



METROWEST
HEALTH
FOUNDATION

Shut Out

Understanding the affordable
housing crisis in MetroWest

December 2022



Foreword

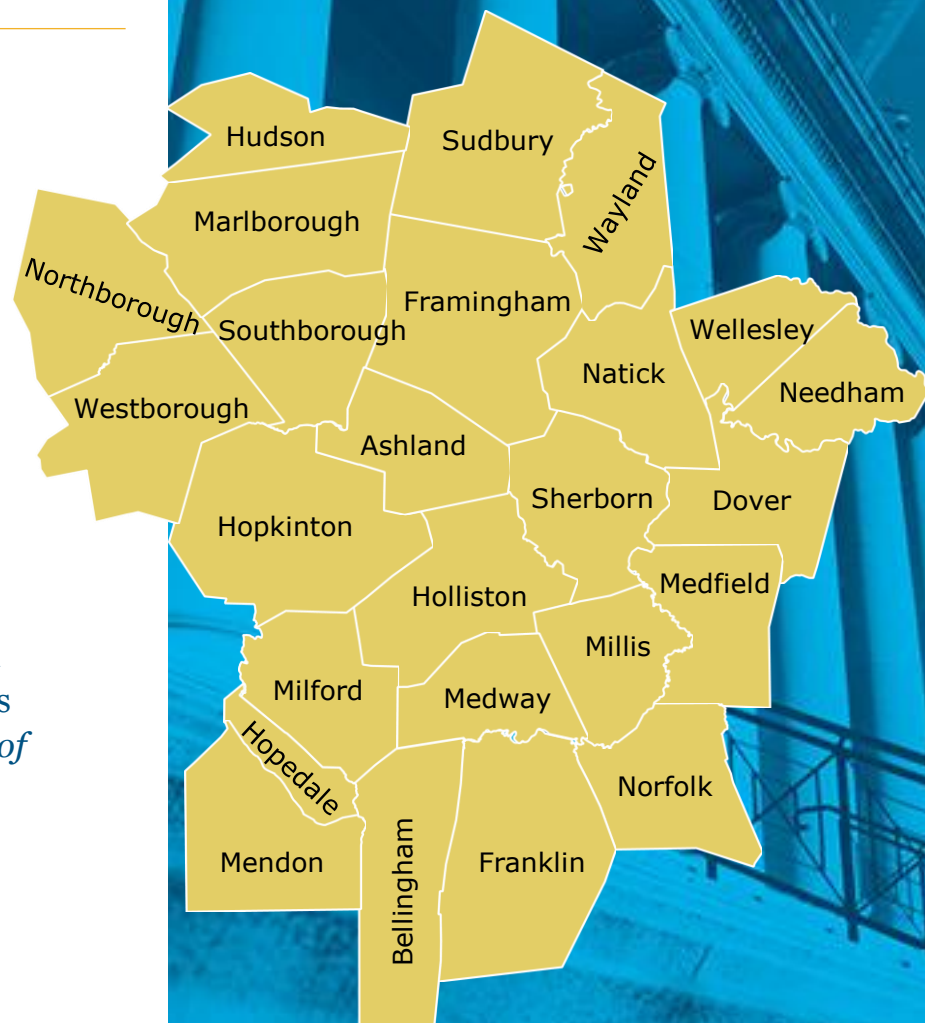
Safe, stable housing contributes to a person's overall well-being, and owning a home can grow wealth and further encourage housing stability. But when homes are unaffordable or hard to come by, people resort to extreme measures like living in crowded spaces or compromising food and medical budgets in order to stay near their families, workplaces, schools, and communities. The result is poor health outcomes and decreased quality of life.

Past actions, such as housing and lending policies resulting in racial segregation and the federal government's gradual disinvestment in affordable housing, as well as current demographic shifts, such as the rapidly aging and diversifying population in the region, combine to form an extraordinary housing crisis. The lack of availability of affordable housing in MetroWest has been further exacerbated in recent years due to economic and health impacts of the COVID-19 pandemic.

The Metropolitan Area Planning Council (MAPC) projected “significant growth” in the low-income population in MetroWest by 2040, and warned that *“if these economic and housing disparities persist along racial lines, health disparities are likely to persist as well”*. The time is now to intervene.

Notes on the Data

- For this report, “MetroWest” is defined specifically as the 25 municipalities including and surrounding Framingham: the catchment area of the Foundation
- Data at the community (municipal) level is available upon request
- For data from the 2016-2020 American Community Survey (ACS): Regional sums and averages were calculated from town-level estimates provided by the US Census Bureau
 - “*” indicates a margin of error >35% of the estimate, where possible. The margin of error indicates a range above or below the stated estimate, and the true estimate falls within that range. Large margins are common among small sample sizes, including MetroWest communities with relatively small population sizes. *Margins of error estimates are available upon request.*
 - ACS-published percentages are rounded to one decimal point
- Sources are included at the bottom of each slide





Supply

Fast Facts

- From 2010 to 2015, the growth in total housing units in the region was driven mostly by an increase in rented units, while from 2015 to 2020, growth was driven mostly by an increase in owner-occupied units.
- In the past decade, two thirds of MetroWest communities had a rental vacancy rate below 5%*, representing a tight rental market with little availability.
- About one in four households in MetroWest have a householder 65 years or older; 58.9% of homeowners 65 years or older are mortgage-free.
- About one in five (22.2%) of the region's housing units are occupied by one person (42.6% of renter-occupied units, and 15.3% of owner-occupied units).
- About 19,500 households, or about 10% of households in the region, are someone 65 years or older living alone; about 54.5% of one-person owner-occupied households are people 65 years or older, up from 41.2% ten years prior.
- Fifteen percent of the region's total occupied housing units, including about one-quarter of the region's occupied rental units, are located in Framingham.

Rates of Homeownership

	2010	2015	2020
MetroWest	76.3% (out of 171,548 occupied units)	74.2% (out of 177,733 occupied units)	74.9% (out of 185,202 occupied units)
Massachusetts	64.0%	62.1%	62.5%
United States	66.6%	63.9%	64.4%

MetroWest tends to have proportionally more homeowners compared to the state and the country overall.

However, Massachusetts is among the top 10 states in the nation with the greatest racial disparities in home ownership. Racial disparities in home ownership are well-documented and hold true in MetroWest as well.

Differences by Race

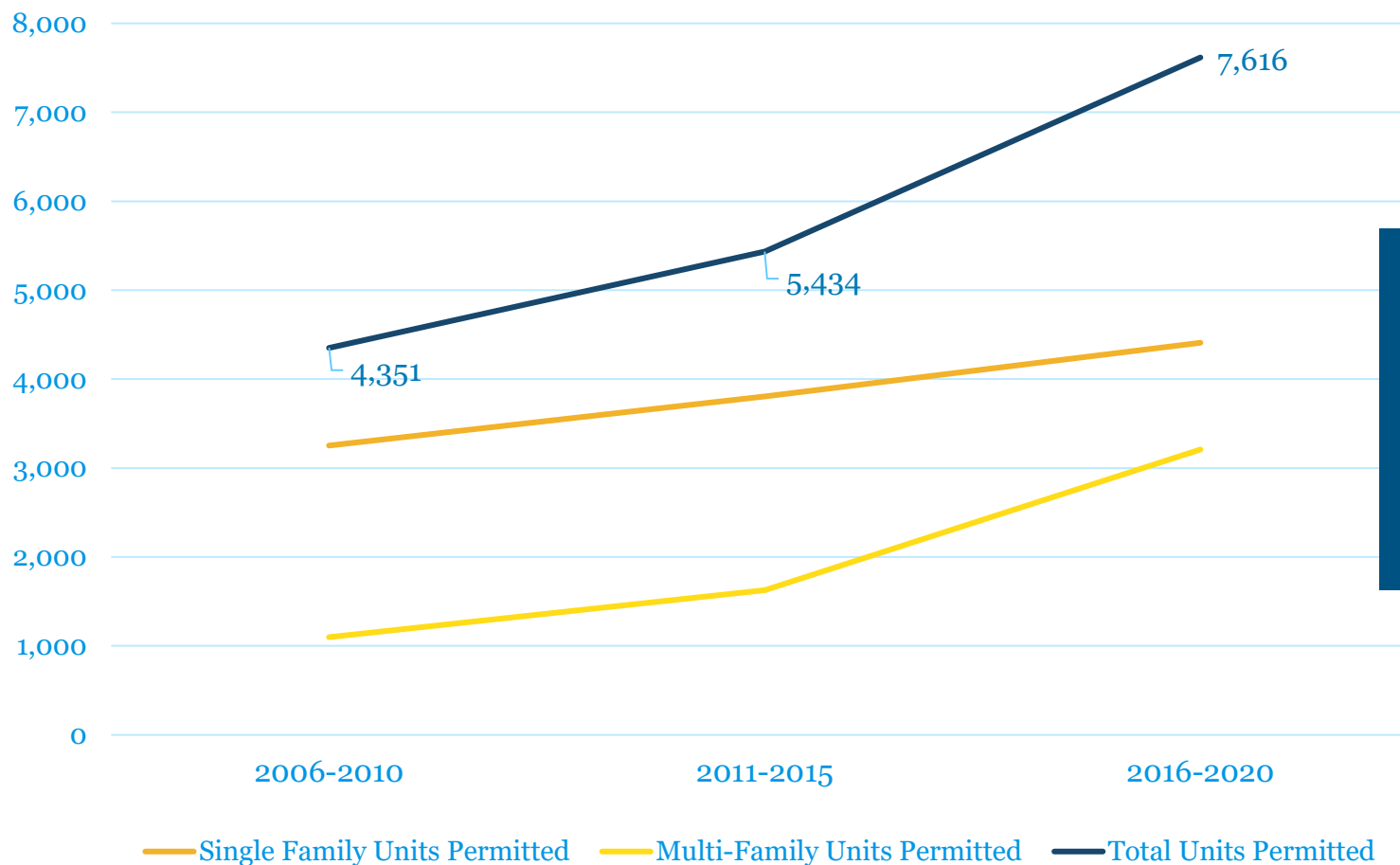
Homeownership rates vary widely by race across communities. Specifically, in 2018, the MAPC found that “Homeownership is more prevalent in the region than in the state for nearly everyone except Black and mixed race households” for MetroWest as a whole.

Data shown here are from other sources that use the categories “White” and “Non-White”; the Foundation acknowledges the unique experiences of people of color and laments the lack of specificity here. These data are republished with the goal of highlighting racial disparities.

Source: Data from U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates, accessed via PolicyMap. “MetroWest Health Foundation Trends and Projections”, Metropolitan Area Planning Council, November 2018

	% White Households Who are Homeowners	% Non-White Households Who are Homeowners
Ashland	81.36	69.61
Bellingham	82.64	66.56
Dover	93.79	100
Framingham	65.54	31.87
Franklin	82.14	61.86
Holliston	90.18	84.47
Hopedale	82.03	56.25
Hopkinton	85.15	91.14
Hudson	73.58	52.55
Marlborough	62.27	41.17
Medfield	88.39	71.91
Medway	89.04	85.2
Mendon	91.78	100
Milford	73.15	49.34
Millis	84.88	44.31
Natick	72.57	47.84
Needham	84.81	81.51
Norfolk	94.38	100
Northborough	86.37	57.3
Sherborn	95.77	100
Southborough	89.15	90.42
Sudbury	90.01	98.45
Wayland	90.87	94.49
Wellesley	83.89	76.53
Westborough	66.29	50.84
Massachusetts	67.76	40.47

Housing Units Permitted



Significantly more homes have been built in MetroWest in recent years, especially multi-family units.

Subsidized Housing

Despite more units being added in the region, units that are specifically designated to be “affordable” remain few and far between. Though, an exact estimate of affordable housing stock is difficult to obtain due to broad variations between different data sources, whether due to differences in qualifying definitions, data collection, or submission practices. The data sources here “capture a majority of subsidized housing in the region, but each systematically misses important categories,” says the Boston Foundation.

Source: The Greater Boston Housing Report Card 2022, the Boston Foundation & Boston University. SHI Units as a share of housing stock differs from MA DHCD published SHI table because DHCD uses 2010 Census year-round housing unit counts. See notes for original sources. Data for communities in Worcester County not available.

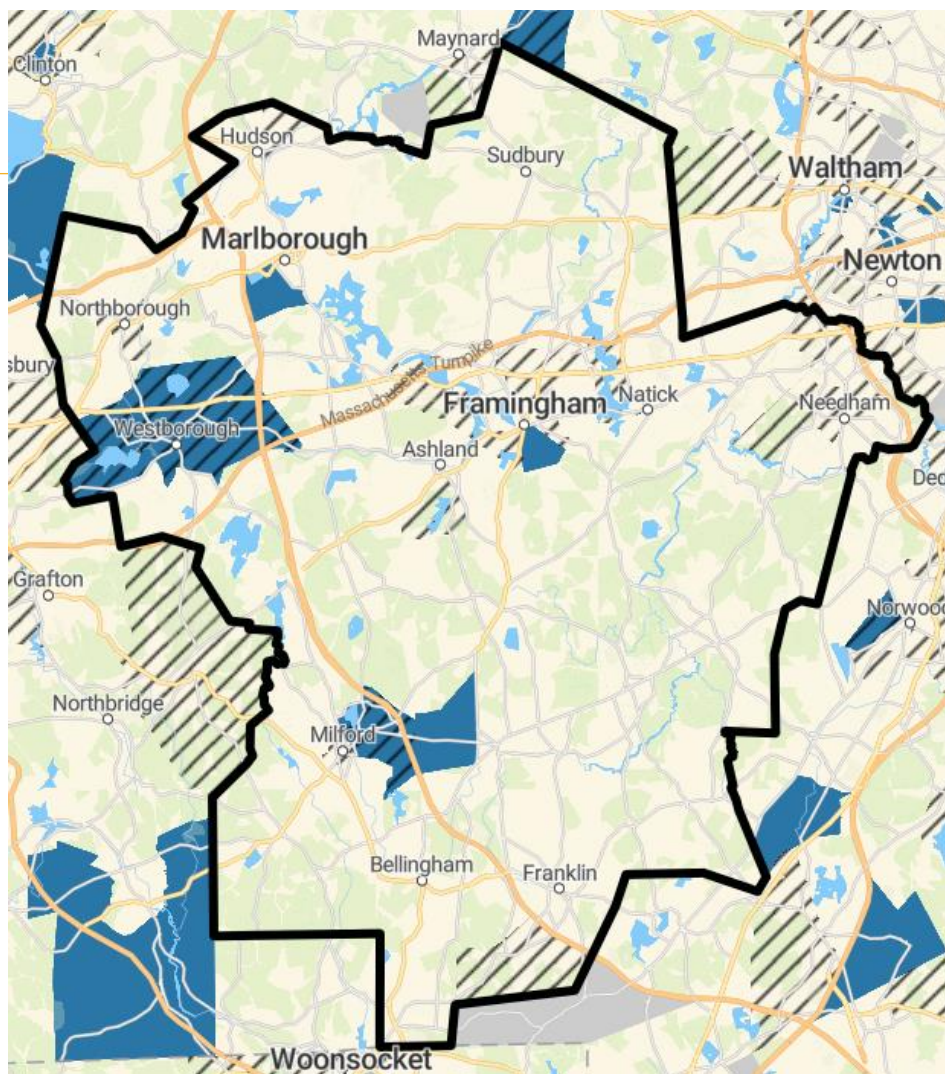
	Federally Subsidized Units as a % of 2020 Housing Stock (NHPD)	Subsidized Housing Inventory as a % of 2020 Housing Stock (DHCD)
Ashland	2.2%	5.5%
Bellingham	0.0%	11.9%
Dover	0.0%	0.9%
Framingham	5.4%	10.2%
Franklin	1.2%	10.8%
Holliston	1.9%	4.4%
Hopkinton	0.0%	10.9%
Hudson	2.2%	10.6%
Marlborough	2.0%	10.5%
Medfield	4.4%	9.1%
Medway	3.1%	11.0%
Millis	0.0%	3.6%
Natick	1.6%	9.4%
Needham	2.1%	11.9%
Norfolk	0.0%	5.2%
Sherborn	0.0%	2.2%
Sudbury	4.3%	10.2%
Wayland	2.6%	6.2%
Wellesley	1.4%	11.2%

Severe Crowding

A 2022 report found that Massachusetts was short about 108,000 housing units in 2019, mostly in the eastern part of the state. The shortage doubled from 2012. One reason provided for underproduction in housing is that **renting or buying a home is cost-prohibitive, so more unrelated individuals are choosing to live together**, thus decreasing demand. Research shows that severe crowding can result in negative health outcomes.

Pre-pandemic, about 500 rented units in MetroWest were considered to be “severely crowded” by Census Bureau standards; **about half of these units are located in two zip codes.**

Shown: Incidences of severe crowding among homeowners or renters shaded by Census tract. Blue areas indicate crowding among homeowners, and hashed areas indicate crowding among renters. “Severely crowded” means the ratio of people to rooms in a housing unit exceeds 1.5.





Cost

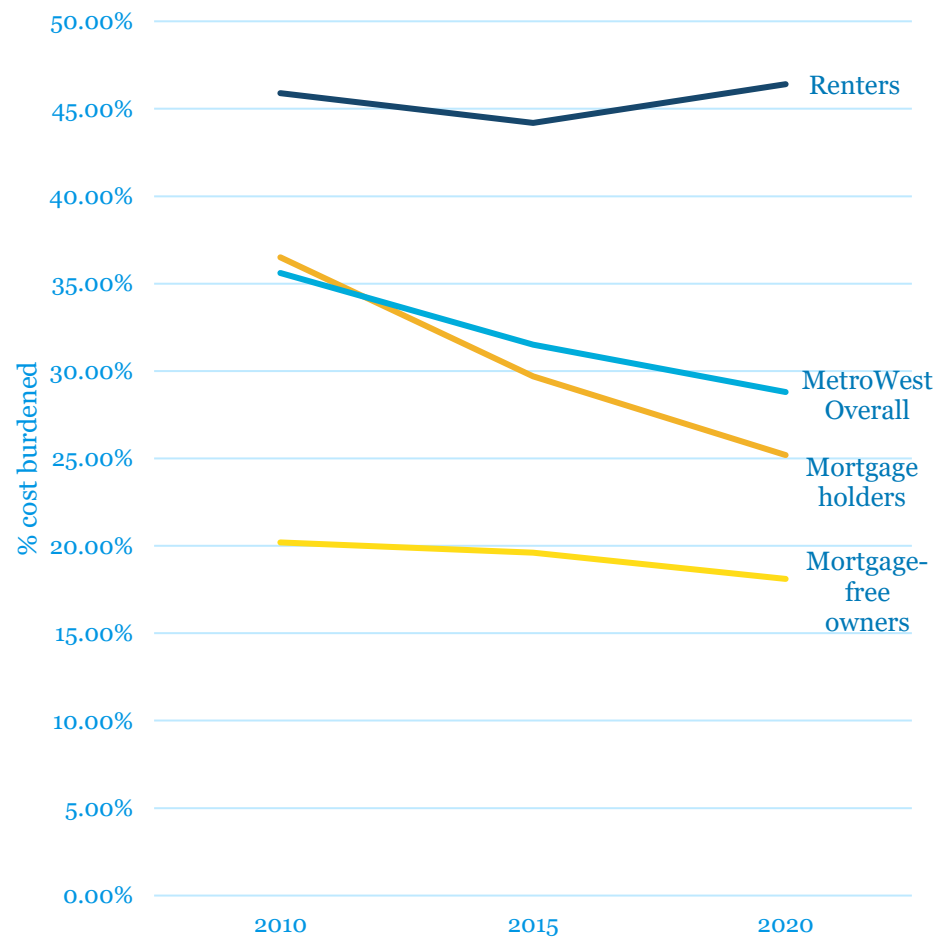
Fast Facts

- The National Low Income Housing Coalition estimates that for a worker in Massachusetts to afford a two-bedroom rental unit at HUD's Fair Market Rent, and keep housing costs below 30% of their income, they must earn \$37.97 per hour, making Massachusetts the third most expensive state in the country. In MetroWest communities, the required hourly wage to afford a two-bedroom rental unit at Fair Market Rent can exceed \$50.
- Recent analysis of housing market data by the MetroWest Economic Research Center found that the increase from 2020 to 2021 in median sale price for a single family home in select MetroWest communities was 14.1%, the highest increase in two decades. Further, "while condo sales have shown more volatility... the overall trend mirrors what we see for single-family home sales" over the past few decades.
- In MetroWest, nearly 50% of the Latinx population are spending 30% or more of their income on housing. Proportionally more Black households are considered "severely cost burdened" than moderately cost burdened, which is unique compared to other races in the region and is not reflected statewide.

Cost Burden by Housing Type

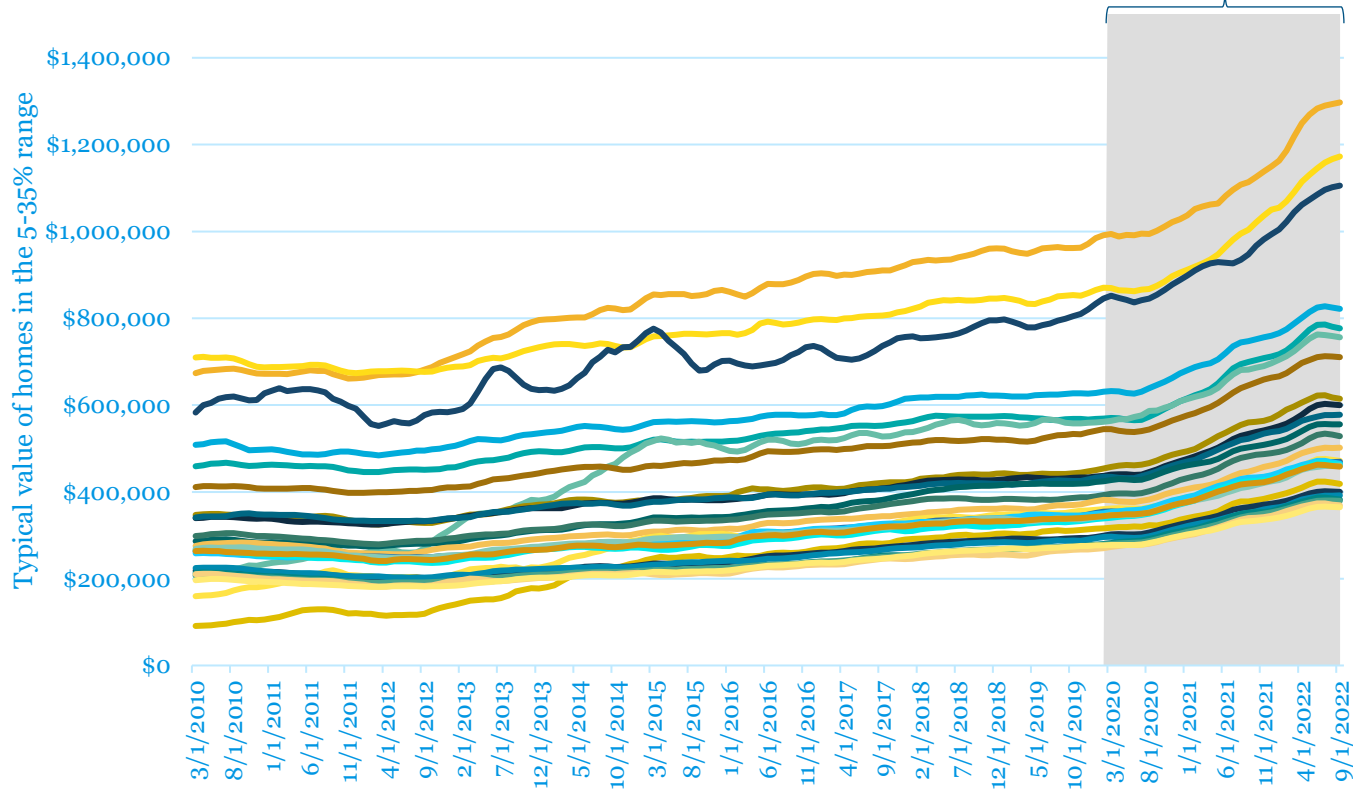
While the portion of cost-burdened households – those who spend 30% or more of their income on housing costs - have remained largely the same among renters and mortgage-free owners **over the past 15 years, the portion of mortgage holders who are cost-burdened decreased ten percentage points;** this may be related to the owner-occupied units added in that time period.

	2010	2015	2020
Renters	45.9%	44.2%	46.4%
Mortgage holders	36.5%	29.7%	25.2%
Mortgage-free owners	20.2%	19.6%	18.1%
MetroWest Overall	35.6%	31.3%	28.8%



Increasing Home Values

Lowest Valued Homes by Community in MetroWest *Massachusetts included*

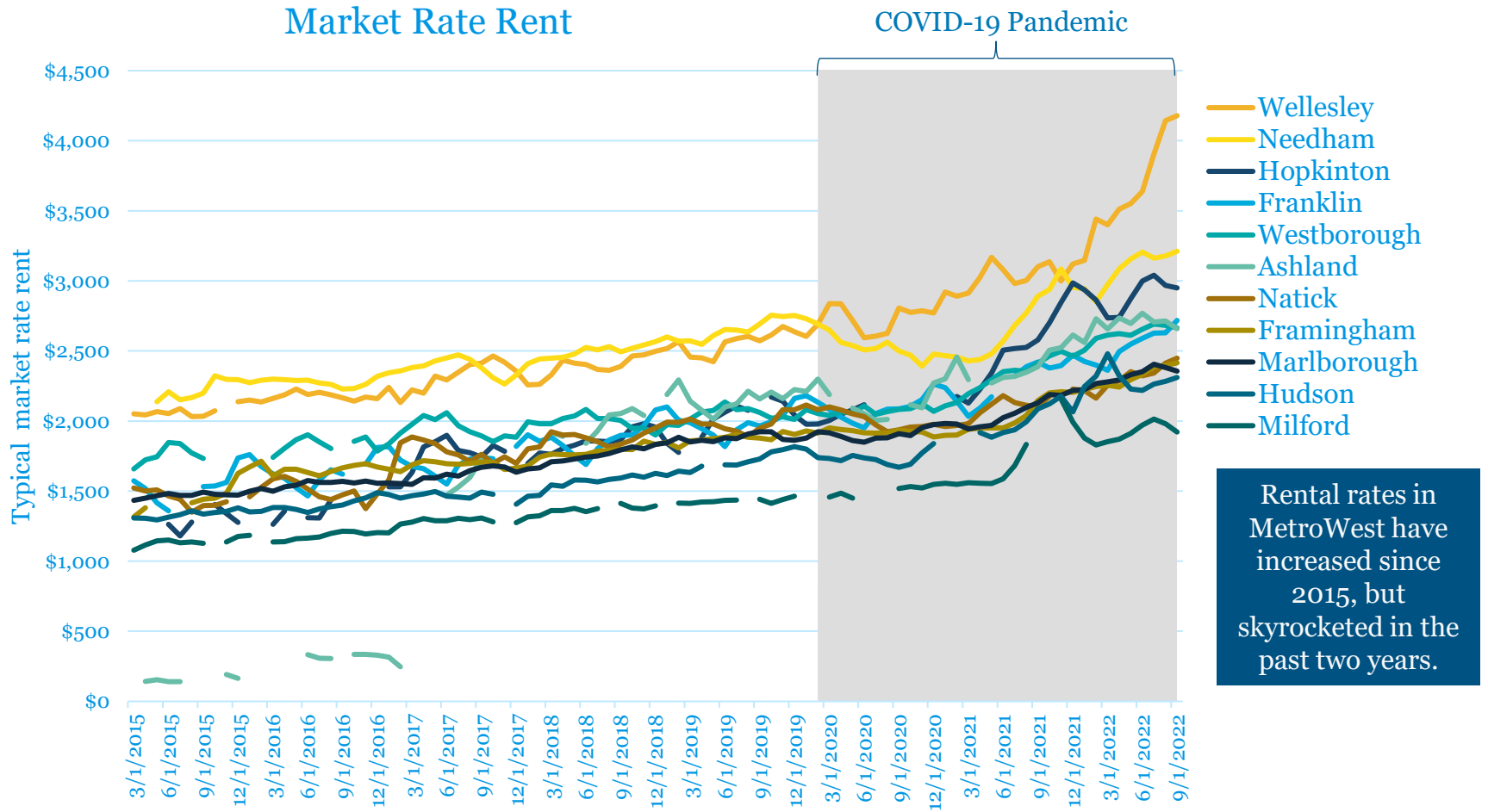


Homes that may have been more affordable in MetroWest were pushed out of reach during the pandemic; in nearly all MetroWest communities, the lowest valued homes exceed the value of lowest valued homes statewide.

Highest three:
Wellesley
Dover
Needham

Lowest three:
Massachusetts overall
Hopedale
Marlborough

Increasing Rental Rates



Median Family Income

Incomes in MetroWest are not keeping pace with the increases in home value. This matters because the Federal Department of Housing & Urban Development (HUD) uses median family income to determine eligibility thresholds for housing assistance.

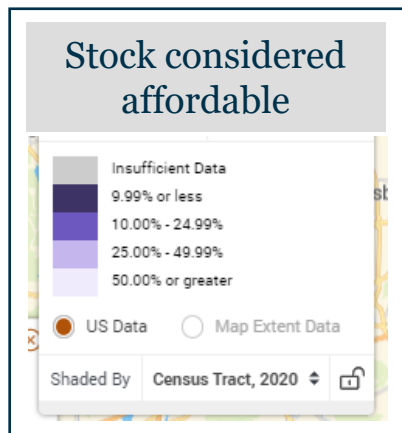
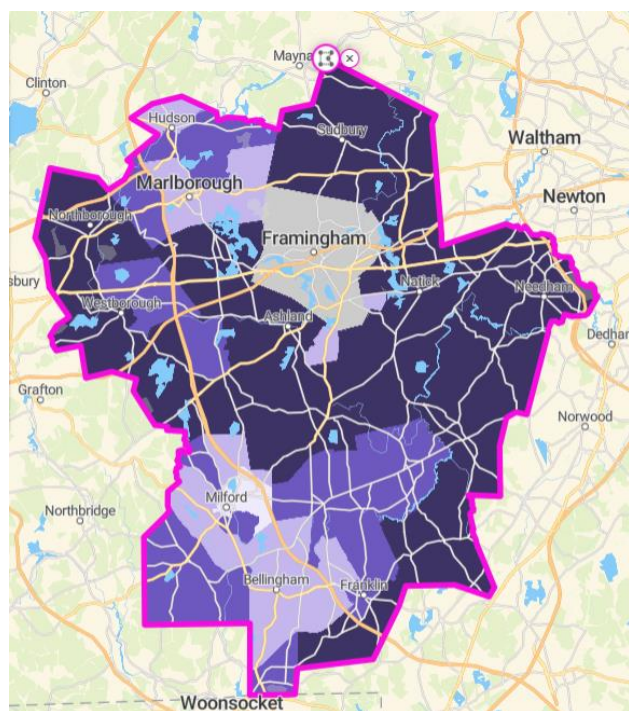
In comparing 2010 to 2020 data, there were only five communities in MetroWest in which median family income grew proportionally more than home values: Dover, Hopkinton, Millis, Needham, and Norfolk.

Source: Table B19113, U.S. Census Bureau, American Community Survey 5-Year Estimates. Income estimates above \$250,000 are reported by the Census Bureau as "\$250,000+" so exact percent change is not calculable for all communities. Zillow Home Value Index: Typical home values are from December of the respective years.

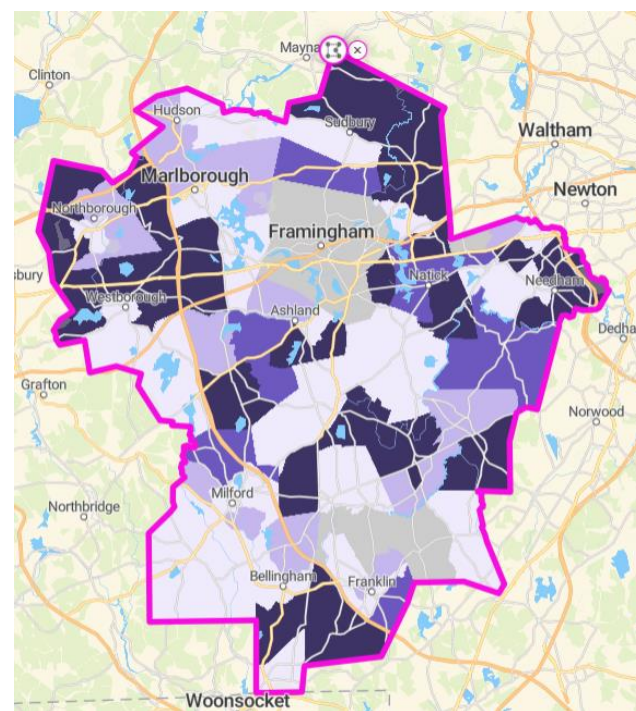
	Change in Median Annual Family Income from 2010 to 2020	Change in Typical home value from 2010 to 2020 Homes in the 5-35% percentiles
Ashland	29.4%	110.5%
Bellingham	36.2%	45.9%
Dover	40%+	31.8%
Framingham	26.6%	216.7%
Franklin	40.8%	46.4%
Holliston	40.8%	43.3%
Hopedale	13.4%	48.0%
Hopkinton	43.6%	39.1%
Hudson	43.4%	50.5%
Marlborough	4.7%	54.8%
Medfield	38.8%	39.9%
Medway	37.2%	43.7%
Mendon	29.8%	46.3%
Milford	25.3%	49.6%
Millis	44.6%	38.9%
Natick	39.6%	61.2%
Needham	45.9%	41.6%
Norfolk	39.7%	33.9%
Northborough	30.3%	44.9%
Sherborn	35.0%	35.2%
Southborough	13.3%	43.7%
Sudbury	24.1%	31.9%
Wayland	51.6%	161.0%
Wellesley	37%+	52.9%
Westborough	33.1%	52.7%
Massachusetts	31.2%	49.8%

In most MetroWest communities, a family of four with 100% Area Median Income seeking an affordable place to live could choose from...

Fewer than 1 in 10 homes



Fewer than 1 in 4 two-bedroom rental units



Fast Facts

- Black, Latinx, and mixed race households have lower rates of homeownership in MetroWest compared to Asian and Non-Hispanic White households. Research at the federal level suggests that additional support may be needed beyond the initial purchase of a home if long-term wealth building is to be achieved among these groups; “Low-income and racial and ethnic minority households are more likely to transition from owning back to renting than high-income white households and are less likely to regain ownership.”
- The Massachusetts Homeowner Assistance Fund, a financial assistance program for households who experienced hardship due to the COVID-19 pandemic and are below 150% area median income, received applications for assistance from 277 unique households in MetroWest from December 2021 to October 2022.

Source: “Wealth Accumulation and Homeownership: Evidence for Low-Income Households”, U.S. Department of Housing and Urban Development, December 2004

“Massachusetts Homeowner Assistance Fund Summary”, Massachusetts Housing Partnership and the Massachusetts Housing Finance Agency, Accessed November 2022

Housing Instability

Impact on Disabled Adults

Housing costs as a percentage of Supplemental Security Income in MetroWest communities

HUD Housing Market Area	SSI Monthly Payment (2022)	SSI as % of Area Median Income	% SSI for 1-bedroom apartment	% SSI for efficiency (studio) apartment
Boston-Cambridge-Quincy* (cross state area)	\$955.38 for disabled adult (includes \$841 from federal government and \$150 from state supplemental program)	11.7%	208%	189%
Eastern Worcester County		12.5%	111%	97%
Worcester		14.8%	122%	115%
Massachusetts (range)	\$955.38	13.6% (11.5%- 17.4%)	167% (83%-208%)	151% (76%-189%)
National	\$875.45	16.7%	127%	115%

For the nearly 6,000 households in MetroWest receiving Supplemental Security Income, existing federal and state assistance programs are insufficient. For example: **A disabled adult in Framingham would need over 2x their monthly SSI income (208%) to afford a 1-bedroom apartment.**

“What does this mean for people with disabilities? Too often, the answer is homelessness, institutionalization, incarceration, substandard housing, or severe rent burdens. Research has demonstrated that costs incurred by people with disabilities cycling through public institutions are far greater than the cost of providing rental assistance with supports.”
-Priced Out foreword

Evictions Post Pandemic Protections

Recent research in Massachusetts has shown that eviction filings by landlords is lower than at pre-pandemic levels. However, federally-funded pandemic-related programs, which had higher eligibility thresholds and annual caps than the state's main rental assistance program, have expired within the past year; these changes may bring about a new wave of eviction filings. **The rates of recent eviction filings in Framingham and Marlborough are among some of the highest in the eastern part of the state.**

Source: "The Greater Boston Housing Report Card 2022", the Boston Foundation & Boston University, using data from Massachusetts Trial Court and 2016-2020 American Community Survey. The Emergency Rental and Mortgage Assistance Program (ERMA) expired in December 2021, and the Emergency Rental Assistance Program (ERAP) and Subsidized Housing Emergency Rental Assistance Program (SHERA) stopped taking applications in April 2022.

**out of 121 municipalities in the Eastern part of the state with evictions*

	Eviction Filings, January - June 2022	Eviction Filing Rates per 10,000 renter units	Ranking* among Eastern Massachusetts
Framingham	200	160.4	8
Marlborough	99	146.6	13
Millis	5	92.9	34
Franklin	22	91.1	35
Sudbury	5	88.7	39
Needham	12	71.7	57
Ashland	10	67.7	60
Medfield	2	35.7	87
Natick	16	33.8	89
Hopkinton	3	33.3	90
Hudson	7	32.7	92
Bellingham	3	25.3	100
Medway	1	19.0	104
Wellesley	2	14.0	113
Dover	0	0	N/A
Holliston	0	0	N/A
Norfolk	0	0	N/A
Sherborn	0	0	N/A
Wayland	0	0	N/A



Recommendations

- Support homeowners by expanding existing programs that help people stay in their homes. In MetroWest, programs for homeowners are particularly impactful due to the high rate of homeownership. Examples include general homeowner assistance funds to help with temporary income shortfalls, and programs that support home repairs or improvements for households with people aging in place.
- To counter the long lasting effects of racist housing policies and improve health outcomes, implement programs that support people of color in achieving homeownership, which encourages wealth building and housing stability. This will be particularly impactful in MetroWest, where the population is expected to continue diversifying rapidly in coming years. Municipalities may require different approaches based on disparities in their locality.
- At the local level, municipalities should revisit zoning bylaws to allow for multi-family and multi-generational homes, such as through allowing accessory dwellings. Similarly, local policymakers should not limit themselves to particular ratios of affordable housing units or income eligibility cutoffs based on HUD area median income thresholds. While these ratios and cutoffs are useful as benchmarks, policymakers should use more liberal thresholds given the rapidly increasing values of homes in relation to incomes in MetroWest. Basing assistance on income alone does not take into consideration actual housing costs.
- Similarly, at the federal and state levels, affordable housing and cash assistance programs should consider actual housing costs in monthly payment calculations.



Recommendations

- Streamline the process for using housing choice vouchers for low-income, disabled, and older households to make them more competitive in the housing market. By making the process quicker and easier, users may be more appealing to landlords and sellers.
- Explore shared housing models for individuals who are housing insecure. A model in Norfolk, Virginia utilizes a traditional single-family home to house clients that makes the most of the space without encouraging unhealthy crowding, limits liability between roommates, helps clients build a rental history, and supports mom-and-pop landlords.
- Convene area agencies and municipalities to encourage a regional strategy. Due to availability of space and appeal to developers and householders, some municipalities may have more opportunity than others for building or converting space. The Central Massachusetts Housing Alliance is an example of a local coalition that found value in working together to address homelessness in Worcester County.
- Build upon existing assets, physical or financial. Existing unused or underutilized buildings can be converted to housing. Funding can be used to alleviate high structure and land acquisition costs, cover government shortfalls, and provide cash flow before renters or homeowners can occupy and pay for homes.

Source: <https://www.npr.org/2022/10/20/1128453558/rent-housing-shortage-homeless-roommates>
<https://www.cmhaonline.org/>



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