

RECOMMENDATIONS TO MAKE AFFORDABLE HOUSING MORE ACCESSIBLE IN MASSACHUSETTS

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Problem Statement

The lack of affordable housing in Massachusetts has a widespread impact across the Commonwealth that infiltrates many aspects of the economy outside of housing. When people are unable to access affordable homes, effects are felt across many sectors – employment, transportation, schools, and the government to name a few.

Affordable housing is defined as a living situation in which the occupant(s) pay no more than 30% of their gross income on housing costs¹. Despite this definition and the general guideline from personal finance experts to not spend more than 30% of gross income on housing costs in order to afford other essentials, research shows that many people in Massachusetts are rent-burdened and spend above this threshold. This lack of affordable housing is not unique to Massachusetts, but it is a public health issue that is more severe in the Commonwealth than other places in the United States.

Studies show that Massachusetts only has enough affordable housing for 32% of low-income households² and well over 50% of low-income households that rent are cost-burdened³. A household is considered cost-burdened when more than the recommended 30% of gross income is spent on housing.

Affordable Housing:
housing where the occupant(s) pay no more than 30% of their gross income on housing costs.

U.S. Dept. of Housing and Urban Development

Figure 1

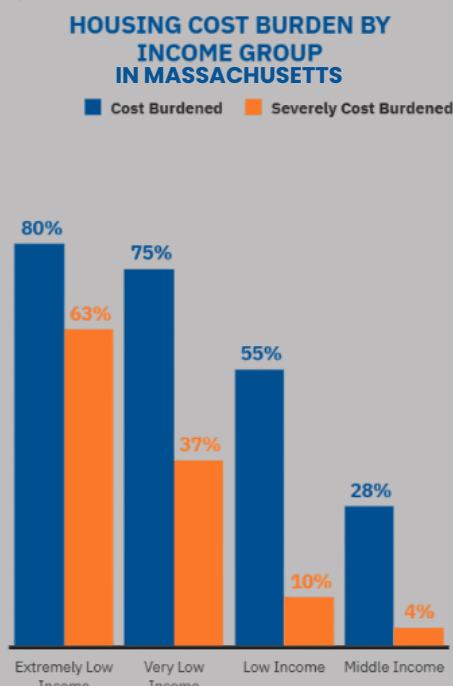


Figure 1³ shows the percentage of middle income to extremely low-income households in Massachusetts that are rent-burdened (spend more than 30% of gross income on housing) and severely rent-burdened (spend more than 50% of gross income on housing). Extremely low income is defined as a household that makes up to 30% of the Area Median Income (AMI), very low income is 50% of AMI, low income is 80% of AMI, and middle income is 100% of AMI. This graph highlights the severe housing crisis for those in Massachusetts who make less than the local AMI⁷.

The lack of affordable housing disproportionately impacts marginalized communities including people who are low-income, racial minorities, and immigrants. An inadequate supply of affordable housing also jeopardizes people's overall health and well-being because when a household overspends on housing they have less money to spend on other necessities including food, clothing, transportation, health, education, and more. This policy brief describes the affordable housing problem in depth and offers potential policy solutions.

Timeline of Affordable Housing Programs (1930s–Present)

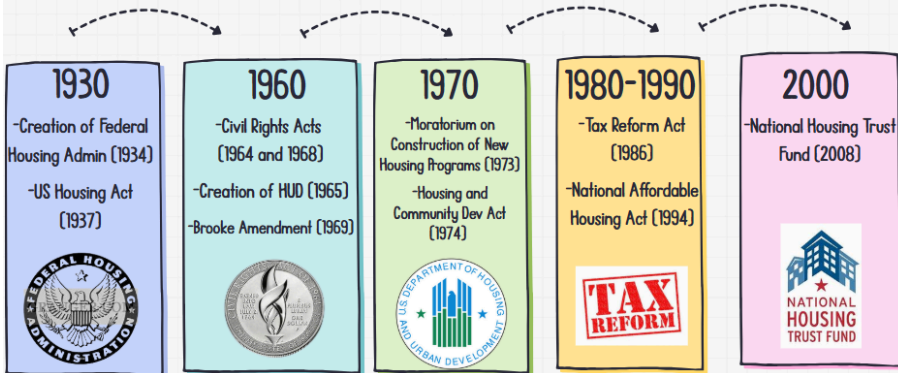
Cost Burdened:

spending more than **30%** of gross income on housing

Severely Cost-Burdened:

spending more than **50%** of gross income on housing

TIMELINE OF AFFORDABLE HOUSING



Arguably the most notable federal action to address affordable housing was the **Housing and Community Development Act of 1974**. This act decentralized authority and consolidated programs into flexible Community Development Block Grants which allow local governments to support affordable housing in ways that meet local needs⁴. This act also created the Section 8 Housing Program where tenants pay 30% of their adjusted income on rent, with the remaining rent covered by federal funds^{4 11}.

Massachusetts has a long history of addressing affordable housing starting with the development of public housing projects in the mid-20th century in response to the post-war housing crisis.

Chapter 40B, enacted in 1969, further aimed to encourage affordable housing development in municipalities with low percentages of affordable units. MassHousing, established in 1966, provides financing for these affordable housing projects⁸.

Recent efforts, like the **Affordable Homes Act**, include significant state financial commitments and policy reforms to increase housing production and address the affordable housing crisis⁹. The **MBTA Communities Act** also aims to increase affordable housing by requiring towns/cities served by the MBTA to adopt at least one zoning district where multi-family housing is allowed to encourage the production of affordable housing. 177 towns/cities in Massachusetts are required to comply with the law, but many oppose the law due to concerns about unfunded mandates, potential infrastructure strain, and the law's perceived one-size-fits-all approach⁶. There are currently only 81 communities in compliance with the law⁵. This exemplifies the complexities of affordable housing, tensions between state and local control, and the pervasive influence of affordable housing resistance in communities.

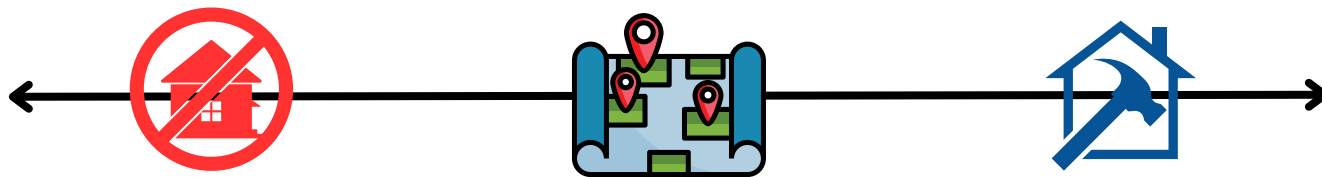
Root Causes of the Housing Crisis

Massachusetts' affordable housing rental crisis is largely driven by a shortage in affordable homes available to renters with the lowest incomes. This crisis is further compounded by the growing gap between socioeconomic class levels and the high cost of housing in the Commonwealth¹⁰.

Redlining: Starting in the 1930s, the U.S. government formally adopted racially discriminatory housing policies such as redlining. These housing policies contributed to segregation because redlining encouraged providing mortgages to white middle-class families and actively made it difficult for individual African Americans and predominantly African American neighborhoods to obtain mortgages¹². This decades long system of using race to determine access to housing exacerbated segregation and led to investments into largely white neighborhoods and disinvestment from largely African American neighborhoods which impacted housing, schools, employment, and more¹³. Through the Fair Housing Act of 1968 (part of the Civil Rights Act of 1968) it became illegal for landlords, real estate companies, and financial institutions to discriminate against renters and homeowners with protected identities including race, religion, disability, sex, etc.¹⁷.

Exclusionary Zoning: Zoning regulations determine how land can be used (i.e. residential, commercial, etc.). Under exclusionary zoning policies, local municipalities can intentionally or unintentionally prevent the development of affordable housing based on how land use is zoned¹⁸. For instance, municipalities with more restrictive zoning regulations may limit the land available for residential housing to pricier areas in town that lack accessible transportation. This can make it hard for low-income families to afford to live in certain areas, artificially increase housing prices, and block families from living in neighborhoods with high-performing public schools and other opportunities. These exclusionary zoning policies are disproportionately felt by those who are low-income, people of color, and immigrants.

Housing Development: Today, developers and property owners often find it financially unfeasible to build or manage rental units at price points that low-income households can afford, as the potential rental income does not cover increasing construction and operating costs¹⁰. To address this market failure, public investments should be strategically directed toward creating deeply affordable housing that the private market cannot produce on its own.



Racism and bias still impact people's access to housing today. A July 2020 study in Massachusetts analyzed how real estate brokers and landlords discriminate on the basis of race and income in the Boston area¹⁹. Researchers placed fictional renters into four groups: white people who could pay market rent; Black people who could pay market rent; white people with a Section 8 Voucher; and Black people with a Section 8 Voucher. Researchers found clear racial discrimination since white renters paying market rate were shown apartments more often than Black renters paying market rate (80% compared to 48%). However, the impact of class was even stronger. Black voucher holders were shown apartments 18% of the time and white voucher holders were shown apartments 12% of the time¹⁹.

Current State of Affordable Housing in MA

In early 2025 the Healey Administration announced \$158 million in low-income housing tax credit and subsidy awards for 14 affordable housing projects across the state. These awards will support the production of 1,138 affordable units for seniors/families. These awards were made possible in part by a \$1 billion tax relief bill in 2023, which raised the Low-Income Housing Tax Credit to \$60 million annually, a \$20 million increase that allows the state to support more affordable housing production. Healey acknowledged that high housing costs are the biggest challenges facing residents. She states, "Our administration is refusing to kick the can down the road. We need to increase housing production across the state to lower costs, and these affordable housing awards will help us get there. Because of our tax cuts package, we're able to give out more funding than ever before, which will directly support the creation of more than 1,000 affordable homes for seniors and families across our state."¹⁵

Tension between state and local control is not simple. Local governments can do as much harm as good, while states can be both adversaries to affordable housing and tenants' rights, as well as protectors. The long-standing Housing Accountability Act (HAA), passed in 1982, states that cities must approve proposed new housing that meets zoning requirements and "objective" standards as long as it will not pose a health or safety risk. Some cities, especially affluent communities, have flouted this regulation, repeatedly denying qualified housing projects under the guise of environmental and other concerns^{6,13}. Unless the state or courts intervene to enforce state law, it's easy for cities to ignore state mandates. While states and local governments frequently oppose federal intervention, a lack of collaboration can hinder the development of robust, context-specific solutions to pressing issues such as housing. If local governments flout state laws that override local approaches to landlord-tenant disputes and affordable housing solutions without offering alternatives, looking to the realm of federal policy may be the most effective way to address these problems.

This table is a current listing of all open lotteries in Massachusetts (as of June 2025). It should be noted that not all of these locations have affordable housing units currently available and among cities with current affordable housing units available, only one offers any affordable units for those with incomes below 70% AMI¹⁴. This underscores the need for more affordable housing across Massachusetts.

Policy Recommendations

| City Where Building is Located | Number of Affordable Units Currently Available | AMI Threshold for Affordable Housing Units |
|--------------------------------|--|--|
| Boston | 3 out of 14 | 70% |
| Boston | 0 out of 172 | 70% |
| Nantucket | 0 | 70% |
| Salem | 12 out of 124 | 80% |
| Boston | 51 | 70% |
| Boston | 30 | 70% |
| Foxborough | 20 out of 80 | 70% |
| Natick | 2 | 70% |
| Wakefield | 1 | 70% |
| Tewksbury | 33 out of 130 | 70% |
| Somerset | 0 | 70% |
| Somerville | 125 out of 162 | 70% |
| Salem | 10 out of 29 | 70% |
| Lenox | 8 out of 65 | 70% |
| Boston (62+) | 24 out of 40 | 70% |
| Worcester | 30 out of 66 | 70% |
| Orleans | 2 out of 25 | 70% |
| Chelmsford | 6 out of 340 | 70% |
| Salem | 50 out of 250 | 60% |
| Everett | 4 out of 24 | 80% |
| Northampton | 20 out of 60 | 70% |

- To have the most significant impact and address the lack of affordable housing equitably across Massachusetts, we recommend that policy changes be implemented statewide, rather than by specific cities. We also recommend that all policy changes not be limited to particular groups (i.e. families with children, specific age demographics) so that diverse populations and households can benefit from these policy changes. This is meant to offset the fact that most affordable housing in Massachusetts is age restricted^{2,8}, thus making many households ineligible for affordable housing.
- To increase the supply of rent-based affordable housing, it is recommended that the Commonwealth of Massachusetts revise specific components of Chapter 40B. The majority of new affordable housing units developed in Massachusetts are supported by Chapter 40B, which indicates how important this law is for the development of future affordable housing. Under Chapter 40B’s current statute, local municipalities can utilize flexible zoning regulations when developing new multi-unit housing so long as between 20–25% of all units are deed-restricted as permanent affordable housing and restricted to households that make less than 80% AMI⁸. Further, Chapter 40B helps ensure that individual municipalities meet the minimum threshold of having 10% of total housing units listed on the state Subsidized Housing Inventory (SHI). Once a municipality meets the 10% minimum for affordable housing, they are no longer required to use flexible zoning regulations to develop affordable housing which makes it easier for municipalities to reject the development of additional affordable housing⁸. To encourage the development of affordable housing units in response the current affordable housing crisis, it is recommended that the following components of Chapter 40B be revised:
- Increase the minimum number of multi-unit rentals in new developments that must be affordable to 25% of the total number of rental units.** This change removes the current 20–25% range of affordable housing units required for new developments, increasing the number of affordable housing built and removing the option for developers to build less affordable housing .
 - Lower the income threshold that households must make in order to qualify for newly developed affordable housing units from 80% to 50% of AMI.** This makes it possible for low-income households who were previously ineligible for affordable housing (under the 80% AMI threshold) to have fairer access to affordable housing. This policy change would also open up affordable housing to a greater proportion of those who are in most need.
 - Modify the Chapter 40B requirement so that only those units developed and rented as affordable housing units count towards the 10% minimum requirement.** The law currently counts all units in a new development towards the 10% minimum threshold for affordable housing, not just the 20–25% of units that are developed as affordable housing². This change recognizes the importance of requiring municipalities to have at least 10% of their total housing units truly affordable and could quadruple the availability of affordable housing units across Massachusetts.



Existing programs designed to provide low income households with access to affordable housing all have their own rules and regulations. Chapter 40B incentivizes the development of new affordable housing units and helps make the housing affordable by setting the rent at a fixed level below market rate. It does not set rent levels based on household income (as is done in public housing and Section 8 voucher programs) which guarantees that renters do not spend more than 30% of their household income on rent. Since it is recommended that new affordable housing developments lower their qualification levels to 50% AMI (compared to the current 80% AMI requirement), it is also recommended that Chapter 40B require new housing developments to set their rent to levels that would be considered affordable to households with incomes at 50% AMI. In order to ensure that households living in affordable housing units pay what they can realistically afford and housing developments can maximize revenue, it is further suggested that households living in these proposed affordable housing units have their rent evaluated each calendar year.

Limitations

While the proposed policy interventions aim to address critical issues in Massachusetts' affordable housing landscape, several limitations must be acknowledged.

Scope of Impact: Despite the recommendations to decrease the AMI threshold needed to qualify for affordable housing (from 80% to 50% AMI) and increase the number of affordable units in new developments (from 20–25% to 25%), the majority of units will still be priced at market rates and households with incomes below 50% AMI will not be helped. Vulnerable populations, particularly those who are very low-income, will remain underserved by these strategies^{2 8 13}.

Fluctuations in Market Conditions and Income: Linking affordability to a fixed percentage of Area Median Income (AMI) can be problematic due to the volatility of both regional housing markets and income levels. Shifts in local economies, inflation, and job instability can alter what is considered “affordable,” potentially displacing families whose housing previously fell within reach¹¹. Without mechanisms for real-time adjustment, static AMI thresholds may fail to protect those most at risk.

Disproportionate Benefit to Moderate-Income Households: Affordable housing policies that lack deep subsidies or targeted supports may inadvertently continue a pattern where “affordable” units remain inaccessible to the lowest-income residents. Without explicitly prioritizing low-income populations, policies risk replicating existing inequities and leaving behind those in greatest need^{2 7 14}.

Inconsistent AMI Definitions Across Municipalities: Municipalities calculate AMI differently based on local economic conditions, which complicates policy standardization and leads to uneven access. A unit considered “affordable” in one town may be out of reach in another, depending on how AMI is defined. This variation can be exploited by developers choosing to build in wealthier areas with higher AMIs, thereby minimizing their affordability obligations while reinforcing existing patterns of racial and economic segregation^{11 13 15}.

Implementation and Enforcement Challenges: Even well-crafted policies can fail without enforcement. Without clearly defined mechanisms for oversight, developers may find ways to circumvent affordability requirements, especially in areas with minimal regulatory pressure. Additionally, local resistance from zoning boards, neighborhood associations, or elected officials may impede implementation, particularly in affluent communities with a history of exclusionary zoning^{13 18}.

Uneven Representation of Stakeholder Perspectives: Effective housing policies must engage all stakeholders, including developers, city planners, and residents who are directly impacted. Increased affordability mandates, particularly those aimed at lowering AMI requirements, may render projects financially infeasible without adequate incentives. The Harvard Joint Center for Housing Studies notes that developers already face steep construction costs and regulatory hurdles that deter affordable housing development. Decades of federal policy have also disproportionately favored homeowners through benefits such as the mortgage interest deduction, while public housing and rental support programs remain underfunded and politically marginalized. Structural imbalances and stakeholder stances shape which solutions receive investment and which populations are prioritized^{3 10 13 16}.

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