home. We achieve this by advocating for opportunity, expanding access to housing, and developing the field.



# What are we doing here tonight?

This session is an introduction to the basics of Affordable Housing\*:

- What is Affordable Housing? Who lives in it?
- How is it funded, built, supported, and preserved?
- What strategies are cities and towns using to increase their housing supply?
- What opportunities are there for impact?

\***Note:** at this session, we will not be able to help individuals find affordable housing for themselves or their families.

# 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.**



# Why are we so behind?

## *Neighborhood Defenders: Participatory Politics and America's Housing Crisis*

Researchers observed and reviewed thousands of hours of public meetings and examined who was making comments on housing projects. Compared with the general population, commenters were disproportionately white, male, older, and homeowners, and they showed up overwhelmingly to oppose new housing developments.

These comments have successfully stopped the creation of thousands of homes for Massachusetts residents. Additionally, resistance from high income neighbors pushes development into less affluent communities, leading to gentrification and displacement.

# Systemic Racism and Housing Inequities

The disparities uncovered in the "Neighborhood Defenders" research are the legacy of nearly a century of discriminatory housing policy.

Many of the housing conditions we take for granted and assume were accidental are **actually the result of decades of discriminatory housing policies** at the federal, state, and local level. All of this has led to a housing system that is inequitable.

As these policies and programs were created by design, so too must be our remedies to undo them.

# Six Pillars of Housing Discrimination

- Mortgage Lending + Redlining
- Exclusionary Zoning
- Restrictive Covenants
- Discriminatory Real Estate Practices
- Urban Renewal and Highway Construction
- Violence

If you'd like to learn more, we strongly encourage you to attend our other webinar:  
[Confronting the History of Housing Discrimination](#) (link will be shared)

# Municipal Engagement Initiative

As laid out in the "Neighborhood Defenders" report, local support can make or break new housing development. Yet many communities in Massachusetts lack a strong pro-housing advocacy group.

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.





# Big Tent Coalition Building Model

MUNICIPAL STAFF  
ELECTED OFFICIALS  
HOUSING ADVOCATES  
DEVELOPERS  
LOCAL BUSINESSES  
CIVIC GROUPS  
SERVICE PROVIDERS

HOUSES OF WORSHIP  
ENVIRONMENTAL GROUPS  
TRANSIT ADVOCATES  
RENTERS  
HOMEOWNERS  
CULTURAL GROUPS  
RACIAL JUSTICE ADVOCATES

... AND ANYONE WHO BELIEVES THAT ALL PEOPLE  
DESERVE SAFE, AFFORDABLE, ACCESSIBLE HOUSING!



**PAUSE FOR QUESTIONS**

***Next: What is Affordable Housing?***

# What is Affordable Housing?

Housing is considered “affordable” when associated costs are 30% or less of a household’s income.

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, and it is regulated and monitored to ensure compliance.

# How is eligibility determined?

The Department of Housing and Urban Development (HUD) determines **Area Median Income (AMI)**. This data is used to assess who is eligible for deed-restricted housing.

Generally, **households need to earn 80% of AMI or less**. Some programs explicitly target lower income households and others serve households at higher incomes.

The AMI for a 4 person household in the **Greater Boston Area\*** is \$140,200.

\*Important note: this area includes municipalities in Essex, Middlesex, Norfolk, Plymouth, and Suffolk counties. As a result, this figure does not accurately represent many of the communities listed under this AMI.

# What does it mean to be cost burdened?

Households paying **more than 30%** of their income towards housing are considered "cost-burdened".

Households paying **more than 50%** are "severely cost burdened".

# What is included under "housing costs"?

**For renters**, housing costs generally include rent plus estimated utilities.

**For homeowners**, housing costs generally include mortgage payments, taxes, insurance, and estimated utilities.

# What is Public Housing?

Local Housing Authorities provide publicly funded and managed Affordable Housing for income-eligible households. These households can include older residents, families, and people with disabilities.

# What is a Housing Voucher?

Housing Vouchers are awarded to income eligible households to **subsidize monthly housing costs**.

Tenants receiving **a voucher generally pay 30-40%** of their income towards housing and the balance is covered by a housing authority or other subsidizing agency.

There are both federal and state-funded vouchers, with one of the most commonly known being "Section 8", which is a federal program.

Under Fair Housing laws in Massachusetts, **a landlord cannot discriminate against someone for having a voucher**.

# What is Project-Based Rental Assistance?

Project-Based Rental Assistance places a rental subsidy **on a unit in a specific housing development**, that may be rented at a rate that is affordable to eligible households.

The **assistance stays with the unit**, not the household. When a household moves out, they lose the subsidy, and the new renter household gets it.



# What is the Low Income Housing Tax Credit (LIHTC)?

This is a federal government program that provides state and local agencies tax credits for developers to acquire, rehabilitate, or construct rental housing targeted to lower-income households.



## PAUSE FOR QUESTIONS

*Next: How does Affordable Housing get implemented?*

# What is an Affordable Housing Trust Fund?

Most Housing Trust Funds in Massachusetts are municipal entities focused on creating and preserving affordable housing, generally described as housing for household earning up to 100% of the area median income (AMI).

Over 100 communities in the state have a local Affordable Housing Trust Fund. These funds are used for a variety of programs and services including:

- Buydown Programs
- Housing Development
- Housing Preservation
- Direct Assistance

# What is Inclusionary Zoning (IZ)?

Inclusionary Zoning is a policy adopted at the municipal level that **requires a percentage of new market rate housing developments to be deed-restricted affordable**. This percentage typically ranges between 10% and 20%.

To help offset the cost of providing these units, **the municipality may offer an incentive**, such as a density bonus. Other incentives include waiver of permit fees, fast-track permitting, local tax abatements, and subsidized infrastructure.

# Inclusionary Zoning

140+ communities in Massachusetts have implemented inclusionary zoning!

Building under Inclusionary Zoning regulation **requires a relatively strong housing market** to support the increased costs borne by the developer and absorbed, in part, by the market rate units.

Once built, **units are rented or sold to income eligible households at an affordable price** based on the Area Median Income.

# What is Chapter 40B?

MA law that allows developments to override local zoning codes if a percentage of affordable units are also provided in the development.

Once a community has met the **minimum 10% of its total housing units** listed on the state Subsidized housing inventory (SHI), they are no longer subject to Chapter 40B.

Important to note that **just because a community is at or over 10% does not mean they have met their housing needs.**

People often use 40B as a proxy term for all affordable housing, but this is not accurate.

# What is the Community Preservation Act (CPA)?

CPA helps communities preserve **Open Space, Historic Preservation, and Affordable Housing** by placing a surcharge on property taxes. The surcharge can range anywhere from 0.5% to 3%.

The revenue goes into a local community preservation trust fund and **the state provides matching funds** from its own Community Preservation Trust Fund.

Municipalities can exempt low- and moderate- income households and/or commercial properties.

# Community Preservation Act (CPA)

Communities are required to allocate **at least 10% of funds raised each year to each of the three categories**: Open Space, Historic Preservation, and Affordable Housing. The remaining 70% may be allocated among any of the categories and also recreation.

CPA Funds can be used for a wide range of housing purposes, from developing initial strategies to creating programs and preserving existing developments.

**187 municipalities in Massachusetts have adopted CPA!**





**PAUSE FOR QUESTIONS**

***Next: More Housing Strategies***

# What is the Tenant Opportunity to Purchase Act (TOPA)?

TOPA enables the transfer of property ownership into the hands of tenants and affordable housing developers by **enabling tenants to exercise a first right of purchase**. Landlords are required to give notice to tenants, and then allow a specified amount of time for tenants to express interest, make an offer, and secure funding.

**Some programs also enable a local non-profit to be designated as an agent of the municipality**, so that if the tenants cannot purchase the units themselves, the non-profit is also given a chance to purchase and keep it affordable.

Somerville and Boston have both submitted Home Rule Petitions for local TOPA programs.

# Real Estate Transfer Fee bill

This bill would enable individual cities and towns the ability to decide for themselves whether to enact a **Real Estate Transfer Fee (between 0.5% and 2%)** for the exclusive purpose of creating and supporting local affordable housing.

This fee would **apply to homes sold at above the statewide median sale price for single family homes (currently \$529,000)** or the county median sale price if a locality's median is lower than the statewide median. Another bill has been put forth that would place the minimum sale threshold at \$1m.

Local Home Rule Petitions have passed in many Massachusetts communities including **Boston, Concord, Somerville, Nantucket, Brookline, Provincetown, Chatham, Cambridge, Arlington**

# Community Land Trusts (CLTs)

A CLT is a non-profit organization that **owns and stewards land**. It is most commonly used for housing, but can also be used for farming, retail, open space, or any other use that fits the mission. The idea is to provide long-term access to land for folks at all income levels, and to move properties from the speculative market into community control.

**The CLT owns the land and leases it for use.** Homes are sold to income eligible households. When they buy in, they are buying the home, but not the land beneath it. They lease the land, and the ground lease states that **the home must be resold to an income eligible person.**

# MBTA Multifamily Zoning Requirements

Single family zoning still dominates in Massachusetts, which creates immense challenges for developing new affordable housing. In January 2021, [Governor Baker signed into law new zoning requirements](#) for communities that are serviced by the MBTA.

[175 municipalities fall under this new legislation](#), and each must create at least one zoning district of reasonable size in which [multi-family housing is permitted as of right](#) and meets other criteria set forth in the statute:

- Minimum gross density of 15 units per acre
- Not more than ½ miles from the MBTA station(s)
- No age restrictions
- Suitable for families with children



**PAUSE FOR QUESTIONS**

***Next: Housing Production  
Timeline***

# Housing Production Timeline

1. Creating a Development Strategy (information gathering)
2. Finding a site
3. Predevelopment and site assessment
4. Developing a Request for Proposals (RFP) & selecting a developer
5. Construction\*
6. Occupancy and ongoing operations\*
7. The municipality's ongoing role

# Where does the community have input and impact?

- Developing strategies at the municipal level – Housing Needs Assessment and Housing Production Plans (HPP)
- Identifying and supporting municipally owned sites as locations for housing and affordable housing
- Attending Planning and Zoning meetings to discuss proposed projects
- Getting your message out to your community! Submit letters, conduct campaigns to elected officials, write Op-Eds and Letters to the Editor for your local papers, address community concerns and debunk myths as they come up



# What can I do right now?

- MEI has supported dozens of local coalitions across the state, reach out to us and we may be able to connect you with folks doing this work in your community!
- Dig into the Housing Data on your community with DataTown
- Attend "Confronting the History of Housing Discrimination" next week
- Talk to your family, friends, and neighbors about affordable housing and why you support it!

# How can you connect with us?

- Sign up for Office Hours ([calendly.com/meiofficehours](https://calendly.com/meiofficehours)) or email us to directly to find a time to chat!
  - Dana LeWinter, [dlewinter@chapa.org](mailto:dlewinter@chapa.org)
  - Lily Linke, [llinke@chapa.org](mailto:llinke@chapa.org)
  - Whitney Demetrius, [wdemetrius@chapa.org](mailto:wdemetrius@chapa.org)
- Join one of CHAPA's Committees!
  - Fair Housing
  - Rental Assistance
  - Building Blocks
  - Public Housing
  - Production and Preservation



# Thank you for coming!

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