

July 2008

# **Table of Contents**

1.	. Overview	1
2.	State Housing Budget Trends	9
3.	. Federal Housing Programs and Policies	13
	Section 8 Housing Choice Voucher Program (Tenant-Based)	15
	Federally-Assisted Private Housing (HUD and Other)	18
	Federal Public Housing	20
	Community Development Block Grant (CDBG) Program	22
	HOME Block Grant Program	23
	"McKinney" Homeless Assistance Grants (Continuum of Care)	24
	Grants for HIV/AIDS Housing Programs	25
4.	. Homelessness and Prevention	28
	State Shelter Programs	34
	State Homelessness Prevention Programs	37
	State Funding for Permanent Housing for Homeless and At-Risk	40
5.	. State-Funded Rental Assistance	49
6.	State Public Housing	57
7.	Older State-Assisted Private Housing.	63
8.	Preservation of "Expiring Use" Properties	66
9.	. Affordable Rental Housing Production and Preservation Programs	71
	State Capital Budget (Bond) Programs	72
	Federal and State Tax Credits for Rental Housing	75
	Tax-Exempt Private Activity Bonds (MassHousing and MassDevelopment)	78
	Other Quasi-Public Programs	79
10	0. Homeownership Programs and Foreclosure Prevention/Assistance	83
11	1. Housing for Elders	91

12. Housing for People with Disabilities	98
13. Promoting Affordable Housing and Smart Growth Throughout Metro Regions	116
Chapter 40B	116
Chapters 40R and 40S	123
Smart Growth/Commonwealth Capital Fund	125
State Planning and Technical Assistance Programs	126
Community Preservation Act	127
14. Fair Housing	131
Appendices	136
Appendix 1 - State Public Housing Units by Local Housing Authority	137
Appendix 2: Summary of 2008 Housing Bond Bill	143
Appendix 3 – CDBG and HOME Entitlement Communities and Funding	145
Appendix 4: HUD 2008 Income Limits for Massachusetts	146
Appendix 5 – HUD FY2008 Fair Market Rents	148
Appendix 6 - DHCD Maximum Projected Sales Prices for Affordable Homebuyer Units	150
Appendix 7 –Home Sale Price Trends 2001-2007	151

<u>Acknowledgements</u> Principal Researcher: Ann Verrilli

Editors: Karen Wiener and Aaron Gornstein

## 1. Overview

Massachusetts has long had high housing costs relative to resident incomes, ranking among the top states nationwide for two basic reasons. Overall, the housing supply failed to keep pace with demand, especially in the 1990s, driving up prices for existing units. Additionally, development costs are high because there is little vacant land in the larger cities, and restrictive zoning in most suburbs has raised land costs and limited as-of-right development to larger single family homes.

High housing costs create the greatest problems for lower income households because they put a greater squeeze on their ability to meet their other basic needs and create housing instability that is disruptive to their children's schooling. They also block access to homeownership and the opportunity to accumulate the equity people have traditionally relied on for retirement and to pay for their children's college education. Increasingly, the high cost of housing is impacting the state's economy as employers have more difficulty attracting and retaining employees.

## **Key Affordability Definitions**

Affordable Housing is the largest single expense most low and moderate income households face. Economists define the maximum households can "afford" to spend on housing as total income less the amount needed to cover basic needs (food, clothing, transportation and medical care). Recognizing that basic needs consume a higher fraction of income for lower income households, the federal government (*HUD*) uses a definition of affordability that applies specifically to households with incomes at or below 80% of the area median family income adjusted for household size(\$66,150 for a household of four in Greater Boston in 2008). It currently calls housing affordable if housing for that income group costs no more than 30% of the household's income. (HUD recognizes that higher income households can afford to pay more). In reality, many extremely- and very-low-income households cannot afford to spend 30% of their incomes on rent without cutting back on basic needs.

Cost/Rent Burden HUD calls households with incomes at or below 80% of area median who pay more than 30% of income for housing cost-burdened (for renters, the phrase is rent burden). Those who pay 31%-50% of income towards housing are said to have a moderate cost or rent burden and those who pay over 50% of their income for housing have a severe cost or rent burden.

Extremely Low Income, Very Low Income and Low Income While government-assisted affordable housing programs generally target households with incomes at or below 80% of the area median income (AMI), adjusted for household size, they often target lower income levels within that ceiling. The most common brackets are listed below, with a warning that HUD uses "very low income", "low income" and "moderate income" inconsistently, using them for different brackets depending on the program.

• 0-30% of area median – households in this bracket are called <u>extremely low income</u>. In 2008³, a *household of four is* extremely low income if its income is ≤\$25,750 in Greater Boston or \$22,200 in Springfield.

- households in this bracket are called <u>very low income</u>; some programs limit the definition to households with incomes of 31%-50% of area median (to differentiate them from extremely low income households). In 2008, a household of four qualifies as very low income if its income is at or below \$42,900 in Greater Boston or \$37,000 in the Springfield area.
- 51-60% of area median households in this bracket are sometimes referred to as low income.
- 51-80% of area median households in this bracket are also sometimes referred to as low income and sometimes referred to as moderate income.

HUD publishes income limits by regions within each state annually, usually around January or February. The 2008 income limits are listed in Appendix 4.

## Affordable Housing Needs in Massachusetts

1999 Needs The most detailed information on the number of households with housing affordability problems - using HUD's definition (households with incomes at or below 80% of area median income paying over 30% of income for housing) - comes from a special HUD analysis of 2000 Census data, often called "CHAS" data. That data shows that:

- In 1999, almost 526,000 Massachusetts households with incomes at or below 80% of median had housing affordability problems. They represented *just over half* of the 40% of Massachusetts households in that income range and 21.5% of *all* Massachusetts households.
- About <u>half (268,471) had severe cost burdens (paying over 50% of income for housing)</u>, primarily households with incomes below 30% and 50% of area median. Of these 268,000 households:
  - o <u>65% were extremely low income</u> households (173,000), including 119,000 renters and over 54,000 owners. Unfortunately, most affordable housing programs do not produce units extremely low income households can afford without an additional rent subsidy.
  - o 23% had incomes between 31% and 50% of median (28,500 renters and 34,500 owners).
  - $\circ$  12% had incomes between 51%-80% of median, including 4% of the severely burdened renters and 22% of severely burdened homeowners.

Massachusetts Households with Affordability Problems – 1999<sup>5</sup>

Income as % of		Renters			Owners			Total	
Area Median		Paying	Paying		Paying	Paying	Paying	Paying	% Paying
Income (AMI)*	Total	31-50%	>50%	Total	31-50%	>50%	31-50%	>50%	>50%
0-30% AMI	253,370	43,073	118,831	94,629	21,670	54,506	64,743	173,304	64.5%
31-50% AMI	150,614	60,999	28,466	119,305	29,946	34,479	90,945	62,891	23.4%
Subtotal	403,984	104,072	147,297	213,934	51,616	88,985	155,688	236,195	88.0%
51-80% AMI	168,689	43,690	6,748	198,093	57,842	25,752	101,532	32,277	12.0%
Total 0-80% AMI	572,673	147,762	154,044	412,027	109,458	114,738	257,220	268,471	100.0%
>80% AMI	362,452	17,760	1,812	1,096,207	110,718	15,347	128,478	17,159	
Grand Total	935,125	165,522	155,856	1,508,244	220,176	130,085	385,698	285,630	

\*HUD Area Median Family Income adjusted for household size

<u>Trends Since 1999</u> Recent Census data and post-1999 trends, including wage stagnation for most low income workers and little growth in new housing assistance, all suggest that the number of low and moderate income households with housing affordability problems has risen since 1999. While post-2000 Census data does not provide information by HUD income bracket, it shows that housing cost burdens have risen sharply overall both in Massachusetts and nationally.

Renter affordability trends Median gross rents rose by over 36% between 2000 and 2006 (from \$684 to \$933), while the median renter household income rose by only 5.6% between 1999 and 2006 (to \$32,402). As a result, while the total number of renter households in Massachusetts fell by 74,000 (8%) between 2000 and 2006, the number with housing cost burdens rose by over 100,000 from 1999. Between 1999 and 2006, the percentage of renter households at all income levels paying 30% or more of income for housing rose from 39% to 49% (417,000 households) and the percentage paying more than half their income rose from 18% to 24% (206,000 households, up 45,000 from 1999).

Decline in low rent apartments The rise in renter affordability problems reflects both stagnation in housing assistance programs and declining numbers of low-rent private apartments, in part due to condominium conversions. Extremely low- and very low-income renters who do not receive housing assistance have been especially hard hit, since the rent they can afford at 30% of income is far below market rents. In Greater Boston, for example, a household of three earning 30% of median in 2008 can "afford" a gross rent of \$580 a month (contract rent plus heat, light and cooking fuel) and a 3-person household earning 50% of median can afford \$985. However, between 2000 and 2006, the number of apartments with gross rents under \$600 fell by 43% (154,000) and the number with gross rents of \$600-\$899 fell by 37% (113,000). Many of the remaining 200,000 units under \$600 are in public or private subsidized housing.

Massachusetts Gross Rents – 2000 and 2006<sup>7</sup>

			Unit	%	% of Total U	nits (cash rent)
	2000	2006	Change	Change	2000	2006
Total:	932,073	858,126	(73,947)	-7.9%		
With cash rent:	898,928	827,602	(71,326)	-7.9%	100%	100%
Less than \$100	7,259	4,438	(2,821)	-38.9%	1%	1%
\$100 to \$199	58,658	24,187	(34,471)	-58.8%	7%	3%
\$200 to \$299	55,583	57,490	1,907	3.4%	6%	7%
\$300 to \$399	54,765	36,981	(17,784)	-32.5%	6%	4%
\$400 to \$499	76,825	36,283	(40,542)	-52.8%	9%	4%
\$500 to \$599	101,051	40,977	(60,074)	-59.4%	11%	5%
Total <\$600	354,141	200,356	(153,785)	-43.4%	39%	24%
\$600 to \$699	113,618	55,484	(58,134)	-51.2%	13%	7%
\$700 to \$799	102,086	61,477	(40,609)	-39.8%	11%	7%
\$800 to \$899	87,700	73,309	(14,391)	-16.4%	10%	9%
Total \$600-899	303,404	190,270	(113,134)	-37.3%	34%	23%
Total<\$900	657,545	390,626	(266,919)	-40.6%	73%	47%
\$900 to \$999	66,204	69,890	3,686	5.6%	7%	8%

\_

Many renters with housing assistance also pay more than 30% of their income for housing. Tenants in state public housing and rental assistance programs now pay at least of 30-35% of their income toward their rent (excluding utilities) and more if utilities are included. Many tenants with HUD Section 8 tenant-based vouchers also pay more than 30% of income.

			Unit	%	% of Total U	Inits (cash rent)
	2000	2006	Change	Change	2000	2006
\$1,000 to \$1,249	88,329	146,754	58,425	66.1%	10%	18%
\$1,250 to \$1,499	41,668	97,263	55,595	133.4%	5%	12%
\$1,500 to \$1,999	32,258	85,456	53,198	164.9%	4%	10%
\$2,000 or more	12,924	37,613	24,689	191.0%	1%	5%
No cash rent	33,145	30,524	-2,621	-7.9%		

Homeowner affordability trends As the number of homeowner households in Massachusetts rose by about 80,000 (5%) between 1999 and 2006, the number and percentage of homeowners paying a high percentage of their income for housing rose even more. The Census Bureau estimates that 582,000 homeowners (all income levels) paid 30% or more of their income for housing in 2006, up from 350,000 in 1999. Within this group, over 223,000 (14% of all owners) paid 50% or more of their income for housing, up from 130,000 in 1999.

## **Affordable Housing Strategies and Production Trends**

Government strategies to address affordable housing needs have evolved over time and include both (1) programs to stimulate the development of units specifically for low and moderate income households and (2) programs to help consumers afford to rent or buy private units. There are two basic types of subsidies:

- Development subsidies provide low-cost financing and/or mortgage insurance to reduce the
  rent levels needed to cover debt service or the sales prices needed to cover development costs
  (in the past, these were often supplemented by project-based rental assistance contracts to fill
  the gap between the rent needed to cover operating and debt costs and the rent low and
  moderate income tenants can afford).
- Tenant-based rental assistance and down payment assistance.

Over time, state and federal subsidy programs have moved from providing deep subsidies to shallow subsidies and project-based rental assistance has largely dried up.

Deep subsidy development programs Until the early 1980s, most state and federal housing programs provided large enough grants or low-interest mortgages that developers and housing authorities could build housing affordable to moderate income households using a single program. Federal income tax policy provided additional returns to investors. Because financing subsidies alone could not generate affordable rents, especially in high cost areas, nor sustain them during periods of rising operating costs, project-based rent or operating subsidies were added to make 25%-100% of units affordable to very low income households.

These programs created 200,000 units in Massachusetts - including just over 80,000 units of public housing – mostly between 1940 and 1980 - and all or most units in these projects were income-restricted. These programs and federal tax incentives ended in the early 1980s (except for HUD's Section 202 elderly housing program and its' Section 811 program for people with disabilities).

Shallow subsidy development programs Today, most government housing programs that provide direct financial subsidies offer less subsidy per affordable unit, do not require all units to be affordable (most require that a minimum of 20-40% of total units be affordable to households at 50-60% of area median) and produce far fewer units because funding is limited. As a result, much of today's affordable housing is being produced by new programs that provide slightly discounted bank interest financing but primarily rely on income mixing and density bonuses for financial feasibility. The affordable units (usually 20-25% of the total) are priced to be affordable to households with incomes of 70-80% of median, though households with tenant-based vouchers (see below) may be able to afford them as well.

The shift to shallow subsidies has lengthened the time required to develop new units. In areas where development costs are high or when deeper affordability is desired, developers must invest considerable time and money in lining up multiple funding sources (one study found that the average Massachusetts non-profit project used 7 subsidy programs). Therefore, funding cuts to one program can have a ripple effect on many projects.

Tenant-Based Rental Assistance Recognizing that development strategies do not meet all needs, HUD began developing tenant-based rental assistance programs in the mid-1960s. Tenant-based rental assistance programs give households vouchers they can use to help pay rent in the private market. It is a strategy that enables government to respond quickly to rising housing needs (rather than waiting for new construction). Begun at a time when most subsidized housing was concentrated in relatively few communities, it was also intended to give households an ongoing opportunity to live in a wider range of communities (assistance continues even as households move), though vouchers can be hard to use in high cost communities and when the rental market is tight.

Rental assistance expanded dramatically in the mid-1970s, with the enactment of HUD's Section 8 program in 1974, and has been the primary strategy for assisting very low income households since the mid-1980s. Tenant based rental assistance is a deep subsidy program, because the subsidy amount is usually based on household income, and generally targeted to very low income households. In the case of HUD's Section 8 program, 75% of vouchers must go to extremely low income households. Currently, about 76,000 Massachusetts households receive tenant-based rental assistance.

<u>Current Production Levels and Trends</u> The shift to shallow subsidy programs, combined with lower overall funding levels and a generally restrictive zoning environment, has made affordable housing development much more challenging. Developers--both for-profit and non-profit--who want to build affordable and market rate housing increasingly need to use the Chapter 40B comprehensive permit process to enter the market. In addition, developers are meeting continued resistance to proposals for family housing as municipal officials and residents seek to minimize any potential school costs.

The limited gains in traditionally subsidized units are also being partially offset by losses in the current affordable inventory. Massachusetts has lost over 5,600 affordable units (including 4,400 with project-based rent subsidies) since 1995, as affordability restrictions have expired and owners have chosen not to renew them. Restrictions on over 18,000 older, deep subsidy units will end by 2010, giving additional owners the option to convert to market rate housing. However, only an extremely small number of projects developed with comprehensive permits

are at risk as they must generally remain affordable as long as the underlying zoning remains unchanged.

## **Current Affordable Housing Inventory**

The state's total number of affordable units and vouchers has risen only slightly in the past decade. Much of the growth in Section 8 tenant based assistance has been offset by drops in state-funded tenant based assistance, losses in state and federal project-based rental assistance, or reductions in the federal public housing inventory.<sup>10</sup>

Subsidized Developments The State Department of Housing and Community Development (DHCD) maintains a Subsidized Housing Inventory (SHI) that lists all subsidized housing developments that include units reserved for households with incomes at or below 80% of median under long-term legally binding agreements and are subject to affirmative marketing requirements. DHCD relies on communities to report additions and projects can be added either when they have received certain permits or when they are actually complete. 12

As of February 2008, the SHI listed 240,829 units in developments with at least some qualifying affordable units, a gain of 27,400 units from October 1, 2001. Not all 240,829 units are affordable, however, as that count includes market rate units in mixed-income rental projects if at least 20-25% are affordable and projects that have received permits but are not yet built. It also includes owner-occupied units that received rehabilitation loans and beds in DMR/DMH group homes.

Tenant Based Assistance In addition, about 75,500 households have federal- or state-funded mobile vouchers (January 2008) that they use to rent private housing. A significant, though unknown, number use their vouchers to rent units in the developments counted in the SHI.

Balancing New Production and Preservation The cuts in federal and state funding for affordable housing since 1990 have made it increasingly difficult to maintain the current supply of subsidized units, let alone expand it to address the unmet need. Many older private developments have reached the end of their 15-40 year use restrictions (few were developed using Chapter 40B). In strong markets, funding is needed to persuade owners to extend affordability or to enable a nonprofit to buy the property. These projects also need funding for capital upgrades. Funding is also needed to maintain and modernize the existing public housing inventory, almost entirely built 25-50+ years ago.

**Increase in Housing Assistance - 1993-2008**<sup>13</sup>

	1993	2004	2008	Change
Tenant Based Rental Assistance				
Section 8 - 9/93 allocation; 1/05 available, 5/2008 allocation	46,759	68,608	74,239	27,480
State MRVP, AHVP – Leased Units 2/93, 11/04, 1/1/2008	10,493	1,782	2,553	(7,940)
MRVP Project Based Units under lease 11/1993, 11/2004, 4/2008	5,001	3,175	3,031	(1,970)
Section 8 Moderate Rehabilitation Existing	3,638	1,979	1,388	(2,250)
Subtotal	65,891	75,544	81,211	15,320
Federal Public Housing 12/92; 1/05; 4/2008	34,132	33,507	33,559	(573)
State Public Housing 12/92, 12/01, 12/06	49,660	49,968	49,550	(110)
Subtotal	83,792	83,475	83,109	(683)
Private HUD-Subsidized Housing w/PBA 9/93, 1/05, 4/2008	61,295	63,626		
Low Income Tax Credit Units (in service 12/92; 12/02, 12/2005)*	6,107	23,094		
(estimated preservation units)	(2,302)	(13,266)		
Net New LIHTC affordable units <sup>14</sup>	3,715	9,828		
Other State Assisted (HIF, HSF, etc)				
Other (Federal RHS, NEF, Local)			·	

\*HUD LIHTC data base as of 5/2004

## **Housing Goals Beyond Affordability**

As detailed in later chapters, State housing goals include other goals in addition to affordability.

- Smart Growth and Sustainable Development Since 2004, the State has tried to align the activities of state housing, transportation, energy and environmental agencies that affect land use with sustainable development principles. These principles discourage sprawl and encourage the revitalization of town centers and neighborhoods. They favor creating mixed income housing through infill development and rehabilitation of existing structures, rather than new construction. They encourage siting near jobs and public transportation to create walkable districts with a mix of residential, commercial, civic and educational uses. State agencies, including DHCD, must consider how well projects meet these "smart growth" goals when awarding funds under state housing programs.
- <u>Integrated Housing for Persons with Disabilities</u> Consistent with a 1999 U.S. Supreme Court decision, the State is trying to expand the supply of affordable housing for persons with disabilities in ways that do not segregate or isolate them and that maximize independence and choice.
- <u>Fair Housing</u> In addition to addressing affordability needs, the State is committed to expanding geographic choice and equal access to housing opportunities for households who have experienced discrimination on the basis of race, ethnicity, disability and other characteristics.

The current "80% of area median income" definition used in Greater Boston and some other parts of Massachusetts is actually lower than the figure one would arrive at by multiplying area median by 80% because HUD caps the upper limit so that it does not exceed 100% of the national median income.

The use of a uniform 30% of income definition evolved over several decades and until the 1980s, the standard was ranges from 20-25%. For a detail history of the evolution of affordability definitions, see Danilo Peletiere, Ph.D., "Getting to the Heart of Housing's Fundamental Question:" How Much Can a Family Afford", National Low Income Housing Coalition, Washington, D.C., February 2008, http://www.nlihc.org/doc/AffordabilityResearchNote 2-19-08.pdf

- The U.S. Department of Housing and Urban Development (HUD) recalculates the area income limits annually, usually in the month of March. Detailed information on income limits for all areas of Massachusetts is available at HUD's website at <a href="http://www.huduser.org/datasets/il/i107/index.html">http://www.huduser.org/datasets/il/i107/index.html</a> in the Tables for Section 8 income limits.
- See U.S. Department of Housing and Urban Development CHAS website (http://www.huduser.org/datasets/cp.html)
- U.S. Department of Housing and Urban Development, 2000 CHAS data (see <a href="http://socds.huduser.org/chas/statetable.odb">http://socds.huduser.org/chas/statetable.odb</a>
- This comparison understates changes since the 2000 Census (which measured 1999 housing costs) because it omits changes from 1999 to 2000. The omission is due to changes in Census methodology after the 2000 Census which led the Bureau to caution that the more recent Census data from the American Community Survey (ACS) is not strictly comparable to the 2000 decennial data. The 2000 and 2006 comparisons are based on the 2000 Supplementary Survey (Table H067) and the 2006 ACS (Table B25070).
- <sup>7</sup> U.S. Census 2000 (SF-3) and 2006 American Community Survey (ACS)
- Massachusetts Draft 2005-2009 Consolidated Plan, DHCD, February 2005, pp. 19-20.
- OEDAC-CHAPA Expiring Use Database, February 2008. See <a href="http://www.chapa.org/expiring.html">http://www.chapa.org/expiring.html</a> for links to a list of projects by community as well as explanatory material.
- The increase in Section 8 tenant based vouchers of about 21,900 is partly due to the conversion of about 2,000 older HUD project-based vouchers under the Moderate Rehabilitation program to tenant-based assistance. HUD published data on Section 8 awards show Massachusetts has been awarded about 19,600 new tenant-based vouchers since FY'93. About 6,000 are "replacement housing" vouchers, issued to tenants who lost project-based assistance when owners of federally assisted projects converted to market rate housing or when public housing agencies replaced older projects with smaller, mixed income developments, resulting in a net gain of about 13,600 vouchers.. State-funded tenant based assistance vouchers in use dropped by 8,711 since 1993, and MRVP project-based vouchers in use have dropped by 1,914 as owners converted to market rate housing or decided to use Section 8 tenant-based vouchers instead.
- 11 The Subsidized Housing Inventory excludes projects that reserve 100% of the affordable units for local residents.
- Because the primary purpose of the Subsidized Housing Inventory (SHI) is to track the percentage of a community's yearround housing stock that qualifies as subsidized under Chapter 40B, the count of units in the SHI reflects counting rules
  under Chapter 40B with regard to when projects qualify to be added to the SHI, when they are added (or removed) and how
  many units in a project count toward a community's 40B percentage. At any point in time, it also reflects how timely
  communities are in notifying DHCD that they have new qualifying projects. Projects can be added before they are built
  (either as soon as the locality approves a comprehensive permit or as soon as it issues a building permit) but will eventually
  be dropped if building permits or certificates of occupancy are not issued within a year or so. Projects are restored once those
  permits are issued.
- Data sources vary. 1993 data for Section 8 TBA and HUD private subsidized housing come from HUD's 1993 Profile of Subsidized Housing. Data on LIHTC low-income units placed in service is from HUD's National LIHTC Database dated 5/28/2004 (see next endnote). State public housing figures come from DHCD reports for December 1992 and December 2001. State rental assistance data is from DHCD. Because most state-assisted projects, including older MHFA projects and SHARP, have HUD subsidies and are counted in the HUD totals, they have not been broken out separately here.
- Figures on tax credit projects do not include units placed in service since January 2003, because of a lag in HUD's published reports (nor do they net out projects which have expired in recent years). The most recent release (5/28/2004) reported projects placed in service through 12/2002 and includes corrections to earlier releases. The estimate of preservation units is based on a review of the projects in HUD's list and includes the low income units developed under older HUD, RHS or MHFA programs and thus largely counted in the other program categories already which subsequently received tax credits to preserve affordability or finance major capital repairs, including public housing units rebuilt under HOPE VI.

## 2. State Housing Budget Trends

While State funding for housing assistance is much lower than federal funding,<sup>15</sup> state funds have always been critical to the development of affordable units and the provision of rental assistance, providing gap funds to supplement federal grants and loans and to fund activities not funded by HUD. State funds today play an especially important role in addressing affordability problems in the face of stagnant and declining federal resources.

**Recent Trends** State spending on housing programs fell dramatically after the state went into recession in 1990, and remained low through FY2006. While increases in FY2007 and FY2008 have begun to close the gap, spending is still half what it was 19 years ago after adjusting for inflation. At their peak in FY1989, DHCD programs – including non-housing activities – accounted for almost 3% of state-funded budget spending. By FY2004, they accounted for less than 0.5%. In FY1989, DHCD state-funded spending totaled \$410 million – the equivalent of \$625 million in 2007 dollars.<sup>16</sup> In FY2008, its state-funded budget totals \$293 million.

Total DHCD Spending All Programs 1989 – 2008 (in millions)<sup>17</sup>

(Not adjusted for inflation) DHCD Share of Total State-Operating Capital **Total State** Fiscal Year **Funds Spent Spent** funded Spending funded Spending 2.90% 2.50% 1.70% 1.40% 1.10% 0.90% 0.90% 1.00% 0.90% 0.80% 0.80% 0.70% 01\* 0.68% 02\* 0.66% 03\* 0.48% 0.48% 05\* 0.54% 0.62% \*211 0.49% \*165 Not available 08 budget 09 budget \*\*150 not avail Not available

<sup>\*</sup>FY2001-2003 and FY2005 are adjusted to include Affordable Housing Trust Fund appropriations. FY2007 total includes \$1.5 million in Smart Growth Trust Fund expenditures. FY2008 capital budget excludes \$20 million in projects funded with MassHousing revenues.

<sup>\*\*</sup>Total here includes \$8.25 million for the Homelessness Commission

## **State Funding Sources for Housing Programs**

Major funding sources in FY2008 for State housing programs included:

- DHCD's operating and capital budgets (\$293 million);
- Executive Office of Health and Human Services (EOHHS) programs for the homeless including shelters and support services (\$120 million);
- MassHousing reserves (\$20 million); and
- the Massachusetts Housing Partnership's bank-funded loan pool (\$80 million of private funds).

The State also supports local housing initiatives through the Community Preservation Trust Fund (\$68 million in FY2007 for housing, open space, recreation and historic preservation).

**DHCD Budget** DHCD's FY2008 budget includes \$313 million in state funds - \$128 million in the operating budget and \$185 million in the State's capital plan. The FY2009 budget increased DHCD's operating budget to \$142 million and provided \$8.25 million more for implementation of the Homelessness Commission recommendations.

Operating Budget The major FY2009 affordable housing items include:

- \$65.5 million to operate almost 50,000 units of state public housing
- \$41 million to operate three rental assistance programs for just over 6,400 low income households and persons with disabilities
- \$8.2 million for homelessness prevention and housing counseling for tenants and owners
- \$5.75 million to support first time homebuyer loans
- \$4.5 million for interest subsidies for about 6,000 units of private housing built with MassHousing financing in the 1970s
- \$8.25 million to develop and test homelessness prevention programs

### Capital Budget The FY2008 capital budget includes:

- \$ 90 million to modernize existing state public housing,
- \$ 62 million to create or preserve private affordable housing (including \$20 million in MassHousing reserves for the Affordable Housing Trust Fund),
- \$ 10 million to develop community-based residences for people with disabilities
- \$ 4 million to preserve existing subsidized developments
- \$ 4 million for home modification loans for persons with disabilities
- \$10 million for infrastructure and related costs associated with older urban renewal projects.

**EOHHS Budget for Homeless Programs** The State also spends over \$120 million a year in state funds on shelter programs for homeless families and individuals through the budgets of several Executive Office of Health and Human Services (EOHHS) agencies.

**Other State-Created Resources** Over the years, the State has created a housing finance agency and several trust funds to support affordable housing development using resources other than State tax revenues.

<u>MassHousing</u> is a state "housing finance agency" established in 1966. It raises funds by selling tax-exempt bonds which support the purchase of mortgage loans to both rental developers and first-time homebuyers. In recent years, it has also raised funds through the sale of taxable bonds. Fees and other revenues generated by these activities have provided over \$100 million for State-supported affordable housing programs since 2003.

Massachusetts Housing Partnership Fund The Massachusetts Housing Partnership Fund began as a division of DHCD but was spun off as a quasi-public agency in 1990 after the Legislature passed a law requiring that companies that acquire Massachusetts banks (e.g. Bank of America's acquisition of Fleet) make funds available to MHP at below market rates for loans for affordable multifamily rental housing. By the end of FY2007, its loan pool exceeded \$1.2 billion. The State estimates MHP will make \$80 million in rental loans in FY2008 to help produce or preserve 800-1,000 affordable units. <sup>18</sup>

Massachusetts Development Finance Agency (MassDevelopment) MassDevelopment is a state quasi-public agency created under 1998 legislation that consolidated two entities, the Government Land Bank and the Massachusetts Industrial Finance Agency. It is authorized to carry out a range of development activities, from overseeing the redevelopment of Devens to supporting economic and community development through loan and technical assistance programs. It also finances the development, rehabilitation and preservation of affordable multifamily rental housing through tax-exempt bonds. This enables them to offer mortgage financing at slightly reduced interest rates and gives developers access to 4% low income housing tax credits. It also helps finance brownfield mitigation activities in connection with development projects.

The Community Preservation Trust Fund was established in 2000 to provide state matching funds to communities that agreed to adopt a local property tax surcharge to support open space, affordable housing and historic preservation activities. The state match is funded through a surcharge on Registry of Deeds filings. To date, localities have raised over \$500 million (including \$248.7 million in State matching funds through October 2007). At least 10% of this funding must be used for affordable housing (serving households with incomes of up to 100% of area median) but studies indicate that about 1/3 of spending through 2006 has been for housing.

The Smart Growth Trust Fund was created in 2004 to fund incentive payments to communities that establish "smart growth" districts to encourage higher density, mixed income housing development. It is authorized to receive up to \$25 million from proceeds from the sale of surplus state land, though only a few million has been realized to date. The state legislature has provided supplemental funding as a result of this shortfall.

**Federal Housing Resources Controlled by the State** The State also plays an important role in shaping the distribution of millions of dollars of federal affordable housing resources, including rent subsidies, grants and tax-credits. The decisions it makes regarding the use of the resource influence the number of units assisted, the locations and types of developments built or preserved, and the populations served. Major resources over which the State has some discretion include the following:

- Federal low-income housing tax credits
- Tax-exempt private activity bonds

- HUD block grant funding distributed to smaller communities through the Community development block grant (CDBG) and HOME programs
- Section 8 tenant-based housing choice vouchers

In Federal FY2006, awards for key HUD and Rural Housing Service housing and community development programs in Massachusetts totaled just under \$1.6 billion (according to the U.S. Census Federal Assistance Awards Funding System: Fiscal 2006 Quarters 1-4 for Massachusetts), including about \$375 million administered by DHCD. About two-thirds is for rental assistance.

Adjustment using GDP deflator.

Source: Commonwealth of Massachusetts Statutory Basis Financial Reports FY'98-FY'07 Ten-Year Schedule of Expenditures and Other Financing Uses by Secretariat (adjusted to exclude federal grant funds)

<sup>18 &</sup>quot;2008 Action Plan for CDBG, HOME, HOPWA and ESG", Massachusetts Department of Housing and Community Development, Boston, MA, page 32

## 3. Federal Housing Programs and Policies

Federal housing policy and funding trends have a huge impact on the ability of the state and localities to address affordable housing needs – particularly the needs of very low income households. Over 70% of the affordable subsidized units in Massachusetts are federally assisted. Most of these units, however, were developed before 1985.

Funding for most programs has stagnated or fallen in recent years, despite long waiting lists for assistance (there are currently over 57,000 households on DHCD's waiting list for Section 8 vouchers alone, while recent turnover has averaged 1,200 vouchers). HUD has not funded new Section 8 vouchers since 2002; federal law has capped the size of the public housing inventory in 1999, and current federal programs now produce less than 1,000 new units a year in Massachusetts.

## **HUD and IRS Programs**

HUD's three major housing programs currently assist about 190,000<sup>20</sup> low and moderate income households in Massachusetts through placed-based strategies (creation of affordable units) and mobile strategies (e.g. tenant-based rental assistance).

- The Section 8 Housing Choice Voucher program (~74,000 tenant-based vouchers)
- Long-term rent and/or interest subsidies for private multifamily rental developments for families, the elderly and disabled (over 83,000 affordable units)
- Federal public housing (33,500 units)

Other important funding sources for affordable housing in Massachusetts (described in more detail on the following pages) include:

- Two IRS programs (the Low Income Housing Tax Credit and tax-exempt bonds) that provide tax credits and interest exemptions to support affordable rental development (~2,200 units a year including preservation projects<sup>21</sup>)
- An annual block grant for housing (HOME) provided to states, cities and towns (\$43 million to Massachusetts in FFY2008)
- An annual block grant for housing and community development (CDBG) provided to states and larger cities (\$107 million in FFY2008)
- Section 202 and Section 811 grants to develop housing for frail elders (~140 units a year) and people with disabilities (~20 units a year).
- Grants for homelessness assistance programs (about \$59 million in FFY2007)
- Grants for HIV/AIDS housing and services (about \$6 million in FFY2007).

### **Common Program Requirements**

Most federal housing programs are subject to a series of common requirements.

<u>Planning Requirements</u> DHCD, cities, towns and housing authorities have considerable choice in how they use their federal funds and operate their programs today. This growth in choice began in 1992 when Congress replaced many HUD categorical programs with a housing block grant (HOME) and consolidated its homeless assistance programs. Public housing agency<sup>22</sup>

discretion expanded in 1999 after passage of a 1998 law giving them greater choice in deciding who receives priority for assistance, in setting rents for federal public housing and the rent levels they will subsidize under Section 8, and how they will use their funds to upgrade or demolish public housing units. States also decide which projects will receive federal low income housing tax credits.

HUD planning requirements require recipients to explain and publicize their choices. To try to ensure HUD funds are used to address the most critical local needs, federal law requires that states, local governments and housing authorities to prepare annual and five year plans – with a public hearing and comment period - that detail and prioritize housing needs in their jurisdiction and explain how they will address these needs.

Consolidated Plans States and communities that receive HUD block grants must prepare a Consolidated Plan every five years and can't receive funds until HUD approves the Plan. The Plan must include detailed information on housing market conditions in the jurisdiction and the major housing needs of residents, including extremely- and very-low income households, the elderly, the homeless and people with disabilities, using local and HUD data<sup>23</sup>. (DHCD's Consolidated Plan describes statewide housing needs). It must also describe needs the jurisdiction has designated as high priority and HUD and other funds will be used to address these needs. States and communities must also publish a detailed spending plan each year (the One Year Action Plan). Applicants for other HUD funds (e.g. elderly housing) must certify that their project is consistent with the Plan.

PHA Plans PHAs (DHCD and local housing authorities) are required to prepare 5-year and annual plans that detail how they will operate their federal public housing and Section 8 programs. The plans must include a mission statement, goals, a description of major program policies and spending plans. PHAs must also publish a Section 8 Administrative Plan that outlines their program policies in detail.

<u>Income Limits and Targeting</u> Federal law limits assistance under affordable housing programs to households with incomes at or below certain amounts at the time of admission and some programs target some units to households with incomes below the upper limit. The <u>limits</u> are set as a percentage of the "HUD Area Family Median Income" (AMI) adjusted for household size and vary by program. HUD updates the limits annually in January or February (see Appendix 4 for Massachusetts limits).

Current Income Limits (AMI)\* and Targeting Requirements – Major Housing Programs

	Income Limit	Targeting Requirements/ Exceptions <sup>24</sup>
Federal Public Housing	80%	40% of new admissions must go to households ≤ 30% AMI
Section 8 Housing Choice Vouchers	80%	75% of new admissions must go to households ≤ 30% AMI
Section 221d3 BMIR	95%	None except units covered by Section 8 project-based rental
Section 236	80%	assistance must meet that program's targeting (see below).
Section 8 Project-Based	50-80%	40% of new admissions must go to households ≤30% AMI.
		In addition, no more than 25% of units (for pre-October 1981
		properties) or 15% of units (for post -October 1, 1981
		properties) can be go to households above 50% AMI.
HOME Block Grant	60%-80%	Upper limit is 80% of median, but assisted rental units are
		generally restricted (90%) to households ≤60% AMI with at
		least 20% at ≤50% AMI in projects with 5+ HOME units).
CDBG	80%	No further targeting
Low Income Housing Tax Credits;	50% or 60%	Choice: At least 20% of units in a project must be at 50% AMI
Tax-Exempt Bonds (Rental)		<i>or</i> at least 40%@60% AMI
Section 202; Section 811	50%	Section 8 project-based rules apply if have pre-1991 assistance.

<sup>\*</sup>AMI refers to percentage of HUD Area Median Income Adjusted for Household Size

Rent Limits and Fair Market Rents Most HUD programs restrict the rents that can be charged for assisted units. While the restrictions vary by program, rent limits frequently are based on HUD standards called "Fair Market Rents" (FMRs). FMRs are based on the estimated going gross rent (the rent paid to owner plus the estimated cost of tenant-paid utilities) for a non-luxury, unsubsidized apartment. HUD currently sets the FMR at the 40th percentile frent paid by recent movers for "standard" (not substandard) units (the dollar amount below which 40 percent of such units are rented). It calculates local FMRs using regional surveys of renters who moved into their unit in the past 15 months. The calculation excludes units with rents below levels HUD finds likely to be public or assisted housing or otherwise a below-market rent, and new units (< two years old).<sup>27</sup>

HUD sets new FMRs annually on October 1 for each unit size (1-bedroom, 2-bedrooms, etc), after publishing proposed FMRs for public comment each summer. Current FMRs (FFY2008) for Greater Boston (gross rent) are \$1,086 for a studio unit, \$1,153 for a one-bedroom unit and \$1,353 for a two-bedroom unit; HUD has proposed minor reductions for FFY2009. (See Appendix 3 for current FMRs in Massachusetts.)

### Section 8 Housing Choice Voucher Program (Tenant-Based)

HUD's Housing Choice Voucher Program is the largest single federal housing program in Massachusetts for extremely- and very-low income households and is crucial to State efforts to assist those income groups. It is currently authorized to assist just over 74,000 households in Massachusetts The program helps low income households pay their rent (or in some cases their mortgage) by providing a voucher that covers the difference between 30% of their income and their gross rent (contract rent plus utilities) up to a fixed amount. The voucher is "mobile" – if a household moves, they can use it to rent their next unit – and can be used to rent a unit anywhere in the U.S. that meets HUD quality standards as long as there is a housing agency willing to administer the voucher.<sup>28</sup>

<u>Administration</u> Vouchers are distributed by state and local housing agencies -collectively called public housing agencies or PHAs - that have successfully applied for voucher allocations from HUD over the years. In Massachusetts, DHCD and 125 local housing authorities currently

operate Section 8 programs. DHCD administers about 25% of the vouchers (about 19,000)<sup>29</sup> in Massachusetts, using a network of regional nonprofit housing agencies. Local housing authorities and a few special agencies administer the other 55,000. PHAs are responsible for maintaining waiting lists, distributing vouchers to applicants, inspecting units before they are leased, verifying tenant incomes at least annually and mailing the monthly subsidy checks to owners.

Eligibility for Assistance At least 75% of households who begin receiving assistance each year must be extremely low income (at or below 30% of area median). The balance can be issued to households with incomes of up to 80% of median. PHAs can also set priorities for assistance. While some PHAs use a simple first-come, first serve system, others give applicants in emergency situations or working households priority. PHAs can also give preferences within a priority category and many give local residents a preference. Admission priorities must be described in the PHA plan and be consistent with local housing needs and priorities as detailed in the local Consolidated Plan.

<u>Special Purpose Vouchers</u> Most Section 8 vouchers are available to low income households generally, but about 7,800 of the 74,000 vouchers are reserved for specific populations (e.g. homeless individuals, persons with disabilities, families with children in foster care, families moving from welfare to work), either because they were awarded under special programs<sup>30</sup> or because of a PHA policy decision.

<u>Waiting Lists</u> Applicants can apply to any PHA that has a Section 8 program with an open waiting list (PHAs are allowed to stop accepting applications when the number of households on their waiting list exceeds the number of vouchers likely to be distributed in the near future). The State and many local housing authorities (LHAs) have simplified the process of applying for Section 8 assistance in recent years. In the past, applicants had to apply individually to every LHA and regional nonprofit that operated a Section 8 program and it was difficult for applicants to determine where they could apply because local waiting lists are closed most of the time.

In 2000, DHCD created a <u>centralized waiting list/application</u> for its vouchers the Massachusetts chapter of the National Association of Housing and Redevelopment Officials (MassNAHRO) followed suit in 2003, creating a <u>centralized waiting list for local housing authorities</u> (72 LHAs currently participate).<sup>31</sup> Both lists allow applicants to download an application online. Households can be considered by all LHAs with openings by filing a single MassNAHRO application and by all regional nonprofits by filing one DHCD application.

Rent/Subsidy Amount The law governing the way subsidy benefits are calculated was revised in 2000. Tenants now pay a minimum of 30% of their adjusted income toward their housing costs (rent plus a allowance for any utilities not covered in the rent) and are entitled to a subsidy for the balance of their rent up to a fixed amount called the "payment standard." Payment standards are based on HUD "Fair Market Rents" (FMRs). Because FMRs are usually based on large regions and may be higher or lower than gross rents in individual communities, PHAs are allowed to set their payment standard at anywhere from 90-110% of the HUD FMRs for their region. Bigger changes require HUD approval. Current FMRs (FFY2008) for Greater Boston (gross rent) are \$1,086 for a studio apartment, \$1,153 for a one-bedroom unit and \$1,353 for a two-bedroom unit.

Tenants can rent units with gross rents above the payment standard (and pay the extra cost themselves), as long as their share of rent and utilities does not exceed 40% of their adjusted income when they first lease the unit. The 40% cap applies only to the initial lease; if the rent goes up later, the tenant is allowed to pay more than 40% of income.

Role in State Housing Policy The Housing Choice Voucher program is crucial to State efforts to assist extremely- and very- low income households and its importance has grown because most other subsidy programs now produce housing affordable to households with incomes of 60%, 70% or 80% of median. Section 8 vouchers can make those units affordable to extremely low income households. Vouchers are a critical resource for families with children, because relatively few (about 20%) units in subsidized developments have 3 or more bedrooms and many communities have no private, subsidized family rental housing. Families with children make up 50% of voucher households in Massachusetts (compared to 29% of public housing households). It is also a key resource for non-elderly households with disabilities (38% of Massachusetts voucher holders).<sup>32</sup>

Project-Based Vouchers (PBV) Under legislation enacted in 2000, PHAs can use up to 20% of their housing choice voucher funding for project-based assistance, assigning vouchers to specific housing units by entering into contracts with owners for up to 10 years. Tenants retain the flexibility of standard mobile assistance - they must agree to stay in the project-based unit for at least a year, but after that can move as soon as a tenant-based voucher becomes available. Project basing can be used in existing subsidized and unsubsidized housing as well as new housing and can be combined with other subsidy programs. The contract can cover no more than 25% of the units in a building, except for elderly, disabled and supportive housing projects. DHCD has project-based several hundred units to date.

Homeownership Vouchers In 1998, Congress passed legislation making it easier to use Section 8 assistance to purchase a home, and HUD issued implementing regulations in 2000 and 2002. The new regulations give PHAs the option of setting up homeownership programs that allow households to apply their Section 8 subsidies to mortgage payments. The program is generally limited to first time homebuyers, and PHAs have considerable discretion in designing their programs. The Section 8 subsidy can be used with other state and local first time homebuyer assistance programs. As of January 2005, 29 Massachusetts PHAs had established ownership programs<sup>33</sup> and 74 households had received homeownership vouchers. However, high home sale prices, particularly in eastern Massachusetts, also remain a significant barrier.

Section 8 Funding Trends Prior to federal fiscal year 1995, Congress regularly appropriated funds to expand the supply of Section 8 vouchers nationwide. HUD used a "fair share" formula to allocate the new funds to states and regions based on relative housing need and housing agencies could then apply for a share of their region's allocation. In the early 1990s, Congress also began funding special purpose vouchers and "tenant protection" vouchers for households losing other assistance (due to the demolition of public housing or the conversion of older subsidized developments to market rate housing).

There has been almost no net growth in rental assistance in Massachusetts in the past five years and little growth over the past 15 years. Congress funded no new vouchers in 9 of the past 15 years (FFY1995 through FFY1998 and FFY2003 through FY2007) except for tenant protection vouchers and a small allocation for people with disabilities. In addition, HUD and Congress did

not provide enough funding to support previously authorized vouchers between FFY2004 and FFY2006<sup>34</sup>, forcing many LHAs to temporarily shrink their programs. Excluding tenant protection vouchers, Massachusetts has been awarded only 13,600 new vouchers in the past 15 years (1993 through 2007), including a total of 114 new vouchers in the past five years (2003 through 2007). That increase was substantially offset by a drop of about 9,600 state-funded vouchers during the same period (1993-2007).

## Federally-Assisted Private Housing (HUD and Other)

Most of the units in the State's subsidized housing inventory (excluding DMR/DMH group homes and units assisted through homeowner rehab loans) were developed before 1985. Older federally-assisted *private* housing accounted for half (78,000) of those pre-1985 units, with state and federal public housing making up the balance. Today, Massachusetts has about 95,000 federally-assisted affordable units, a net gain of about 18,000 units over the past 23 years.

<u>Older Programs</u> Massachusetts has about 72,000 affordable units in over 700 developments produced between the late 1960s and the mid-1980s by private for-profit or non-profit owners using older HUD or RHS mortgage or project-based rent subsidy programs, <sup>35</sup> most of which have since been repealed. About three quarters (over 53,000) of these units are covered by HUD project-based rent subsidies. They include *about*:

- 9,700 units originally developed in the late 1960s under the HUD Section 221d3 Below Market Interest Rate (BMIR) program (some of these properties have since refinanced under other programs)
- 26,000+ units developed between the late 1960s and early 1970s under the HUD Section 236 program (some have since refinanced under other programs)
- 28,000 units developed in the 1970s and early 1980s with 15-30 year project-based Section 8 rental assistance contracts
- 5,400 units build between 1959 and 1985 under the Section 202 program for the elderly and disabled
- 1,500 units built under the RHS Section 515 rental housing program (see page 24), including about 700 units with Section 8 project-based rental assistance contracts.

As discuss in more detail on page 66, over 18,000 of these units could potentially be lost to the affordable housing inventory by December 31, 2010 because the income and rent restrictions imposed by the early financing programs are expiring or can be terminated by owners. <sup>36</sup> (Over 5,600 units have been lost since 1995.) Given the high cost of replacing the lost units, the limiting funding available and the challenges of siting replacement housing, housing advocates have made preservation a high priority for state funding.

<u>Low Income Housing Tax Credit Program (LIHTC)</u> Since 1986, the primary federal mechanism for producing new affordable private rental housing has been the Low Income Housing Tax Credit program (described in more detail on page 75). Rather than providing funds directly to developers, the program spurs equity investments in projects by providing tax credits to investors and thus reduces project debt. There are two types of credit:

- One called a 9% credit is designed to raise equity equal to 70% of project costs (excluding land) for the affordable units. The 9% credit amount available to projects each year is set by a statutory formula that allocates a fixed amount per-capita (\$2.00 in 2008) to every state nationwide. From 1986-2000, the per capita amount was fixed at \$1.25; starting in 2001, a new law allowed annual adjustments for inflation.
- A lower credit often called a 4% credit is available for projects financed with tax-exempt bonds and is designed to raise equity equal to 30% of project costs. There is no limit on the amount of 4% credits available each year.

The income limit for tax credit units is usually 60% of area median income, but many projects financed with 4% credits set the limit at 50% of median income.

LIHTC production data is limited because the program is administered by the IRS, but HUD data indicates that the LIHTC program has produced or preserved about 30,000 affordable units in Massachusetts (1987-2005). A review of the projects in HUD's database suggests that about 14,000 of those units represent net additions to the subsidized inventory. The other 16,000 include older HUD-assisted developments that received new financing to preserve their affordability and replacement units for older, troubled private properties, and public housing developments (under the HOPE VI program), that were demolished and rebuilt.

Section 202 and Section 811 HUD today has two programs designed solely to finance the development of new affordable rental housing. One is the Section 202 program (see page 93) which began in 1959 as a loan program for nonprofit developers of elderly housing. Over the years, it began to fund housing for persons with disabilities as well, usually as a small percentage of units in an otherwise elderly project, and occasionally in projects exclusively for persons with disabilities. Units produced after 1974 all had project-based rental assistance and the upper income limit for most units is 50% of area median income.

In 1990, Congress revised the Section 202 program, limiting new funding to projects specifically for very low income frail elders starting in FY1991 and providing construction funding as a grant rather than a loan. At the same time, it created a new program (Section 811) to finance housing specifically for persons with disabilities. Both provide project-based rent subsidies and the Section 811 program can be used to fund mobile (tenant-based) rent subsidies as well. Funding for both programs has been limited, however.

The Section 202 program has produced about 5,000 units for the elderly since 1985 and the Section 811 program (and an earlier 202 program for the disabled) program has financed about 760 units (plus 2,500 of the 13,600 Section 8 vouchers awarded to Massachusetts in the past 15 years). In the past five years, Massachusetts has received funding for an average of 137 new Section 202 units and 20 Section 811 units a year (HUD has not funded new Section 811 mobile vouchers since FY2003).

## Federal Public Housing

There are about 33,500 units of federal public housing in Massachusetts owned and operated by 67 local housing authorities (LHAs). Three-quarters of the units are in ten communities, with one-third in Boston alone. As with state-funded public housing, the majority of units (two-thirds) are in developments for the elderly and disabled only. Resident incomes average under \$14,600 and the average rent is \$336.<sup>37</sup>

Most of the units were built between the late 1930s and early 1970s, with smaller numbers added through the early 1990s. Expansion options are limited because Congress has generally capped the number of units for which PHAs<sup>38</sup> can receive operating and capital subsidies at the number operated on October 1, 1999.

Because these projects are funded by HUD, rather than the state, they have slightly different admissions rules. They also tend to be in better physical condition than state developments because while HUD modernization funding has not kept pace with needs, it has still generally been higher than the amounts the state provides for its stock.

<u>Eligibility and Admissions</u> As with state public housing, admission is restricted to households whose incomes do not exceed 80% of the area median income. Applicants must also pass a background check by the PHA. In an effort to broaden the mix of incomes in federal public housing, HUD reduced low income targeting requirements in October 1999. PHAs are now required to ensure that at least 40% of openings each year go to households with incomes at or below 30% of median but can choose to target higher income households for the remaining units. HUD data indicates that 79% of the households for whom income data was reported are extremely-low income.

<u>Preferences and Priorities for Admission</u> The admission rules for federal public housing differ from those for state public housing, because Congress now allows PHAs to set their own rules regarding who gets priority or preference as long as their policy is published, is consistent with local needs as identified in their jurisdictions Consolidated Plan, meets HUD's income targeting requirements and does not violate civil rights laws. Many LHAs give local residents a preference over other applicants; other groups that commonly receive a preference are working households and households with emergency needs, including victims of domestic violence.

PHAs generally maintain separate waiting lists for their family and elderly/disabled units and can establish "site-based" waiting lists as well that allow applicants to specify the developments they are interested in. These lists are often closed, and households facing the longest waits include non-residents, families, and non-elderly individuals.

Rent is generally set at 30% of a tenant's adjusted income, but PHAs must disregard the first year's earnings of a family member who was unemployed or receiving TAFDC who gets a job, and phase out the disregard gradually over two more years. PHAs can adopt other income disregards and rent incentives to reward work, such as ceiling rents. In addition, each household must be allowed each year to choose between paying rent based on income or a flat rent based on their unit's rental value. PHAs can also set a minimum rent -- not to exceed \$50 a month -- even if it exceeds 30% of adjusted income.

Operating Funds PHAs receive annual grants from HUD for operating costs and capital improvements and can apply for supportive services funding under a competitive grant program called ROSS. Because rents are based on tenant incomes, revenues often fall below the level needed to cover operating costs. HUD's provides operating subsidies to fill the gap. Historically, it has calculated and funded subsidy needs using an approach similar to the State's approach for state-public housing. PHAs are entitled to an operating subsidy if their rent revenues fall below the amount HUD calculates it would cost a *well-managed* PHA to operate its developments, but the amount LHAs actually receive depends on their pro-rata share of the national total subsidy need and the total amount funding available nationally.

Since the mid 1990s, the amount PHAs have received has fluctuated from 89% to 95% of HUD need in the mid-1990s to close to 100% in late 1990s-early 2000s. In recent years, it has fallen to 84% of need as defined by HUD (many LHAs believe HUD's formula understates needs). <sup>42</sup> After years of negotiated rulemaking with PHA representatives, HUD developed a new formula in 2005 that uses asset based management to measure needs on a project-by-project basis rather than PHA wide. The new formula started in FFY2008 and will phase in through 2011.

<u>Capital Funding</u> PHAs currently receive annual formula grants from HUD to address the capital needs of their inventory, consistent with their PHA plan. LHAs can use their capital funds to develop new units, but HUD will not provide capital or operating subsidies for incremental units, unless they have been built as part of a mixed finance transaction. Since 1999, PHAs have been allowed to develop "<u>mixed-finance</u>" housing by combining their capital grants with other public or private funding sources to develop mixed-income housing. They can also obtain private financing by pledging future capital grant funds as security. HUD must approve transactions in advance.

HOPE VI and end of one-for-one replacement In 1992, Congress authorized HUD to create a program to revitalize "severely distressed" developments by replacing them with smaller, less dense projects on and off the original sites, with funds to be distributed through a competitive grant process. Initially, demolished units had to be replaced on a one for one basis but Congress later dropped that requirement. Over time, the program evolved into a more ambitious neighborhood revitalization program, often creating mixed income neighborhoods by creating moderate and market rate units as well, and providing funds for supportive service and community facilities. HUD also added "demolition only" grants for LHAs choosing not to replace deteriorated units. To date, seven HOPE IV projects have been approved for Massachusetts (six for revitalization – including four in Boston- and one for demolition).

The HOPE VI projects, along with reductions by some LHAs who converted small units into larger units or community facilities, have led to a net reduction in the number of federal public housing units in Massachusetts, in part due to delays in creating replacement units. Displaced tenants generally receive Section 8 vouchers if they choose not to relocate to developments or there are no vacancies in other developments.

## Community Development Block Grant (CDBG) Program

The CDBG program is a formula block grant program, begun in 1974. It provides annual grants to states and larger cities (population over 50,000) for housing and community development activities. Funds can be used for a variety of activities, including housing, economic development, social and public services. Overall, at least 70% of the funding must be go to activities that benefit households with incomes at  $\leq 80\%$  of median and at least 51% of those benefited by individual projects must be  $\leq 80\%$  of median.

HUD distributes most of the funding directly to larger cities ("entitlement" communities), using a formula that considers population, age of housing stock, poverty rates and related factors. States receive allocations for use in balance of the state. The amount received each year depends both on the national appropriation and how local communities compare to all qualifying communities nationwide. Grants to *Massachusetts have fallen each of the past 5 years due to declining national appropriations, with the 2008 total down 18% (\$23 million) from the total awarded five years ago (FFY2003)*.

Massachusetts will receive \$107 million in new CDBG funds in FFY2008. About two-thirds (\$73 million+) will go to 36 entitlement communities in amounts ranging from \$138,000 to almost \$20 million (see Appendix 2). DHCD will receive \$33.6 million.

CDBG Grants to Massachusetts 2003-2008

Federal Fiscal Year	DHCD	Entitlement	Total
2003	39,755,000	90,542,000	130,297,000
2004	40,549,737	89,133,000	129,682,737
2005	38,578,167	84,448,203	123,026,370
2006	34,330,839	76,772,133	111,102,972
2007	34,468,976	76,349,159	110,818,135
2008	33,553,851	73,735,164	107,289,015
Change 2003-2008	(6,201,149)	(16,806,836)	(23,007,985)
% Change	-15.6%	-18.6%	-17.7%

Cities and states choose how they will spend the funds, but must certify that their choices are consistent with the priorities listed in their Consolidated Plan. They must publish a draft One Year Action Plan before each new program year and solicit citizen input before finalizing it. DHCD has in recent years spent about 41-42% of its CDBG funding for housing, primarily for single-family (one-unit) homeownership rehabilitation programs.

In FY2007, CDBG-funded spending on housing in Massachusetts totaled \$45 million. DHCD spent \$16 million (41% of its total CDBG spending) on housing, with 81% going toward single-family (one-unit) homeowner rehab loan programs. Entitlement communities spent \$29 million (30% of their total CDBG spending), though the percentage varied widely by community, ranging from 0%-80%.

<u>DHCD Funding Process</u> DHCD reserves some funds each year for economic development activities, bridge loans, reserves, repayments of advance, technical assistance and administration and distributes the rest (\$27 million in 2008) through three subprograms. Additional funding is available from its Reserve Account. Funded activities must be consistent with the State's Sustainable Development principles.

- *Mini-entitlement program* DHCD created this program to provide reliable multi-year funding to communities with high percentages of lower income and poor households, older (pre-1939) housing and high population density. It usually reserves 20%-25% of its allocation for this program. In 2008, it will award up to \$8.8 million (\$800,000 each) to 11 communities (Amherst, Chelsea, Everett, Gardner, Greenfield, North Adams, Revere, Southbridge, Wareham, Webster and West Springfield). These communities are also designated to receive funding in 2009.
- Community Development Fund (CDF) DHCD distributes most of the remaining funds through an annual competitive grant application process, with most of the funding reserved for applications from about 140 communities with high "community-needs" scores based on demographic and other data ("CDF I" communities). In 2008, DHCD plans to distribute \$16.4 million in CDF grants, reserving \$14.2 million for CDF I communities and \$2.2 million for applications from 160+ communities with lower needs scores ("CDF II") for local or multi-community activities.
- Housing Development Support Program (HDSP) DHCD created this program to fund small housing creation or preservation projects (8-10 units maximum), frequently in downtown areas (see page 78). It has allocated \$1.7 million to it in 2008.
- Reserve Account DHCD can also make funding available from its CDBG Reserves (\$4.7 million) for projects that are innovative or address an "overarching local, regional or statewide need". The 2008 Action Plan indicates projects to preserve or develop "workforce housing" can receive grants of up to \$800,000 from this account.

## **HOME Block Grant Program**

The HOME Investment Partnership program, begun in 1992, provides formula block grants to States and larger cities specifically for housing activities. Funds are distributed by a formula based on measures of inadequate housing supply, substandard housing, units in need of rehabilitation occupied by low-income families, housing production costs, poverty, and local fiscal capacity:

- *Direct Grants to Cities and Consortia* Sixty percent (60%) of the funding is reserved for larger cities and consortia. Cities that qualify for at least \$500,000 under the formula automatically receive a direct grant. Smaller contiguous communities can qualify by banding to form a consortium in order to reach the minimum funding threshold (HUD has a website to help communities with the calculations)<sup>46</sup>
- *Grants to States* The remaining 40% goes to state governments. While DHCD's CDBG funds are only available to non-entitlement communities, it makes its HOME funds available to entitlement and consortia communities as well.

HOME funding for Massachusetts has fallen by 15% in the past five years (FFY2003-FFY2008), primarily as a result of federal budget cuts. The FFY2008 HOME allocation for Massachusetts totals \$43.5 million - \$13.6 million for DHCD and just under \$30 million for 11 cities and eight consortia with 79 member communities.<sup>47</sup>

**HOME Grants to Massachusetts 2003-2008** 

Federal Fiscal Year	DHCD	Entitlement	Total
2003	17,869,595	33,366,837	51,236,432
2004	16,632,697	34,792,125	51,424,822

2005	16,258,655	32,662,386	48,921,041
2006	14,085,789	31,170,342	45,256,131
2007	14,263,119	31,103,429	45,366,548
2008	13,586,515	29,893,041	43,479,556
Change in Annual Grant 2003-2008	(4,283,080)	(3,473,796)	(7,756,876)
% Change	-24.0%	-10.4%	-15.1%

Income targeting  $All^{48}$  of the funds must be spent for activities that assist households with incomes below 80% of area median, and 90% of funds for rental activities must assist household with incomes below 60% of median.

Eligible Activities HOME funds can be used for four types of assistance:

- Tenant-based rent subsidies and security deposit assistance;
- housing development;
- housing rehabilitation; and
- first time homebuyer assistance.

State and local recipients choose the activities they want to fund, except for the funding awarded under a special setaside called the American Dream Downpayment Initiative [ADDI]) which Congress designated specifically for downpayment assistance. As with CDBG, spending plans must be consistent with the Consolidated Plan and recipients must publish an Annual Action Plan. DHCD's 2008 plan funds the following activities:

- *Multi-family rental housing development and rehabilitation* DHCD plans to use two-thirds (\$9 million) of its 2008 allocation to develop or rehabilitate 232 multifamily rental units. Funds are awarded through two competitions a year, usually in the Fall and Spring.
- *First Time Homebuyer Activities* Another \$3.15 million has been reserved for projects that create affordable ownership units (about 50) and provide downpayment assistance (80 buyers). Funding is usually awarded through an annual competition.
- Disposition of Foreclosed Properties It may also make up to \$1.5 million available, on a rolling basis, to organizations seeking to preserve foreclosed properties as affordable rental or ownership units.

## "McKinney" Homeless Assistance Grants (Continuum of Care)

HUD has several programs, often referred to as McKinney Programs, that specifically fund housing and services for homeless families and individuals.

- Homeless Assistance Grants This HUD account funds three programs that support housing, rent subsidies and services. HUD awards funds to jurisdictions whose homeless service providers have developed a "continuum of care" plan through an annual competition. Massachusetts has received between \$50-55 million in recent years.
- Emergency Shelter Grants (ESG) Massachusetts also receives about \$4.7 million a year through the ESG formula block grant program. Eleven cities receive entitlement grants (\$2.2 million total in 2008) and DHCD receives funds (\$2.56 million in 2008) to assist programs in the balance of the state. ESG funds can be used to renovate buildings for use as emergency shelter, shelter operating costs, and to provide services to the homeless; up to 30% can be used for homelessness prevention activities.

**HUD Homeless Assistance Grants to Massachusetts (2003-2008)** 

	Homeless Assistance Grants	ESG Grants
FFY	Total	Total
2003	49,703,578	4,453,000
2004	55,611,256	4,765,713
2005	49,006,274	4,742,840
2006	52,673,066	4,731,712
2007	54,722,892	4,791,184
2008	*	4,775,110

<sup>\*</sup>Not awarded yet

## Grants for HIV/AIDS Housing Programs

HUD's Housing Opportunities for People with AIDS (HOPWA) program funds formula block grants to States and larger metropolitan areas in areas with high AIDS incidence rates. Massachusetts grantees currently receive about \$3.6 million a year. Ten percent of the national appropriation is available for multi-year competitive grants to continue or begin "innovative" projects and Massachusetts has received about \$1.7 million in such funds a year in recent years (see page 109). Eligible block grant activities include housing information services; acquisition and rehabilitation or leasing of properties, project-based or tenant-based rental assistance, housing operating costs, supportive services and homelessness prevention activities.

**HOPWA Grants to Massachusetts 2003-2008** 

	Formula	Competitive	Total
FY2003	4,040,000	2,621,524	6,661,524
FY2004	3,843,000	1,137,716	4,980,716
FY2005	3,619,000	-	3,619,000
FY2006	3,609,000	2,217,002	5,826,002
FY2007	3,557,000	2,631,152	6,188,152
FY2008	3,684,000	**	

<sup>\*\*</sup>not awarded yet

## **Rural Housing Service (RHS) Programs**

The U.S. Department of Agriculture funds affordable housing programs in smaller "rural" and exurban communities through its Rural Housing Service (RHS) division. "Rural" communities are generally defined as towns outside a metropolitan statistical area (MSA) with a population under 10,000-20,000, with some exceptions. The State RHS Office maintains information on qualifying locations by program.<sup>49</sup> RHS has one major rental housing development program and several homeownership programs.

• Section 515 Multi-Family Rental Housing The Section 515 program provides low interest loans to finance affordable multifamily housing or congregate housing for families, elders, and people with disabilities who have very low, low, or moderate incomes. It can only be

used in RHS-eligible communities. Funding has been very limited in recent years (Massachusetts received a \$1 million in FY2008 for rehabilitation of existing developments).

- Section 502 Program This program finances the purchase, construction or rehabilitation of owner-occupied single-family homes. Eligible houses must be modest in cost, size, and design, and can include mobile homes. Eligible applicants must meet low or very-low income criteria. The program is administered by county RHS offices.
- Section 504 Program This program provides loans or grants to elderly or disabled very low-income homeowners. Grants must be used for emergency repairs to water and sanitary sewer systems, wiring, structural supports, and roofs. Loans may be used for cosmetic repairs.

Massachusetts Department of Housing and Community Development, Draft Annual Section 8 Plan for 2008, Boston, MA, February 27, 2008, pages 13 and 29.

Because Section 8 housing choice vouchers can be used in subsidized developments, it is likely that some of the 83,000 units in HUD-subsidized multifamily developments are occupied by Section 8 voucher holders.

Estimate based on 13,345 total low income units placed in service in six recent years (2000 through 2005). <a href="https://example.com/HUD's Low\_Income Housing Tax Credit Database - Projects Placed in Service Through 2005">https://example.com/HUD's Low\_Income Housing Tax Credit Database - Projects Placed in Service Through 2005</a>, January 2008. See <a href="https://lihtc.huduser.org/">https://lihtc.huduser.org/</a>

HUD uses the term public housing agency (PHA) to refer to any of the many types of public agencies it contracts with to administer its public housing and Section 8 programs. In Massachusetts, the term encompasses local housing authorities and DHCD. Most of the new provisions of the 1998 law (the Quality Housing and Work Responsibility Act) went into effect on October 1, 1999.

HUD's Office of Policy Development and Research has special analyses of 2000 Census data on housing characteristics (units, prices, tenure, etc.) and housing needs for every locality by income bracket, tenure and household characteristics. This data, called "CHAS" data, is available on HUD's website at http://www.huduser.org/datasets/cp.html.

PHAs can lower the percentage of public housing admissions targeted to extremely low income households if they exceed the minimum 75% targeting requirement in their Section 8 program. A detailed description of this exception and exceptions under the other programs is available from the Millennial Housing Commission Report, "Focus Meeting Materials" in the Housing and Welfare Section ("Rents and Eligibility Requirements, HUD programs"). Se <a href="http://govinfo.library.unt.edu/mhc/focus.html">http://govinfo.library.unt.edu/mhc/focus.html</a>

Contract rent refers to the amount tenants pay to the owner under their lease. In the vast majority of leases (81% according to the 2006 American Community Survey) in Massachusetts, contract rents do not include all utilities (e.g. electricity, heat, gas, etc). When comparing FMRs and payment standards with going rents, one must add the estimated cost of utilities to the contract rent to see how it compares with the local payment standard.

When the Section 8 program began, FMRs were set at the 50<sup>th</sup> percentile rent for new mover rents. To save money, the standard was later reduced. In FFY1983, it was cut to the 45<sup>th</sup> percentile and in FFY1995 to the 40<sup>th</sup>. Since FY2001, HUD has set the FMR at the 50<sup>th</sup> percentile in certain areas where voucher has been found to be disproportionately concentrated in a limited number of census tracts.

HUD Office of Policy Development and Research, "Fair Market Rents for the Section 8 Housing Assistance Payments Program: Overview", HUD, Washington D.C., July 2007, page 1. <a href="http://www.huduser.org/datasets/fmr/fmrover">http://www.huduser.org/datasets/fmr/fmrover</a> 071707R2.doc

Some housing authorities require participants receiving a voucher for the first time to use it in the local jurisdiction for the first 12 months.

In the past, housing agencies had a fixed allocation of vouchers. Because of changes in federal budget language and appropriation levels and HUD funding procedures, this is no longer true. The number of vouchers a PHA can administer will fluctuate depending on local subsidy cost trends and any ceilings imposed by HUD.

<sup>&</sup>lt;sup>30</sup> See DHCD's Section 8 Administrative Plan for details on its special purpose voucher programs.

As of May 2008, according to the Mass NAHRO website.

HUD Resident Characteristics Report for Massachusetts (February 1 – May 31, 2007).

- A list of participating PHAs is available online at http://www.hud.gov/local/ma/homeownership/hsgvouchers.cfm
- Linda Couch, "2008 Advocates Guide", National Low Income Housing Coalition, Washington, D.C., 2008, page 79.
- HUD project based rent subsidies were also used to finance the development of 1,537 state public housing units in the 1980s. The State floated bonds to finance the construction work, but the debt service was paid through the Section 8 project-based rental assistance contracts.
- 36 "Massachusetts Developments with Subsidized Mortgages or HUD Project-Based Rental Assistance" (February 2008), Community Economic Development Assistance Corporation (CEDAC), Boston, MA Available online at <a href="http://www.chapa.org/expiring.html">http://www.chapa.org/expiring.html</a>
- 37 HUD Multifamily Tenant Characteristics System Resident Characteristics Report (February 1, 2007-May 31, 2008).
- HUD uses the term public housing agency (PHA) to refer to any of the various public agencies it contracts with to administer its public housing and Section 8 programs. In Massachusetts, the term encompasses DHCD and LHAs.
- From mid-1988 until mid-1995, HUD required PHAs to give priority for admission to federal public housing and the Section 8 rental assistance program to homeless households and those paying more than 50% of their income for housing, meaning most new admissions were extremely-low income.
- <sup>40</sup> HUD allows PHAs to reduce the required percentage of extremely low income admissions to their public housing to as low as 30% if they choose to targeting more of their Section 8 vouchers to this population (i.e. go above the requirement that at least 75% of the new vouchers go to extremely low income).
- 41 HUD Multifamily Tenant Characteristics System Resident Characteristics Report (February 1, 2007-May 31, 2008). (Overall, PHAs reported 73% of households were extremely low income, with no information reported on another 7% of households).
- Linda Couch, "2008 Advocates Guide to Housing and Community Development Policy" Public Housing chapter, National Low Income Housing Coalition
- HUD data on annual CDBG spending activities by entitlement communities and DHCD is available online at <a href="http://www.hud.gov/offices/cpd/communitydevelopment/budget/disbursementreports/index.cfm?st=ma">http://www.hud.gov/offices/cpd/communitydevelopment/budget/disbursementreports/index.cfm?st=ma</a>
- Scores are based on based on the percentage of population that is low and moderate income, the percentage paying over 30% of income for housing, local unemployment rates, property values and housing stock age
- 45 Communities that received CDF II grants in FY2007 cannot apply for a grant in FY2008 except to implement previously funded design or planning projects.
- See HUD "Consortia Builder" website (for assessing feasibility of forming a consortium) at <a href="http://www.hud.gov/offices/cpd/affordablehousing/programs/home/consortia/builder/">http://www.hud.gov/offices/cpd/affordablehousing/programs/home/consortia/builder/</a>
- <sup>47</sup> A list of participating communities and contact information is available through DHCD's website at http://www.mass.gov/dhcd/components/housdev/want/HOMEentil.pdf
- <sup>48</sup> HOME funds can be used for mixed-income projects but the HOME money can only be used for the affordable units.
- A list of designated communities can be found at <a href="http://www.rurdev.usda.gov/ma/Documents/MASSACHUSETTS%20designated%20places.pdf">http://www.rurdev.usda.gov/ma/Documents/MASSACHUSETTS%20designated%20places.pdf</a>

## 4. Homelessness and Prevention

#### Overview

While states and the federal government have been funding programs to assist homeless single adults and homeless families since the early 1980s, their response has been mostly reactive, assisting households after they become homeless. It is increasingly well-understood that this approach is not cost-effective.

According to a December 2007 State Commission report<sup>50</sup> on ending homelessness:

- 5,000 homeless families with children and 21,000 homeless individuals used shelters in Massachusetts in 2007.
- The State currently spends million of state and federal dollars on shelters and services, with the Department of Transitional Assistance (DTA) alone currently spending over \$120 million a year on shelters and transitional housing programs for families (almost 1,900 beds) and individuals (2,900 beds).
- Despite these investments, homelessness continues to grow, particularly among families, in part due to underfunding of prevention programs (which currently account for only 20% of all homeless spending in Massachusetts). While some of this growth reflects structural problems of poverty and housing costs, much of it reflects inefficient use of state resources.

Based on studies of recent shelter users and pilot programs, the Commission found an upfront investment in <u>targeted</u> prevention and intervention services, combined with policies to improve access to existing and new affordable permanent housing, and programs to help households improve their economic situation, could reduce the number of households who become homeless over the next five years and the length of time they spend in shelter.

## **Key Definitions**

Access to homeless housing assistance is constrained by state and federal funding rules. Below are some key definitions that shape discussions of homelessness.

<u>Homeless</u> - The most widely used definition was established in 1987 under the McKinney-Vento Act, the federal law that created most current federal homeless programs. *It excludes persons temporarily living doubled-up with another household*. Under it, a person is homeless if he/she

"lacks a fixed, regular, and adequate nighttime residence" or "has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill); an institution that provides a temporary residence for individuals intended to be institutionalized; or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g. a car, streets)."

HUD homeless funds can only be used to assist households that meet this definition.

At Risk of Homelessness There is no standard definition; instead definitions are usually established as part of specific assistance programs. Most target low income households with a high housing cost burden (paying over 50% of income for housing). Some also require that homelessness be imminent (e.g. eviction or foreclosure action has begun). The 2007 State Homelessness Commission's definition includes people who lack a fixed regular adequate nighttime residence, temporarily share housing not intended for multiple households or are in institutions or recovery programs with no housing available upon release.

<u>Continuum of Care (CoC)</u> "Continuum of care" is a concept developed by HUD in 1992 that describes homelessness assistance service needs as a continuum that includes:

- prevention strategies to ensure persons at risk do not become homeless
- outreach to homeless households and needs assessment
- emergency shelter
- transitional housing and/or supportive services
- permanent housing (including supportive housing).

It is also the name of HUD's major homelessness assistance program that provides grants to local or regional networks (these networks are also called continua of care) that have developed a plan that describes the numbers and types of homeless households in their region, current resources, and delivery systems and gaps and how the local CoC plans to address those gaps. Grant funds can be used for housing and services but not prevention.

**Underlying Causes of Homelessness and Trends** The causes of homelessness vary. Poverty is a primary cause – especially for families - with a shortage of housing at rents low income families and individuals can afford, and very little homelessness prevention assistance available if financial disaster should strike. Most homeless households have incomes far below the level needed to cover basic needs. The average monthly income for families in shelters was \$608 in March 2007 and about 70% of homeless families in shelter receive public assistance benefits. Insufficient support services for homeless individuals, especially those with disabilities, and poor discharge planning for individuals leaving institutions have also contributed to the problem.

Homelessness, and in particular, family homelessness, first began increasing in the mid-1980s. Most studies point to three major causes.<sup>53</sup>

- Housing costs began to rise much more rapidly than wages for low income households while the supply of low-rent housing fell.
- Families receiving public assistance were hurt as the inflation-adjusted value of benefits began to decline, falling 50% between 1970-2003, including 12% between 1994 and 2003.<sup>54</sup>
- The closing of state institutions left many disabled individuals without housing and support services.

Homelessness has continued to grow, doubling in Massachusetts between 1990 and 2000,<sup>55</sup> as the gap between housing costs and wages has continued to grow and the real value of public assistance benefits has continued to decline. Reductions in state and federal funding to create more affordable housing also played a role, as funding to expand the largest programs for this group (the federal Section 8 rental assistance program and the State MRVP program) largely ended. It also became harder after 1995 for poor and homeless households to access existing

subsidized units, when federal regulations that required public housing agencies and owners to subsidized housing to give homeless and at-risk households priority for assistance were temporarily lifted and ultimately repealed.

#### **Profile of Homeless Households in Massachusetts**

Currently, an estimated 29,000 households in Massachusetts are homeless, including 24,000 homeless individuals (primarily male) and 5,000 homeless families (with 10,000 children). Over 30,000 more families are at some risk of homelessness. Homeless individuals and homeless families with children have very different demographic profiles and service needs. The causes of their homelessness are diverse, as are the factors that determine how long they are homeless, and the interventions most likely to work to prevent or resolve homelessness.

## Homeless Individuals

According to the 2007 State Commission to End Homelessness report and other studies, about 24,000 individuals were homeless at some point in calendar year 2007 and about 21,000 used shelters at some point. They include approximately:

- 2,900 "shelter avoiders" who mainly live on the streets .
- 1,900 chronic stayers who have had "long bouts of homelessness, coupled with deep levels of mental and physical disability, including addictions," and would be better served by housing paired with services, such as provided under the new state "Home and Healthy for Good" program (see page 41).
- 9,600 individuals who used shelters only briefly, usually in response to a one time event, and who could be easily aided with prevention services.
- 9,600 individuals who entered shelter after being discharged from residential treatment programs or medical or correctional facilities, or who aged out of foster care and would be better assisted in short-term residential programs.<sup>58</sup>

These subgroups vary in terms of the costs of sheltering them and the interventions needed to assist them. An influential 1998 study<sup>59</sup> of homeless individuals in shelters in New York and Philadelphia found that:

- Most (80%) homeless individuals were only homeless for a short time and tended not to have significant behavioral health problems; because their use of shelter beds was limited, the cost of serving them was low
- Another 10% were "episodically" homeless, using shelters periodically over several years (and about half also had "potentially disabling" behavioral health issues)
- About 10% of individual shelter users were "chronically homeless" using shelters for long periods of time and because of their intense use, accounted for 50% of all shelter bed days. Almost all in this group had disabilities or behavioral health problems that made it difficult for them to stabilize their housing without subsidies and support services.

Focus on Chronically Homeless The 1998 study showed that providing permanent housing solutions to the chronically homeless would reduce shelter demand, cost no more than the current system and might actually reduce the public cost of assisting this population. In 2003, the federal government (HUD) began encouraging states and localities to develop ten-year plans

to end chronic homelessness among individuals as part of their application for annual federal homeless assistance grants. HUD also began requiring that more of its grant funds be used to create permanent supportive housing for this group.

## Homeless Families

The 2007 State Commission reports that about 5,000 families used shelters in 2007. Their service needs vary:

- 750 families became homeless as a result of a "temporary economic struggle such as loss of a job or accumulation of arrearages" and have minimal needs other than help obtaining affordable housing.
- 500 families became homeless because of "relatively short term social or economic problems" but need more help due to greater economic challenges.
- 2,500 families have "complex economic challenges."
- 1,250 families became homeless due to both social and economic challenges and need intensive case management and permanent housing assistance. 60

*Lengths of Stay* A 2007 study found that most families are in Massachusetts shelter or transitional housing programs for a short time, while about 20% have very long stays related to housing options rather than behavioral health. Over two years (2004-2006), it found that:

- 74% of families had a one-time stay (averaging 105 days a cost per family of \$11,550);
- Another 20% had long stays (averaging 444 days at an average cost of \$48,440), accounting for half of total family shelter costs;
- A very small group (6%) were episodic users, leaving and returning to shelter more than once. On average, this group was in shelter 195 days over two years at a cost of \$21,450.

The study surmised that the higher proportion of long stays in the family homelessness system reflected the fact that the family system offers a higher percentage of beds in transitional housing programs, which allow longer stays, than the homelessness system for individuals, which offers only shelter beds. It also found that long stayers were *less likely* than other shelter families to have intensive service needs (as measured by involvement with the foster care, mental health or substance abuse service system).

While it found that about one quarter of all families entering the shelter system during that period had a history of service needs, the percentage was higher for temporary (29%) and episodic users (33%) than for long stayers (17%). It theorized this difference from the finding for individuals reflected the fact that rule-breakers are more likely to be evicted from family shelters than individual shelters.

The Commission notes that 30,000 or more additional poor families *could* be considered at risk of becoming homeless, though it is hard to predict how many will. This group includes 24,000 poor families who receive public assistance but no housing assistance. (Currently, the maximum TAFDC benefit for a family of three is \$633 – less than half the cost of a modest two bedroom apartment – and is well below the federal poverty level even when combined with the maximum food stamp benefit of \$426.) Others that may be at risk include families currently receiving short-term assistance through a state prevention program called RAFT (see page 37).

**Recent Trends in Shelter Use** The state's reliance on shelters, rather than prevention programs, to respond to increases in homelessness is costly. Currently, shelter stays cost an average of just under \$3,000 a month for families and \$1,000 a month for homeless individuals.

A major increase in homelessness between 1999 and 2004 most recently highlighted this issue. In August 1999, the Department of Transitional Assistance (DTA) had to begin using hotel and motel placements, after a period of rapid rent inflation and cuts in State funding for family homelessness prevention assistance led to rising family homelessness. Hotel/motel use rose to 599 families and State spending on shelters, hotels and motels increased by 82% between FY1999 and FY2004, <sup>62</sup> but the State was not able to end hotel/motel use until August 2004, when it created a one-time subsidy program for families in shelters and added 148 more rooms to the shelter system. <sup>63</sup>

That experience led the Governor to create a special commission in 2003 to recommend ways to improve state programs for the homeless.<sup>64</sup> In November 2003, the Commission<sup>65</sup> concluded that "the state's historic focus on emergency shelter is an ineffective way to manage…resources and services<sup>66</sup> and recommended that the State:

- Increase access to affordable housing and replace at least some shelter spending with timelimited housing subsidies.
- Focus more on prevention.
- Improve coordination of services and data collection.
- Establish an Interagency Council to implement these recommendations.<sup>67</sup>

It also recommended that implementation be guided by cost containment, "contingent upon a reallocation of existing DTA Emergency Assistance funds" and better targeting of existing housing resources (e.g. encouraging developers and owners to reserve units for extremely low income households) without additional subsidy funds. The report led to some reforms in the State homeless services system. The Governor created a state Interagency Council on Homelessness and Housing (ICHH) <sup>69</sup> to coordinate policies among nine state agencies involved in serving homeless populations and the State created a flexible prevention program called RAFT and several small pilot programs to move families from shelter more quickly and encourage developers to set aside some units in new projects for extremely low income households. Data collection also improved, due in part to new HUD reporting requirements for Continuum of Care grantees.

Overall, however, the State did not implement the recommended shift to prevention programs and shelter use has continued to rise. DTA's homeless family caseload totaled 1,954 in October 2007, for a year to date average monthly case that is 31% above the FY2004 average (full year) and 54% higher than its FY2005 full year average (when DTA was using pilot programs to move families from shelter more quickly). This is more than double the number in 1999<sup>71</sup> and the highest number since the inception of the family shelter system in 1983.<sup>72</sup> In November 2007, DTA was forced to start using hotel/motel placements again. Family shelter stays continue to average six months, up from 3.7 months in FY1996<sup>73</sup> and only half of families leave shelter for permanent housing (54% in March 2007), down from 59% in 1995.

DTA Homeless Family Caseload – FY2004-FY2008<sup>74</sup>

	FY 04	FY 05	FY 06	FY 07	FY 08
July	1,652	1,147	1,212	1,460	1,696
August	1,631	1,168	1,249	1,497	1,768
September	1,657	1,162	1,291	1,521	1,857
October	1,628	1,189	1,323	1,539	1,954
November	1,563	1,195	1,338	1,599	
December	1,500	1,179	1,366	1,567	
January	1,440	1,195	1,391	1,602	
February	1,412	1,212	1,388	1,611	
March	1,362	1,209	1,413	1,645	
April	1,371	1,186	1,401	1,667	
May	1,359	1,185	1,425	1,648	
June	1,265	1,180	1,424	1,673	
Monthly Average Caseload	1,487	1,184	1,352	1,586	1,819
Annual Change in Average Caseload/Month		-20%	14%	17%	

DTA's caseload of homeless individuals has also risen, though less dramatically, totaling 3,009 in March 2008, up 4.8% from its FY2004 July-March average monthly caseload, but up only 1.4% over the same period in FY2007.

DTA Homeless Individual Caseload – FY2004-FY2008<sup>75</sup>

	FY 04	FY 05	FY 06	FY 07	FY 08
July	2,598	2,875	2,766	2,784	2,702
August	2,489	2,947	2,741	2,817	2,741
September	2,547	3,008	2,797	2,776	2,807
October	2,560	2,973	2,828	2,840	2,881
November	2,926	3,019	2,830	2,803	2,955
December	2,747	3,021	2,821	2,895	2,988
January	2,985	3,079	2,883	3,000	3,117
February	3,204	3,114	2,923	3,059	3,112
March	3,056	3,108	2,975	2,985	3,009
April	2,818	2,945	2,984	2,961	
May	2,686	2,864	2,889	2,842	
June	2,780	2,793	2,858	3,289	
Monthly Average Caseload	2,783	2,979	2,858	2,921	2,924
Annual Change in Monthly Average Caseload		7%	-4%	2%	

## **State and Federal Spending on Homeless Assistance Programs**

Despite the 2003 commission study<sup>76</sup>, State spending on the homeless is still dominated by shelter spending. While some prevention programs have been added, total prevention funding in FY2008 is still well below FY2001 levels. The below table shows funding trends for a number of current homelessness programs and probably understates the full cost of homeless services in Massachusetts, as numerous federal programs that assist specialized populations are not shown here. As a recent study noted, the multiplicity of funding sources – each with its own set of rules and grantees – that are often combined to fund services and create housing makes changing the

Appropriations (millions) for Selected State Homelessness Programs / HUD Grant Awards

F	** *	detions (minions) for Selected State Hon	1		-				
			FY	FY	FY	FY	FY	FY	FY'01- '08
2008 Budget Line/ Agency/Program		'01	'03	'05	'06	'07	'08	Change	
		ams for Families	01	03	0.5	00	07	00	Change
			40.0	<b></b>	-2 (	=0.6			
4403-2120	DTA	Shelters (EA)/housing search	42.0	70.2	73.6	73.6	73.7	86.0	44.0
none	DTA	Prevention (EA Rent Arrears)	12.0	-	-	-	-	-	-12.0
none	DHCD	Scattered Site Transitional Housing (Domestic Violence)	0.9	1.0	-	-	_	-	-0.9
7004-3036	DHCD	Just A Start eviction prevention	0.14	0.14	0.14	0.14	0.14	0.14	0.0
		Total	55.0	71.3	73.8	73.7	73.8	86.1	31.1
State-Funde	d Prograi	ms for Families & Individuals							
7004-9316	DHCD	Prevention Assistance (RAFT)	-	-	2.0	5.0	5.0	5.0	5.0
7004-3045	DHCD	Tenancy Preservation Program	-	-	1	-	0.5	0.5	0.5
		Total	-	-	2.0	5.0	5.5	5.5	5.5
State-Funde	ed Progra	nms for Individuals							
4406-3000	DTA	Homeless Shelters + Services	34.9	30	30	35.1	35.2	35.9	1.0
4406-3010	DTA	Home and Healthy for Good	-	-	-	-	0.6	1.2	1.2
none	DHCD	Individual Self-Sufficiency Initiative <sup>78</sup>	2.5	0.7	-	-	-	-	-2.5
5046-0000 5046-2000	DMH	Special Initiative/Homeless Services	21.9	22.2	22.2	22.2	25.1	25.7	3.8
1410-0250 1410-0251	DVS	Veterans Shelters/Homeless Services	4.04	3.50	3.91	4.27	5.79	5.00	1.0
9110-1700	EOEA	Homeless Elders Assessment/Placement	0.43	0.25	0.05	0.25	0.25	0.35	-0.1
		Total	63.8	56.6	56.1	61.8	67.0	68.2	4.4
		State Total	118.8	128.0	131.9	140.5	146.3	159.8	41.9
<b>HUD Homeless Grants</b>									
	HUD	Emergency Shelter Grant	4.5	4.5	4.7	4.7	4.8	4.8	0.3
	HUD	Continuum of Care Grants*	37.0	45.8	55.6	49.0	52.7	54.7	17.7
		Subtotal – HUD	41.5	50.2	60.4	53.7	57.5	59.5	18.0
		Grand Total	160.4	178.2	192.3	194.3	203.7	219.3	58.9

<sup>•</sup> This table lists Continuum of Care (CoC) awards a year after the federal fiscal year appropriation since the awards do not become available until the following state fiscal year (i.e. the State FY2008 column shows FFY07 HUD awards). The amount shown is the total awarded to all CoCs in Massachusetts, including city and regional CoCs.

### State Shelter Programs

There are two distinct shelter systems in Massachusetts, one for families (households with children) and one for individuals, with very different services and rules for entry, in part because they have different funding sources. Family assistance is provided through the Emergency Assistance (EA) program, which is statutorily tied to the state's welfare program and thus comes with income and other restrictions. EA-funded assistance is limited to families with dependent children under age 21 who have incomes at or below 130% of the federal poverty limit (the limit used to be 130%). Programs for individuals are less restrictive but less comprehensive.

**Shelters for Individuals** Shelters for individuals are generally congregate facilities that are closed during the day and do not provide reserved beds. "Overflow" beds can be added to meet

demand. Eligibility restrictions vary by shelter (some are male or female only and require sobriety) and there are no income limits.

.

Massachusetts currently has about 3,800 shelter beds for individuals.<sup>79</sup> Funding is provided primarily by DTA (2,900+ beds), the Department of Veterans Services (250 shelter beds and over 430 transitional housing beds)<sup>80</sup> and the Department of Public Health (which funds specialized shelters, including shelters for persons with alcohol or substance abuse problems).

A 2004 University of Massachusetts report<sup>81</sup> on the use of individual shelters between 1999 and 2003 found that 28,800 individuals (unduplicated count) used shelters in 2003, mostly on a short-term basis (more than half stayed for less than a week). Most (80%) were male. Forty percent (40%) of shelter users reported employment income (\$970 a month on average). Asked the cause of their homelessness, 60% of shelter users cited financial problems.

**Shelters for Families** Shelters for families tend to be smaller and more home-like than individual shelters, with private reserved rooms. Some are scattered site apartments and some provide specialized services. The family shelter system also includes transitional housing units that tend to operate as an intermediate step between emergency shelters and permanent housing. They offer time-limited housing (the limit varies by program but is generally up to two years) with case management and support services.

• <u>DTA Family Shelters</u> The State's *Emergency Assistance (EA)* program provides emergency shelter and housing search assistance (primarily for shelter residents) to homeless and near-homeless families with children. The Department of Transitional Assistance (DTA) screens all families seeking shelter. Admission is limited to families with children (under 18 or full time students) and pregnant single women who meet state DTA Emergency Assistance (EA) income limits and screening criteria. Their incomes cannot exceed 130% of the federal poverty limit (\$22,080 for a family of 3 in 2008) and there is an asset limit of \$2,500. Households whose incomes rise about those limits can retain eligibility for six months. A few shelters have "*community rooms*" that are funded by private donations or other sources and can be used by families who are not EA eligible – statewide there are about 60 such rooms.

In 2007, shelter costs averaged \$98/night<sup>82</sup> (lower for scattered site units, higher for specialized shelters)<sup>83</sup> or just under \$2,800 a month or \$18,000 per family given the average six-month stay. Those same funds would support many months of rental assistance.

<b>Income Limits for DTA Shelter Assistance (2008)</b>	
--	--

Family size	Annual Income Limit	Monthly limit
1	\$13,520	\$1,127
2	18,200	1,517
3	22,880	1,907
4	27,560	2,297
5	32,240	2,687

DTA family shelters vary in terms of size and type:

- Congregate shelters are usually set in a large house, provide space for several families –
  one per bedroom- and have 24 hour staff).
- o Scattered site shelters are apartments leased by nonprofits for shelter use and house one family per apartment. Staffers are based off-site but meet weekly with families.
- The Local Housing Authority Transitional Housing Program, begun in the 1990s, uses public housing units in communities where housing authorities have agreed to set aside an average of 10 units each for this purpose. <sup>84</sup> The units are provided at no cost to the families for 6-12 months; families who then meet standard public housing screening criteria have the option of taking over the lease and paying rent.

DTA Shelter Use - September 2007<sup>85</sup>

Family Shelter Category	Caseload	
Congregate Shelter	995	54%
Scattered Site/Transitional	632	34%
Local Housing Authority Transitional	94	5%
Other	77	4%
Assessment Center	59	3%
Total	1857	100%

DTA Housing Assistance Program (HAP) DTA requires all families in shelter to spend up to 20 hours a week searching for permanent housing through its Housing Assistance Program (HAP). It uses EA funds to contract with nonprofit agencies whose staff help families with this effort. HAP agencies can help families in shelter with the costs of moving to permanent housing (e.g. security deposits, first month's rent) using flexible funding, called "toolkit" funding. Given the extremely low incomes of families in shelter, however, it is difficult to locate housing they can afford unless they obtain a rent voucher or are able to access a subsidized unit. HAP also provides 12 months of follow-up services to ensure that the family is able to maintain its tenancy.

- <u>DPH Family Substance Abuse Shelters</u> The Department of Public Health (DPH) funds nine substance abuse family shelters<sup>86</sup> across the state, with space for 75 families. These residential programs offer treatment and recovery services. In order to enter, an adult must be homeless, EA eligible (including having a child if the child is in DSS custody, s/he must be able to enter the shelter program with the adult), and DPH-referred.
- <u>DSS Domestic Violence Shelters</u> Using a combination of state and federal funds, the State supports a network of shelters, safe homes, emergency safe beds and transitional housing for victims of domestic violence<sup>87</sup> that can accommodate about 1,500 individuals at a time. In FY2006, these "residential services" programs sheltered a total of 4,591 individuals (women, men and children). The average length of stay doubled between FY2005 and FY2006, from 45 days to the 90 day maximum allowed, forcing providers to turn away 5,520 individuals during FY2006.<sup>88</sup> Providers report that overall residential capacity has declined in recent years, due to a decision by the Romney administration in 2006 to emphasize community-based services, including counseling, legal aid and housing stabilization, to help victims to remain in their homes.<sup>89</sup>

• HUD grant funds support a transitional housing program for domestic violence survivors called the <u>Scattered Site Transitional Apartment Program (SSTAP)</u>. Begun in 1992, SSTAP program provides supportive housing for battered women and their children who are homeless due to domestic violence and most families come from domestic violence shelters. In past years, State funds were also used to support the program. Due to the relatively small size of the program, many families must relocate to participate. The program provides transitional housing and case management in scattered apartments. Families are required to participate in services as needed, including parenting, housing search, budgeting, job and educational training, domestic violence support groups and individual counseling for parents and children. Families can reside in the scattered site program for 9-18 months, depending on their program's funding source. Follow-up services continue for 12 months after the move.

### State Homelessness Prevention Programs

State-funded programs to assist families and individuals at risk of homelessness due to financial problems are limited, though the situation has improved since 2005, with the creation of the "Residential Assistance for Families in Transition" (RAFT) program.

<u>DTA Prevention Assistance (currently inactive)</u> The EA program, which helped 10,000-12,000 households in years past, no longer provides prevention assistance. Most assistance was eliminated between 1991 and 1994, including help with security deposits, moving costs, mortgage arrears and utility bills. However, until April 2002, it continued to help with rent arrears (up to 4 months), <sup>91</sup> assisting about 10,000 families a year. <sup>92</sup>

More recently, DTA's EA-funded Housing Assistance Program (HAP) at times has provided stabilization services to DTA-referred clients who are facing eviction or are about to be homeless or if necessary, assisted them in a search for alternative permanent housing, using flexible "toolkit" funding as needed. But this help has only been available when HAP caseloads of families already in shelter are low. Due to caseload constraints, DTA stopped accepting prevention cases on October 1, 2007, referring families to the Housing Consumer Education Center program instead (see page 39). <sup>93</sup>

• Residential Assistance for Families in Transition (RAFT) This State-funded DHCD program was created in FY2005 to help homeless households leave the shelter system as well as to prevent at-risk households from becoming homeless. It is operated by a network of regional nonprofit housing agencies that also offer other prevention services through the Housing Consumer Education Center program (see page 39). RAFT assisted almost 2,400 households in FY2007.

RAFT provides qualifying families with children with up to \$3,000 in flexible funds for housing purposes, allowing them to remain in their homes during a personal financial crisis (e.g., joblessness, ill health) or to cover the cost of moving into a new home (e.g., security deposits, moving costs) when remaining in their current residence is no longer feasible. <sup>94</sup>

Average grant amounts to date have averaged \$1,500-\$1,800 and in some cases, RAFT staff are able to help households resolve their situation without grants (11% of cases in FY2006). Eligible uses of the funds include:

- rent arrears (if facing eviction) or mortgage arrears (if facing foreclosure);
- utility arrearages (if shut off or have received shut-off notice);
- security deposits and/or first or last month's rent;
- employment related transportation expenses (if necessary to maintain employment);
- minimum furnishings if moving from shelter (table, chair, bed, fridge);
- monthly rental stipend to help meet costs (maximum 3 months).

<u>Eligibility</u> Applications are taken on a first-come first-serve basis. Assistance is limited to households with children or someone who is disabled that have incomes at or below 50% of area median income and can show that: (1) their financial crisis is due to a one-time event that reduced their income or increased their expenses <u>and</u> (2) they will be able to stabilize their housing situation with RAFT assistance (i.e. generally meaning they will pay less than half their income for housing). In the many cases where applicants' incomes are too low to enable them to stabilize their housing with RAFT assistance, the regional nonprofits work to assist them through other programs and providers.

In the first seven months of FY2008, 1,471 households were approved for assistance (including 161 homeless families). These households had an average income of \$21,887 and paid an average rent of \$1,201.

	Families Approved for Assistance	Average Cash Assistance
FY2006	2,890	\$1,435
FY2007	2,371	\$1,729
FY2008 (as of 1/31/08)	1,470	\$1,817

A recent evaluation <sup>96</sup> found that 79% of 2,890 households that received RAFT assistance were still living in stable housing situations 12 months later. The average cost of assisting these households was \$1,707 including staff and overhead (the average financial grant was \$1,435). The same evaluation found that a foundation-funded pilot program to assist RAFT-ineligible households had an even higher level of success, with 91% of assisted households still in stable housing 12 months later.

However, the program's effectiveness has been hurt somewhat by the fact that it is not open year round. Demand for assistance has exceeded available funding, forcing providers to stop accepting applications before the end of the fiscal year each year. Two of the FY2008 agencies have already exhausted their allocations and current estimates are that the program will run out of funds prior to the end of the fiscal year.

Funded at \$2 million when it began in FY2005, the program quickly ran out of money six months into the fiscal year. Funding was increased to \$5 million in FY2006 and kept at that level in FY2007 and FY2008, then increased to \$5.5 million in FY2009. A number of housing groups urged that program funding be increased to \$7 million. They are also urging DHCD to continue pursuing cost-saving strategies, such as negotiating debt forgiveness and repayment plans with utility companies so that RAFT funds can assist more households.

• *Tenancy Preservation Program* (*TPP*) This program funds specialized staff to work with Housing Courts<sup>97</sup> on cases involving individuals with disabilities (and families with a person

with disabilities) who have received an eviction notice. They provide clinical assessments, advice to the Court and neutral arbitration, working with owners, managers and tenants to determine whether a disability can be reasonably accommodated and the tenancy preserved. The program goal is to resolve tenancy problems in a way that:

- (1) enables residents to remain in their current housing (sometimes with a service plan); or
- (2) if the tenancy can't be saved, helps the resident to relocate to alternative appropriate housing, ideally without a formal eviction so as not to jeopardize future access to subsidized housing assistance; or
- (3) if neither outcome is possible, to ensure that appropriate homeless outreach providers are prepared to reach out to the tenant when eviction occurs.

TPP began in Springfield in 1998, was expanded to Brockton in FY2001, and now operates in six Housing Court regions. Each regional program is directed by a local or regional nonprofit housing or social service agency. Statewide, program operations are overseen by a Statewide Steering Committee that includes representatives of Housing Court, state agencies, housing and service providers and legal services. Each regional program is also guided by a Local Advisory Committee that meets monthly. MassHousing coordinates meetings of the Statewide committee and information on communities served by TPP is available on MassHousing's website. 99

The program is funded by a mix of sources, including the State (DTA and DMH), municipalities, local agencies and private foundations. Local sources include federal CDBG and Emergency Shelter Grant funds.

In FY2006, TPP prevented homelessness in 87% of the cases (207 of 239) handled, at an average cost of \$3,174 per case. The State decision to provide new funding for TPP through DHCD's budget (\$500,000) in FY2007 enabled TPP to begin serving 5 more Housing Court sessions. The State maintained DHCD funding at \$500,000 in FY2008 and FY2009.

- Domestic Violence Housing Stabilization Fund The DSS account for domestic violence community services includes funding for Housing Stabilization, a program that provides flexible financial assistance to help victims stabilize their current living situation, relocate or leave residential programs. Grants average \$1,000-2,000 per household and can be used to help pay for rent, security deposits, moving costs, utility payments, lock changes, storage and furnishings. A recent study of a special homelessness prevention program using one-time grant funds found that 24 of the 25 recipients succeeded in stabilizing their housing situation, either by clearing up arrearages so they could remaining in place or by relocating. The average grant was \$2,000. 101
- Housing Consumer Education Center (HCEC) Program The State established the Housing Consumer Education Center (HCEC) program in FY2001 to provide one-stop help to anyone with a housing problem, regardless of income level. This DHCD program is operated by a statewide network of nine regional nonprofit housing agencies and homelessness prevention is just one of many services offered. 102

HCEC staff provide information, referral, counseling and mediation to renters, homeowners, would-be homebuyers and landlords of all income levels. Services include financial counseling, negotiation to help resolve landlord/tenant disputes before court action is needed, information on housing assistance programs, and help for renters and owners trying to preserve their housing, avoid homelessness or avert foreclosure. These nine agencies also operate many other programs including administering state and federal (Section 8) rental assistance programs and the RAFT homelessness prevention program. They also develop affordable housing. The HCEC program was funded at \$1.6 million in FY2007 and FY2008 and at \$1.85 million in FY2009.

### **Other Prevention programs**

Some local programs exist, funded through HUD Homeless Assistance Grants, and a handful of communities have used Community Development Block Grant funds for this purpose, too. There is also a small program for veterans. A recently-concluded three year, \$ 3 million foundation-funded pilot program, the **Homelessness Prevention Initiative** (**HPI**), awarded grants to 19 agencies to provide prevention assistance to 4,266 households (1,849 families and 2,417 individuals). HPI agencies used a variety of prevention assistance models, providing support services and/or financial assistance, to a number of different populations. A recent evaluation found that a year after receiving services, 75% of the families and 63% of the individuals were still in stable housing. <sup>103</sup>

### State Funding for Permanent Housing for Homeless and At-Risk

According to the State's 2005 Consolidated Plan, Massachusetts had 2,780 permanent housing units for homeless individuals but needed 1,300 more, and 300 units for homeless families and needed about 1,000 more. A few funding programs exist specifically to create transitional and permanent housing for formerly homeless households, many providing supportive services onsite or arranged as needed. However, generally homeless households compete with all other low income households for mainstream housing assistance (public housing, rent subsidies). With no new public housing being built and increases in Section 8 vouchers rare, it has been difficult for homeless households to access permanent affordable housing.

Three basic options exist to create affordable housing for homeless households. One is to provide tenant-based rental assistance, which can used to subsidize to cover the difference between the rent on a private apartment and the amount the household can afford at 30% of there income. Another is to improve access to existing public housing units or units with "project-based" rental assistance (since rents under those programs are set as a percentage of the household's income). A third option is to subsidize the creation of new affordable units. If households also need supportive services, access to such services must also be arranged.

HUD is the major funder of permanent housing specifically targeted to homeless households (see page 44), though the State has several specialized programs to develop housing for special populations, including persons with disabilities, including three DHCD bond-funded programs: the Facilities Consolidation Fund (FCF), Community Based Housing (CBH) and the Housing Innovations Fund (HIF) program. In most cases, programs and projects that create permanent housing options for homeless households use multiple funding services.

Major state funding programs to support the creation of affordable housing for homeless individuals and families include the following:

• *DMH Special Homeless Initiative* The DMH Special Homeless Initiative (HI), also called the Special Initiative to House the Homeless Mentally Ill, began in FY1992 and the Legislature steadily increased funding for the next ten years, giving DMH the capacity to serve or place an average of 2,400 homeless clients with mental illness each year by FY2001. After a six year funding freeze between FY2001 and FY2006<sup>104</sup> funding was increased by \$2.75 million in FY2007 and by another \$600,000 in FY2008.

The program funds community based services, including counseling, referral and case management, but making service funds available enables DMH to leverage other housing programs to finance units. The program has been critical to the State's ability to obtain federal grants to fund the cost of developing supported housing units for DMH clients.

A recent evaluation found that the Initiative leveraged at least \$113 million in federal funds and \$24 million in state funds to create 929 units in the Metro Boston area between 1992 and 2006. HUD accounted for most of the federal funds (\$31 million in Section 811 funds for the disabled, \$59 million in Continuum of Care grants, and \$17 million in Section 8 vouchers).

• Massachusetts Rental Voucher Program (MRVP) As described in more detail on page 50, MRVP is a state-funded rental assistance program that provides funds to low income households to help them bridge the gap between market rents for non-luxury apartments and what they can afford at 30-40% of their income. In the 1980s, it was the state's primary program to help homeless families and individuals move from shelters to private housing at a cost they could afford, helping approximately 10,000 families during that period. The State also used MRVP to create new affordable units by providing project-based assistance to specific developments, including supportive single room occupancy developments for homeless individuals.

Issuance of new MRVP vouchers largely ended in 1990, when the program was assisting almost 20,000 households, and very few new vouchers were issued until FY2007 and FY2008, when the Legislature provided a funding increase to enable the issuance of 300 new tenant-based vouchers. Because MRVP makes existing private units affordable, there is broad consensus among housing advocates that it is the best tool available to help homeless families and individuals to move from shelters to stable housing. With newly issued vouchers costing the State an average of under \$600 per unit per month, it is also far less expensive than providing shelter beds at a cost of \$1,000-\$2,800/month. In FY2008, the State made several hundred vouchers available to DTA to assist homeless and at-risk families.

• Home and Healthy for Good Home and Healthy for Good (HHG) is a new pilot program to move chronically homeless individuals into permanent stable housing with services (congregate residences or private apartments) and to test whether providing such housing reduces public health costs. The program began in FY2007, when the Legislature provided \$600,000 in State funds through DTA's budget to help start the program (additional funding was provided through federal and private foundation grants). In FY2008, the appropriation was increased to \$1.2 million. The program is operated by the Massachusetts Housing and

Shelter Alliance, in collaboration with 12 local homeless service providers, and outcomes are tracked by a separate evaluation agency.

A recent progress report <sup>105</sup> found that as of the end of November 2007, the program had placed 229 persons in permanent housing and 86% (198) were still stably housed as of that date. Tenants who remained housed had been in the program for an average of 7.7 months, while those who left stayed an average of 4.4 months. The average program participant had been homeless for five years prior to entry. Based on participants' before-and-after use of shelters, hospitals, ambulance services, jails and detox programs, the report found the average cost of services per participant, on an annualized basis, fell from over \$32,000 a year to \$10,000, providing an estimated savings of almost \$800 a month or \$9,400 a year after netting out HHG program costs. <sup>106</sup>

• Homeless/Extremely Low Income Set Asides Much of the new affordable housing developed in recent years is developed using state or federal programs structured to create units with rents affordable to households with incomes at 60-80% of area median income, while most homeless households have incomes below 30% of area median income. To address this, the City of Boston requires developers of new affordable housing to set aside 10% of the units for homeless households. The State has also tried to encourage developers seeking DHCD funding to set aside some units specifically for extremely low income households, but few resources exist to bring rents to affordable levels without Section 8 or MRVP rental assistance. While making units available to extremely low income households does not guarantee that they will go to homeless households, it does increase housing opportunities for this population as well as other at-risk households.

DHCD has begun converting some of its current Section 8 vouchers to project-based vouchers and making them available to such developers. While there are important policy reasons for such project-basing, this re-assignment does not result in an increase in the number of households served. Providing new funding for project-based MRVP vouchers would provide such an increase, as would expanding the supply for MRVP tenant-based vouchers and gaining commitments from developers to reserve units for MRVP program participants.

• *Home Funders Program* Home Funders was developed in 2003 specifically to create units homeless families can afford. It began when local foundations joined with two state quasipublic agencies, the Massachusetts Housing Partnership (MHP) and the Community Economic Development Assistance Corporation (CEDAC) to create a low-cost loan and grant program for developers of mixed-income projects that agree to include units for extremely low income (ELI) households. CEDAC provides technical and predevelopment aid, while MHP provides permanent financing. The funds also help pay for case management. Home Funders established a goal of raising \$26.5 million to support the development of 4,000 affordable units, including 1,000 ELI units, by 2013. As of mid-2007, they had raised \$19.5 million and funded 1,029 total units, including 250 ELI units.<sup>107</sup>

## **Current Policy Issues**

• 2007 Homelessness Commission Report Legislative efforts dating back to 2002 to create a special commission to go further in developing a strategy to end homelessness finally succeeded in October 2006, when the Legislature established the Special Commission Relative to Ending Homelessness in the Commonwealth. Its charge was to develop a five year plan to end homelessness in Massachusetts. The Commission issued its report in late December 2007. The report recommends re-directing state homelessness services to "target the right resources to the right people at the right time," recognizing the varied needs of homeless and at-risk households.

It specifically recommended that the State make an upfront investment in early assessment, prevention and intervention services to reduce the number of households that become homeless. It also recommended that the State adopt policies to improve access to existing and new affordable permanent housing to better serve at risk and homeless families, and also looks at ways to help households improve their economic situation. It notes that these investments and policy changes should reduce the number of households who become homeless over the next five years and the length of time in shelter, generating savings that can be reinvested in prevention and production programs. The Governor's FY2009 budget proposal includes \$8.75 million to begin this effort.

- Need for Expanded and Reliably Funded Preventive Services and Help Moving from Shelters to Permanent Housing As noted above, the effectiveness of current homelessness prevention programs has been hurt by underfunding, which has forced program shutdowns for months at a time. Funding for these programs should be increased to the level needed in order to provide year-round assistance. In addition, MRVP funding should be increased to enable homeless families and individuals to leave shelter more quickly.
- Declining Federal Homeless Assistance The federal government (HUD) has been a major funder of housing assistance for the homeless and has shaped the way this assistance is delivered as described below. It requires states and localities to create a "continuum of care" system (outreach, prevention, temporary assistance, transitional and permanent housing, and support services) to comprehensively address needs. Massachusetts received an average of more than \$40 million a year in new multi-year homeless assistance and shelter grant awards between FFY'94 and FFY'97. Today, however, almost all grants under the program are to renew existing programs or fund permanent housing for chronically homeless individuals with disabilities.

### **Federal Homeless Programs**

The State and localities currently receive about \$60 million a year from HUD for homeless services and housing under four McKinney<sup>110</sup> grant programs created in 1987.

Emergency Shelter Grant (ESG) program ESG is a small formula block grant. Eleven large cities in Massachusetts receive grants directly from HUD, while the State (DTA) receives an allocation for distribution to homeless programs in the balance of the state. Funds can be used for shelter operating and capital costs and shelter service programs. Up to 30% can be used for homelessness prevention activities. In FFY'08, Massachusetts will receive \$4.7 million, including \$2.5 million for DTA to distribute to localities.

<u>HUD's Homeless Assistance Grants</u> program provides funding for the other three McKinney programs in the form of 1-10 year grants awarded through an actual competitive grant process.

- The Supportive Housing Program (SHP) provides 1-3 year grants for a wide range of activities, including transitional housing, permanent housing for the disabled, rental assistance and a wide range of services, including outreach, social services, health care, shelter and day programs.
- The Shelter Plus Care program provides 5- or 10-year grants for project- and tenant-based rent subsidies for households with disabilities.
- The Section 8 Moderate Rehabilitation for Single Room Occupancy Dwellings for Homeless Individuals (SRO) program funds 10-year project-based rent subsidies that can help finance SRO renovation costs.

In recent years, Congress has required that at least 30% of funding awarded nationally be used for projects that will create *permanent housing for persons with disabilities*, either through tenant-based rental assistance or the development of new housing units.

The programs can only assist households that meet HUD's definition of homelessness (lacking a fixed permanent residence, living in a shelter, transitional or supportive housing program or institution, or in some cases, being evicted from private housing within a week) – not people who are temporarily doubled up.

States and local providers apply annually for funds to renew expiring grants and to undertake new activities under a distribution process HUD created in 1994, called *Continuum of Care (COC)*. The COC process encourages state, regional and local public agencies and nonprofits to form consortia that serve specific jurisdictions (one or more communities), with state consortia serving areas lacking a local consortium. Consortia develop strategic plans which they submit as part of their funding application that detail current emergency, transitional and permanent housing and service resources for their homeless subpopulations, as well as current gaps and plans for addressing unmet need.

The amount of McKinney funding available locally each year depends in part on the federal appropriation for the program nationally. HUD sets funding targets for every consortium based on such factors as housing costs and the incidence of homelessness, but actual local awards may be higher or lower depending on the extent to which applications meet HUD program priorities. Localities that successfully apply for new permanent housing for the chronically disabled receive some extra funding above the formula amount for these projects. Unfortunately, because the total appropriation for HUD homeless grants has increased very little over the past 5 years, the set aside for permanent housing has meant almost no money is available to expand other activities. It has also reduced the amount of funding available to renew existing contracts, and in some cases has forced cutbacks. 112

- Massachusetts Coalition for the Homeless by phone.
- See http://www.nationalhomeless.org/publications/facts/Why.pdf
- Committee on Ways and Means, U.S. House of Representatives, 2004 Green Book, Section 7 (Tables 7-9, 7-10 and 7-13). Available at <a href="http://www.gpoaccess.gov/wmprints/green/2004.html">http://www.gpoaccess.gov/wmprints/green/2004.html</a>
- 55 Commonwealth of Massachusetts, "Massachusetts 2005-2009 Consolidated Plan, page 58 http://www.mass.gov/Ehed/docs/dhcd/cd/planpolicy/consolidated/07.pdf
- <sup>56</sup> "Report of the Special Commission Relative to Ending Homelessness in the Commonwealth", page x.
- <sup>57</sup> Commonwealth of Massachusetts, "Massachusetts 2005-2009 Consolidated Plan" page 56
- <sup>58</sup> "Report of the Special Commission", 2007, page x
- Randall Kuhn and Dennis P. Culhane, "Applying Cluster Analysis to Test a Typology of Homelessness: Results from the Analysis of Administrative Data", American Journal of Community Psychology 17 (1):23-43, 1998. http://repository.upenn.edu/cgi/viewcontent.cgi?article=1097&context=spp\_papers
- 60 "Report of the Special Commission", 2007, page 12
- Dennis Culhane, Stephen Metraux, Jung Min Park, Maryanne Schretzman and Jesse Valente, "Testing a Typology of Family Homelessness Based on Patterns of Public Shelter Utilization in Four U.S. Jurisdictions: Implications for Policy and Program Planning", *Housing Policy Debate*, Volume 18, Issue 1, May 2007. Page 11 and 15 profile Massachusetts shelter use in the online version at <a href="http://repository.upenn.edu/cgi/viewcontent.cgi?article=1069&context=spp\_papers">http://repository.upenn.edu/cgi/viewcontent.cgi?article=1069&context=spp\_papers</a>
- John Wagner, "Changing Family Homelessness", Massachusetts Department of Transitional Assistance, August 2004, page 1 http://www.mass.gov/Eeohhs2/docs/dta/r housing homelss082004.pdf
- Hotel/motel placements continued to rise even after the State cut income eligibility limits in August 2002 at a cost of up to \$37,000 per family per year (over \$20 million in FY'03), peaking at 599 in August 2003. Hotel/motel use ended in August 2004, after an intensive State effort, funded by a one-time allocation, increased shelter capacity by 148 rooms in FY'04 and another 133 in FY'05 and freed up existing beds by providing \$6,000 payments to help 207 working families lease housing in FY2004 and arranging 60 short-term placements in public housing. (Source: Wagner, Department of Transitional Assistance, "Changing Family Homelessness", August 2004 -<a href="http://www.mass.gov/Eeohhs2/docs/dta/r">http://www.mass.gov/Eeohhs2/docs/dta/r</a> housing homelss082004.pdf and "FY06 Joint Budget Testimony", March 3, 2005.)
- The Executive Commission for Homeless Services Coordination was created under Executive Order 447 (February 14, 2003).
- "Housing the Homeless: A More Effective Approach Final Report", Executive Commission for Homeless Services Coordination, Commonwealth of Massachusetts, November 2003, Attachment B- page 2.
- 66 See "Housing the Homeless: A More Effective Approach", Governor's Executive Commission for Homeless Services Coordination", Final Report, November 2003
- Executive Order 454, November 20, 2003.
- 68 "Action Plan to Increase Affordable Housing Draft", Executive Commission for Homeless Services Coordination, July 29 2003. Available online at the Commission's website (see www.ma.gov)
- <sup>69</sup> Executive Order 454, November 20, 2003.

A description of several pilot programs started during this period is available in a report by John McGah and Amy Carlin "Transitions at DTA: Homeless Pilot Programs at the Massachusetts Department of Transitional Assistance (2003-2005)",

<sup>&</sup>quot;Report of the Special Commission Relative to Ending Homelessness in the Commonwealth", Commonwealth of Massachusetts, December 28, 2007, page x.
<a href="http://www.mass.gov/?pageID=ehedmodulechunk&L=4&L0=Home&L1=Economic+Analysis&L2=Executive+Office+of+Housing+and+Economic+Development&L3=Department+of+Housing+and+Community+Development&sid=Ehed&b=terminalcontent&f=dhcd\_hc\_hc&csid=Ehed</a>

Crittenton Women's Union, "2006 Self-Sufficiency Standard for Boston", December 2006 estimates that a working a single parent with 1 preschooler and 1 school age child would need a monthly income of \$4,484 if they received no housing, child care or other subsidies. Free child care would reduce the needed monthly income to about \$3,350. http://www.liveworkthrive.org/docs/fess2006/2006%20FESS%20Boston.pdf

University of Massachusetts Center for Social Policy, Boston, MA, April 2005. http://www.mccormacktmp.umb.edu/csp/publications/TRANSITIONS\_AT\_DTA.pdf

- <sup>71</sup> Ibid.
- See Boston Globe, October 10, 2007, "Housing Costs, Low Wages Lead to Rise in Homeless Families", <a href="http://www.boston.com/news/local/massachusetts/articles/2007/10/06/housing costs low wages lead to rise in homeless families/">http://www.boston.com/news/local/massachusetts/articles/2007/10/06/housing costs low wages lead to rise in homeless families/</a>
- "Homelessness in Massachusetts: Are State-Funded Resources and Services Allocated and Coordinated Effectively?" Commonwealth of Massachusetts: Executive Office of Administration and Finance, December 1999, Part I, p.1 (FY'96 statistics). Also: "Facts and Statistics: Family Homelessness in Massachusetts 2002", One Family Campaign, Boston, MA (www.onefamilycampaign.org) and "Overview of Family Homelessness", Massachusetts Coalition for the Homeless, Boston, MA (www.mahomeless.org).
- Calculated based on Department of Transitional Assistance Monthly Homeless Caseload data, online at <a href="http://www.mass.gov/?pageID=eohhs2terminal&L=4&L0=Home&L1=Researcher&L2=Basic+Needs&L3=Housing+and+Shelter&sid=Eeohhs2&b=terminalcontent&f=dtarfinassist homeless&csid=Eeohhs2</a>
- Calculated based on Department of Transitional Assistance Monthly Homeless Caseload data, online at <a href="http://www.mass.gov/?pageID=eohhs2terminal&L=4&L0=Home&L1=Researcher&L2=Basic+Needs&L3=Housing+and+Shelter&sid=Eeohhs2&b=terminalcontent&f=dta-r-finassist homeless&csid=Eeohhs2</a>
- Nee "Housing the Homeless: A More Effective Approach", Governor's Executive Commission for Homeless Services Coordination", Final Report, November 2003
- Culhane, Metraux, Park, Schretzman and Valente, page 24
- The Individual Self-Sufficiency Initiative (ISSI) program, begun in FY2000, helped homeless individuals who were working or training programs move from shelters or other settings into private housing. The program had two components. The "resource" component provided financial assistance to individuals after they located a unit, including a small monthly stipend for up to a year to help cover rent plus funds for move-in costs including security deposits and first and last month's rent. The "development" component helped create units for ISSI participants through grants to nonprofit and private owners and developers. Between 2000 and 2002, ISSI provided rent subsidies to more than 1,200 individuals and helped create 122 housing units. ISSI was funded at \$2.5 million in FY2001, cut to \$2,326,500 in FY2002, and then phased out in FY2003, when it received \$667,230 to finish out remaining commitments.
- Massachusetts Draft 2005-2009 Consolidated Plan, page 61.
- A listing of Department of Veterans Services shelter programs is available on their website at <a href="http://masswildlife.org/?pageID=veteransterminal&L=2&L0=Home&L1=Housing&sid=Eveterans&b=terminalcontent&f=vets-helping\_vets&csid=Eveterans">http://masswildlife.org/?pageID=veteransterminal&L=2&L0=Home&L1=Housing&sid=Eveterans&b=terminalcontent&f=vets-helping\_vets&csid=Eveterans</a>
- \*Hard Numbers, Hard Times: Homeless Individuals in Massachusetts Emergency Shelters, 1999-2003", The Center for Social Policy, University of Massachusetts McCormack Institute, Boston, MA, July 2004. Available online at <a href="http://www.mccormack.umb.edu/csp/publications/Hard%20Numbers,%20Hard%20Times-Individuals%20in%20MA%20Emergency%20Shelters%201999-2003.pdf">http://www.mccormack.umb.edu/csp/publications/Hard%20Numbers,%20Hard%20Times-Individuals%20in%20MA%20Emergency%20Shelters%201999-2003.pdf</a>
- 82 "Report of the Special Commission Relative to Ending Homelessness in the Commonwealth", December 28, 2007, page 5.
- According to the Massachusetts Coalition for the Homeless, scattered site shelters cost an average of \$87 a night in 2004, while conventional shelters cost an average of \$121 and specialized shelters ranged from \$94-135 per night. See <a href="http://www.mahomeless.org/fag/facts/factstypesshelterchart.html">http://www.mahomeless.org/fag/facts/factstypesshelterchart.html</a>
- Participating housing authorities include Attleboro, Brookline, Fitchburg, Lowell, Springfield, Taunton, Weymouth, Woburn and Worcester. A detailed description of the LHA Transitional Housing program is available in a report by John McGah and Amy Carlin "Transitions at DTA: Homeless Pilot Programs at the Massachusetts Department of Transitional Assistance (2003-2005)", published by the UMass Boston Center for Social Policy, Boston, MA, April 2005. See <a href="http://www.mccormacktmp.umb.edu/csp/publications/TRANSITIONS">http://www.mccormacktmp.umb.edu/csp/publications/TRANSITIONS</a> AT DTA.pdf
- Massachusetts Department of Transitional Assistance, "Facts and Figures" Issue Date December 2007. http://www.mass.gov/Eeohhs2/docs/dta/dec07.pdf
- Information on the 9 family substance abuse shelters is available on DPH's website at <a href="http://db.state.ma.us/dph/bsas/findData.asp?Region=All&pt=Specialized+Residential+Services+for+Families&pagenum=1">http://db.state.ma.us/dph/bsas/findData.asp?Region=All&pt=Specialized+Residential+Services+for+Families&pagenum=1</a>
- <sup>87</sup> Information on local programs is available at <a href="http://www.janedoe.org/safety/safety">http://www.janedoe.org/safety/safety</a> dv shelters.htm

- Jane Doe, Inc. FY2008 Budget Advocacy Fact Sheet <a href="http://www.janedoe.org/involved/4800-1400%20Fact%20Sheet%2008,%20Final.pdf">http://www.janedoe.org/involved/4800-1400%20Fact%20Sheet%2008,%20Final.pdf</a>
- Maria Cramer, "Shelters Can't Help All Fleeing Abuse", <u>Boston Globe</u>, January 14, 2008 <a href="http://www.boston.com/news/local/articles/2008/01/14/shelters\_cant\_help\_all\_fleeing\_abuse/">http://www.boston.com/news/local/articles/2008/01/14/shelters\_cant\_help\_all\_fleeing\_abuse/</a>
- <sup>90</sup> See http://www.southshorehousing.org/services\_sstap.html
- 91 See "Comparison of EA Benefits", CHAPA, 2004. http://www.chapa.org/pdf/RAFTupdate.pdf
- <sup>92</sup> Commonwealth of Massachusetts, "Homelessness in Massachusetts", Part I, p.3.
- 93 See DTA memo dated September 12, 2007 http://www.masslegalservices.org/docs/FO\_2007-46.pdf
- See http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Housing+Development&L2=Public+Housing+Manage ment&sid=Ehed&b=terminalcontent&f=dhcd\_factsheets\_raft&csid=Ehed
- Donna Haig Friedman et al., "Preventing Homelessness and Promoting Housing Stability: A Comparative Analysis", prepared for The Boston Foundation et al., June 2007, page 9 <a href="http://www.tbf.org/uploadedFiles/Homelessness\_June07.pdf">http://www.tbf.org/uploadedFiles/Homelessness\_June07.pdf</a>
- <sup>96</sup> Donna Haig Friedman et al., 2007. page 9
- Housing Court is a division within the State Trial Court system serving many but not all parts of the State. It has jurisdiction over "any real property use and activities conducted thereon as such use affects the health, welfare and safety" of occupants or the general public and which is subject to local regulation under state building, sanitary and other codes. A list of cities and towns covered by Housing Courts is available at <a href="http://www.mass.gov/courts/courts/douts/activate/">http://www.mass.gov/courts/courts/adjudges/courts/housingcourt/index.html</a>
- A detailed description of the Tenancy Preservation Program and operations is available online at https://www.masshousing.com/portal/server.pt/gateway/PTARGS 0 2 1358 0 0 18/TPP Manual.pdf
- <sup>99</sup> Information on communities served by TPP and contact phone numbers is available on MassHousing's website <a href="https://www.masshousing.com/portal/server.pt/gateway/PTARGS">https://www.masshousing.com/portal/server.pt/gateway/PTARGS</a> 0 2 2705 0 0 18/TPP Availability.pdf and <a href="https://www.masshousing.com/portal/server.pt/gateway/PTARGS\_0\_2\_2706\_0\_0\_18/TPP\_Regions\_Contacts.pdf">https://www.masshousing.com/portal/server.pt/gateway/PTARGS\_0\_2\_2706\_0\_0\_18/TPP\_Regions\_Contacts.pdf</a>.
- See Central Massachusetts Housing Alliance Fact Sheet on TPP at http://64.233.169.104/search?q=cache:v9iD4oFGMuoJ:www.cmhaonline.org/documents/priorities/FY08/TPP%2520FY08% 2520Fact%2520sheet.doc+%22Tenancy+preservation+program%22+Massachusetts+Housing+Court&hl=en&ct=clnk&cd=1 1&gl=us&client=firefox-a
- Jane Doe, Inc. FY2008 Budget Advocacy Fact Sheet <a href="http://www.janedoe.org/involved/4800-1400%20Fact%20Sheet%2008,%20Final.pdf">http://www.janedoe.org/involved/4800-1400%20Fact%20Sheet%2008,%20Final.pdf</a>
- <sup>102</sup> Information on HCEC services and locations is available online at <a href="http://www.masshousinginfo.org/">http://www.masshousinginfo.org/</a>
- 103 Donna Haig Friedman et al., 2007, page 9
- 104 "2005-2007 State Mental Health Plan", Department of Mental Health, Commonwealth of Massachusetts, September 2004, pp. 112-116.
- Massachusetts Housing and Shelter Alliance, "Home and Health for Good A Statewide Housing First Pilot Program Updated Report", December 2007. <a href="http://www.mhsa.net/matriarch/documents/HHG%20December%202007%20FINAL.pdf">http://www.mhsa.net/matriarch/documents/HHG%20December%202007%20FINAL.pdf</a>
- Massachusetts Housing and Shelter Alliance, "Home and Healthy for Good Fact Sheet" <a href="http://www.mhsa.net/matriarch/documents/Home&HealthyforGood%20">http://www.mhsa.net/matriarch/documents/Home&HealthyforGood%20</a> Fact Sheet.pdf
- Home Funders "Celebration of \$1M Grant Award", May 2007 <a href="http://www.homefunders.org/docs/Event%20Handouts.pdf">http://www.homefunders.org/docs/Event%20Handouts.pdf</a>
- The Legislature first voted to establish the Commission in 2002, but the proposal was vetoed by the Governor. A second proposal was signed by the Governor in October 2006 was not implemented. The Commission was revived by a legislative vote in July 2007.
- "Report of the Special Commission Relative to Ending Homelessness in the Commonwealth", December 28, 2007, available online at <a href="http://www.mass.gov/?pageID=ehedmodulechunk&L=4&L0=Home&L1=Economic+Analysis&L2=Executive+Office+of+Housing+and+Economic+Development&L3=Department+of+Housing+and+Community+Development&sid=Ehed&b=terminalcontent&f=dhcd\_hc\_hc&csid=Ehed</a>
- Shorthand for the legislation (the McKinney/Vento Homeless Assistance Act) that authorized these HUD programs as well as a number of other programs (e.g. extra funds for schools serving homeless children) administered by other federal agencies.

Statutory authorization for these programs ended in 1994; they are now reauthorized as part of the annual appropriations process. The four HUD programs are collectively referred to as the HUD Homeless Assistance Grants program.

 $<sup>^{111}</sup>$  Massachusetts currently has 20 local consortia and EOHHS heads the Balance of State consortium.

To control renewal costs, HUD has limited the term of Shelter Plus Care renewal grants for rent subsidies to one year and Congress now funds SRO renewals through the Section 8 budget account.

### 5. State-Funded Rental Assistance

Rental assistance programs use government funds to help low income households pay the rent for private apartments. Participants pay a minimum percentage of their income (often 30%) toward their rent and utilities, and state or federal funds pay the owner the difference between the tenant share and the total rent up to a fixed amount. Participants can lease units with rents that exceed the subsidy limit, but must pay all of the extra cost in addition to their minimum share. Participants can only rent units that meet basic quality standards, and generally rents cannot exceed going rents for comparable unassisted units.

Rental assistance and public housing are the only programs that make housing affordable to extremely-low income households because housing costs are pegged to tenant income; if a household's income falls, the government will increase the subsidy up to the maximum allowed under the program. Rent subsidies take two basic forms:

- <u>Tenant-based ("mobile")</u> subsidies travel with the tenant. The maximum subsidy is specified on a piece of paper called a voucher. Participants can use their voucher to rent a unit anywhere as long as it meets program standards and if they move, they can use it for their next unit.
- <u>Project-based</u> subsidies are tied to specific units in specific developments. A household with a project-based voucher can only use it while occupying that unit. When they move, they lose their voucher and another eligible household fills the unit. Project-based subsidies are often used to finance affordable housing development or rehabilitation by guaranteeing rent levels sufficient to support debt and operating costs. They are also used to deepen the affordability of projects that have mortgage subsidies under other state and federal programs.
- More recently, a special form of tenant-based assistance called a <u>project-based voucher</u> has become available under the Federal Section 8 program that combines features of both tenant-and project-based assistance. A 2001 federal law allows housing authorities to use up to 20% of their Section 8 tenant-based funding for vouchers that are assigned to specific units under 5-10 year contracts with owners but also allows tenants to move without losing assistance.

State and federal rental assistance programs are currently authorized to assist about 148,000 households in Massachusetts, with most (about 140,000) funded through HUD's Section 8 program. About 76,000 of the subsidies are tenant-based<sup>113</sup> and about 70,000 are project-based. Three state-funded programs currently assist almost 6,400 households.

State and Federal Rental Assistance - January 2008

	Tenant Based	Project Based	Total
Mass. Rental Voucher Program (MRVP)	2,041	3,031	5,072
Alternative Housing Voucher Program	512	0	512
DMH Rental Assistance	0	798	798
Total State-Funded	2,553	3,829	6,382
HUD Section 8 Authorized	73,754	66,646	140,400
Total State and Federal 114	75,847	70,475	146,782

Massachusetts has three state-funded rental assistance programs: the Massachusetts Rental Voucher Program (MRVP) serves about 5,100 households of all types, while two smaller programs assist just over 1,300 households with disabilities.

## The Massachusetts Rental Voucher Program (MRVP)

The Massachusetts Rental Voucher Program (MRVP) is the state's largest state-funded rental assistance program and the only one not restricted to persons with disabilities. It has two components: tenant-based ("mobile") and project-based. Currently (as of January 2008), MRVP assists 5,072 households (2,041 with mobile vouchers and 3,031 with project-based vouchers).

MRVP began in 1966 as the "Chapter 707" program. It grew rapidly in the mid- to late 1980s as the state increased funding to support new affordable housing development and to help homeless families leave shelters. At its peak in FY1990, "Chapter 707" assisted just under 20,000 households, including almost 15,000 tenants with mobile subsidies.

The fiscal crisis of 1990-1991 led the State to stop issuing new vouchers and begin shrinking the program by no longer re-issuing mobile vouchers as participants left the program. On the project-based side, it stopped entering into contracts for new units. It also cut the tenant- and project-based rent levels it would subsidize across the board. In November 1992, it revised the overall program (renaming it MRVP), cut the income limits for eligibility, and increased the minimum amount tenants must pay toward their housing costs.

Starting in FY1997, the State began funding some program restorations, reversing earlier rent cuts and later allowing increases to bring them closer to market rents for modest apartments, but in the years that have followed, funding has been erratic and the program has continued to shrink.

<u>Income Eligibility</u> Prior to 1992, the income limit was the same as for public housing. When the State created MRVP, it lowered the income level for initial and continuing eligibility, setting it at 200% of the federal poverty limit (which is uniform statewide, rather than varying by region like other housing program income limits). This limit applies to both mobile and project-based assistance. Once a household reaches that limit, they stop receiving a subsidy (and permanently lose their voucher 90 days later unless there is a financial reversal).

MRVP Tenant-Based ("Mobile") Assistance The tenant-based program is administered by local housing authorities (LHAs). In communities lacking an LHA-operated MRVP program, the program is administered by eight regional nonprofit housing agencies under contracts with DHCD. When waiting lists are open, the LHAs and nonprofits take applications on a first come, first serve basis, and tenants are selected using the same priority system used for state public housing. The voucher can be used to rent housing anywhere in Massachusetts.

Rent: The MRVP tenant-based program differs from other state housing programs, including other state-funded rental assistance program, in that it does not consider utility costs when determining subsidy levels. Participants receive a fixed **voucher** amount (based on their income, household size and geographic location), which they use to help pay their contract rent. They must contribute at least 30% of their income *plus* \$50 toward the contract rent. If that contribution plus the voucher exceeds the rent, the voucher is reduced by the difference. Since FY2006, the Legislature has used annual budget language to cap the tenant contribution at 40% of income and DHCD re-instituted "ceiling rents". (In the past, most paid more than 40% of their income for housing in part because due to their out of pocket utility costs and in part because voucher amounts were low relative to rents.)

MRVP Project-Based Assistance The project-based program began in the late 1960s as a way to make some units in private, subsidized developments, including projects financed by MassHousing, affordable to very low income households through long term contracts with owners. Owners agreed to reserve a percentage (often 20-25%) of their units for MRVP-eligible households. The contracts specify the rent the owner can charge and the State pays the difference between that rent and the tenant contribution. The subsidy is tied to the unit; when a family moves out, they lose their subsidy and the unit is rented to another income-eligible household.

Currently, half of the project-based vouchers in use are in MassHousing-financed projects. Most of the others are in projects developed by CDCs and other nonprofits in the late 1980s and early 1990s or in older buildings owned by small landlords. Many are in elderly/disabled developments. Some of the MRVP contracts require owners to reserve a specific number of units for MRVP voucher holders, while others provide MRVP project-based subsidies on a "back-up" basis, available only if the owner is unable to fill the unit with a tenant using a Section 8 or MRVP tenant-based voucher.

The project-based program has been shrinking in recent years. It peaked around 1992 when it was authorized to assist up to almost 6,000 units, but over time, freezes and cuts in the contract rents led owners to withdraw units. While DHCD still has contracts for 3,650 units in these older projects, utilization rates have steadily fallen as owners choose to rent to households with other rent subsidies. This has enabled DHCD to assign some vouchers to new affordable developments. As of January 2008, 3,175 households were using project-based vouchers.

MRVP Project Based Units January 2008

Project type	Authorized	Leased
Older MHFA	1,405	1,270
SHARP	316	264
Mod Rehab	1,136	831
RHS (FmHA)	51	43
All other	742	623
	3,650	3,031

Rent and Eligibility: Households with project-based MRVP vouchers pay:

- 40% of their income toward their rent if heat is included
- 35% if heat is not included.

The project-based voucher covers the balance of the contract rent. Eligibility and admissions procedures are the same as for MRVP tenant-based vouchers.

### MRVP Program Trends and Policy Issues

After steady funding cuts and program shrinkage through the 1990s, rising concern about homelessness led the legislature to increase funding for MRVP in FY2001—for the first time in ten years—in order to maintain the program size and update benefit levels. The budget language authorized DHCD to lift the freeze on re-issuing mobile vouchers, meaning the program would not expand but new households could be assisted when current recipients left. Over the next two years, contract rents for project-based rent and mobile voucher amounts were restored and

updated. Funding was cut again in FY2002 when state fiscal problems forced a rescission and has remained low in the years that have followed, forcing freezes on re-issuing vouchers (with occasional breaks), rent cuts and another increase in the minimum tenant contribution toward the rent.

MRVP Changes FY1996-2008

	Tenant Based (Mobile) Program	Project-based Program
July 1996	LHA Administrative fee raised from \$15 to \$25	1 Toject-based 1 Togram
November 1997	Vouchers increased by \$25-\$50	Rents increased by \$25-\$50
December 1999	Voucher re-issuance freeze lifted	,
February 2000	Mobile waiting lists re-established	
May 2000	Ceiling Rents eliminated for Mobile Program	
June 2000	Vouchers increased by \$25-50	Rents increased by \$25-50
November 2000	Vouchers increased by \$25-50	Rents increased by \$25-50
January 2001		Rent increases restored for MassHousing and RHS units
March 2001	Vouchers increased by \$50-100	
August 2001	Vouchers increased by \$150-300	Rents increased by \$150-300
May 2002	Voucher re-issuance frozen	Rents for MassHousing and RHS frozen
August 2002	All Mobile waiting lists closed	
November 2002	Tenant shares increased \$50;	Tenant shares increased from 30-35% of income to 35-40%. All rents (except RHS and MassHousing ) decreased by \$30-60
2005	Freeze on turnover partially lifted; 40% cap imposed; ceiling rents adopted	
2006	Freeze on turnover partially lifted	
October 2007	Freeze on 100 vouchers lifted	

As a result, even with small funding increases in FY2007 and FY2008, the program is even smaller today than it was in 2000. (The total number of households receiving tenant- or project-based assistance fell from 7,300 in January 2000 to 4,700 in January 2005, before slowly beginning to rise in FY2007 and reaching 5,072 in January 2008.)

MRVP Appropriations – FY'01- FY'08

		Change	Change
		from Prior	from Prior
	Appropriation	Year (\$)	Year (%)
FY01	35,298,397		
FY02	31,768,557	(3,529,840)	-10%
FY03	26,668,557	(5,100,000)	-16%
FY04	22,688,557	(3,980,000)	-15%
FY05	24,283,345	1,594,788	7%
FY06	26,283,345	2,000,000	8%
FY07	27,483,345	1,200,000	5%
FY08	29,958,638	2,475,293	9%
FY09	33,047,202	3,088,564	10%

• Fluctuating funding levels in recent years have made it difficult for DHCD to predict how many vouchers it can unfreeze each year, as it cannot be assured that funding will be provided in the following year to sustain them. The small number of vouchers unfrozen at any time has also made it difficult for housing authorities to re-open their waiting lists as it is unclear how many, if any, new vouchers will be authorized. Since FY2007, DHCD has made 100 new mobile vouchers available competitively statewide for local housing authorities and

authorized about 400 more mobile and project-based vouchers for special programs to prevent homelessness and help more households move from shelters (some are still being leased up or reserved pending completion of projects).

Need for Additional Vouchers: As discussed in the Homelessness and Prevention chapter,
Massachusetts is housing record-high numbers of families in its homeless shelter system at an
average cost of \$3,000/month and over \$18,000 per family with an average stay of six
months. In the 1980s, when faced with a similar situation, the State used MRVP to rapidly rehouse families. This approach is already being used on a limited scale, but without sufficient
funding to support a comprehensive approach.

Increasing MRVP funding significantly in FY2009 would enable the State to address the shelter problem much more quickly and reduce the disruption to families and children that homelessness brings. Using MRVP is a much less costly solution to homelessness as well (as of January 2008, the average subsidy cost for an MRVP mobile voucher, including program administration, was \$562/month or \$6,744/year).

Increasing MRVP funding would also help the State assist some of the growing number of households, most of whom are very poor, who are on waiting lists for Section 8 and have been unable to obtain help due to the 15+ year contraction of MRVP and more recent HUD cuts. According to DHCD, there are over 55,000 households (unduplicated count) on its statewide waiting list for Section 8, which turns over about 1,200 vouchers a year. Almost all (87%) are extremely low-income households; two-thirds are families with children, and 31% are households with disabilities (almost all non-elderly).

• Low Income Limits/Lack of Targeting The initial (and upper) income limit for eligibility is 200% of the federal poverty limit (FPL), which is a uniform standard statewide (unlike the HUD income limits which are based on area median incomes). Using a statewide income limit in a state where housing costs and incomes vary widely by region particularly hurts households in eastern Massachusetts.

Changing the initial eligibility standard to a percentage of the HUD area median income would better reflect regional variations. Given the scarcity of housing resources, some advocates have also recommended that new vouchers follow the income targeting used in the federal Section 8 program, with 75% of new vouchers reserved for households with incomes at or below 30% of area median income and the balance targeted to households with incomes at or below 50% of area median income.

• Upper Income Limits and Termination Criteria Households stop receiving financial assistance as soon as their incomes rise above 200% of the federal poverty level, and they lose eligibility for continued MRVP assistance 90 days later (the grace period provides protection against job loss). This income cutoff is well below the income limit for eligibility for most housing programs. In Greater Boston, for example, the 2008 upper limit for a household of three (\$35,200) equals 46% of the HUD area median income adjusted for household size; for a household of one, it equals 35% of area median income. (In Springfield, the figures are 53% and 40%.) At 30% of income, a household of 3 that loses eligibility could only afford to pay \$880/month (including utilities) and a household of one, \$520. Federal rental assistance programs, by contrast, continue eligibility until incomes

reach the level where households can afford a modest apartment at the going rent. Changing MRVP termination criteria to match that formula, and extending the grace period to the 180 days used in Section 8, would better meet the goals of providing housing stability, averting homelessness and removing work disincentives.

• Inequity in tenant contribution to housing cost Budget cuts led DHCD to require households with state-funded rental assistance to pay a higher percentage of their income for housing, despite their poverty, than it requires of households assisted under programs that target households with incomes of up to 80% of area median income (including first time homebuyers), with the highest amounts imposed on MRVP households. Changing the formula for the tenant share of the rent under MRVP (e.g. to no more than 35% of their income if heat is included and 30% if not, or to a formula consistent with Section 8) could help rectify this inequity.

### **Alternative Housing Voucher Program (AHVP)**

The AHVP program was established in 1995 to provide tenant-based rental assistance to people under age 60 with disabilities who choose to relocate from a state public housing development or are on the waiting list for such housing. It was created as part of a state law that put a cap on the percentage of units in Chapter 667 state public housing <sup>115</sup> for the elderly and disabled that could be occupied by non-elderly households (13.5%). Because many developments were far above the 13.5% cap, this meant most openings both in the short run and in the future would go to the elderly, and result in long wait times for the non-elderly disabled. AHVP provides an alternative to those on the waiting list and assists non-elderly, disabled residents who would prefer other housing options. The assistance is transitional and ends when tenants access other housing assistance (e.g. state public housing, other subsidized housing or Section 8).

Admissions/Eligibility/Rent The income limit for AHVP is the same as for Chapter 667 elder/disabled state public housing: 80% of the HUD area median income adjusted for household size. Applicants must also be disabled and under 60. Tenants pay a minimum of 30% of their income towards the contract rent if it includes heat and all utilities, or 25% of their income if the contract rent includes no or only some of the utilities, and receive a voucher to cover the balance of the rent up to a fixed amount. If their rent exceeds that limit, they must pay the excess. While applicants must apply to an LHA that has an allocation of AHVP vouchers <sup>116</sup>, the vouchers can be used anywhere in the state.

Trends/Program Issues When AHVP was enacted, it was agreed that the program should serve 800 households at a time and it was funded at \$4 million a year. In FY2002 and FY2003, state fiscal pressures led the Legislature to cut the appropriation to \$3 million. To cut costs, DHCD stopped re-issuing vouchers as participants left (starting in June 2002), froze the rent levels it would subsidize, began transferring longer-term AHVP recipients to its federal Section 8 program and asked local housing authorities with AHVP participants to do the same. 117

**AHVP Appropriations** 

FY01	4,000,000
FY02	3,000,000
FY03	3,000,000
FY04	2,300,000
FY05	2,300,000
FY06	3,000,000
FY07	3,500,000
FY08	3,500,000
FY09	4,000,000

By January 2005, transfers plus DHCD's continued freeze on turnover had cut the number of assisted households to 238, well below the 300-350 the FY2005 appropriation could support. However, the freeze came under increasing criticism, given the significant homelessness among individuals with disabilities. Starting in FY2006, the Legislature began to restore funding and currently (as of January 2008), the program assists 512 households, the maximum it can support within its current appropriation.

### **DMH Rental Assistance**

The State has funded rent subsidies for DMH clients since the 1980s. Most of the assistance is project-based (tied to specific units) and tenants receive support services. Funding for this program has been provided at times through DMH's budget and at times through DHCD's budget, but the program has always been administered by DHCD. Local service providers maintain the waiting lists for assistance and refer clients to LHAs who administer the subsidy payments. The income eligibility limits are the same as state public housing (80% of area median income).

Rent Tenants pay 35% of their income towards the contract rent if all utilities are included, or 30% if only some or no utilities are included (up from 25-30% prior to August 2002) and state funds pay the full balance. Local service providers maintain the waiting lists for assistance and refer clients to LHAs who actually administer the subsidy payments.

The program assisted 800-900 clients annually until FY2003, when the annual appropriation for the program was cut to \$2.0 million (down from \$3,107,550 in FY2002) and frozen at that level through FY2005. The FY2003 cut led DHCD to raise the percentage of income participants pay toward their housing costs and to begin reducing the program by transferring participants to the federal Section 8 program (using the process described for the AHVP program above). These steps reduced the number of clients assisted under the program from 788 (October 2002) to 578 by January 2005. Program funding has been gradually increased in recent years, rising to \$3.5 million in FY2008 and \$4 million in FY2009. It currently assists 798 households (January 2008).

HUD reports the number of Section 8 tenant-based vouchers "authorized" on a rolling basis. The actual number of vouchers in use is often lower, in part due to HUD and Congressional funding rules and fluctuations in appropriations. When HUD does not provide enough funding, LHAs are sometimes forced to reduce the number of households they assist below the officially authorized figure. This figure reflects data collected by HUD between October 1, 2006 and January 31, 2008.

Sources: DHCD – Units under lease 1/2008. Section 8 Tenant Based: HUD Resident Characteristics Report – ACC Units for October 1, 2006-January 31,2008. S8 project based count includes HUD S8 contract units (64,187 as of 1/2008 per

- 2/2008 CHAPA/CEDAC Expiring Use Database), and HUD Resident Characteristics Report for October 1, 2006- January 31, 2008) ACC Units for S8 Mod Rehab units (1,415) and Mod Rehab SRO (1,044) program.
- The percentages actually do not apply to individual developments but rather to each local housing authority's total number of Chapter 667 units. Individual developments can have a higher or lower percentage of non-elderly disabled households.
- AHVP applications can be downloaded from DHCD's website. For a list of local housing authorities with AHVP programs is available online at <a href="http://www.mnip-net.org/MNIP/factshts.nsf/a953ea1fdde8eb1c05256ac4000746b3/70c0345be1dc0962852565fd0049a385!OpenDocument">http://www.mnip-net.org/MNIP/factshts.nsf/a953ea1fdde8eb1c05256ac4000746b3/70c0345be1dc0962852565fd0049a385!OpenDocument</a>
- DHCD's early success in transferring AHVP tenants to its Section 8 program led the Legislature to cut the AHVP appropriation in FY2004 to \$2.3 million. The program continued to shrink, even as transfers to the Section 8 program slowed due to HUD cuts in Section 8 funding, because DHCD did not lift the freeze on issuance even in FY2005, when the Legislature provided sufficient funding to assist 300-350 households (by January 2005, only 238 vouchers were in use).

# 6. State Public Housing

Massachusetts has two types of public housing. "State-aided" public housing was built primarily with state funds<sup>118</sup> and state laws govern its development and operation. Federal public housing (about 33,500 units) is funded and regulated by the federal government (HUD).

The state-aided public housing inventory totals 49,550 units<sup>119</sup> and makes up almost 25% of the affordable units in the state's subsidized housing inventory and almost 40% of the affordable units in suburban and rural communities.<sup>120</sup> It is particularly critical to meeting the needs of extremely low income households because the rents are set as a percentage of tenant income. Approximately 5,000 units turned over in 2005 (1,655 in family housing and 3,312 in elderly/disabled housing).<sup>121</sup> While households with incomes up to 80% of area median income are eligible for admission, resident incomes average less than \$15,000.<sup>122</sup>

State public housing is owned and operated by 234 local housing authorities (LHAs) and four regional housing authorities, under the oversight of DHCD. LHAs are governed by five-member boards - one member appointed by the Governor and four members either locally elected (in towns) or appointed by the mayor (in cities). Most Boards are unpaid (76 boards receive a stipend because their LHA owns older family housing). Paid staffers handle day to day operations. LHAs vary tremendously in terms of the number and size of programs they operate (see Appendix 1), capacity and staffing (small LHAs often have part-time or shared executive directors).

**Financing** The earliest developments were financed by bonds issued by local housing authorities and paid off through a combination of rent revenues and state funds. The State eventually took over all debt service and now funds all development and modernization through capital grants. LHAs use their rent revenues to fund the cost of operating their housing, but because rents are pegged to tenant incomes, about two-thirds also need operating subsidies from the state.

**Inventory Trends** The bulk of the state's public housing was built between 1948 and the late 1980s. Total units have declined slightly in the past decade, as the few new units added have been more than offset by reductions at some projects (to create community rooms or larger units or reduce density) and demolition (a 284-unit family project in Lowell was demolished in 2002 and 100 units in Fall River may be demolished in 2008). Most developments are small (<100 units) and low rise (1 or 2 stories) and units tend to be small.

**Population Served** State public housing was built pursuant to four programs authorized by separate legislative acts and serves three distinct populations. Overall, about two-thirds of the units are reserved for elderly or disabled households. 124

	12/31/2006	% of	Unit Change	%
Program	Units	Total	since 1996	Change
Chapter 667 (Elderly/Disabled)	32,251	65.1%	(76)	-0.2%
Chapters 689, 167 (Special Needs)	1,898	3.8%	14	0.7%
Chapter 200 (Veterans/Families)	12,296	24.8%	(775)	-5.9%
Chapter 705 (Family)	3,105	6.3%	140	4.7%
Total	49,550	100.0%	(697)	-1.4%

- "Chapter 200" developments serve "families" (households of at least two people) and were built between 1948 and 1956 for returning veterans.
- "Chapter 667" developments serve elderly (age 60+) and non-elderly households with disabilities. Most units are studio or one bedroom units built 20-50 years ago. LHAs must reserve 86.5% of their Chapter 667 units for elderly households and 13.5% for non-elderly disabled households. Accessibility is limited about 65% of the units are in are 2- or 3-story garden apartments (20,500) without elevators.
- "Chapter 705" developments also house families and by law must be low density and scattered site. Most were developed or acquired in the 1970s and 1980s. Some LHAs created units by buying existing single family homes or condominiums.
- "Chapter 689" and "Chapter 167" developments are community residences for special populations (mainly DMR and DMH clients), owned by the LHA but leased to and managed by human service agencies who are under contract with state agencies.

**Eligibility** Admission is limited to households with <u>net</u><sup>125</sup> incomes at or below 80% of the HUD area median income adjusted for household size. Applicants must meet state screening criteria related to criminal history, prior lease compliance, etc. Applicants for elderly and family housing apply to LHAs in the communities where they wish to live (DHCD has developed a universal application that can be downloaded and mailed or delivered to each LHA). Chapter 689/167 units are generally filled via State referrals (e.g. DMR, DMH).

<u>Priorities for Admission</u> Applications are taken on a first-come, first-serve basis, but applicants in six priority categories are placed ahead of non-priority applicants on the waiting list. As detailed below, units must first be offered to households on the waiting list who are homeless or in an emergency situation, then to individuals in transitional housing assisted under a special state program for the disabled, and then to current LHA tenants in need of a transfer. If there is no one on those waiting lists, the unit can then be offered to a "standard" applicant.

- 1-3 Homeless due to natural forces (fire, flood, etc), displacement by public action (urban renewal) or displacement by public action regarding severe safety code violations
- 4. LHA-defined emergency case (e.g. domestic violence, severe medical emergency, homeless)<sup>127</sup>
- 5. Living in transitional housing with an Alternative Housing Voucher Program (AHVP) voucher
- 6. Transfer for good cause (tenants already in public housing needing a different unit)
- 7. Standard applicant (does not fall into any of the above categories)

<u>Preferences for Residents and Veterans</u> Among applicants <u>within</u> any of the above 7 categories, veterans or local residents *must* be admitted before other applicants.

- 1. The veteran's preference applies only to family housing (Chapter 200 and 705) and takes precedence over the resident preference.
- 2. The local resident preference applies to persons living or working in the community both at the time of application and admission. Homeless households can select one community for local preference, either the one from which they were displaced or the one where they are temporarily housed. In 2005, 70% of the households placed in family housing statewide received a local preference, as did 68% of elderly applicants. <sup>128</sup>

Affirmative Action Preferences LHAs with significant under-representation of minority households in their developments must also establish an affirmative action preference for 20%-33% of their admissions. This preference is used to select among tenants in the highest preference category within the highest priority category. In 2005, 70% of households placed in family housing statewide received a local preference, as did 68% of elderly applicants.

**Rents** In August 2003, DHCD revised its rent formula for family public housing. Prior to that, residents in family and elderly/disabled developments paid the same percentage of <u>net</u> income toward their rent.

- Rents in elderly/disabled developments are set at:
  - o 25% of net household income if the rent does not include heat
  - o 30% of net household income if the rent includes heat.
- Rents for households in family housing are now set at:
  - o 27% of a household's net income if no utilities are included in the rent
  - o 30% if one or more utility is included (heat, electricity and/or cooking fuel)
  - o 32% if all utilities are included in the rent

Net income is calculated by deducting certain medical, educational, child care and other expenses from a household's gross income (also wages up to \$8,320 if elderly). <sup>131</sup>

**Current Policy Issues and Recent Trends** The State's investment of over \$1.5 billion to develop its public housing inventory is now at risk, as sustained underfunding of both operating subsidies and capital needs is jeopardizing the long term viability of the stock. Recent funding increases are beginning to reverse this trend, but additional resources are needed.

• Underfunded Operating Subsidies Because rents are set as a percentage of tenant income, they often fall short of the amount needed to operate and maintain developments, especially family developments. As a result, most LHAs require operating subsidies from the State to fill the gap, with the need varying by LHA depending on their tenant mix (family vs. elderly) and average tenant incomes. Currently (FY2008), two-thirds (160 of 238) receive such subsidies, including most of the 187 LHAs with family units.

The amount LHAs receive is based on a DHCD-set cost per unit for operating costs, excluding utility costs ("allowable non-utility expense level" or ANUEL). DHCD sets separate per-unit allowable expense levels for each of three major programs (Chapter 200, 667 and 705). If an LHA's income falls below the amount needed to cover both the allowable expense level and its utility costs, it is entitled to an operating subsidy equal to the difference. The allowable expense level effectively sets a ceiling on the amount housing authorities in need of subsidies can spend (unless they have reserves from prior years that they can tap). <sup>132</sup>

However, DHCD's ability to set adequate allowable expense levels depends on adequate appropriations from the State budget. When appropriations are low, DHCD must hold down allowable expense levels. In 1986, operating subsidies were funded at \$38 million, but funding fell sharply in the 1990s in response to the state fiscal crisis and remained low until recently. The many years of underfunding have led to a deterioration of the inventory as LHAs have had to repeatedly defer maintenance (DHCD estimates that at least 3% of the current inventory is completely uninhabitable). Recently, DHCD had to freeze allowable expense levels for four

years (FY2003-FY2006), even as non-controllable costs such as water and employee health insurance rose.

Public Housing Operating Subsidy Appropriations

Fiscal Year	Funding
1990	\$26.5 million (actual expenditure)
1992	\$23.0 million " "
1997	\$27.2 million " "
1999	\$31.1 million " "
2001	\$34.3 million (appropriation)
2002	\$31.9 million " "
2003	\$23.2 million " "
2004	\$25.4 million <sup>133</sup> " "
2005	\$36.5 million* " "
2006	\$45.6 million (includes \$10 mil approved after end of FY06)
2007	\$45.1 million
2008	\$60.1 million
2009	\$66.5 million

Today, there is a better understanding of the funding required for operating subsidies. In 2005, Harvard University conducted a study to estimate the amount needed to operate state public housing at a quality level. Based on a detailed analysis of over 100 cost variables, including location, building type and population served, it found that state funding kept LHA budgets well below the levels spent to maintain federal public housing and MassHousing and federal private subsidized housing and estimated that Massachusetts needed to increase operating subsidies by 69%, or about \$115 million a year. <sup>134</sup> The study found the underfunding varied by program, with the Chapter 667 elderly/handicapped portfolio most in need of an increase.

The State has begun to address this issue, with funding increases that allowed DHCD to grant a 7% across the board increase in allowed expense levels in FY2007 and another 12% increase in FY2008. However, current levels are still 29% below needs *before adjusting for inflation*, and variations in need by program remain.

Comparison of Harvard Study 135 Estimated Expense Levels (Per Unit/Month) and FY2008 Levels\*

			Chapter 705	
	All	Chapter 200	(Scattered	Chapter 667 (Elderly/
	Programs	(Family)	Family)	Handicapped)
FY2003-FY2006	\$202	\$287	\$314	\$158
% of Model Need	59%	68%	79%	52%
Model Estimate (FY2003\$)	\$341	\$422	\$399	\$303
% Increase Needed	69%	47%	27%	92%
Total Projects*	1,326	120	623	583
Total Units*	47,312	12,552	2,965	31,795
Est. FY2008 Expense Levels **	\$242	\$343	\$376	\$189
% of FY2003 Model Need	71%	81%	94%	62%

\*Per Harvard study.

DHCD also plans to work with LHAs to identify ways to improve the energy efficiency of current operations and reduce utility costs.

<sup>\*\*</sup>Based on FY2007 and FY2008 across the board increases of 7% and 12%; "all" based on Harvard unit counts.

• Insufficient and Unpredictable Funding for Capital Needs Funding for more significant repairs (roof replacements, heating systems, upgrading of bathrooms and kitchens, elevator replacements) comes from state housing bond bills. Again, low and unpredictable capital funding levels in the past have created a significant backlog of needs. As a 2001 study 136 noted, these factors, combined with State procedures that forced housing authorities to compete against each for scarce dollars, resulted in "a piecemeal approach to modernization that does not encourage multi-year capital planning, is often more costly than a more comprehensive and systematic approach, and may not result in the level of improvement necessary for long-term viability." It estimated that \$1.47 billion was needed to stabilize the inventory over the next 10 years.

Since then, the State has taken steps to improve the capital funding process:

- Bond Bills The 2002 housing bond bill provided \$350 million for modernization over five years and the state's FY2008-2012 capital spending plan calls for millions more over the next five years, including \$90 million in FY2008 (up from \$56 million in FY2007). The recently passed 2008 Housing Bond Bill provides \$550 million for public housing capital needs, including \$50 million for a pilot program that would provide grants to competitively selected LHAs to test ways to improve the management and marketing and address capital needs through such approaches as regional collaboration and mixed financing. DHCD is permitted to grant regulatory relief in support of the demonstrations.
- *Mixed Financing* DHCD adopted "mixed-finance" regulations in September 2005 (760 CMR 4.12-4.16) that give LHAs more flexibility in financing capital needs by allowing them to combine public and private funds to develop or redevelop sites they own or control. In January 2008, it joined with the Massachusetts Housing Partnership (MHP) to launch a mixed-finance planning grant and technical assistance program to help smaller LHAs take advantage of this tool.<sup>138</sup>
- Changes in the Approval Process for Capital Funding DHCD has begun revising its approval process for capital requests. It introduced an "Accelerated Emergency Response" program in 2007 to streamline the approval/funding process for emergency needs. <sup>139</sup> It has also begun a system-wide assessment of capital needs.

However, there are further steps the State could take, including.

- Funding capital reserves and providing a predictable line item for capital repairs would allow LHAs to plan work effectively. HUD uses this approach by providing capital funding to LHAs by formula on an annual basis. Language requiring a pilot program of this type was included in the 2002 bond bill and the pending 2007-2008 Housing Bond Bill requires DHCD to administer a capital reserve fund.
- Changing state law to give LHAs greater flexibility in choosing capital priorities, and updating bidding rules.

61

DHCD Census as of December 31, 2006. About 1,900 of the units are funded with HUD Section 8 funds. These units were built or modernized with state bond funds but the State obtained Section 8 rent subsidies for the units sufficient to cover the debt service.

Massachusetts Department of Housing and Urban Development, Public Housing Census as of December 31, 2006.

<sup>120 &</sup>quot;Affordable" refers to the units actually restricted to households with incomes at or become 80% of median.

- "Analysis of Impediments to Fair Housing Choice", Massachusetts Department of Housing and Community Development (DHCD), Boston, MA, 2006, <u>Data Analysis Chapter</u> pages 80-81 <a href="http://www.mass.gov/Ehed/docs/dhcd/hd/fair/08.pdf">http://www.mass.gov/Ehed/docs/dhcd/hd/fair/08.pdf</a>
- 122 Charleen Regan and John Stainton, "Protecting the Commonwealth's Investment: Securing the Future of State-Aided Public Housing", A Report Prepared for the Boston and Cambridge Housing Authorities in Partnership with Citizens Housing and Planning Association, June 2001, Executive Summary page 2. http://www.chapa.org/pdf/PublicHousingStudy.pdf
- <sup>123</sup> Massachusetts General Laws, Chapter 121B, Sections 5 and 6
- For the definition of family, elderly, handicapped, etc. see Massachusetts Department of Housing and Community Development, "Definition of Programs; Eligibility and Qualifications Requirement; Priorities and Preferences; Income Limits" at <a href="http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Housing+Development&L2=Public+Housing+Management&sid=Ehed&b=terminalcontent&f=dhcd\_ph\_publichousingapplications&csid=Ehed</a>
- DHCD regulation 760 CMR 6.05 spells out the deductions and exclusions from gross income used to calculate net income. Notable deductions include wages and salary earned by a tenant age 62 or older up to an amount equal to the minimum wage times 20 hours a week year round (\$8,320). As a work incentive, households who receive public assistance benefits can elect to exclude any increases in earned income for one 12-month period. Families can also deduct \$300 for each child under 18.
- DHCD has developed a universal application which is available on line and can be downloaded and filled out in advance. http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Housing+Development&L2=Public+Housing+Manage ment&sid=Ehed&b=terminalcontent&f=dhcd\_ph\_publichousingapplications&csid=Ehed
- DHCD regulations require every LHA to establish and post an "emergency case" plan, which outlines the circumstances under which the LHA will grant "emergency case" priority to an applicant. The plan must be approved by DHCD and be "reasonably reflective of the needs of persons who are homeless, in abusive situations, or encountering severe medical emergencies." See 760 CMR 5.11
- "Analysis of Impediments to Fair Housing Choice", Massachusetts Department of Housing and Community Development (DHCD), Boston, MA, 2006, <u>Data Analysis Chapter</u> pages 80-81 <a href="http://www.mass.gov/Ehed/docs/dhcd/hd/fair/08.pdf">http://www.mass.gov/Ehed/docs/dhcd/hd/fair/08.pdf</a>
- <sup>129</sup> See DHCD regulation 760 CMR 5.10 (3) and 5.03 Definitions
- "Analysis of Impediments to Fair Housing Choice", Massachusetts Department of Housing and Community Development (DHCD), Boston, MA, 2006, <u>Data Analysis Chapter</u> pages 80-81 <a href="http://www.mass.gov/Ehed/docs/dhcd/hd/fair/08.pdf">http://www.mass.gov/Ehed/docs/dhcd/hd/fair/08.pdf</a>
- <sup>131</sup> See endnote 3 above
- Sometimes DHCD approves budget exemptions for individual LHAs, on top on their allowable expense limit; in those cases, the subsidy amount is calculated based on the total allowable expense limit plus exemptions minus revenues.
- <sup>133</sup> This table shows the \$1.65 million supplemental FY2004 appropriation approved in September 2005 in the FY2005 total, since funds were made available in FY2005. The FY2005 amount also includes an additional \$4.5 million to cover higher than expected 2004 utility costs approved by the Legislature in February 2005 that is awaiting the Governor's signature.
- Harvard University Graduate School of Design, "Final Report A Study of the Appropriate Operating Costs for State-Funded Public Housing in Massachusetts", Cambridge MA, September 1, 2005, page 5
  <a href="http://www.chapa.org/pdf/StatePHOCSFinalReport.pdf">http://www.chapa.org/pdf/StatePHOCSFinalReport.pdf</a>
- Harvard University Graduate School of Design, "Final Report A Study of the Appropriate Operating Costs for State-Funded Public Housing in Massachusetts", Cambridge MA, September 1, 2005, page 10.
- <sup>136</sup> Regan and Stainton, Executive Summary pages 2-5 and Chapter 2
- <sup>137</sup> Regan and Stainton, Executive Summary page 2
- See Mixed Finance Planning Grant Program for LHAs on DHCD's website at <a href="http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Housing+Development&L2=Public+Housing+Modernization&sid=Ehed&b=terminalcontent&f=dhcd\_ph\_mixedfinanceprogram&csid=Ehed</a>
- See "Accelerated Emergency Response" on DHCD's website at http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Housing+Development&L2=Public+Housing+Moderni zation&sid=Ehed&b=terminalcontent&f=dhcd\_ph\_aerp&csid=Ehed

# 7. Older State-Assisted Private Housing

In the past, DHCD's budget included more than \$40 million for mortgage interest and operating subsidies for over 10,000 affordable units in mixed-income and 100% affordable rental developments built using three state-funded programs between the 1970s and 1990s. Today, State spending for such subsidies has dropped to \$4.5 million (down \$29 million since FY2001), as some subsidy contracts have ended and the costs of others have been shifted to MassHousing. However, the State did not begin reinvesting any of the savings in other DHCD operating accounts – such as public housing and rental assistance until FY2005 and FY2006 (see page 63).

Annual Appropriations	for Older	-State Assiste	ed Private Hous	sing (millions)

	Current	Affordable					FY	FY
	Projects	Units	FY	FY	FY	FY	2005-	2008,
	(Approx)	(Approx)	2001	2002	2003	2004	2007	2009
13A Interest Subsidies	60	5,700	8.17	7.51	7.09	6.47	5.5	4.5
SHARP Subsidies	*78	3,400	24.28	18.51	8.75			
Rental Development Action Loans (RDAL)	*6	500	2.22	1.83	1.22			-
Total	60	9,600	34.67	27.85	17.067	6.47	5.5	4.5

<sup>\*</sup> A total of 21 projects received RDAL loans, including 15 that also received SHARP. Units in the SHARP projects are included in the SHARP count.

Today, these programs account for about 9,600 affordable units (over 140 developments). (Another 1,000 units have been lost since 1995 under the oldest program ("13A"), and over 500 more at risk of losing their affordability by 2010, because use restrictions are expiring or owners ended restrictions early by prepaying their mortgage.

### 13A Program

This program, authorized in 1970, was Massachusetts' first state-funded program to subsidize the development of private affordable housing. It offers mortgage interest subsidies to developers, in combination with MassHousing financing (30-40 year mortgages financed with tax-exempt bonds). The interest subsidy, in the form of monthly mortgage "interest reduction payments", is equal to the difference between actual debt service and the level it would be if the mortgage interest rate was 1% and thus reduce the rents owners need to charge.

Because MassHousing's enabling legislation requires that at least 20% of the units in projects that it finances be reserved for "low income" households and many 13A developments also have contracts for project-based rental assistance under MRVP for 20-25% of the units.

Active from 1970-1979, the program was used to subsidize about 68 mixed income or entirely subsidized developments with about 8,300 units, including about 6,800 units subject to 13A rent and income limits (other units were either market rate or subsidized with HUD Section 236 funds). As noted above, the number of 13A-subsidized units is now about 5,700 as owners of some projects have exercised their option to prepay their mortgage after 20 years and terminate the 13A subsidy and others reduced their number of 13A units. In FY2008, the State funded \$4.5 million of the \$7.3 million needed, with MassHousing picking up the balance. 140

Income Limits and Rents Under current 13A regulations, the income limits for "low income" 13A units are 80% of area median, while the income limits for "moderate income" 13A units vary by development, based on actual rents and whether the project has a "market goal". Rents are budget based --set at the level needed to cover operating costs, debt service, and a limited dividend. There are two or three income tiers, depending on the development:

- Low Income: The income limits for the "low income" units is 80% of area median income. Tenant in the low income units pay 30-35% of household income, depending on the rent subsidy program used (Section 8 or MRVP).
- Moderate Income: Tenants in all other 13A units pay the basic rent (or 30% of income if higher). The income limits are based on the basic rent (the amount needed to cover costs if the mortgage had a 1% interest rate) and thus vary by development. The upper limit for admission is the lower of:
  - o 48 times the monthly gross rent (basic rent plus any utility allowance), with an adjustment for up or down for households with more or fewer than four members, plus \$2,400
  - o the amount needed to rent a comparable unassisted apartment at 30% of income,
- Unsubsidized: Some projects have a "market goal", which requires them to try to rent out some 13A units at market rents.

Owners must remit rent collections in excess of the excess rent to MassHousing.

## **State Housing Assistance for Rental Production (SHARP)**

The State enacted the State Housing Assistance for Rental Production (SHARP) program in 1984 in response to a severe housing shortage and cuts in federal funding (the federal government had put a moratorium on its production programs in 1983). SHARP was intended to help meet the demand for both market rate and affordable rental housing by stimulating the development of mixed income housing and at the same time use the market demand in higher cost locations to help finance the affordable units.

SHARP provided a 15-year state-funded "shallow subsidy" loan (the SHARP loan) to developers, in combination with 30-year MassHousing mortgages financed with tax-exempt bonds. The SHARP loan was structured to bring financing costs to 5%.

In exchange for the SHARP loan, developers made at least 25% of the units affordable to low income households (up to 80% of area median income) in perpetuity, with an option to sell the project at the end of the 15-year loan term either to the State or to another buyer willing to maintain the use restriction. Developers providing a higher percentage of affordable units or building in high cost or low market-rent areas could also receive additional subsidies under the RDAL program described below. (Later in the decade, many projects also used the federal low income housing tax credit program as well). Eighty-two (82) projects were developed under the program – including 15 with additional RDAL subsidies, producing about 3,300 units (34%) set aside for low income households using federal or state rent subsidies.

Many SHARP projects experienced financial difficulties in the 1990s, however, as overbuilding in the late 1980s and combined with the statewide recession of the early 1990s, reduced market rent revenue and operating costs rose more rapidly than expected. Many fell behind on their debt service and had to obtain operating deficit loans from MassHousing. As a result, many of the

owners have refinanced or restructured and extended the terms of their original mortgages (often by 30 years).

The 15-year SHARP subsidy contracts began expiring in 2000 and the last contracts expired in 2007. The Legislature accelerated the savings to the state by using MassHousing resources to cover some and eventually all of the subsidy costs. However, because of the restructurings, most owners have not been able to repay the SHARP subsidy loans and most of the original affordable units remain affordable and will continue to be subject to affordability restrictions for some time.

### Rental Development Action Loan Program (RDAL)

The RDAL program, authorized in 1987, provided 15 to 20 year declining operating subsidy loans to supplement other funds used to develop or preserve 21 developments (including 15 SHARP developments) with about 1,300 affordable units. The RDAL portfolio includes both mixed income developments and limited equity cooperatives. Most of these projects also have state or federal rent subsidy commitments. Most RDAL are scheduled to expire between 2005 and 2010. As with the SHARP contracts, the State shifted the cost of these contracts to MassHousing, starting in FY2004 and FY2005.

## **Program Trends/Issues**

Expiring Use Restrictions As discussed above and on page 66, a number of 13A developments are at risk of being converted to market rate housing in coming years, as owners exercised their option to prepay their mortgages or as mortgages mature.

<sup>140</sup> "MassHousing Information Statement - March 25, 2008" Financial Statements, page 37.

65

# 8. Preservation of "Expiring Use" Properties

Massachusetts has almost 83,000 units of affordable housing in over 900 developments that were developed (built or rehabilitated) by private for-profit or non-profit owners.

Most were developed between the late 1960s and the mid-1980s, using federal mortgage or project-based rent subsidies (about 7,000 used state programs only). These older financing programs provided subsidies for 15-40 year terms, in exchange for affordable use restrictions (limits on tenant incomes and rents). Most of the longer term programs also allowed owners to terminate the use restrictions early (usually any time after 20 years) by prepaying their mortgage. Since 1995, mortgage subsidies and/or Section 8 contracts covering over 12,100 units have been terminated, resulting in a net loss of at least 5,600 affordable homes. The other 6,500 homes retain some affordability because localities negotiated restrictions or owners refinanced using tax credits or other subsidy programs that required some affordability but usually for fewer homes and sometimes for higher income groups than previously served. Over 4,100 of the lost homes had project-based Section 8 subsidies, making them affordable to extremely low income households.

About 19,000 of the current 83,000 units are at risk of being lost to the affordable inventory in the next two and a half years (by December 31, 2010) because their subsidized mortgages, use agreements or rental assistance contracts are reaching the end of their term or because owners have the right to end restrictions early by prepaying their mortgage. Several thousand more units will reach this stage by 2013.

Risk levels and preservation options for these almost 19,000 units vary, depending on the a wide range of variables, including the original financing program used, current financing, whether the mortgage is federally-insured, market conditions, property condition and capital needs, owner type (non-profit or for-profit) and owner goals.

For some properties, the primary risk is owners will choose to convert to market rate housing because market conditions make that feasible. Other properties are at risk of being lost due to unmet capital needs that make it difficult to provide quality, energy efficient housing.

	T	'otal	At Risk			
		Subsidized		Subsidized	Section 8	
Program	Projects	Units	Projects	Units	PBA U	
Older HUD (d3/236/13A)	272	38,589	108	12,422	6,085	
Section 8/ RHS/PD	337	32,990	96	6,244	5,738	
Subtotal		71,579	204	18,666	11,823	
Sec. 202/811 (Elderly/Disabled)	330	11,217	-	-	-	
Total	939	82,796	204	18,666	11,823	

## **Original Financing Programs Used**

The at-risk units were developed under a number of programs and the forms of subsidy and preservation options vary, depending on current program rules. 142

• *Older HUD-Assisted or State Assisted Housing* Over 12,000 of the at-risk units are in projects that were developed between 1966-1973 under three HUD mortgage insurance and interest subsidy programs or the state's 13A program (see page 63) which ran through 1979. They are affordable because owners agreed to limit rents and profits in exchange for the mortgage subsidy and to rent only to low and moderate income households.

Some are at risk because the financing program they used allows for-profit owners to removing these restrictions any time after the first 20 years by prepaying their mortgage. Others have reached or will shortly reach their maturity dates, meaning mortgage-related affordability restrictions will terminate automatically.

Many of these projects have project-based rent subsidy contracts under Section 8 or earlier HUD programs for 40%-100% of their units as well, some of which end automatically upon prepayment or maturity. Currently about half (6,295) of at risk units financed under these programs are affordable to extremely low income households because they also have project-based rent subsidies, including about 2,400 specifically reserved for extremely low income households under Section 8 income targeting requirements.

- §221(d) BMIR This program was active between 1966 and 1970 and provided below market interest rate (BMIR) 40 year FHA insured mortgage loans, generally at 3.0% interest and with no FHA mortgage insurance premium.
- §221(d)(3)MIR with Rent Supplement This program provided FHA-insured mortgages at market interest rates (MIR) but provided project-based rental assistance generally for 100% of the units through the Rent Supplement program, a predecessor to Section 8. Most Rent Supplement contracts were converted to Section 8 in the 1970s. It was active from about 1966-1978 (1973 repeal allowed completion of pipeline projects).
- §236 with and without Rental Assistance Payments (RAP) This program reduces debt service on private, FHA-insured 40-year loans by providing Interest Reduction Payments (IRP) paid directly by HUD to the lender, covering the difference between debt service at 1% / 40 years and the actual debt service including the FHA mortgage insurance premium (often ~7.0% interest). Most projects also received rent subsidies for 20-100% of the units through the RAP program, another Section 8 predecessor and most RAP contracts were converted to Section 8 in the 1970s. Some Section 236 projects financed using non-FHA-insured tax-exempt bonds (e.g. through MassHousing) still have their original RAP contracts. Section 236 was active from about 1970-1978 (1973 repeal allowed completion of pipeline). HUD subsequently increased the number of units covered by Section 8 for many projects to enable them to continue affordability as energy and operating costs rose.
- Newer HUD-Assisted Projects and RHS projects The other 6,200+ units at risk are in projects developed with Section 8 project-based rent subsidies and/or low cost mortgages through the Rural Housing Service, as well as units developed under the Section 8 Moderate Rehabilitation programs, and defaulted older HUD projects now assisted with Section 8 contracts under the Property Disposition program. Almost all (6,100+) are affordable to extremely low income households, including over 2,200 units specifically reserved for extremely low income households, because they have project-based rental assistance.

- Most of these units (5,700) are affordable because the owners entered into 5-40 year Section 8 project based contracts with HUD for a specified number of units in their development. Owners agreed to rent these homes to Section 8-eligible households and HUD agreed to pay the difference between the tenant's rent (30% of income) and an agreed upon contract rent. The contracts on these units expire by December 31, 2010 and owners will have to decide whether to renew them. Many were originally financed under Section 8 New Construction/Substantial Rehabilitation (NC/SR) program, which was active from about 1976 to 1984. It created affordable units by providing 100% project based Section 8 contracts, generally for 20 years with FHA-insured mortgage loans. When tax-exempt bond financing (e.g. MassHousing) was used, the Section 8 contracts were for the term of the mortgage.
- Another 500 units are in projects that used low cost RHS mortgages under the Section 515 program that can now be prepaid (400 of these units have RHS rent subsidies). Section 515 provides direct loans from the Department of Agriculture's Rural Housing Service (formerly the Farmers Home Administration), some at market interest rates and some at below market rates (generally 1%). Early loans had a 50 year term; now they have a 30 year term but 50 year amortization. Most Massachusetts projects have RHS Rental Assistance (RA) contracts similar to Section 8. Some have Section 8 NC/SR contracts (usually for all units) and a few have MRVP contracts. Those 515 loans tend to be at market interest.

**Tenant Protections** Assistance for low-income tenants displaced by expired restrictions varies.

- Enhanced Vouchers If owners choose to prepay their HUD mortgages or terminate project based rental assistance contracts, displaced low-income tenants receive special Section 8 tenant-based vouchers called enhanced vouchers. They can use their voucher to continue to rent units in the development as long as the local housing authority finds the new rent reasonable (in line with rents for comparable units) or they can it to move elsewhere.
- *RHS Use Agreements* RHS usually requires developers who prepay to sign a use agreement that allows existing tenants to stay under the prior terms for as long as they wish.
- *Expiring Mortgages* In cases where properties lose affordability due to maturing mortgages, displaced low-income tenants do not receive replacement assistance.

### **State and Federal Preservation Programs**

The State allocates a portion of its annual federal low income housing tax credits to preservation activities (35% in 2008), though its definition of preservation extends beyond expiring use properties to include properties in need of capital improvements and the redevelopment/revitalization of public housing developments.

Several State capital (bond) programs are also authorized to fund preservation activities that specifically to target expiring use properties.

• <u>Capital Improvement and Preservation Fund (CIPF)</u> funding is exclusively for activities that preserve and improve existing private subsidized housing with expired or expiring use restrictions. The 2008 Bond Bill requires DHCD to identify and give preference to projects that are at the greatest risk of prepayment or non-renewal. Funded at \$4 million in FY2008,

DHCD estimated it would help preserve 282 units. More assistance may be available next year, however, as the 2008 Bond Bill authorized \$100 million for CIPF over the next five years.

- Housing Stabilization Fund (HSF): The 2008 Housing Bond bill specifically authorizes
  preservation of expiring use properties as one of many eligible activities under HSF and
  requires DHCD to establish risk assessment criteria in order to identify properties that should
  receive priority for funding
- Preservation is also one of many activities eligible for assistance through the Affordable Housing Trust Fund (AHTF) and Housing Innovations Fund (HIF) programs.

### Program Trends/Issues

Current efforts to preserve existing subsidized units at risk of loss due to expiring use restriction have been hampered by the lack of several critical tools and the lack of a coordinated, pro-active preservation strategy that responds to the interests of diverse constituencies, including current residents and owners, funders, advocates and would be for-profit and non-profit buyers. Preservation advocates recommend seven strategies to address these gaps:

- Fully identify the at-risk universe by expanding the current CEDAC database on expiring use properties
- Create a State Preservation Advisory Committee
- Create a Preservation Fund
- Enact Legislation to facilitate the purchase and preservation of expiring use properties
- Facilitate acquisition of properties by community-based nonprofits
- Implement new policies at MassHousing, and
- Investigate a Donation Tax Credit program

Current preservation efforts rely on a database maintained by CEDAC which tracks over 900 subsidized developments. There is widespread agreement that additional information is needed both to ensure all at-risk properties are included and to enable development of a risk-analysis tool and early warning system and that CEDAC should take the lead in this.

State preservation efforts would benefit from more coordinated policy development. Advocates have urged DHCD to create a preservation advisory committee to address financing, policy and programmatic issues and to address federal policy and legislature needs. The Committee should include public funders, owners, would-be purchasers, residents, advocates, municipal officials, intermediaries and foundations.

Entities trying to preserve expiring use properties often have little time to put together a preservation package. Advocates have recommended that Massachusetts create a dedicated funding source (Preservation Fund) to support these initiatives that is flexible and that can fill the gap between needs and what current state programs can fund. In addition, they note that there is a need for funding to help would-be community-based nonprofit in early discussions with owners of at-risk properties to conduct initial due diligence (value estimates, physical condition evaluations and feasibility analysis) in order to determine whether to pursue site control (CEDAC funding for pre-development costs requires site control).

Advocates are also working with MassHousing to identify strategies and policy changes that would enable preservation of numerous projects in its portfolio. They have also urged the State to explore creating a new program to encourage owners of existing projects to donate these to non-profit buyers in exchange for state low income housing tax credits (which could be sold) and a "donation" credit.

141 HIID project based rent subsidies

HUD project based rent subsidies were also used to finance the development of 1,537 state public housing units in the 1980s. The State floated bonds to finance the construction work, but the debt service was paid through the Section 8 project-based rental assistance contracts.

The descriptions of the HUD and RHS financing programs come from Appendix 3 of a background paper, "Pre-LIHTC Affordable Housing – Historical Context" prepared for the Millennial Housing Commission's Production and Preservation Task Forces in 2002. Available online at <a href="http://govinfo.library.unt.edu/mhc/papers/bpplah.doc">http://govinfo.library.unt.edu/mhc/papers/bpplah.doc</a>

# 9. Affordable Rental Housing Production and Preservation Programs

Preserving and expanding the supply of affordable <u>rental</u> housing is critical to addressing the housing problems of Massachusetts' poorest households, because most are renters. (See page 1 for definitions of various income brackets, including extremely low income, very low income and "80% of area median). The need is great.

According to the U.S. Census, more than 147,000 very low income renter households in Massachusetts *paid half or more of their income for housing* in 1999 – including almost 119,000 "extremely low income households" (up 6,000 from 1990). The figures are probably higher today. According to Census Bureau estimates, <sup>143</sup> the median gross rent in Massachusetts was \$933 in 2006, up 20.5% from 2001, while the median household income of Massachusetts renters fell to \$32,402 (down 1.5% from 2001) and the number of renter households (all income levels) paying 50% or more of their income for housing rose to 206,000 (24% of all renters), up from 160,000 in the 2000 Census.

Expanding the supply of affordable rental units is increasingly a challenge as state and federal funding for housing assistance has fallen over the decades. Affordable rental production in Greater Boston (147 cities and towns) has averaged 1,400 units a year recently (2002-2006). The number affordable to very low income households is even smaller, as a significant number of the units were produced using density bonuses only, meaning they may not affordable to households with incomes below 50% of area median income unless the household has a rent voucher. 144

DHCD has also had to balance the need for funding to create new affordable units with the need for funding to preserve currently subsidized units (both those at risk to conversion to market rate housing as their subsidy contracts expire and those in need of refinancing for capital upgrades).

Development has also become more complicated and time-consuming, as subsidy programs have changed from deep to shallow. While the federal Low Income Housing Tax Credit program, administered by DHCD, provides the deepest funding for affordable rental housing, even that program requires supplemental funding. Today, there are many programs available to help create and preserve affordable rental housing, including funding by state bonds, federal grants, state and federal tax credits, the sale of tax-exempt bonds by MassHousing and MassDevelopment, and bank contributions. However, most can only provide *partial* funding for a project, some have restricted uses, and most are structured to create units affordable to households with incomes at 50-80% of area median income.

Shallow subsidies complicate the development process, as developers must seek funding under multiple programs, especially if they want to include units affordable to "extremely low income" households, as encouraged by the State. This has led to a proliferation of "gap filler" funding programs. To try to ease the financing process somewhat, DHCD distributes most of the funding that it controls in twice a year funding competitions ("rental housing rounds") using a "One Stop" application. To create some extremely low income units, it has also been making about 200 Section 8 vouchers a year available to developers through this process.

## Funding Sources for Development and Preservation of Affordable Rental Housing

Rental housing funding controlled by the State falls into four categories:

- State Capital (Bond) funds
- Federal and State Low Income Tax Credits
- HUD Block Grants (HOME and CDBG)
- Tax-Exempt Bonds

# State Programs Available to Preserve/Create Affordable Rental Housing\* FY2006 - FY2008

	FY2006	FY2007	FY2008	Increase
	Funding	Funding	Funding	2007-2008
State Resources	(millions)	(millions)	(millions)	
Public Housing Modernization	52.3	56.0	90	34.0
Affordable Housing Trust Fund (AHTF)**	20.0	20.0	25.0	5.0
Housing Stabilization Fund (HSF)	14.8	16.0	20.0	4.0
Housing Innovations Fund (HIF)	11.0	12.3	10.0	-2.3
Commercial Area/Transit Nodes Housing	2	5	5	0
Capital Improvement & Preservation Fund	1.3	0	4	4.0
Facilities Consolidation Fund (FCF)	7.5	7	6	-1.0
Community Based Housing (CBH)	5	4	4	0
Total Capital	113.9	120.3	164	43.7
State Low Income Housing Tax Credit****	up to 20.0	up to 20.0	up to 20.0	
Federal Resources				
Low Income Housing Tax Credit <sup>145</sup>	119.0	124.8	128.7	3.9
CDBG (HDSP)	4.8	4.8	1.7	-3.1
HOME (DHCD awards)		13.4	13.9	0.5
MassHousing (tax exempt bonds)		125	170	45
MassDevelopment (tax-exempt bonds)		100	85	-15.0
Public Housing (tax-exempt bonds)		22.2	40	17.8
DHCD S8 Project Based Vouchers		****	****	0
Total Federal				49.1
Mandated Bank Programs				
Massachusetts Housing Partnership			80.0	
Federal Home Loan Bank AHP			5.0	

<sup>\*</sup>AHTF, HSF, HIF, AHP and the Transit Node program can be used for homeownership programs too

## State Capital Budget (Bond) Programs

State capital funding for housing was very low throughout the 1990s and early 2000s (see page 9). While it has increased with the change in administrations, most of the increase will be used to address the backlog of capital needs in state-aided public housing. Overall, \$146 million (51%) of the two-year total of \$284 million for FY2007 and FY2008 - including MassHousing funding for the Affordable Housing Trust- will be used for state-aided public housing. The remaining \$138 million is allocated to seven programs that essentially provide grants (deferred

<sup>\*\*</sup>The FY2008 AHTF allocation includes \$20 million from MassHousing Reserves.

<sup>\*\*\*</sup>HOME amount equal amount awarded prior federal fiscal year

<sup>\*\*\*\*</sup> The state and federal tax credit figures represents the 10-year value of each year's allocation

<sup>\*\*\*\*\*</sup>Amounts provided by MHP vary, depending on demand. The FY2008 estimate was provided by DHCD's 2008 Action plan. Amounts provided by AHP vary based on number of successful Massachusetts applicants among all applicants.

payment loans that are not repayable – unless cash flow permits<sup>146</sup> - as long as a project remains affordable) for the creation and preservation of affordable housing.

This capital funding is critical to the State's ability to create and preserve affordable rental housing in a wide variety of locations, especially given the stagnation in federal funding. It is generally used to supplement federal tax credits, block grants and elderly/disabled grant awards or locally-funded initiatives in order to make development feasible where it would not otherwise work due to federal or local funding constraints or federal limitations on allowed uses.

Capital Fund Tax Credit Funding for Private Housing Programs

	apitai i unu	Tax Credit runding 10	1 1 11vate 11ousii	ig i rograms		
	Upper Income				FY2008	Estimated FY2008
	Limit (%	Income Targeting		Per Project	Budget	Activity
	of AMI)	(2008 Bond Bill)	Per Unit Cap	Cap	(millions)	(units)
Affordable Housing Trust	110%		\$50,000*	\$1 million*	\$10.55	804
Housing Stabilization Fund (HSF)	80%	25% of funding must assist households <30% AMI.	\$50-65,000	\$750,000	\$20.0	852
Housing Innovations Fund (HIF)	80%	At least 50% of units must be affordable (at least 25%@30% AMI)	-	\$500,000*	\$10.0	500
Capital Improvement and Preservation (CIPF)	80%		\$40-50,000	\$1.25-2 million	\$4.0	228
Commercial Area/ Transit Node	80%		\$50,000	\$750,000	\$5.0	160
Community Based Housing			same as LIHTC	\$750,000	\$4.0	30
Facilities Consolidation			~\$170,000 per bedroom		\$6.0	125
Total Capital					\$59.55	not additive
Federal Low Income Housing Tax Credit (LIHTC)			\$75-175,000	\$1 million*	128.9**	
State LIHTC	50-60%	Minimum 20% at 50% or 40% at 60%	depending on unit, project size and type	(equivalent to \$8-10M)	\$20**	1,400

<sup>\*</sup>higher caps allowed in some circumstances \*\*total value over 10 years

The seven capital programs were authorized under various housing bond bills enacted over the years, most recently in 2002, 2004, 2005 and 2008. The 2008 Bond Bill – summarized on page 143 – also added three of the programs (HIF, HSF,CIPF) to the state's General Laws.

• Affordable Housing Trust Fund (AHTF) AHTF is the most flexible of the state bond programs, making it a valuable resource for both production and preservation. It was established in July 2000, when the Legislature passed a law authorizing the creation of a \$100 million Affordable Housing Trust Fund to be funded by dedicated income tax revenues (\$20 million a year) from the General Fund for five years. This approach was supposed to provide a predictable funding source that would not require annual appropriations. However, in FY2003 the allocation was cut to \$12.5 million. For FY2004, the Legislature voted to use bond funds to capitalize the Trust over a five-year period (FY2004-FY2008), authorizing \$70 million for this purpose. It authorized \$100 million more in 2005 and \$220 million in the 2008 Housing Bond bill. MassHousing also committed \$20 million to the Trust in 2008.

AHTF can be used to produce and preserve rental *and* ownership units for households with incomes of up to 110% of area median income and to provide down-payment assistance. It is

usually used in combination with other state and federal funds. AHTF-assisted units must remain affordable for at least 30 years. The program is administered by DHCD and managed by MassHousing, with guidance from a 15-member advisory committee of local officials, housing advocates, lenders and developers.

Through early 2008, Trust Fund awards totaling \$145 million have been approved for 224 developments with 8,977 units (7,388 affordable). 150

• Housing Stabilization and Investment Fund (HSF) HSF was created in 1993 and most recently reauthorized (\$200 million) in the 2008 Housing Bond Bill. HSF can fund both rental and ownership activities. Eligible rental activities include acquisition (including acquisition of foreclosed properties), energy audits, rehabilitation, production, preservation of expiring use properties, demolition of vacant/abandoned building, and loans to nonprofit receivers. (HSF funds also support homeownership activities, including the Soft Second loan program.) Assistance can be in the form of loan, grant, mortgage insurance or other credit enhancement. HSF-assisted developments can be part of a broader neighborhood revitalization plan. HSF offers grants and loans of up to \$50,000 per unit in HOME entitlement communities and up to \$65,000 per unit in non-entitlement communities, with a maximum grant per project of \$750,000.

The 2008 bond bill requires DHCD to try use at least 25% of the funds for projects that preserve and produce housing for extremely low income households. It also makes HSF part of the Massachusetts General Laws, establishing it as an expendable trust and codifying/expanding on earlier Bond Bill language. HSF-assisted rental units must be affordable to households at or below 80% of median income for 40 years, and then to households at or below 100% of area median income for the remaining useful life of the property.

• Housing Innovations Fund (HIF) The HIF program was created in 1987 and was most recently reauthorized (\$75 million) in the 2008 housing bond bill. It was created to support the development or preservation of innovative or alternative forms of housing, such as Single Room Occupancy (SRO) housing, transitional housing for the homeless, employer assisted housing, lease-to-own housing, battered women's shelters and special needs housing. Projects that provide transitional and permanent housing for homeless households receive priority for funding. HIF funds can also be used to help finance the purchase of expiring use properties by residents or nonprofits. At least 25% of the total project units must be affordable to extremely low income households (incomes at or below 30% of area median) and overall at least 50% of the units in HIF-assisted project must be affordable to households with incomes at or below 80% of area median income.

HIF is only available to nonprofit borrowers and provides deferred payment loans for up to 50% of project costs (80% for battered women's shelters). In general, loans do not have to be repaid as long as the project remains affordable. HIF is a critical gap filler--supplementing other sources to make a project feasible, and is often used with HUD Section 202 grants for elderly housing in high cost areas.

• Commercial Area/Transit Node Housing Development Program (CATNHP) The CATNHP program was first authorized through the 2002 Housing Bond Bill. It provides deferred

payment loans to developers and municipalities to support the development of housing in commercial areas and areas served by public transit, including units above commercial uses. At least 51% of the units in an assisted project must be affordable to households with incomes at or below 80% of area median income for at least 30 years. Under DHCD's current guidelines, sites must be within ¼ mile of an existing or planned transit station. The maximum grant is \$50,000 a unit or \$750,000 per project.

- Capital Improvement and Preservation Fund (CIPF) This program was authorized as part of the 1998 Housing Bond Bill, reauthorized in the 2002 bond bill and most recently reauthorized at \$100 million in the 2008 Bond Bill. It provides loans and grants to for-profit and nonprofit entities to preserve state and federally assisted private housing threatened with the loss of affordability due to mortgage prepayment or other causes. It gives a preference to purchases by housing authorities and nonprofits. At least 50% of the project units must remain affordable to households at or below 80% of area median income for at least 40 years. Since 1999, CIPF funds have helped preserve over 2,600 units at an average subsidy of less than \$12,000 per unit. The program did not operate for several years after the Romney Administration stopped making funds available in early 2005, arguing that the State should focus on programs that expand the housing supply. It re-opened in 2007 with the change in administrations. The program provides up to \$40,000 per unit for large projects (26 units or more) and up to \$50,000 for smaller projects. The maximum project award is \$2 million (\$1.25 million for small projects). Assistance is provided in the form of a 40-year, 0% interest deferred payment loan.
- Facilities Consolidation Fund (FCF) This program begun in 1994 and reauthorized in the 2004 Disabilities Housing Bond Bill, provides deferred payment loans to nonprofit organizations for up to 50% of the cost of developing community based housing for DMH and DMR clients. The facilities may be leased back to the state under long term contracts. Legislation included in the 2002 Housing Bond Bill made technical changes to the FCF statute to remove barriers to use. It was reauthorized in the 2008 Bond Bill (\$40 million).
- Community Based Housing (CBH) This program, first authorized in August 2004 under the Disabilities Housing Bond bill and re-authorized in the 2008 Housing Bond Bill (\$30 million), helps fund the development of community based housing for persons with disabilities, including the elderly, who are living in institutions or at risk of being institutionalized but who are not eligible for units developed under the Facilities Consolidation Program. CBH funding is frequently used to fund a set aside of units within a larger development. The maximum grant per project is \$750,000, with the same per unit cost limits as DHCD uses for the federal low income housing tax credit program (see below).

## Federal and State Tax Credits for Rental Housing

• Federal Low Income Housing Tax Credit Program (LIHTC) The federal Low Income Housing Tax Credit program (LIHTC) is the largest single funding source for affordable rental housing in Massachusetts. It was created in 1986 to replace most of HUD's older rental housing development programs which largely ended in 1983. It offers a far deeper

subsidy than state capital programs, but the demand for credits far exceeds the volume of credits available for allocation.

The program allocates federal tax credits available to developers who create, rehabilitate or preserve rental housing. The developers sell the credits to investors who want to reduce their tax bill and the proceeds from the sale of the credits provide equity for the project. This reduces project debt - and thus debt service - and lowers the rents needed to cover costs. There are two types of credits, often referred to as 9% and 4% credits.

- Nine percent (9%) credits are designed to attract equity equal to 70% of qualified project costs (excluding land). The amount available for projects each year is limited by law. States receive annual allocations of 9% tax credit authority based on population. From 1986 through 2000, allocations were frozen at \$1.25 per capita. Congress raised the per capita amount to \$1.50 in 2001 and \$1.75 in 2002, with indexing for inflation thereafter. Massachusetts will receive a \$12.9 million allocation in 2008 (\$2.00 per capita).
  - Since each annual allocation provides credits at that level for ten years, the 2008 allocation of \$12.9 million represents a total of \$128.7 million in credits. The amount of equity these credits raise depends on market conditions. Nationally, the amount raised per dollar of credit rose steadily through 2005, rising from about \$0.80 for each dollar of credit in 1999 to \$1.07 in 2005, but prices have fallen back into the low 80s recently due to turmoil in the capital markets, leaving many projects with funding gaps.
- Four percent (4%) credits are available for projects financed with tax-exempt bonds (e.g. by MassHousing or MassDevelopment). These are easier to obtain because there is no cap on the volume of 4% credits. They are designed to generate equity investments equal to 30% of qualified project costs.

States are responsible for distributing their credit allocation to individual projects. In Massachusetts, this responsibility has been delegated to DHCD and it distributes credits through two competitive funding rounds a year. Developers receive tax credits for a specific number of affordable units.

<u>Income Limits</u> By law, at least 20% of the units in a tax credit project must be affordable to households with incomes at or below 50% of area median income (or at least 40% must be affordable at 60% of area median income) for at least 30 years. In reality, most projects using 9% credits have much higher percentages of "tax credit" units (often up to 100%) and most use the 60% of area median income threshold. Many provide more than 30 years of affordability and most nonprofit developers provide affordability in perpetuity. Except in areas with low development costs, most tax credit projects require additional subsidies as well, such as HOME funds, to make projects feasible.

Qualified Allocation Plan and Project Selection It is up to each State to decide how it will allocate its limited supply of 9% credits each year, as well as how it will award 4% credits. States must publish an annual Qualified Allocation Plan (QAP)<sup>152</sup> that details funding priorities and hold a public hearing to accept comments before finalizing it. DHCD can carry forward credits not allocated in one year to the next and also pre-commit to award credits in the coming year when not enough credits are available under the current year's allocation.

<u>Recent Activity</u> In 2008, DHCD plans to allocate about 65% of its \$12.9 million allocation to projects that create new affordable units and 35% to the preservation of existing affordable units. About \$2.0 million is reserved to support the demolition and redevelopment of a 366-unit public housing development (Franklin Hill) in Boston. Overall, it estimates that state and federal tax credits will be used to preserve and create 1,400 units in FY2008.

• State Low Income Housing Tax Credits The Legislature created the state Low Income Housing Tax Credit program in 1999 to supplement the federal program, since the demand for federal credits far exceeds the amount allocated to the state. The program was reauthorized in 2004 for five years (2005-2009) and then made permanent in the 2008 Housing Bond Bill. Prior to the 2008 legislation, DHCD was authorized to award up to \$4 million for new projects each year; because credits are taken annually for 5 years, the annual authorization supported new equity investments of \$20 million a year (\$4 million times 5 years). The 2008 Housing Bond Bill raised the annual authorized credit level to \$10 million, raising the amount each new annual allocation can support to \$50 million.

State credits are limited to developments receiving federal low income housing tax credits and placed in service on or after January 1, 2001 and must remain affordable for at least 45 years. Developers apply for state credit allocations when they apply for federal tax credits and state credits are allocated using the same criteria as for federal. DHCD awards state credits in lieu of part of the federal credit the project would otherwise receive and thus expands the total credit allocation available. State credit awards are based on the applicant's ability to use them (i.e. investors have sufficient state tax liability to make state credits usable). In its first seven years, it was used to help develop over 2,300 affordable units.

## Federal (HUD) Grants for Rental Housing

• *HOME* HUD's HOME program provides annual housing block grants on a formula basis to "participating jurisdictions" (states, large cities, and consortia of smaller communities). Funds can be used for four activities: tenant-based rent subsidies, rental housing production and rehabilitation, first-time homebuyer programs, and homeowner rehabilitation assistance. The participating jurisdictions (PJs) choose the activities they will fund; these choices are supposed to address high priority local needs. By law, PJs must award at least 15% of their funds each year to housing projects owned, sponsored or developed by area nonprofit housing agencies – often local community development corporations (CDCs) in Massachusetts – that meet HUD's definition of a community based housing organization (CHDO). PJs are also allowed to use up to 5% more of their allocation to provide general operating assistance to their local CHDO(s).

The federal fiscal year 2008 formula grant to Massachusetts totaled \$43.2 million, including almost \$30 million allocated directly to individual cities and towns and \$13.45 million awarded directly to DHCD. In 2008, DHCD plans to allocate about two-thirds (\$9.1 million) of its HOME grant to support the development and rehabilitation of about 232 units of multi-family rental housing, <sup>153</sup> providing a maximum of \$65,000 per HOME unit for projects in non-entitlement, non-consortia cities and towns, and up to \$50,000 per HOME unit for projects in entitlement/consortia communities. The funding is awarded competitively as part of DHCD's annual twice a year rental housing funding rounds.

• Community Development Block Grant Funds (CDBG) HUD's CDBG program provides annual block grants to states and large cities; recipients choose the activities they will fund among eligible uses (housing, community development, and public services). States redistribute their CDBG funds to communities that do not receive direct allocations from HUD. DHCD distributes its grant based on applications from eligible communities. DHCD received a total formula grant of \$33.5 million in federal fiscal year 2007, which it will distribute during state fiscal year FY2008.

In 2008, DHCD has reserved \$10.5 million of its CDBG grant for housing activities, but plans to distribute most of that (\$8.8 million) through its Community Development Fund (CDF) program, an annual application process under which localities request funds for the housing activities in which they are most interested (often homeowner rehabilitation loan programs). Localities can also apply to for grants to create or preserve affordable rental units under CDF. At least 51% of the households benefiting from CDBG-fund housing activities must have incomes at or below 80% of area median income.

DHCD plans to allocate \$1.7 million to its *Housing Development Support Program* (HDSP) in 2008, down from the \$4.8 million a year allocated to HDSP in 2006 and 2007. HDSP supports small housing development and preservation projects (usually up to 7-10 units) through grants of up to \$125,000 a unit. In line with sustainable development goals, new construction projects are limited to downtown or village center locations. In recent years, it has funded a number of adaptive re-use projects, including converting upper-story space in downtowns to housing.

# Tax-Exempt Private Activity Bonds (MassHousing and MassDevelopment)

The federal government subsidizes affordable multifamily rental housing and first-time homebuyer mortgages by exempting from federal taxation the interest earned on bonds issued for a "private activity" that serves a public purpose (e.g. other eligible private activities include student loans and industrial development). Because the tax exemption makes the interest income more valuable than the interest on taxable bonds, purchasers are willing to accept lower interest rates and the savings are passed on to the borrowers.

States receives an annual allocation of new authority to issue such bonds each year equal to their population times a federally-set per capita amount. States decide how much they will allocate to various eligible activities, after holding a public hearing to solicit requests and input. The Executive Office of Administration and Finance oversees this process in Massachusetts. In 2008, the State allocated half of its new authority to multifamily rental housing. States have three years to spend each new allocation, as they can roll over unspent amounts for two years.

Massachusetts Tax-Exempt Bond Allocations 2007-2008

Calendar Year	2007	2008
New Allocation	547.16	528.23
Rollover	4.01	37.16
Total Available	551.17	585.39
Rental Housing		
MassDevelopment Multi-Family Housing Loans	100.00	85.00
MassDevelopment Multi-Family Housing Loans	125.00	170.00
Public Housing	22.16	40.00
Total Rental Housing	247.16	295.00
First-Time Homebuyer Mortgages	50.00	100.00
Total Housing	297.16	395.0

Subsidized Student Loans		154.01	90.4
Economic Development (Mass Development)		100.00	100.0
	Total	551.17	1275.4

MassHousing and MassDevelopment use proceeds from the sale of these long-term tax-exempt bonds to finance construction and permanent mortgage financing at slightly below market rates to develop or preserve affordable multifamily rental housing, including assisted living developments. The interest savings, combined with long amortization terms (up to 40 years) reduce debt service costs. Tax-exempt financing for multifamily rental housing also offers two other important advantages – it can be used with other federal funding, such as HOME, and projects can receive "4%" federal low income housing tax credits on a non-competitive basis.

Affordability requirements Federal law requires that at least 20% of the units in a rental project financed with tax-exempt bonds be affordable to households with incomes at or below 50% of median (or, alternatively, that at least 40% must be affordable to households with incomes at or below 60% of median) for at least 15 years (or until the bonds are retired if longer). If a project also uses 4% tax credits, it must be affordable for at least 30 years. DHCD projects that these programs will finance the production of about 2,600 housing units in 2008 (20-40% affordable) as well as the preservation of projects with a total of several hundred units.

## Other Quasi-Public Programs

MassHousing, the Massachusetts Housing Partnership Fund and the Federal Home Loan Bank also have other programs to subsidize the development of affordable rental housing.

- *MassHousing Expanding Rental Affordability (ERA) Program* MassHousing also offers 30- or 40-year multifamily mortgages funded with taxable bond proceeds to developers of projects where at least 20% of the units are affordable to households with incomes at or below 80% of area median income (at least 25% of the units must be affordable for a project using a comprehensive permit). The income limit for the affordable units is higher because the program is designed to work without additional subsidies such as HOME or tax credits. Units must remain affordable for at least 15 years or until the bonds are retired if longer.
- MassHousing Priority Development Fund (currently inactive) In January 2004, MassHousing announced it would make \$97 million of its revenues (from management improvements, fee income, investments and future mortgage payments) available over the next 3-5 years to provide supplemental funding for three types of projects using MassHousing mortgage loan products. It also provided another \$3 million for grants to municipalities to develop affordable housing plans and strategies, including zoning changes, consistent with the State's Sustainable Development Principles and smart growth guidelines. As of 2008, all funding had been fully committed.
- *Massachusetts Housing Partnership (MHP) Fund Programs* The Massachusetts Housing Partnership Fund was created in 1985 to fund State efforts to help communities redevelop urban sites and create local housing partnerships to support affordable housing efforts. It was initially capitalized with a one-time \$35 million set aside of state funds (from bank excise taxes) and operated within DHCD.

MHP was spun off as a quasi-public agency in 1990 with the passage of a state law requiring that companies that acquire Massachusetts banks make funds available to MHP at below market rates for loans for affordable multifamily rental housing. In some cases, banks agree to provide some of the money as a grant, rather than a long-term interest write down because grants enable MHP to offer deeper subsidies. Transactions such as the 2004 acquisition of Fleet by Bank of America are subject to the statute. The State provides funds to maintain a capital balance equal to 4% of outstanding debt. As of June 30, 2007, MHP's loan pool exceeded \$1.2 billion. Since 1990, it has provided over \$541 million in long-term financing for more than 14,000 rental units<sup>155</sup> under several programs:

- MHP Permanent and Permanent Plus Programs offer long-term below-market-rate loans to private nonprofit and for-profit owners and developers to create, rehabilitate or refinance multifamily rental housing (5+ units) and SROs. At least 20% of the units must be affordable at 50% of area median or at least 40% must be affordable at 60% of area median income or at least 50% must be affordable at 80% of area median income. Loans have a 20-year term, though amortization schedules may be set at 30 years. Additional subsidies are available in the form of low or 0% interest deferred payment loans (up to \$60,000 per unit for for-profit borrowers and \$75,000 per unit for nonprofits) for projects that do not use other subsidy programs. DHCD estimates these programs will assist in the preservation and production of 800-1,000 affordable units.
- Home Funders Program MHP has joined with CEDAC and a number of private foundations to offer financing for projects that create units for extremely low income (ELI) families. The Home Funders program combines conventional MHP first mortgage financing with a low-interest (2%) loan of up to \$50,000 per unit for each unit reserved for families earning 0-30% of area median income. For projects using only MHP and local subsidies, payments on the 2% loan can be interest-only and, if needed for feasibility, projects can also receive a no-interest deferred payment loan of up to \$60,000 per ELI unit (\$75,000 for nonprofit developers). To qualify, at least half the project units must have two or more bedrooms and at least 20% of the project units must be for ELI households (up to half of the ELI units may be subsidized with project-based Section 8 vouchers as well). DHCD estimates about 150 ELI units will be assisted in FY2008.
- <u>Technical Assistance</u> MHP also provides technical assistance to communities trying to create affordable housing, as well as assistance reviewing comprehensive permit proposals (funded by developer fees), and operates the Soft Second loan program for first-time homebuyers.
- Federal Home Loan Bank of Boston Programs The Federal Home Loan Bank system is a government-sponsored entity created in 1932 to provide local member banks with capital for residential lending (essentially a bank for banks). There are 12 Federal Home Loan Banks serving various regions of the nation. The Federal Home Loan Bank of Boston serves banks in New England. Federal law requires that every Federal Home Loan Bank use some of its income to make funds available at discounted rates for affordable housing programs that serve households with incomes at or below 50% or 80% of area median income and "community-oriented" projects that serve slightly higher income groups. 156

Affordable Housing Program (AHP) Since 1989, every Federal Home Loan Bank has been

required by law to spend 10% of its annual net income on a program of grants and loans for affordable ownership programs and rental projects, including transitional housing, called the Affordable Housing Program The Federal Home Loan Bank of Boston's AHP program currently provides awards of up to \$800,000 per project (up to \$400,000 in grants and up to \$400,000 in interest subsidies on loans from member banks). Federal regulations require that at least 20% of the units serve households with incomes at or below 50% of area median income, but most AHP projects have much higher percentages of affordable units. Funds are awarded competitively twice a year. AHP usually serves as gap-filler funding. In 2007, the program awarded \$5.3 million in grants and loans for 13 Massachusetts production and preservation projects with 449 rental units.

New England Fund The Federal Home Loan Bank of Boston (FHLBB)'s New England Fund (NEF) program offers slightly below market rate funding for housing developments that benefit households with incomes of up to 140% of the HUD area median income. NEF is a popular financing source for developers building mixed-income rental housing using the comprehensive permit process. When used with a comprehensive permit, at least 25% of the units must be affordable to households with incomes at or below 80% of area median income for at least 30 years and projects must meet state marketing, monitoring and other guidelines.

<sup>&</sup>lt;sup>143</sup> American Community Survey data 2001 through 2006, U.S. Census Bureau

<sup>&</sup>lt;sup>144</sup> The Greater Boston Housing Report Card 2006-2007, page 33 and page 58

The federal tax credit amount is shown at 10 times the annual new allocations (\$11.9 million in FY'05) because each year's new allocation supports 10 years of credits. State credits have a 5-year life (every new \$1 annually is worth \$5 in credits).

Most of the deferred payment loan programs require owners/sponsors to pay any excess cash flow above 105% of project costs plus reserve payments.

The 2002 Housing Bond bill authorized \$508.5 million for housing and infrastructure programs, including \$350 million for public housing, \$50 million for the Housing Stabilization Fund program, \$35 million for HIF, \$35 million for the Capital Improvement and Preservation Fund (CIPF) program and \$5 million for Housing at Transit Nodes. The 2004 housing bond bill authorized \$200 million in spending, including \$50 million for the Housing Innovations Fund (HIF), \$100 million for the Facilities Consolidation Fund (FCF), \$25 million for the development of new community based housing (also referred to as Olmstead Community Housing) for people with disabilities who are not eligible for FCF units. A 2005 bill authorized an additional \$200 million for the Affordable Housing Trust (\$100 million) and the Housing Stabilization Fund (\$100 million).

<sup>148</sup> The Housing Innovations Fund is now Chapter 121E of the Massachusetts General Laws, HSF is Chapter 121F and CIPF is Chapter 121G.

Section 227 of Chapter 159 of the Acts of 2000 (see Massachusetts General Laws, Chapter 121D)

<sup>150</sup> DHCD, FY2008 Action Plan, page xiv

Prior to the passage of the 2002 Housing Bond bill, FCF funds could not be used for more than 30% of development costs.

The current Qualified Allocation Plan is posted on DHCD's website at <a href="http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Housing+Development&L2=Affordable+Home+Owner-ship+Development&sid=Ehed&b=terminalcontent&f=dhcd">http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Housing+Development&L2=Affordable+Home+Owner-ship+Development&sid=Ehed&b=terminalcontent&f=dhcd</a> hd lihtc qap&csid=Ehed

See DHCD's CDBG/HOME/HOPWA/ESG 2008 Action Plan, page 7. <a href="http://www.mass.gov/Ehed/docs/dhcd/cd/planpolicy/action/2008actionplanfinal.pdf">http://www.mass.gov/Ehed/docs/dhcd/cd/planpolicy/action/2008actionplanfinal.pdf</a>

<sup>154</sup> The three types of projects MHFA announced it would support through its \$97 million allocation to PDF included \$63 million for mixed-income housing (at least 50% market rate), \$12 million for largely low-income developments, especially nonprofit projects, and \$22 million for mixed income housing around transit nodes (mixed-use and ownership projects are also be eligible for funding under this category).

Massachusetts Housing Partnership 2007 Annual Report, page 2 http://www.mhp.net/uploads/resources/low\_res\_mhp\_2006\_ar.pdf

<sup>&</sup>lt;sup>156</sup> Federal Home Loan Banks are required to offer two programs that provide below market rate funding for

community-oriented mortgage lending – one for projects that benefit households with incomes up to 115% of AMI, and one for projects that benefit households with income of up to 140% of AMI.

# 10. Homeownership Programs and Foreclosure Prevention/Assistance

High housing prices in Massachusetts have long made it difficult for many low-, moderate- and middle- income households to purchase their first homes. The problem worsened between 2000 and 2006 when the statewide median value of a single family home rose 99% (from (\$193,000 to \$370,400), while median household incomes overall rose by only 20% (non-inflation adjusted) and renter median household income roses by only 4% (from \$31,140 to \$32,402). 158

Despite recent declines, prices are still beyond the reach of many first-time homebuyers. The median statewide price in 2007 for a single family home was \$310,000 and for a condominium \$268,000.<sup>159</sup> While these figures are down 10% and 3.7% respectively from 2005, they are more than 50% above still median prices in 2000 (\$200,000 for a single family home <sup>160</sup> and about \$149,900 for a condominium) and well above the prices the State estimates households with incomes near 80% of median can afford (\$178,900 for a two-bedroom unit in Greater Boston and \$206,700 for a three bedroom unit). In addition, not all areas have experienced big price drops.

The run-up in housing prices in many formerly affordable communities has led increasing numbers of first-time homebuyers to move far beyond traditional commuting ranges. In addition, many 2-4 family homes that once provided rental income to help first-time buyers afford a purchase have been converted to condominiums. The number of cities and towns in Greater Boston where a first time homebuyer household earning 80% of area median can afford to purchase the median-priced home fell from 116 in 1998 to zero in 2005 to six in early 2007. <sup>161</sup>

The rise in housing prices has also played a role in the increased numbers of homeowners paying a high percentage of their income for housing. The Census Bureau estimates that 582,000 homeowners (all income levels) paid 30% or more of their income for housing in 2006, up from 350,000 in 1999. Within this group, over 223,000 (14% of all owners) paid 50% or more of their income for housing, up from 130,000 in 1999.

Given that homeownership is crucial to the ability of low and moderate income households to build assets, the State has a number of programs to help low and moderate income renters become homeowners. These programs take use several approaches:

- Grants and loans to developers who create affordable units
- Regulatory flexibility under a state zoning law
- incentive payments and planning grants to localities
- allocating part of the state's tax-exempt bond cap to MassHousing to finance mortgages for first time homebuyers and supporting programs and policies that improve access to mortgage financing (homebuyer counseling, flexible lending criteria, downpayment and closing cost assistance, interest subsidies and rehab loans).

## **Development Subsidy Programs**

• *DHCD Project-Based Homebuyer Assistance* DHCD has traditionally used portions of its bond funds and annual federal HOME block grant and state bond bill funds - including the Housing Stabilization Fund (HSF) program and the Affordable Housing Trust Fund – to make

grants to support the development of affordable ownership units for first-time homeowners with incomes at or below 80% of median.

Eligible applicants include nonprofit and for-profit developers and municipalities creating affordable single family homes (1-4 units) through construction or rehabilitation. The grants (up to \$65,000/unit) cover the difference between total development costs and affordable sale prices. Funding is usually awarded through an annual competition grant process.

Buyers must be owner-occupants and are subject to affordability restrictions ranging from 15-50 years depending on the funding source (e.g. 15 years for HOME, 50 when units are funded with HSF). If owners choose to sell before the use restriction period is up, they may have to repay some of the subsidy if the next buyer is not low income. If subsidy funds are used for the rental units in such properties, rental units must be reserved for and affordable to households with incomes at or below 60% of median.

In FY2007, DHCD allocated \$9.85 million for this activity, including \$5 million in HOME and HSF funds, \$2.5 million in Affordable Housing Trust Fund monies, \$1 million from the Commercial Area Transit Node Housing Program and about \$1 million in Green Affordable Housing Initiative funds. In FY2008, DHCD Action Plan allocated about \$2.5 million of its \$13.6 million in FY2008 HOME grants and other resources to support the development of about 50 affordable ownership units.

## Regulatory Flexibility

Private projects built with little or no public financial assistance currently account for most new affordable homeownership development. Many are built using comprehensive permits under Chapter 40B, while others are built under local inclusionary zoning ordinances. Some received direct or indirect local subsidies (e.g. density bonuses or town-donated land).

• *DHCD Local Initiative Program (LIP)* LIP is a DHCD technical assistance program created in 1990 so that locally-supported affordable housing initiatives that are developed without direct state or federal subsidies count toward a community's 10% affordable housing goal under Chapter 40B and can use comprehensive permits. (see page 116).

Under LIP, affordable units must be restricted to buyers with incomes no higher than 80% of area median (projects can establish lower limits) and to ensure a large enough pool of applicants, units initially must be priced to be affordable to households with incomes at 70% of area median. Localities can reserve up to 70% of the affordable units for local residents and set their own definition of resident (can include people who work in the community, relatives of current residents, etc.). New construction projects must remain affordable for at least 30 years (many localities require affordability in perpetuity).

• Federal Home Loan Bank of Boston New England Fund (NEF) The New England Fund (NEF) programs offers slightly below market financing for the development of affordable homeownership projects, as well as for rental developments. It is a popular funding source for mixed income ownership projects built with comprehensive permits. Because these projects do not use other subsidies, they rely on the combined effect of density bonuses and relatively high market prices to pay for the affordable units. NEF ownership projects built

with comprehensive permits must follow DHCD guidelines (see page 119). At least 25% of the units must be affordable to households with incomes at or below 80% of median.

• MassHousing Housing Starts The Housing Starts program, begun in 2001, offers construction financing for ownership projects being developed using comprehensive permits (the funding source is MassHousing's Working Capital Fund). At least 25% of the units must be affordable at 80% of median for at least 30 years. As under the LIP program, prices on the affordable units must be priced at 70% of median. In addition, projects must usually meet program density limits (the greater of 8 acres per unit or four times the surrounding density). MassHousing also offers 30-year fixed-rate mortgages to the buyers of the affordable units. To date, the program has financed three developments with 487 units, of which 123 units are affordable. Housing Starts staff also issue site approval letters for projects seeking comprehensive permits using NEF.

### Mortgage and Downpayment Assistance Programs

• *MassHousing First Time Homebuyer Mortgages* MassHousing offers several mortgage products for homebuyers.

Its largest program (Mass Advantage) is financed by the sale of tax-exempt bonds, the proceeds of which are used to purchase mortgages made by local lenders to first time homebuyers at slightly below market interest rates. The program offers flexible underwriting criteria and while generally requiring a 3% downpayment also offers a no-downpayment option. Borrowers must meet income and home purchase price limits set by federal law. They must generally have incomes at or below 100% of the state or area median income if a small household or 115% if a larger households (3 or more persons), though higher limits apply in some cities including Boston, Cambridge Chelsea, Everett, Lynn and Somerville. Homes also must fall within certain price limits (current 2008 limits are \$418,000-\$428,000 for a 1-unit home in Greater Boston, with higher limits for 2-4 family properties).

MassHousing also uses taxable bonds to finance mortgage programs for slightly higher income households (135% of median) *without* the first-time homebuyer requirement.

In FY2007, it provided \$415 million to help 2,119 households purchase homes <sup>164</sup> and estimates it will lend \$350 million in FY2008 to assist over 1,900 households <sup>165</sup> (It lent \$284 million to 1,700 households from July 2007-February 2008.) <sup>166</sup>

• *DHCD/MHP Soft Second Program* The Massachusetts Housing Partnership (MHP) Soft Second program helps first-time homebuyers with a low downpayment to increase their buying power. The program combines a conventional fixed-rate 30 year first mortgage (up to 77% of value) with a subsidized second mortgage (always the larger of 20% of value or \$20,000). Buyers must make a 3% downpayment (half can be a gift). Because the first mortgage is less than 80% of value, borrowers avoid the cost of private mortgage insurance (saving an estimated \$125-250/month). No points are charged on the conventional mortgage. The second mortgage has fixed payments for the first 10 years (interest only). Amortization payments start in year 11 and are fixed over the next 20 years. In addition, borrowers with incomes at or below 80% of area median may be eligible for subsidy payment from MHP that covers up to 75% of the interest-only payment on the second mortgage.

Borrowers must complete a homebuyer education course and cannot have an income above 80% or 100% of area median depending on the community (\$66,150 or \$85,800 for a household of four in Middlesex County), depending on the community and their assets cannot exceed \$75,000. Maximum purchase prices vary depending on local housing costs.

The program can be used in any community that has lined up a funding source for the interest subsidy. Possible sources include HUD or DHCD Community Development Block Grant funds or an allocation from the Federal Home Loan Bank of Boston. Soft Second mortgages are available in more than 250 communities through more than 40 banks. Participating lenders usually give a small interest rate discount. DHCD, local governments, and the Federal Home Loan Bank of Boston contribute funds that provide loan loss reserves, closing cost assistance and interest subsidies for borrowers.

The program has assisted over 10,000 borrowers since 1991 in over 225 cities and towns (about one third of the loans have been made in Boston) and has proven effective at reaching traditionally underserved borrowers. Borrowers who received loans between 2004 and 2006 had a median household income of \$45,000 and 50% were minority households. In recent years, the program has assisted 800-900 borrowers a year and DHCD and MHP expect to use about \$6.9 million in state housing bond funds under the Housing Stabilization Fund (HSF) program to support soft second loans to an estimated 1,100 borrowers in 2008.

- DHCD/HOME Downpayment and Closing Cost Assistance DHCD uses a portion of its annual federal HOME block grant for a purchaser assistance program that provides downpayment and closing cost assistance (up to \$10,000) to first-time homebuyers with incomes at or below 80% of area median. The funds are distributed to buyers through programs operated by CDCs, nonprofits, or county agencies. Buyers are subject to purchase price limits, generally set annually by county, at 95% of the median area house value. DHCD plans to use about \$650,000 of its federal FY2008 HOME funds for this purpose to assist about 80 households.
- Federal Home Loan Bank of Boston Affordable Housing Program (AHP) As discussed on page 80, the Federal Home Loan Bank's Affordable Housing Program (AHP) offers grants and loans for the development of affordable housing. AHP regulations allow the regional Banks to set aside up to 35% of their AHP funding for homeownership (25%) and first-time homebuyer programs (10%). The Federal Home Loan Bank of Boston currently reserves 15% of its AHP allocation for these purposes (\$1.5 million for New England in 2005). This set-aside, called the Equity Builder Program, provides grants to local banks for downpayment, closing cost, homebuyer counseling (including grants to local nonprofits) and rehabilitation assistance for households with incomes up to 80% of area median. Participating banks also offer buyers mortgage concessions, such as lower interest rates, and fee and point waivers or reductions. Funds are awarded through one competitive funding round a year.

#### FORECLOSURE PREVENTION AND MITIGATION

The rise in mortgage delinquencies and foreclosures that began in 2006 has created a need for programs to help both at-risk and displaced owners and renters and to help cities and towns with neighborhoods that have been particularly hard hit by foreclosures. Over 7,600 residential properties were foreclosed upon in Massachusetts in 2007, the highest since 1993 and a November 2007 study estimated that 37,000 loans would begin the foreclosure process in 2008 (including over 10,000 prime loans), absent new interventions. Foreclosure petitions were filed against over 9,000 properties in January through March 2008 alone, up 37.6% from a year earlier.

**Table 1: Number of Foreclosures by Year** (Residential Properties only) 172

(Presidential Properties only)						
Year	Foreclosures					
1990	1,641					
1991	5,432					
1992	9,101					
1993	8,044					
1994	6,990					
1995	4,617					
1996	4,156					
1997	3,780					
1998	2,712					
1999	2,003					
2000	1,431					
2001	1,060					
2002	940					
2003	572					
2004	615					
2005	873					
2006	2,731					
2007	7,653					

Foreclosures displace significant numbers of former owners and renters (a recent study estimated that at least 45% of the 23,000 units in 13,000+ properties Massachusetts nearing the end of the foreclosure process as of March 2008 were renter-occupied).

Foreclosures also hurt municipalities, particularly those with high rates, reducing property tax revenues, and jeopardizing the stability of entire neighborhoods where concentrations of vacant-lender owned properties raise the risk of crime and vandalism, lower home values and can lead to more vacancies. A recent Boston Globe report found that while 95 cities and towns in Massachusetts had no foreclosures in the first 3 months of 2008, twenty larger communities – mostly "second tier cities"- had foreclosure rates (properties foreclosed per 100 residential properties) ranging from 1.2% to 4% (Lawrence). In addition to trying to manage the crime and vandalism risks that come with vacant properties, these municipalities have an interest in encouraging re-occupancy of these properties.

**Background** There are two major reasons for the recent growth in foreclosures: the decline in housing prices since 2005 and the growth in subprime and non-traditional loans in recent years.

• *Declining home prices* Studies show home equity is the biggest predictor of the likelihood of foreclosure. When housing prices were rising, owners who ran into trouble could sell their property and clear their debt. Owners with little or no equity have less incentive to try to hold

onto their property, especially when economic shocks such as a job loss or divorce make it difficult or impossible to stay current on their payments. Owners with low-downpayment purchase loans or high loan-to-value refinances are particularly vulnerable to declines in home prices.

• Rise in subprime and non-traditional lending The rise in subprime and non-traditional (e.g. interest only) lending as a percentage of mortgage originations, especially after 2003, also played a key role in recent rise in foreclosures. These loans, frequently as refinances of prime loans, have accounted for about half of foreclosures in Massachusetts. Most were underwritten without regard for the borrower's ability to repay the loan (including about 40% that were underwritten without full income or other documentation), required low or no downpayment, and started out with higher interest rates and fees than prime loans. In addition, two-thirds were adjustable rate with re-sets after 2 or 3 years that could increase monthly payments by 25-30% or more. However, studies have found that most of the adjustable mortgages have become delinquent prior to a rate reset because "these loans were simply unaffordable from the outset."

Predatory lending practices also played a role in the rise of subprime lending. While these mortgages tended to serve borrowers with weaker credit scores, studies indicate that up to 70% of borrowers had credit score that would have qualified them for conventional financing (though perhaps for smaller loans)<sup>175</sup> and that many were steered to higher-cost products by originators who received higher compensation and that minority borrowers were more likely to be steered than non-minority borrowers.

**Recent Responses** The State, local governments and industry groups have responded to the foreclosure crisis in a number of ways in the past year.

- New state legislation to reform lending practices and help owners and tenants A new state law (Chapter 206 of the Acts of 2007) enacted in November 2007 is one of the most far-reaching state responses to foreclosures in the country. It addressed a number of foreclosure issues:
  - To help owners of 1-4 unit properties, it slowed down the foreclosure process starting May 1, 2008 by requiring mortgage holders filing a foreclosure petition on or after that date to give borrowers a 90 day "notice to cure" to work out solutions before foreclosure can begin and provides contact information for the lender/servicer, MassHousing and the Division of Banks. (Until then, the notice period was 30 days and did not require lenders to advise borrowers of their cure options). It also limits the fees that can be charged for curing a default.
  - To help current and future owners, it provided funds for new foreclosure prevention and homebuyer counseling programs.
  - To help renters, it modestly increased protections by requiring that renters with leases be treated as tenants at will upon foreclosure and continuing tenancy agreements for those with rents subsidized under state or federal law.
  - To protect future borrowers, it established new licensing requirements for mortgage brokers and lenders and requires borrowers to receive third-party counseling before they can take out a subprime adjustable rate mortgage.
  - o To increase originator/lender accountability and provide better information on foreclosure activity, it also required the state Division of Banks to establish a new public database to track foreclosure activity by originator, lenders, mortgage holders and servicers statewide.

- To ensure continued credit availability, it also imposes community reinvestment requirements on mortgage companies that make 50 or more home mortgage loans a year; requiring the state to rate their performance in meeting the needs of low and moderate income borrowers, and to consider these ratings when reviewing license renewal or other applications.
- <u>Attorney General Regulations</u> New state restrictions on lending practices, promulgated by the Attorney General, went into effect on January 2, 2008. They require lenders to ensure borrowers have a reasonable ability to repay loans, limit the use of "stated income" loans, ban the steering of borrowers to products that cost more than products for which they qualify, and prohibit mortgage brokers from arranging or processing loans that are not in the borrower's interest.
- Expanded outreach and housing counseling Options for borrowers who have fallen behind vary depending on their current mortgage terms, income, whether they have equity in their homes and lender willingness to consider a loan modification. Workouts are more likely to succeed if a borrower seeks help early, when the arrearage is low or before there is an arrearage. While lenders have begun contacting borrowers once delinquencies reach 60 days, studies indicate that 50-70% of borrowers do not contact their lender in advance of foreclosure, though response rates are somewhat better if a nonprofit housing counseling agency conducts the outreach.

Both the federal government and the State have increased funding for nonprofit housing counseling agencies to help with foreclosure counseling. In addition, as authorized under Chapter 206, the State awarded \$2 million in grants in April 2008 to support 11 regional foreclosure education centers 176 to help at-risk owners as well as those who have already lost their homes and to support over 20 nonprofit foreclosure prevention and first-time homebuyer counseling programs, including programs to counsel would-be subprime borrowers.

• Programs to monitor foreclosed properties and encourage responsible disposition The State recently established a \$20 million Neighborhood Stabilization Loan Fund to help non-profits and for-profits buy and rehabilitate foreclosed properties, either to resell to homebuyers or to operate as affordable rental housing. The program is targeted to cities with high numbers of foreclosures, including Boston, Chelsea, Lawrence, Springfield, Worcester, New Bedford and Brockton but applicants from other areas experiencing high levels of foreclosures can apply. Funding includes \$17 million from the Massachusetts Housing Investment Corporation and the Massachusetts Housing Partnership and \$3 million from the Boston Foundation and the Hyams Foundation. It is backed by \$1 million from the Affordable Housing Trust Fund to serve as a loan loss reserve and to provide up to \$60,000 per unit for rehabilitation, plus \$500,000 from Living Cities to help MHIC to facilitate sales.

In addition, a number of Massachusetts cities have begun programs to monitor foreclosed properties and to encourage lender-owners to take steps to get these properties resold to responsible owners and re-occupied as quickly as possible. Some have used their federal block grant funds to negotiate purchases. In many cases, however, lenders may be unwilling to write down the mortgage debt or may be located in another state and unresponsive.

- <sup>157</sup> Massachusetts Realtors Association (www.marealtor.com)
- <sup>158</sup> ACS 2000 Supplementary Data and ACS 2006 Detailed Tables.
- Data on recent prices and trends from Banker and Tradesman, "State's Home Prices, Sales Down Sharply", January 28, 2008, page 1 and "Condo Sales Hit Four-Year Low; Prices Also Fall", January 28, 2008, page 14
- Aglaia Pikounis, "Home Prices Ease, Sales Slow in 2005", Banker and Tradesman, Boston, MA, February 6, 2006.
- Bonnie Heudorfer, Barry Bluestone et al, <u>The Greater Boston Housing Report Card 2006-2007</u>, prepared by the Center for Urban and Regional Policy (CURP) of Northeastern University, prepared for The Boston Foundation and Citizens Housing and Planning Association, Boston, MA, October 2007, page 48. Available online at <a href="http://www.chapa.org/pdf/HousingReportCard20062.pdf">http://www.chapa.org/pdf/HousingReportCard20062.pdf</a>
- Buyers in these cities as well as several others do not have to be first-time homebuyers.
- <sup>163</sup> Income and purchase price limits by community are available online at <a href="www.masshousing.com">www.masshousing.com</a>
- <sup>164</sup> MassHousing Update, September 2007, page 1.
- DHCD, "Massachusetts 2008 Action Plan for CDBG, HOME, HOPWA and ESG", February 2008, pages 23 and 31.
- <sup>166</sup> MassHousing Update, February 2008, page 2.
- A detailed explanation of the Soft Second program and how the subsidy phases out is available on the Massachusetts Housing Partnership website at <a href="http://www.mhp.net/homeownership/homebuyer/soft\_second\_works.php">http://www.mhp.net/homeownership/homebuyer/soft\_second\_works.php</a>
- Jim Campen, "Expanding Homeownership Opportunity II: The Soft Second Loan Program 1991-2006", Mauricio Gaston Institute for Latino Community Development and Public Policy, University of Massachusetts Boston, September 2007, executive summary. Available online at http://www.masscommunityandbanking.org/PDFs/SSP\_report\_2007.pdf
- <sup>169</sup> Jim Campen, September 2007, page 3 (see Table 1).
- <sup>170</sup> DHCD, "Massachusetts 2008 Action Plan for CDBG, HOME, HOPWA and ESG", February 2008, page 23.
- 171 Global Insight, "U.S. Metro Economies The Mortgage Crisis: Economic and Fiscal Implications for Metro Areas", prepared for the U.S. Conference of Mayors, November 2007, Table A1. http://www.usmayors.org/metroeconomies/1107/report.pdf
- <sup>172</sup> 2007 data from the Warren Group as reported in the Boston Globe (with editor's update); Data through 2006 from Kristopher Gerardi, Adam Hale Shapiro and Paul S. Willen, "Subprime Outcomes: Risky Mortgages, Homeownership Experiences, and Foreclosures", Federal Reserve Bank of Boston Working Paper 07-15, December 3, 2007, page 49. <a href="http://www.bos.frb.org/economic/wp/wp2007/wp0715.pdf">http://www.bos.frb.org/economic/wp/wp2007/wp0715.pdf</a>
- 173 Randall S. Kroszner, "The Challenges Facing Subprime Mortgage Borrowers", Remarks to the Consumer Bankers Association 2007 Fair Lending Conference, November 5, 2007, page 3. See <a href="http://www.federalreserve.gov/newsevents/speech/kroszner20071105a.htm">http://www.federalreserve.gov/newsevents/speech/kroszner20071105a.htm</a>
- "Madigan and State Foreclosure Prevention Working Group Release Report on Mortgage Activities", Illinois Attorney General's Office, February 29, 2008. <a href="http://www.illinoisattorneygeneral.gov/pressroom/2008-02/20080208.html">http://www.mass.gov/Cago/docs/press/2008-02-07 foreclosure report attachment1.pdf</a>
- Christopher L. Foote, Kristopher Gerardi, Lorenz Goette and Paul S. Willen, "Subprime Facts: What (We Think) We know about the Subprime Crisis and What We Don't", Federal Reserve Bank of Boston, Public Policy Discussion Paper 08-02 (May 31, 2008), page 4. http://www.bos.frb.org/economic/ppdp/2008/ppdp0802.pdf
- Contact information for the regional foreclosure education centers is available at <a href="http://www.bos.frb.org/news/press/2008/pr060508centers.pdf">http://www.bos.frb.org/news/press/2008/pr060508centers.pdf</a>

# 11. Housing for Elders

State and federal housing programs for the elderly have traditionally focused on providing affordable housing. As life expectancies have risen (the average 65 year old man today can expect to live to 83 and the average woman to 85)<sup>177</sup>, however, there is a growing recognition of the need for accessible or adaptive housing and access to supportive services as well as strategies to help the many homeowners who wish to age in place. These needs are expected to grow, given the aging of the state's population and the growth in the number of residents over age 75.

### **Housing Affordability Needs**

According to a special HUD analysis of Census data<sup>178</sup>, over 373,000 elderly households (age sixty-two or above) in Massachusetts met the definition of low or moderate income (incomes at or below 80% of median) in 1999, representing 65 % of all elderly one and two-person households in the state.

Of those low and moderate income elderly households, nearly 172,000 had housing affordability problems in 1999 (with housing costs consuming over 30% of their income), including 78,500 who had what HUD calls "worst case needs" (having incomes at or below 50% of area median income *and* paying more than half their income for housing). The worst case needs group included about 37,800 renters and 40,700 homeowners and represented 20% of all elderly renters and 11% of all elderly homeowners in Massachusetts.

				Housing Cost as % of Income		
Income Bracket	Renters	Owners	Total	>50%	30.1-50%	0-30%
0-30% AMI	91,270	58,344	149,614	59,155	37,350	53,109
30.1-50% AMI	44,339	71,753	116,092	19,343	30,889	65,860
50.1-80% AMI	26,219	81,258	107,477	8,074	17,118	82,285
Total low and moderate income	161,828	211,355	373,183	86,572	85,357	201,254
Income above 80% AMI	28,910	170,349	199,259	3,709	14,382	181,169
Total elderly households	190,738	381,704	572,442	90,281	99,739	382,423
Worse case needs	37,839	40,659	78,498			
% of total elderly households	20%	11%	14%			

Elderly 1+2 person Households (1999) Affordability Problems by Income Bracket

The HUD analysis also indicates that about 48,000 (28%) of the state's 172,000 low and moderate income households with housing affordability problems also reported self-care or mobility limitations (defined by HUD as "a long-lasting condition that substantially limits one or more basic physical activity, such as walking, climbing stairs, reaching, lifting, or carrying and/or a physical, mental, or emotional condition lasting more than 6 months that creates difficulty with dressing, bathing, or getting around inside the home").

#### **Current Housing Programs for the Elderly**

Most State and Federal subsidy programs to help elderly households (above age 60 or 62) with housing affordability problems focus on providing affordable *rental* housing. While new programs have developed in recent years to provide affordable rental and ownership units for

households with a household head or spouse aged 55 or above, this chapter examines programs specifically serving persons aged 60 or above. Massachusetts has approximately 80,000 affordable rental housing units for elderly households (defined at 60+ or 62+ depending on the subsidy program). In addition, 10,800 elderly households have Section 8 tenant-based rent vouchers they can use to rent private housing, including units in subsidized private developments. Public housing is the largest single source of assisted housing for low-income elderly renters, currently housing about 40,000 elderly households.

Estimate of Affordable Housing Resources for the Elderly - January 2008 179

· ·		
	Affordable	Est. Number
	Units*	of Projects
State Public Housing c667	27,900	585
Federal Public Housing	12,000	162
HUD Section 202 Housing	9,700	162
Rural Housing Service (RHS) elderly units	1,500	43
Other Older HUD/MassHousing Developments	26,000	265
Newer State and Federally Assisted Housing (1986-2007)	2,800	74
Total Units	79,900	1291
Section 8 Tenant-based assistance	10,200	0

<sup>\*</sup>Rounded to the nearest 100

### State Public Housing

The State's Chapter 667 program funds the development and modernization of public housing for elderly and disabled households, though few new units have been added in the past decade. At the start of 2007, there were 32,251 units of Chapter 667 housing. Of these, about 27,900 units (86.5% of units in each housing authority's portfolio) are reserved for elderly households (age 60+) with incomes below 80% of median. Rents are set at 25% of net income if rent does not include heat and at 30% of net income if it does include heat. Operating costs are funded primarily by tenant rent payments; if rent receipts fall below a state-determined per-unit level, the housing authority will receive an operating subsidy to cover the gap. Modernization and new development is funded through the State's capital budget using bond bill funds. Most of the developments are 20-40 years old.

DHCD has collaborated with the Executive Office of Elder Affairs (EOEA) to fund supportive housing services for about 4,900 of these Chapter 667 units, including 700 congregate housing units specifically designed for elders who need supportive services. About 4,200 residents receive more extensive services through DHCD's "Supportive Senior Housing Initiative." This program creates "an assisted living like environment" for the elderly and persons with disabilities. EOEA funds service costs, including 24 hour on site personal care, case management and a daily meal. <sup>180</sup>

Residents who are eligible for the Massachusetts Home Care Program (based on their frailty and income) receive all or some of the services at no additional cost (depending on income, there may be a monthly co-payment). Residents who do not qualify can purchase services with charges on a sliding scale. The program started in 1999 at 3 elderly developments and currently operates at 31 developments with about 4,200 units in 27 communities including Amesbury, Arlington, Billerica, Boston, Cambridge, Chelsea, Chicopee, Dartmouth, Fitchburg, Framingham, Gardner, Gloucester, Greenfield, Lynn, Melrose, Methuen, Needham, New

Bedford, Peabody, Pittsfield, Quincy, Revere, Salem, Saugus, Somerville, Watertown and Westfield.

## Federal Public Housing

Massachusetts' federal public housing inventory includes just over 15,000 units in 162 projects for the elderly (age 62+) and non-elderly disabled households in 57 cities and towns. Some projects are elderly-only, while others serve both populations. HUD data indicates 12,000 elderly renter households currently live in these projects. HUD funding also supports resident service coordinators for some of the elderly developments. The income limit for admission to federal public housing units is 80% of area median income and rents are set at 30% of income. Federal law requires that 40% of new openings be reserved for extremely low income households (incomes at or below 30% of median).

### Section 202 Housing

This HUD program began in 1959 to help non-profit organizations develop housing for low and moderate income elderly and disabled households. Congress split the program in two in 1990, creating a new program specifically to create housing for people with disabilities (Section 811). Section 202 projects funded after 1992 are limited to frail elders (those in need of assistance with activities of daily living) and must include supportive services. It also changed the way it provided funding for development costs from loans to grants. From 1959 to 1991, HUD made direct loans to sponsors, generally at market interest rates. In the early years, it sometime provided rent subsidies for some or all units under the Rent Supplement program, a predecessor to project-based Section 8. From 1974-1991, all new projects received 100% project based Section 8 contracts.

Today, HUD provides grants to nonprofit sponsors on a competitive basis to develop rental housing for very low-income elderly households and maintain it as such for at least 40 years. Admission is generally limited to households with incomes below 50% of median, though some pre-1992 projects include units for households with incomes of up to 80% of median. Some pre-1992 developments receive funding for service coordinators as well. There are currently about 161 Section 202 developments with units for about 9,700 elderly households. Most of these units also have Section 8 project-based rent subsidies. 184

Growth of Section 202 housing has slowed in recent years, as Congress has largely level funded the program this decade. In addition, HUD's grants per unit have not kept pace with inflation; most projects also require supplemental funding from state and local resources (the State's Housing Innovations Fund program has been an important funding source for this purpose in recent years). In the past five years (FY2003-FY2007), Massachusetts has received grants for about 140 new units a year (about four projects).

#### Rural Housing Service Section 515 Housing

The Rural Housing Service (RHS) division of the U.S. Department of Agriculture also funds the development of affordable rental housing in rural and exurban areas through its Section 515 mortgage program. The program provides low-interest long term direct loans to non-profit and for-profit developers who agreed to keep units affordable for at least 20 years. In Massachusetts,

the bulk of the units are in elderly-only developments. Most projects have some form of project-based rental assistance (Section 8 or RHS rent subsidies; a few have state-funded rental assistance under the MRVP program). Massachusetts has 43 RHS developments for the elderly in Massachusetts with 1,481 affordable units.

The RHS-assisted inventory has actually declined in recent years. Only 3 new elderly projects (97 units) have been built since 1996, due to severe budget cuts, while 10 owners have exercised their right to prepay their mortgage and end RHS affordability requirements. Most of the prepaid projects have remained affordable because owners have continued to renew their rent subsidy contracts. Income limits are slightly higher than under HUD programs for units (80% of median plus \$5000) without rental assistance.

### Other State and Federally Assisted Private Housing

In addition to housing built under the Section 202 and RHS Section 515 programs, Massachusetts has about 26,000 units of affordable rental housing for the elderly in 265 older private, federally assisted housing developments built between the mid-1960s and early 1980s under HUD interest subsidy programs (Section 236 and 221d3) or the Section 8 project-based rent subsidy program, often with MassHousing mortgages.

The continued affordability of over 6,100 of these elderly affordable units is at-risk between now and the end of 2010 because the affordability requirements imposed by their subsidized mortgages are ending or can be lifted by prepaying the mortgage and/or because Section 8 rent subsidy contracts will expire between now and 2010, and some owners may decide not to renew their contracts. The 6,100+ at-risk units include over 4,700 covered by Section 8 rent subsidy contracts. The 6,100+ at-risk units include over 4,700 covered by Section 8 rent subsidy contracts.

#### Newer State and Federally Assisted Private Housing

A review of the State's Subsidized Housing Inventory (SHI) indicates that approximately 74 developments with about 2,800 affordable units for the elderly have been developed since 1986, in addition to about 7,800 units added through the Section 202 and RHS Section 515 programs and public housing programs. Most (80%) have been developed using the federal Low Income Housing Tax Credit program, including 4% tax credits. About half of the affordable units (1,535) and projects (39) are assisted living residences.

• Affordable Assisted Living Residences Several subsidy programs have been used in the past decade to create assisted living developments with an affordable component. MassHousing and MassDevelopment both offer tax-exempt financing and low income housing tax credits to developers who reserve at least 20% of the units in a project for very low income households (incomes at or below 50% of median). These agencies have funded over 20 assisted living residences since 2000 with about 650 units reserved for low income elders. DHCD's Low Income Housing Tax Credit program has also supported the development of at least 14 more with about 700 affordable units and at least four cities and towns have used local resources or zoning incentives to create additional affordable units.

Assisted Living residences have two cost components: housing and services, with total costs averaging \$3,200 a month for a one-bedroom unit 188, including service costs averaging about

\$1,000 a month (more for memory-impaired residents). The MassHousing and MassDevelopment programs subsidize the housing cost component and the State (EOHHS) uses the Medicaid-funded Group Adult Foster Care (GAFC) to subsidize the personal care and health services component for residents who meet Medicaid health and income standards. Other subsidies to help with the cost of assisted living are also available through the State's Medicaid program as described below.

## **Program Trends/Issues**

- Limited New Production of Housing for Very Low Income Elders: Production of affordable rental housing has fallen under several key programs in the past decade. Public housing development has virtually ended and new awards for federal Section 202 housing have fallen to 140 units a year, down from 250 a year in the mid-1990s, with further cuts proposed for the FY2009 federal budget. While suburban communities increasingly support the creation of agerestricted housing (limited to households age 55 and above), the affordable units are frequently targeted to households with incomes at 70-80% of median. Nevertheless, outside of large cities, the waiting time for elderly public housing tend to be relatively short, especially for those who qualify for resident preferences. Currently (February 2008), there are just under 2,500 elderly households on DHCD's statewide Section 8 waiting list, representing 4% of the total list. 190
- Need to Upgrade State Public Housing for Elderly Most of the State's Chapter 667 developments were built between 1960 and 1985. DHCD reports that some of the older developments are now experiencing high vacancy rates because units sizes are small (sometimes 400 square or less), designs are outmoded and accessibility is limited. They compare poorly in some communities to other affordable options (federal public housing or Section 202). DHCD lacks the funds to address the redesign needs.
- Aging Population and Need for Support Services: The elderly population in subsidized housing is becoming older and more frail, creating a growing need to provide support services to these tenants so they can remain independent as long as possible and avoid going into a nursing home.

Congress has also authorized a program to improve the provision of support services and accessibility in Section 202 housing. Under federal legislation enacted in 2000 and revised in 2002, nonprofit sponsors can now refinance their old mortgages to take advantage of lower interest rates. HUD uses some of the savings to reduce its rent subsidy costs but allows borrowers to retain some to increase funding for supportive services and finance capital improvements. After refinancing, they continue to operate like 202 projects under use agreements with HUD until the date when their original 202 mortgage would have ended and they retain their rental assistance contracts. Over two dozen Massachusetts developments have refinanced their Section 202 mortgages to date, many through a special MassHousing program. <sup>191</sup>

• Assisted Living: Assisted Living provides an important alternative to nursing homes for elders who do not need intensive medical help, but who need high levels of support services, such as meal preparation, assistance with taking medication, and homemaking services. There are approximately 10,800 assisted living units in Massachusetts, but with the cost of an unsubsidized one-bedroom unit in Massachusetts averaging \$3,200 a month, relatively few are

affordable to low and moderate income elders. As noted above, several State programs are beginning to partially address this gap. Several communities have used inclusionary zoning or special permits to ensure that a percentage of units in conventionally financed facilities are affordable. The Executive Office of Elder Affairs (EOEA) maintains website that lists assisted living facilities that accept or plan to accept Group Adult Foster Care (GAFC). A special SSI program (SSI-G) is also available to subsidize rent costs in some certified assisted living facilities. EOEA has an online consumer guide to assisted living that describes these programs in more detail. 192

HUD also has begun two small programs to create assisted living units in existing elderly developments. It has an "Assisted Living Conversion Program", begun in 2001, to fund the brick and mortar costs of converting a few older HUD 202 and other HUD elderly subsidized housing projects (Section 8, Section 236 and Section 221d3) to assisted living facilities and create new developments. Owners arrange for other funding, such as GAFC, to cover service costs. To date, Massachusetts received funding to convert or create 290 units at 6 developments. Congress has also provided funds for an initiative to provide assisted living in federal public housing and at least two local housing authorities (Fall River and Fitchburg) are in the process of converting projects to assisted living.

96

Massachusetts Department of Public Health, "Massachusetts Deaths 2005", March 2007, page 30. <a href="http://www.mass.gov/Eeohhs2/docs/dph/research\_epi/death\_report\_05.pdf">http://www.mass.gov/Eeohhs2/docs/dph/research\_epi/death\_report\_05.pdf</a>

The special HUD analysis of Census data is called "Consolidated Housing Affordability Strategy" (CHAS) data and is available on HUD's website at <a href="http://socds.huduser.org/chas/statetable.odb">http://socds.huduser.org/chas/statetable.odb</a>.

This estimate assumes that 27,897 (86.5%) of the State's 32,251 state-funded public housing units for the elderly and disabled (c.667) January 2007 are occupied by elderly households. The federal public housing estimate is based on HUD's February 29, 2008 Resident Characteristics Report (RCR) for Massachusetts, which reported that elderly (62+) households represented 11,996 of the 29,173 households in Massachusetts public housing on whom it had demographic data. Since the 29,173 figure is significantly lower than the 33,558 total number of federal public housing units reported as under contract (in Massachusetts (including vacant units and units under construction or re-construction), the 11,996 may understate the true total. The HUD data is available online through a query system at https://pic.hud.gov/pic/RCRPublic/rcrstate.asp

See EOEA budget line 9110-1604 – Supportive Senior Housing Program. This line also funds services to residents of Chapter 667 Congregate Housing.

Mary F. Harahan, Alisha Sanders, and Robyn Stone, "Inventory of Affordable Housing Plus Services Initiatives for Low and Modest-Income Seniors", U.S. Department of Health and Human Services, Institute for the Future of Aging Services, American Association of Homes and Services for the Aging, August 2006 <a href="http://aspe.hhs.gov/daltcp/reports/2006/ahpsinv.htm">http://aspe.hhs.gov/daltcp/reports/2006/ahpsinv.htm</a>

Housing authorities are allowed to designate studio and one-bedroom public housing units, including entire projects with such units, as "elderly only" housing but only if they have a separate HUD-approved PHA Allocation Plan requesting the designation. These plans are available online on a HUD <u>look-up</u> site.

This figure includes projects which were initially developed using HUD 202 financing but have refinanced through MassHousing or other lenders but have retained their original affordability requirements through a long-term use agreement.

HUD Section 8 Project Based Contracts database as of 1/12/2005. This count excludes 202 developments exclusively for persons with disabilities.

<sup>&</sup>lt;sup>185</sup> In addition, RHS development owners must agree to allow current tenants to stay at affordable rents for 20 years.

CEDAC Report on Massachusetts Developments with Subsidized Mortgages or HUD Project-Based Rental Assistance, September 28 2004. Available online at <a href="https://www.chapa.org">www.chapa.org</a>. Count adjusted to exclude Section 202 and 811 projects.

See the <u>February 2008 Expiring Use Database</u> published by the Community Economic Development Assistance Corporation (CEDAC) for listing of at-risk projects by community.

Massachusetts Assisted Living Facilities Association website

<sup>&</sup>lt;sup>189</sup> Massachusetts Executive Office of Elder Affairs <u>website</u>,

<sup>&</sup>lt;sup>190</sup> DHCD Draft Streamlined Annual PHA Plan for FY2008, February 27, 2008, page 13.

<sup>&</sup>lt;sup>191</sup> Massachusetts 2005-2009 Draft Consolidated Plan, February 2005, DHCD, page 69.

<sup>192</sup> The Massachusetts Assisted Living Facilities Association website also includes information on eligibility requirements for both GAFC and SSI-G.

# 12. Housing for People with Disabilities

A number of state and federal programs fund housing assistance for people with varied types of disabilities. Some address the need for accessible or adaptable units for people with physical disabilities; others assist people with disabilities in need of support services.

Elderly persons with disabilities often receive assistance through housing programs specifically for the elderly (see Chapter 11), while assistance for non-elderly individuals is more diffuse. For this reason, much of this chapter focuses on the needs of non-elderly persons with disabilities. Overall, people with disabilities face long waits for housing assistance, especially the non-elderly.

#### Overview

For many years, the primary sources of affordable housing for people with disabilities were institutions (including state hospitals and nursing homes) and subsidized developments, including public housing, specifically for elderly and disabled households. In the past 20 years, however, new programs have emerged "to serve more people with a wider range of disabilities and to provide more integrated housing options." This change reflects the extension of fair housing and civil rights law to people with disabilities (and litigation to enforce these rights) and major reductions in state hospital beds.

# **Definition of Disability**<sup>194</sup>

There is no single definition of disability. Definitions vary both in terms of who is protected under civil rights and fair housing laws and eligibility for state and federal housing programs. The lack of a single definition also complicates efforts to quantify the incidence of disabilities. <sup>195</sup>

<u>Civil Rights Definition</u> The Americans with Disabilities Act (ADA) definition is "a person having a physical or mental impairment which substantially limits a major life activity." (Major life activities include but are not limited to self-care, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working). Covered impairments include but are not limited to orthopedic, visual, speech and hearing impairments, cerebral palsy, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, certain learning disabilities, HIV, tuberculosis and alcoholism.

Persons who use alcohol or illegal drugs are not protected when their current alcohol or illegal drug use violates housing program eligibility rules, present a direct threat to the health or safety of others, or would result in substantial property damage. Persons in recovery from addiction, however, are covered both by ADA and two other major federal laws described below (Section 504 and the federal Fair Housing Act Amendments of 1988).

Housing Definitions Many government housing programs for persons with disabilities use a more restrictive definition, generally limiting eligibility to people with a *physical*, *mental or emotional impairment expected to be of long, continued and indefinite duration that substantially impedes the individual's ability to live independently and could be improved by more suitable housing conditions.* Some are limited to specific types of disabilities (this is only allowed if

there are support services specific to the disability attached to the unit). HUD and the State have also created special programs for people who may not qualify for mainstream housing programs (public housing, Section 8, etc.), including programs for the homeless created for people with serious mental illness and chronic problems with alcohol and/or drugs.

## Number of Non-Elderly Disabled (Ages 21-64) with Housing Affordability Problems

In 2006, over half (424,000) of the estimated 827,000 <u>individuals</u> in Massachusetts with a disability was between the ages of 21 and 64, making up 11% of all Massachusetts residents in that age range. Over half of these 424,000 individuals (58%) reported a physical disability, 27% (114,000) had incomes below the federal poverty level. and 21% (90,000) received Supplemental Security Income (SSI), the federal income support program for persons with significant and long-term disabilities.

In 2000, HUD estimated that about 65,300 low and moderate income non-elderly disabled households in Massachusetts had housing affordability problems (paid over 30% of their income for housing and/or lived in overcrowded or substandard housing). Over 34,000 of these households, including 28,100 renter and 6,500 owners, were extremely low income. However, the HUD estimate used a narrow definition of disability (*having mobility and/or self-care limitations*) and there is general agreement that the estimate is too low, due to Census procedures that undercount the incidence of disabilities. <sup>197</sup>

Prevalence of Disability in Massachusetts – 2006 Disability Status Report<sup>198</sup>

		Individua	ls with Any	Disability	
Age	5-15	16-20	21-64	65+	All
Disability Type					
Any Disability	55,000	38,000	424,000	310,000	827,000
Sensory	6,000	6,000	87,000	128,000	227,000
Physical	8,000	7,000	246,000	228,000	488,000
Cognitive or Psychiatric	49,000	27,000	159,000	83,000	317,000
Self-Care	6,000	4,000	72,000	79,000	161,000
Go-Outside-Home	-	9,000	108,000	90,000	252,000
Employment	-	15,000	254,000	-	269,000

HUD Estimate of the Incidence of Housing Affordability Problems in 2000 Non-Elderly (under age 62) Households with Self-Help and/or Mobility Limitations

				% of all Non-Elderly Disab Households		
	Renters	Owners	Total	Renters	Owners	Total
Total Households	93,385	115,120	208,505			
LMI Households (incomes<80% AMI)	71,600	34,495	106,095			
LMI Households with Housing Problems	43,815	21,499	65,313	47%	19%	31%
Extremely Low Income (0-30% AMI)	28,096	6,495	34,591	30%	6%	17%
Very Low Income (30.1-50% AMI)	10,881	6,324	17,205	12%	5%	8%
Moderate Income (50.1-80% AMI)	4,838	8,680	13,518	5%	8%	6%
Non LMI w/housing problems	2,919	11,610	14,529	3%	10%	7%
Total	46,734	33,109	79,842	50%	29%	38%

These concerns led HUD to recently raise its 2005 national estimate of the number of non-elderly disabled *renter* households with "worst case" housing needs by 28%. However, studies suggest HUD should have raised its estimate by more than 100% instead. DCHD waiting list data also indicates significant demand for housing assistance. As of February 2008, there were 17,914 disabled households (primarily non-elderly) on DHCD's waiting list for Section 8 assistance representing 31% of all households on the list. 201

Persons with disabilities who receive SSI but no housing assistance are particularly likely to have serious affordability problems because of their low incomes (DHCD estimated in 2006 that persons with disabilities receiving SSI had incomes averaging 18% of the area median income). Their affordability problems have gotten worse in recent years because federal benefit levels have not kept pace with rents. While the average fair market rent for a modest one-bedroom apartment rose 55% between 1998 and 2006, the maximum federal SSI benefit rose by 22% (32% for a couple). Even with State supplemental payments, the current maximum benefit for a non-elderly individual living alone is \$752 a month, far below the poverty level and going rents.

## HOUSING RIGHTS, NEEDS AND RESOURCES

The following pages describe resources for persons with certain types of disabilities (e.g. physical, cognitive, psychiatric, HIV/AIDS, and substance and alcohol addictions). However, it should be noted that there is overlap among persons with various types of disability (e.g. a person with a cognitive disability may also have physical disabilities).

**Legal Rights** Federal laws (and to a lesser extent, state laws) have played a key role in shaping the availability of and access to housing by people with disabilities. As they have evolved, the definitions of disability and accessibility have also changed.<sup>204</sup> Major federal milestones include the following.

- 1968 The *Architectural Barriers Act of 1968* was the first law to require that residential structures constructed on behalf of the federal government be accessible.
- 1977 *Section 504* of the Rehabilitation Act of 1973, implemented in 1977, made it illegal for programs that receive federal funds (including states, localities and housing authorities) to exclude people with handicaps from participation in their programs or discriminate against them (i.e. provide unequal benefits). It applies to all <u>federally funded</u> housing programs (public housing, Section 8, HOME, CDBG, etc) and covers all facets of operation (outreach, admissions procedures and policies, etc.). It established accessible design and construction requirements<sup>205</sup> and a key legal concept:
  - Reasonable accommodations Programs must make "reasonable accommodations" to ensure the participation of otherwise qualified disabled individuals and provide programs or services in the most integrated setting possible. Persons with disabilities have the right to request changes in "rules, practices, polices, procedures and/or services" (e.g. waiver of no-pet rule for an assistive animal) in order to have an equal opportunity to "use and enjoy" a residential unit, including public and common areas. Owners do not have to make "unreasonable" accommodations, including those that impose an undue financial and administrative burden or fundamentally alter the nature of the housing program.

- 1988 The Fair Housing Amendments Act of 1988 (FHAA) extended the protections of fair housing law (e.g. discrimination in rent and sale practices) to people with disabilities. It also extended accessibility requirements by requiring all private and publicly funded multifamily dwellings (4 or more attached units) first occupied after 3/13/91 comply with FHAA Design & Construction requirements. It also requires landlords to make reasonable accommodations or modifications for disabled tenants.
  - Reasonable modifications" refers to the right to ask permission to make physical alterations to their housing for greater use and accessibility (e.g. a ramp). If the housing is federally subsidized or subject to ADA, the housing provider must pay for the alterations and the state's fair housing law (Chapter 151B) also makes the owner responsible for the cost of reasonable modifications in a building of 10 or more contiguous units. Otherwise, under the FHAA, tenants are responsible for the cost. The owner can ask that the interior of the unit be restored to its original state if possible when the resident vacates. <sup>206</sup>
- 1990 The *Americans with Disabilities Act (ADA)* expanded the definition of disability, and essentially extended the requirements of Section 504 to housing built with <u>state or local funds</u> by requiring that federal, state and local programs and new public facilities, including homeless shelters, be accessible to people with disabilities under Title II. Under Title III, public accommodations within private housing (facilities open to the general public, such as a manager's office) must also comply with ADA.
- 1999 A 1999 Supreme Court decision, <u>Olmstead v. L.C. and E.W.</u>, ruled that ADA requires states to "place persons with mental disabilities in community settings rather than institutions when ... community placement is appropriate...and can be *reasonably accommodated taking into account the resources available to the State* and the needs of others with mental disabilities." <sup>207</sup>". It covers persons with all types of disabilities and mandates that they be placed *in the least restrictive setting*. <sup>208</sup>

The Court concluded that "a comprehensive, effective working plan for placing qualified persons with mental disabilities in less restrictive settings, and a waiting list that moved at a reasonable pace not controlled by the State's endeavors to keep its institutions fully populated" would meet the reasonable modifications standard. The U.S. Department of Health and Human Services responded in January 2000 by encouraging all state Medicaid directors to develop a plan to comply with Olmstead. Many states, including Massachusetts developed at least partial plans, though progress has been limited and some believe the major point of the plans was to create a defense against litigation. The complete state of the plans was to create a defense against litigation.

#### HOUSING ASSISTANCE PROGRAMS FOR PERSONS WITH DISABILITIES

Housing assistance for people with disabilities is available both through "mainstream" housing programs (e.g. public housing, Section 8 and HOME) that serve both the disabled and non-disabled and through programs specifically targeted to assist persons with disabilities (including some for people with specific disabilities). HUD programs for the homeless are also an important resource for people with disabilities who are homeless or living in institutions.

**MAINSTREAM PROGRAMS** While both the State and HUD have developed specialized programs and set-asides for people with disabilities, their "mainstream" programs (public housing, Section 8 and privately owned subsidized housing) are even bigger resources, providing affordable housing for over 43,000 non-elderly disabled households, and creating future opportunities for integrated housing.

- Section 8 Housing Choice Voucher Program As detailed on page 15, this program makes rents on private apartments located by low income households affordable by covering the difference between the actual rent (up to a certain level) and 30% of the household's income. HUD data<sup>213</sup> indicates that over 32,500 (48%) of the 68,300 households using vouchers in Massachusetts include a disabled household head or spouse, including about 6,500 elderly households and over 26,000 non-elderly households (17,700 without children and 8,300 with children). Voucher holders with disabilities having trouble locating a unit can ask for reasonable accommodations including a longer time to search, a higher subsidy or search assistance if needed to find a unit that meets their needs.
- Federal Public Housing currently houses about 8,100 non-elderly disabled households in Massachusetts. <sup>214</sup>
- *State Public Housing* State public housing is home to over 6,000 disabled households including at least 4,300 non-elderly disabled households (under age 60) living in the State's public housing program for the elderly and disabled ("Chapter 667"). Another 1,800 households live in units specifically developed for persons with disabilities (Chapters 167 and 689). In addition, as of 2005, 18% of households (2,219) in the family programs (Chapter 200 and Chapter 705) reported at least one disabled household member.
- *Older HUD-Assisted Housing* HUD data<sup>216</sup> on the number of households living in older HUD assisted housing developed in the 1960s through the 1980s is very limited but a 2000 report on characteristics of tenants in projects developed under the major HUD programs of the 1960s-1980s, including Section 236, 221d3 programs, 202 and Section 8 New Construction/Substantial Rehabilitation) indicated that 4,300 non-elderly disabled households lived in such projects. The true figure is probably higher as data was missing on half of the 77,000 units in these projects.

Major Affordable Housing Resources for Disabled Households in Massachusetts<sup>217</sup>

Wajor Attordable Housing Res	Total		Non-Elderly Disabled			
	Disabled	Elderly		without	with	
	Households	Disabled	Total	children	children	
MAINSTREAM RESOURCES						
S8 Housing Choice Vouchers**	32,547	6,534	26,013	17,704	8,309	
Mass. Rental Voucher Program (MRVP)	*	*	*	*	*	
Total Tenant-Based	33,347	6,534	26,013	18,504	8,309	
Federal Public Housing	13,508	5,388	8,120	6,595	1,525	
State Public Housing c.667	*	*	4,336	4,336	0	
S8 Mod Rehab	923	200	723	606	117	
S8 Mod Rehab SRO	201	24	177	177	0	
Older HUD Subsidized	4,511	212	4,299	*	*	
Total Project Based	23,479+	5,824	17,655	11,714	1,642	
Total Mainstream	55,915+	12,146	43,769	30,218	9,951	
SPECIALIZED PROGRAMS						
State Public Housing (167/689)	1,890	*	*	*	0	
AHVP	512	0	512	512	*	
DMH Rental Voucher Program	800	*	*	*	*	
S202/S162	641	*	*	*		
S811	670	*	*	*		
Facilities Consolidation Fund (FCF)	2,158	*				
DMR Beds in Community Residences	8,307	*				
DMH Beds in Community Residences	2,347	*				
HUD Homelessness Assistance Programs	*	*	_	_		
Total (if no overlap)	17,325	*		_	_	

<sup>\*</sup>data not available \*\*includes 1,900+ specialized vouchers for persons with disabilities

#### ACCESSIBLE AND ADAPTABLE HOUSING

While federal and state definitions of accessibility vary in the details, four basic concepts are commonly used in discussions of a unit's usability for a person with physical disabilities:

- Accessible: General accessibility includes an accessible route to an accessible primary entrance, accessible common-use/public accommodations, doors, accessible interior routes, environmental controls, wall reinforcement plus kitchens and bathrooms. Accessible features are permanently fixed in place.
- *Adaptable*: An adaptable unit is generally defined an one where accessible features can be easily added or removed or adjusted to meet an occupant's needs, giving owners and tenants more flexibility (i.e. units can be marketed to both the disabled and non-disabled). Examples include counter-tops or closet rods that have adjustable supports rather than being built into the wall at fixed heights.<sup>218</sup>
- Universal Design and Visitability Accessible and adaptable design standards don't fully address the needs of persons with physical disabilities. This had lead to two newer broader design standards. Visitability design makes housing visitable by persons using mobility devices (wheelchairs, etc.) by providing wide enough passages, zero-step entrances and a half- or full-bath on the first floor. Universal design tries to incorporate "products, communications, and the built environment more usable for as many people as possible at little or no extra cost...[to benefit] people of all ages and disabilities" and studies indicate accessibility and universal design add less than 1% to construction costs when incorporated in the initial design of a project.<sup>219</sup>

<u>Construction standards</u> for accessibility to meet federal requirements vary – separate guidelines exist for ADA compliance (ADAAG or UFAS), and Section 504 compliance (Uniform Federal Accessibility Standards or UFAS). The FHAA has eight different access standards, labeled as Safe Harbors. Projects that meet those "safe harbor" standards are considered to be in compliance with the Act.

Massachusetts has its own specialty accessibility code, the Massachusetts Architectural Access Board (MAAB) regulations. MAAB covers new construction of multifamily dwellings that has three or more units, as well as rehabilitation and conversions. Although the MAAB requires a higher level of accessibility in some specifications, there are other specifications where compliance with MAAB is not enough to meet the FHAA standards. A very helpful guide to accessibility requirements for developers and consumers is available on the State's website and explains these standards and their applicability to various forms of affordable housing. <sup>220</sup>

## Programs to Create Accessible/Adaptable Affordable Housing

Because most of Massachusetts' housing, including much of its federally subsidized housing, was built prior to the passage of housing accessibility laws, the supply of accessible units is limited. Recent information on the supply of subsidized accessible units is not currently available, particularly with regard to units built since the late 1980s. However, in 2003, there were approximately 3,900 accessible units of state-funded public housing of all types. In addition, a 2007 HUD report and 2003 MassHousing data indicate that there are at least 3,200 affordable accessible units in projects built under *older* state or federal programs including at least 1,900 units for elderly households and 325 units in special housing for persons with disabilities, including group homes. The supply is rising as individual units in older projects are retrofitted to accommodate reasonable modification requests or as funds become available and as new subsidized multifamily developments come on line. In addition, the State has a loan program to help owners finance modifications to their homes and to rental properties with less than 10 units.

Accessible units in federally subsidized developments Since 1988, federal law (Section 504) has required that at least 5% of the units (not less than one unit) in newly constructed federally assisted multifamily housing (4+ units) be accessible to persons with physical disabilities and that another 2% (not less than one unit) be accessible to persons with visual or hearing impairments. Owners must also meet this standard in projects with more than 15 units when making substantial alterations (costing at least 75% of replacement cost). Section 504 also requires accessibility modifications when undertaking less extensive work to the maximum extent feasible, and when major renovation of an individual unit is undertaken, the entire unit must be made accessible. 225

Some federally subsidized development have higher percentages of accessible units because they were built specifically to serve elderly and/or disabled households or funded under programs that require that at least 10% of new units be designed for mobility impaired.

Accessible units in state-subsidized and private unsubsidized developments ADA requires that all <u>new</u> multifamily housing (4+ units) built for occupancy after January 26, 1992 include specific accessible and adaptable features. The specific requirements vary depending on property size, date of original construction and whether it includes an elevator (in non-elevator

buildings, only the ground floor units are mandated to be accessible). At a minimum, ADA requires

- at least one building entrance on an accessible route
- accessible public and common use areas (including parking)
- doorways into and throughout the building wide enough to allow passage via wheelchair

Massachusetts Architectural Access Board (MAAB) regulations<sup>226</sup> require accessible units in all new multiple dwellings (3 or more units) receiving building permits after 9/1/96 and in all multiple dwellings undergoing significant renovation (cost over 3 years equal to at least 30% of value). For new and significantly renovated state-aided rental housing developments with 20 or more units, at least 5% of the units must be accessible. DHCD sometimes exceeds this minimum based on local needs.

*Mass Access Housing Registry* The State, through the Massachusetts Rehabilitation Commission (MRC), established a central registry (Mass Access) in 1995 that maintains information on affordable and unsubsidized accessible and adaptable units to help match them with persons who need them. There is no charge to owners or consumers. The program is based at Citizens Housing and Planning Association (CHAPA) and listings can be posted or viewed online. People can also contact their local Independent Living Center (ILC)<sup>227</sup> to learn about available apartments.

*MRC Home Modifications Loan Program (HMLP)* The Massachusetts Rehabilitation Commission (MRC) Home Modifications Loan Program provides low cost loans to help homeowners finance accessibility improvements. After spending \$10 million in housing bond funds authorized in 1993, it received \$25 million in new authorization in the 2004 Disabilities Bond Bill. The 2008 Housing Bond Bill authorizes \$50 million and extends eligibility to households with non-physical disabilities who need modifications for safety (e.g. Alzheimer's). The amount of bond funding available for HMLP each year depends on how the State allocates funds under DHCD's capital plan. The 2008 Capital Plan includes \$4.0 million for HMLP. The program currently assists about 200 households a year. 229

The program offers no-interest deferred payment loans and 3% deferred payment or amortizing loans to homeowners who have a disability, a disabled household member or a disabled tenant. Landlords with buildings with 9 or fewer units can also receive a loan at 5% interest. Elders with an accessibility need are also eligible for this program.

- 0% loans are available to homeowners with incomes at or below 100% of area median income and do not have to be repaid until the property is sold or transferred.
- Three percent (3%) interest loans are available to owners with incomes up to 200% of area median and can either be deferred payment or amortize over 5-15 years.

The State maintains a website with detailed information on HMLP and the application process.

**Local Homeownership Rehabilitation Loan Programs** Many communities use federal block grant funds (CDBG or HOME) they have received from HUD or DHCD to provide low cost loans for housing rehabilitation (including accessibility modification) to homeowners with incomes at or below 80% of median and landlords with tenants in that bracket. Frequently, the loans are forgiven over time (i.e. do not have to be repaid) or repayment is deferred until the

property is sold. Appendix 2 lists all cities and towns that receive CDBG and HOME block grants funds directly from HUD. The State Executive Office of Health and Human Services website also lists information on other <u>funding sources for home modifications</u>.

#### HOUSING FOR PERSONS WITH COGNITIVE OR PSYCHIATRIC DISABILITIES

The state's Department of Mental Retardation (DMR) and the Department of Mental Health (DMR) are responsible for addressing the housing and service needs of people with serious developmental or psychiatric disabilities. While funding constraints have stymied efforts to increase community-based housing programs, several court decrees have put legal pressure on the State to do better. The recognition that housing can be funded separately from services (i.e. rather than relying on provider agencies to create all housing opportunities, clients can use rent vouchers, housing groups can set aside units, etc) has expanded housing options. Once housing is located, services can be arranged.

Housing Needs of People with Cognitive Disabilities The State Department of Mental Retardation (DMR) assists more than 23,000 low income adults with a variety of services, including housing, transportation, day programs and family support. An estimated 80% have incomes below the federal poverty limit. Currently, about 11,000 live in community residential programs, ranging from group homes to independent apartments and several thousand more are on waiting lists for such assistance. Demand for DMR residential services continues to grow, as about 200 more young adults ("Turning 22") a year become in need of residential services and as caregivers for family members living at home continue to age. <sup>231</sup>

DMR works with non-profit service providers and housing agencies to develop community based housing, including group homes, independent apartments in private developments and homes rented or owned by the State. It is phasing out some of its older, poorly located 6-8 person residences. However, its ability to meet the need for additional community-based units is constrained both by limited funding to develop new units and a lack of funding for new staff. (The residences are staffed by nonprofit agencies and it is widely agreed that the low wage levels allowed by these state contracts are also a barrier to staffing existing residences). These challenges are not new. Throughout much of the past decade, DMR has been subject to court orders in connection with two cases (Rolland v. Cellucci and Boulet v. Cellucci) that together required it to place about 4,000 clients who were then in nursing homes or living with aging caregivers in community-based housing services and reduce its waiting list. Over 600 still remain to be placed and the State has agreed to place them over the next four years. 232

DMR currently has over 8,400 beds in group homes throughout the state and estimates that it will need to add about 2,000 beds to its community based inventory to meet new demand (1,100 beds), replace beds at older facilities and provide more accessible units for its aging population.<sup>233</sup>

*Housing Needs of People with Psychiatric Disabilities* The Department of Mental Health provides or funds services to about 24,000 adult clients a year in Massachusetts. Many are extremely low income, often relying on SSI as their only source of income, and thus need help with housing costs; some need support services as well to live independently.

The housing needs of DMH clients vary widely, depending on their "diagnosis, age, stage of recovery and desire for peer support or privacy." DMH began a major expansion of its community based housing in the early 1990s, in conjunction with the closing for four state hospitals between 1991 and 1993, using two basic residential service models. Supported housing consumers live independently in their own homes or apartments and receive services as needed from DMH vendors. Structured housing residents live in a supervised setting (e.g. group homes with shared bedrooms and single room occupancy [SRO] housing). Until the early 1990s, the structured housing model predominated, but since then it has emphasized the supported housing model, with most consumers living in apartments with private bedrooms.

DMH's Residential Services system can currently house 7,897 individuals at a time (up from 2,746 in 1991) and served about 8,300 adult clients in FY2006. Most of the housing is "DMH affiliated" (secured for the client by DMH or entities acting on its behalf), totaling 6,039 beds in 3,573 units (including 2,398 beds in 388 group homes). In FY2006, another 1,858 clients receiving DMH services lived in housing they obtained on their own (e.g. client applied for a unit in a federally subsidized development).

Currently, about 3,000 people are on waiting lists for DMH residential services, including 530 homeless individuals. About 800 of these 3,000 fall into DMH's two highest priority categories (homeless or waiting to leave a state hospital); the other 2,200 include individuals in structured housing waiting to move to more independent settings and individuals living with aging parents or with severe housing cost burdens. Almost all (92%) of these 3,000 individuals need help with housing costs. One quarter need only help with housing costs (750), while 67% need help with costs and services and 8% need residential services only (i.e. currently in system but ready to move to housing with fewer services).

#### **Housing Programs for DMR/DMH Consumers**

There are three state housing assistance programs specifically for DMR and DMH consumers. DMR and DMH also use a number of state and federal funding programs, including some programs specifically for persons with disabilities, to fund the development of new units and upgrade existing units. Consistent with Olmstead, the State has moved away from projects that segregate persons with disabilities, absent a compelling need related to individual requirements. As a general guideline, advocates recommend capping the percentage of units for the disabled at 15% when creating integrated housing, and the State has adopted this for some of its programs.

• *Facilities Consolidation Fund (FCF)* First authorized in 1993, this bond-funded program provides 30-year deferred payment loans to the developers of community based residences for DMR and DMH consumers who are leaving state facilities, living in inappropriate or unsafe housing or who are homeless. Loans cannot exceed 50% of total development costs, so FCF-funded production is sensitive to the availability of other funding and subsidy sources such as HUD Section 811 grants and rent subsidies. The 2004 Disabilities Bond Bill authorized \$100 million for FCF and the 2008 Housing Bond bill authorizes \$40 million over the next 5 years. The 2008 bill also allows loans to for-profit organizations for the first time (to make it easier to incorporate FCF units into larger developments) and again includes \$10 million for a pilot program to provide housing for homeless mentally ill individuals. Since its inception, FCF commitments totaling \$80 million have funded over 2,100 units. DHCD's FY2008 capital budget includes \$6 million for FCF, down from \$7.5 million in FY2007.

- *Project-based rental assistance for DMH clients* DHCD's budget includes funding for primarily project-based rent subsidies for DMH consumers. The program served 800-900 households a year for many years but then shrank after May 2002 when the State stopped reissuing vouchers as participants left (many were transferred to the federal Section 8 program) and froze funding at \$2 million for several years, reducing the number of assisted households to 578 by mid-FY2005. Budget restorations in FY2007 and FY2008 enabled the program to reach 800 again in FY2008 with funding of \$3.5 million.
- *MassHousing DMR/DMH set-aside units* Since 1978, all developers receiving MassHousing financing<sup>240</sup> have been required to set aside 3% of their subsidized (low or moderate income) units for DMH and DMR consumers. MassHousing assigns specific units to each Department and DMR and DMH select tenants for units as vacancies occur and provide services as needed to support these tenancies. Currently (December 31, 2007), there are 873 set-aside units under this program, of which about 700 are occupied by DMR and DMH clients.

The gap between the number of units covered by set-aside agreements and the number actually used by DMR and DMH clients has several causes. In some cases, properties were fully-occupied when they become subject to the set-aside requirement as a result of refinancing with MassHousing and cannot comply until vacancies occur; other units are difficult to use because they are in properties far from public transit; and in yet other cases, project rents are above the levels DMR and DMH clients can afford without rent subsidies (e.g. rents are set to be affordable to household with incomes of 50% of median or higher, while many clients have incomes closer to 15% of median). MassHousing, DMR and DMH are exploring ways to close the rent gap including investigating the availability of additional MRVP vouchers or use of FCF funds.<sup>241</sup>

#### HOUSING FOR PEOPLE WITH HIV/AIDS

Currently, about 17,000 Massachusetts residents are known to be living with HIV or AIDS, a number that has been rising by about 600-700 persons a year. The state Department of Public Health (DPH) - through its HIV/AIDS Bureau- is the lead state agency for addressing the medical and support service needs of this population.

#### Housing Programs for People with HIV/AIDS

The housing assistance needs of people with HIV/AIDS have changed with the advent of newer drug treatments allow them to live longer and more independently. Today there is less demand for programs that provide on-site services and more demand for independent units with services arranged as needed.

In 2005, DPH reported that there were about 1,200 units of transitional and permanent housing for low-income persons with HIV/AIDS statewide, 2,200 units less than needed, with some geographic regions much more under-served than others. The biggest shortages were in the Brockton, Lynn-Gloucester and Holyoke-Springfield areas, where the supply met less than 10% of need). <sup>243</sup>

The AIDS Housing Corporation maintains a detailed online listing of affordable housing programs in Massachusetts for persons living with HIV/AIDS (<a href="http://www.ahc.org/directory/">http://www.ahc.org/directory/</a>).

#### Their 2008 directory lists:

- 11 transitional housing programs for about 130 individuals and families (some in scattered site apartments, some in congregate homes),
- 38 programs with about 600 units in specific buildings (including single room occupancy and congregate houses and set-aside units in larger rental developments),
- 10 area rental assistance programs serving about 100 families and individuals, and
- Three statewide rental assistance programs<sup>244</sup> assisting over 400 households.
  - the Rental Start Up program, operated by the AIDS Action Committee, offers funds for security deposits, temporary rental assistance and case management services
  - the Assisted Living program, run by the Justice Resource Institute (JRI), is a scattered site housing program that connects participants with rent vouchers and services
  - the Homelessness Prevention Program, run by the AIDS Action Committee, offers financial assistance to help stabilize households at risk of homelessness due to rent or mortgage arrearages and can provide rental assistance for up to 21 weeks of back rent/mortgage, or current rent/mortgage.

Many HIV/AIDS housing programs use multiple funding sources.

• Housing Opportunities for Persons with AIDS (HOPWA) This HUD grant program, created in 1990, is an important funding source, in part because it is flexible: eligible activities include housing information and referral, housing search assistance, shelter, rental assistance and housing development. HUD distributes 90% of the annual HOPWA appropriation as formula grants to states and metropolitan areas with high numbers of people living with HIV/AIDS. The remaining 10% is awarded to states and localities that do not receive formula grants and to nonprofits carrying out projects of national significance. Because the national appropriation has not kept pace with the rise in HIV/AIDS cases nationwide, HOPWA funding for Massachusetts has fallen in recent years. In FY2008, the State and five metro areas (Boston, Lowell, Lynn, Springfield and Worcester) will receive a total of \$3.7 million in formula grants, down from a peak of \$4.9 million in FY2001 and \$4 million in FY2002 and FY2003. Massachusetts also receives an average of \$1-2 million a year in competitive grants to renew prior grants (primarily for rental assistance programs) and/or fund new programs.

#### Other key resources include:

- Section 8 tenant-based and project-based rent vouchers (including 38 project-based and 229 tenant-based vouchers that DHCD has set aside for persons living with HIV/AIDS) and about 40 project-based Massachusetts Rental Voucher Program (MRVP) vouchers.
- Set-aside units in public housing and private, subsidized developments,
- HUD homeless grants, and
- HUD Section 811 grants and rent subsidies for housing for the disabled.

Not all funding programs are usable for all clients. Some largely exclude clients with a prior history of illegal drug use; others (HUD homeless grants) can only serve homeless or at-risk households.<sup>245</sup>

#### OTHER PROGRAMS FOR PERSONS WITH DISABILITIES

In addition to the specialized programs described above, there are a number of other state and federal programs that can be used to subsidize the housing costs of individuals with disabilities, including state bond-funded programs and state and federal rent subsidy programs.

#### **State-Funded Programs**

In August 2004, the Legislature approved a "Disabilities Housing Bond Bill"<sup>246</sup> that authorized the State to issue up to \$200 million in bonds to continue three programs for people with disabilities and start a new Community Based Housing program. The June 2008 Housing Bond bill includes \$195 million in new authorization for these programs over the next five years.

- *Housing Innovations Fund (HIF)* HIF provides deferred payment loans (essentially grants) to *non-profits* for up to 50% of the cost of developing housing for people with special needs, victims of domestic violence and innovative housing options such as Single Room Occupancy (SRO) housing and transitional housing. HIF is administered by the Community Economic Development Assistance Corporation (CEDAC). Since 1988, HIF commitments totaling \$162 million have helped finance approximately10,500 units of housing. Current HIF guidelines require that at least 25% of the units in a HIF-funded project be affordable to extremely low income households (incomes ≤30% of area median) and overall that at least 50% of the units be affordable to households with incomes at or below 80% of median. The state's capital plan allows \$10 million in HIF spending in 2008 and the 2008 Bond Bill provides \$75 million in new authorization over the next five years.
- Community Based Housing Program ("Olmstead Housing") The community-based housing (CBH) program was first authorized in August 2004 as part of the Disabilities Bond bill, specifically to finance housing for adults with a broad range of disabilities, including elderly persons, who are institutionalized or at risk of institutionalization, but not eligible for residences developed under FCF. CBH provides 30-year, no-interest deferred payment loans for up to 50% of development costs and a maximum of \$750,000 per project. CBH program guidelines<sup>248</sup> encourage projects that use principles of universal design and visitability and that integrate CBH-assisted units into larger buildings or developments (ideally no more than 15% of units for persons with disabilities) and have access to public transportation. The income limits for admission are 80% of area median, but most CBH tenants are expected to have incomes averaging 15-18% of area median, developers will have to obtain rent subsidies to achieve affordability. As of early 2008, \$12 million has been committed to create 106 units.<sup>249</sup>

Loan underwriting and monitoring is handled by the Community Economic Development Assistance Corporation (CEDAC). The 2004 Bond Bill authorized \$25 million CBH and funding first became available in 2006 when CBH received a \$5 million allocation under the State capital plan; it received \$4 million in 2007 and again in 2008. The 2008 Housing Bond bill includes \$30 million in new authorization over the next five years.

• Alternative Housing Voucher Program (AHVP) This state-funded program provides tenant-based rent vouchers (see page 49) for disabled households under age 60 who meet the qualifications for the State's Chapter 667 public housing program for the elderly and disabled. It was established in 1995, as part of a new state law that capped the percentage of non-elderly disabled households that could live in Chapter 667 housing at 13.5% of all units.

AHVP was created to provide an alternative housing resource for the non-elderly disabled, recognizing that the Chapter 667 cap would reduce the number of units available to them and increase their waiting time. It was initially funded to serve 800 households, with an appropriation of \$4 million, and generally assisted 700-800 households a year until 2002. Budget cuts and freezes starting in 2002 reduced the number served to 238 by January 2005. Funding increases in recent years enabled DHCD to raise the number served to just over 500, with a FY2008 appropriation of \$3.5 million.

• State Affordable Housing Trust Fund, CDBG, HOME, CPA The State's bond-funded Affordable Housing Trust Fund, as well as most other State and local affordable housing programs can also be used to fund housing for the disabled.

# **Federally-Funded Programs**

• Section 8 Vouchers for People with Disabilities Low income households with disabilities are generally eligible to apply for Section 8 tenant-based vouchers. In addition, some housing authorities have received special allocations of vouchers specifically for the non-elderly disabled. Congress first began funding special allocations in federal FY 1997 in response to a recognition that the situation of this long under-served population had grown worse since the passage of a 1992 federal law that allowed housing authorities and private owners of elderly/disabled HUD-subsidized housing projects (including public housing) to "designate" projects as elderly-only or set a cap on the number of non-elderly disabled tenants in those projects and (2) that vouchers would give people with disabilities more housing choices.

Between 1997 and 2003, HUD has awarded over 4,600 Section 8 vouchers to Massachusetts housing agencies, including DHCD, specifically for the non-elderly disabled, under three basic programs, though it is possible that some are not being used by this group now because HUD waited until 2005 to advise PHAs that as current participants leave, their voucher must be reissued to another disabled household.<sup>250</sup>

- Designated Housing Over one third of the vouchers (1,740) were awarded to replace nonelderly units lost under the designated housing policy. These vouchers are funded through HUD's Section 8 budget with allocations negotiated as part of the designation process.
- *Mainstream* Another 2,537 were "Mainstream vouchers", which represent new assistance. These vouchers are funded from HUD's Section 811 program for people with disabilities, including elders. While the 811 program was created primarily to build new housing, it can also be used to fund tenant-based vouchers. Congress initially allowed 25% of the annual appropriation to be used to support 5 year contracts. However, with Section 811 level funded in recent years, the cost of renewing the early voucher contracts is now near 50% of the annual 811 appropriation and *no new Mainstream vouchers have been awarded since FY2003*. 252

• Special Purpose Programs HUD also allocated 578 vouchers for the disabled to Massachusetts agencies between 1993 and 2003 under several special initiatives, including a FY2001 and FY2002 HUD policy that gave LHAs applying for new Section 8 vouchers priority if they agreed to reserve some for people with disabilities (378), one for homeless individuals with disabilities (175) and one for homeless veterans (25).

Overall, DHCD has allocated 1,957 of its Section 8 vouchers to special programs for people with disabilities<sup>253</sup>, combining the approximately 1,140 vouchers awarded under the programs described and its authority to set preferences for assistance.

Assigned to Specific Agencies MRC HIV/ Head DSS DMH DMR BSAS AIDS Program Total Injured DMH Vouchers 125 125 20 Housing Options Program (HOP) 345 60 20 Veterans Supported Housing (VASH) 62 HIV/AIDS PBA 38 38 HIV/AIDS TBA 229 229 600 **Designated Housing** Mainstream 275

0

0

0

320

144

130

150

144

130

10

1,958

Subtotal

10

10

**DHCD Section 8 Tenant Based Voucher Programs for the Disabled** 

• *HUD Section 811 Housing for People with Disabilities* In addition to funding tenant-based vouchers, this program, created in 1992, funds grants to nonprofits to develop housing for very low income persons with disabilities, along with long-term rent subsidies to keep rents affordable and help pay for supportive services. Residents pay 30% of their income toward their housing costs. Funds are awarded annually through a national funding competition.

To date, HUD has awarded funding to create or upgrade over 600 units in Massachusetts, though awards for the past five years (FY2003-FY2007) have totaled only 103 units (about 21 a year), primarily for DMR and DMH clients. Section 811 funding is frequently combined with FCF, but generally has not been used to create integrated housing because it is hard to use with other funding sources (some have used it to buy condo units in larger developments).

• *HUD McKinney Homeless Assistance Grants* HUD homeless housing programs (often called McKinney or Continuum of Care programs) are an important funding source for people with disabilities who are homeless. One program (Shelter Plus Care) funds both tenant- and project-based rental assistance and is specifically for people with disabilities. Others fund support services, transitional and permanent housing. HUD gives projects that create permanent housing for people with disabilities priority for funding (see page 44.)

DMR Voucher Program

Independent Living Program

Greater Plymouth Supportive Housing

112

Massachusetts Draft Consolidated Plan 2005-2009, DHCD, February 2005, p. 63.

<sup>-</sup>

Korman, Henry "Getting In and Staying In: Common Issues of Disability Discrimination", 1997 and "Opening Doors", op. cit., pp.6-7.

- 195 See Cornell University's website on disability statistics for a discussion of the <u>definition of disability</u> and <u>disability data</u> resources.
- Henry Korman, "Getting In and Staying In: Common Issues of Disability Discrimination", Cambridge and Somerville Legal Services, Cambridge, MA 1997 (http://www.vlpnet.org/legalresources/LandlordTenantLaw/GettinginIssues/tenantselection.htm)
- 197 http://www.ilr.cornell.edu/edi/disabilitystatistics/issues.cfm
- Rehabilitation Research and Training Center on Disability Demographics and Statistics, "2006 Disability Status Report Massachusetts", Cornell University, Ithaca, NY, pages 7, 13, 31 33 and 35.
- Office of Policy Research and Development, "<u>Housing Needs of Persons With Disabilities: Supplemental Findings to the Affordable Housing Needs 2005 Report</u>", U.S. Department of Housing and Urban Development, February 2008.
- Technical Assistance Collaborative press release, "New Study Finds Disabled Housing Needs Twice as High as HUD Estimates", March 5, 2008.
- Massachusetts Department of Housing and Community Development, "Draft Streamlined 5-Year annual Plan for Fiscal Year 2008 February 27,2008" for Section 8 Housing Choice Voucher program, page 14 (see <a href="http://www.mass.gov/Ehed/docs/dhcd/ph/s8plans/2008draftannualphaplan.doc">http://www.mass.gov/Ehed/docs/dhcd/ph/s8plans/2008draftannualphaplan.doc</a>). While there is no breakout of disabled households by age, most are probably non-elderly, as there were only 2,472 elderly total (disabled and not) on the wait list.
- <sup>202</sup> "Community Based Housing Frequently Asked Questions", Massachusetts Department of Housing and Community Development, Boston, MA, June 2006, page 3 <a href="http://www.mass.gov/Ehed/docs/dhcd/hd/cbh/cbhfaq.doc">http://www.mass.gov/Ehed/docs/dhcd/hd/cbh/cbhfaq.doc</a>
- Ann O'Hara, Emily Cooper, Andrew Zovistoski and Jonathan Buttrick, "Priced Out in 2006", Technical Assistance Collaborative, Inc., Boston, MA, April 2007, pages 1-2. Available online at www.tac.inc. Information on federal benefit levels over the years is from the Social Security Administration's 2007 Annual Report of the SSI Program Table IV.A2
- Technical Assistance Collaborative and Consortium for Citizens with Disabilities, "<u>Accessible Housing for People with Disabilities</u>", Opening Doors, Issue 10, June 2000, pp. 3-6
- For details on Section 504 requirements, see <a href="http://www.hud.gov/offices/fheo/disabilities/504keys.cfm">http://www.hud.gov/offices/fheo/disabilities/504keys.cfm</a>. Section 504 applies to program operators (e.g. housing authorities) but not the ultimate recipient of funds (e.g. a landlord who receives rent payments through the Section 8 voucher program)
- For more information on federal requirements, see the <u>guidance on reasonable modifications</u> published jointly by HUD and the U.S. Department of Justice in March 2008.
- Massachusetts Draft 2005-2009 Consolidated Plan, page 63 and "Enforcing the Olmstead Decision", The Center for An Accessible Society (<a href="http://www.accessiblesociety.org/topics/ada/olmsteadoverview.htm">http://www.accessiblesociety.org/topics/ada/olmsteadoverview.htm</a>)
- Massachusetts Draft 2005-2009 Consolidated Plan, page 63 and "Enforcing the *Olmstead* Decision", The Center for An Accessible Society (http://www.accessiblesociety.org/topics/ada/olmsteadoverview.htm)
- U.S. Supreme Court <u>syllabus</u>, Olmstead et al. vs. L.C. and E.W., page 4-5. June 22, 1999. Available online at <a href="http://supct.law.cornell.edu/supct/html/98-536.ZS.html">http://supct.law.cornell.edu/supct/html/98-536.ZS.html</a>
- <sup>210</sup> "Enforcing the *Olmstead* Decision", The Center for An Accessible Society (www.accessiblesociety.org)
- Massachusetts published its Phase One Olmstead Plan in July 2002 ("Enhancing Community Based Services"), available online with appendix at <a href="http://www.masilc.org/docs/olmstead.html">http://www.masilc.org/docs/olmstead.html</a>. The Plan found that the State could afford to fund 650 new beds for DMR clients in FY2003 and discharge 150+ adults from overly restrictive DMH facilities. However subsequent budget constraints slowed implementation. At the request of the Legislature, DMH filed an "Inpatient Study Report" in March 2004, with a timetable for placing 268 placement-ready individuals in community settings over 3 years.
- Jennifer Mathis, "Olmstead: Where Are We After Five Years?", Bazelon Center for Mental Health Law, Judge David L. Bazelon Center for Mental Health Law, Washington, D.C. 2004, page 16, see <a href="http://www.bazelon.org/issues/disabilityrights/incourt/olmstead/olmstead\_after\_five\_years.html">http://www.bazelon.org/issues/disabilityrights/incourt/olmstead/olmstead\_after\_five\_years.html</a>
- HUD Resident Characteristics Report for Massachusetts ("all voucher programs") for January 1, 2007-April 30, 2008. The report includes statistics on 68,116 households out of 69,467 that received assistance during that period. This data is available through a look-up system on HUD's website at <a href="https://pic.hud.gov/pic/RCRPublic/rcrmain.asp">https://pic.hud.gov/pic/RCRPublic/rcrmain.asp</a>
- <sup>214</sup> HUD Resident Characteristics Report, January 1, 2007-April 30, 2008
- A state law enacted in 1995 that requires all housing authorities to reserve 13.5% of their Chapter 667 units for non-elderly disabled households.

- HUD, "Picture of Subsidized Households 2000" Massachusetts data extracted using online query system at <a href="http://www.huduser.org/picture2000/index.html">http://www.huduser.org/picture2000/index.html</a>
- This table illustrates the range of housing programs that provide assistance to disabled households. In addition to the data sources noted above, state public housing data is from DHCD (December 2006 Census), AHVP and DMH rental voucher data is as of January 2008, Section 202/162 and Section 811 data is from HUD's Section 8 project-based contracts data base as of April 2008, FCF information is from CEDAC (May 2008), and DMR and DMH bed counts are from DHCD's Subsidized Housing Inventory (February 2008).
- See Technical Assistance Collaborative and Consortium for Citizens with Disabilities, "<u>Accessible Housing for People with Disabilities</u>", Opening Doors, Issue 10, June 2000, page 2.
- 219 Kessler McGuinness Associates, LLC with the Technical Assistance Collaborative and Charleen Regan, "Achieving Access and Function in Affordable Housing in Massachusetts – Part One: A Developer's Overview", Fall 2006, pp. 13-15 (online at http://www.cedac.org/pdf/DevelopersDesignOverview.pdf)
- See Kessler McGuinness Associates, LLC with the Technical Assistance Collaborative and Charleen Regan, "Achieving Access and Function in Affordable Housing in Massachusetts Part One: A Developer's Overview", and Part Two: State and Federal Code Comparison, Fall 2006 for the Massachusetts Rehabilitation Commission. See <a href="http://www.cedac.org/pdf/DevelopersDesignOverview.pdf">http://www.cedac.org/pdf/DevelopersDesignOverview.pdf</a> and http://www.cedac.org/pdf/AchievingAccessII.pdf
- DHCD has begun collecting and reviewing information on this under the 2007 Data Collection regulation and expects to have data by the end of 2008. MassHousing is also updating its data this year.
- <sup>222</sup> Massachusetts Accessible Housing Registry (Mass Access), March 2003.
- <sup>223</sup> Conversation with MassHousing staff, April 2008.
- Accessibility requirements for projects with MassHousing financing are detailed in the agency's Policy for Portfolio Compliance with Federal and State Accessibility Laws. All projects must comply with Mass. Architectural Access Board regulations and ADA and projects with federal financial assistance must also comply with Section 504 UFAS. Existing developments must make at least one unit accessible and provide reasonable modifications for other units on request, as well as include funds in their replacement reserve to fund future reasonable modification requests until the 5% requirement has been met.
- "Section 504 Frequently Asked Questions: Physical Accessibility", U.S. Department of Housing and Urban Development (see http://www.hud.gov/offices/fheo/disabilities/sect504faq.cfm#anchor275219)
- <sup>226</sup> Available online at http://www.mass.gov/aab/aab regs.htm
- Independent Living Centers are private, nonprofit community-based organizations that advocate for and provide services to persons with disabilities, with the goal of helping them achieve maximum independence. As required under amendments to the Federal Rehabilitation Act of 1973 (Title VII), they are governed by consumers. There are currently 11 Independent Living Centers in Massachusetts. They are eligible for state and federal funding and a <a href="Statewide Independent Living Council">Statewide Independent Living Council</a> works with the Massachusetts Rehabilitation Commission (MRC) and the Massachusetts Commission for the Blind, to develop a <a href="State Plan for Independent Living">State Plan for Independent Living</a> every three years.
- <sup>228</sup> Chapter 290 of the Acts of 2004 (August 10, 2004) see <a href="http://www.mass.gov/legis/laws/seslaw04/sl040290.htm">http://www.mass.gov/legis/laws/seslaw04/sl040290.htm</a>
- <sup>229</sup> Massachusetts Executive Office of Health and Human Services website, March 2008.
- 230 The Arc of Massachusetts, FY2009 Budget Fact Sheet "Strengthen Community Services in the Community", downloaded March 2008 at www.arc.mass.
- <sup>231</sup> The Arc of Massachusetts, FY2009 Budget Fact Sheet
- A 1999 agreement under Rolland v. Cellucci required it to end the inappropriate placement of 1,600 DMR clients in nursing homes and provide residential services to 1,175 through new placements of 150-175 clients a year. Over 1,000 were placed between 2000 and 2007 and the State agreed in March 2008 to place the last 640 individuals in the next four years. In addition, DMR placed over 2,200 individuals between FY2002 and FY2006, after settling a lawsuit (Boulet v. Cellucci) brought by families of persons on the waiting list for DMR residential services. The agreement required DMR to create 375-400 new residential placements a year through FY2006.
- <sup>233</sup> Discussion with DMR staff, April 2008.
- "Massachusetts 2005-2007 State Mental Health Plan", Massachusetts Department of Mental Health, September 2004, pages 48 and 25. Available online at DMH's website.
- <sup>235</sup> Massachusetts Draft 2005-2009 Consolidated Plan, p. 70

- 236 Massachusetts State Mental Health Plan FY2008 Update,
- <sup>237</sup> Ibid, p.70
- Massachusetts Association for Mental Health, Inc, "People are Waiting" March 2007, Boston, MA page 4. Not available online. FY2005 report available at <a href="https://www.mamh.org">www.mamh.org</a>
- <sup>239</sup> CEDAC staff, May 2008.
- <sup>240</sup> Except Elder Choice
- <sup>241</sup> Conversation with MassHousing staff, April 2008.
- 242 "An Added Burden: The Impact of the HIV/AIDS Epidemic on Communities of Color in Massachusetts", Massachusetts Department of Public Health, HID/AIDS Bureau, Boston MA, December 1, 2007, page 3. see <a href="http://www.mass.gov/Eeohhs2/docs/dph/aids/aids-report07.pdf">http://www.mass.gov/Eeohhs2/docs/dph/aids/aids-report07.pdf</a> Also Massachusetts Department of Public Health HIV/AIDS Fact Sheet November 2007, see <a href="http://www.mass.gov/Eeohhs2/docs/dph/aids/2008">http://www.mass.gov/Eeohhs2/docs/dph/aids/2008</a> profiles/epidemic glance.pdf</a>
- <sup>243</sup> Massachusetts Draft Consolidated Plan 2005-2009, pp. 74-77.
- Details and contact information regarding these programs can be found on the AIDS Action Committee website (<a href="http://www.aac.org/site/PageServer?pagename=help\_housing">http://www.aac.org/site/PageServer?pagename=help\_housing</a>) and the JRI website (<a href="http://www.jri.org/Programs-Supported-Housing-Programs-Assisted-Living-Program.php">http://www.jri.org/Programs-Supported-Housing-Programs-Assisted-Living-Program.php</a>)
- HOME, HOPWA and HUD McKinney funded projects do not require exclusion based on criminal histories.
- <sup>246</sup> The bond authorization is included in Section 2E of Chapter 290 of the Acts of 2004.
- <sup>247</sup> Conversation with CEDAC staff, May 2008.
- <sup>248</sup> CBH program guidelines are available online at http://www.cedac.org/pdf/CBH-Guidelines.pdf.
- <sup>249</sup> CEDAC staff, May 2008.
- 250 "Action Alert: HUD Notice PIH 2005-5", Technical Assistance Collaborative, Boston, MA, 2005 <a href="http://www.tacinc.org/index/viewPage23.htm">http://www.tacinc.org/index/viewPage23.htm</a>
- "Section 8 Problems Negatively Affect People with Disabilities", Opening Doors, Issue 25, September 2004, Technical Assistance Collaborative, Boston, MA. pages 9 and 16 (<a href="http://www.tacinc.org/index/admin/index/">http://www.tacinc.org/index/admin/index/</a> uploads/docs/ODissue25.pdf ) The authors note that nationally many PHAs have failed to request "Designated Housing" vouchers when converting projects and that HUD used the extra funds to fund new vouchers requested under the Mainstream program when Mainstream funds ran out. Thus these figures may overstate the split between replacement and new assistance in Massachusetts.
- 252 2008 Advocates Guide to Housing and Community Development "Section 811 Supportive Housing for Persons with Disabilities", National Low Income Housing Coalition, Washington D.C., 2008, page 158. http://www.nlihc.org/doc/AdvocacyGuide2008-web.pdf
- Detailed information on these programs is available in the Massachusetts DHCD Section 8 Administrative Plan Sections 18-30 (<a href="http://www.mass.gov/Ehed/docs/dhcd/ph/s8plans/sec8plan.pdf">http://www.mass.gov/Ehed/docs/dhcd/ph/s8plans/sec8plan.pdf</a>)

# 13. Promoting Affordable Housing and Smart Growth Throughout Metropolitan Regions

The State has long had an interest in expanding the supply of affordable housing in suburban and rural communities, both to meet the needs of low-income residents in those communities and increase housing opportunities for urban residents. This is also consistent with its obligation, as a recipient of federal housing funds, to affirmatively further fair housing.<sup>254</sup>

Several state laws and programs support this goal by addressing local rules that raise housing costs and make it difficult to built subsidized housing and by helping communities to plan for affordable housing:

- Chapter 40B This 1969 state zoning law makes it easier to develop affordable housing in suburban and rural communities where less than 10% of the year round housing is subsidized. State regulations encourage communities to develop housing production plans to reach the 10% goal and give communities that make progress more control over Chapter 40B proposals.
- Chapter 40R This 2004 law offers payments to communities that adopt zoning overlay districts which include an affordable housing component and are consistent with smart growth principles. A 2005 law (40S) provides payments to offset school costs in 40R districts.
- Smart Growth Planning/Commonwealth Capital In 2004, the State adopted sustainable development principles to guide the awarding of some state grants for infrastructure, economic development, and environmental protection. It also offers planning grants to encourage municipalities to create land use plans that are consistent with "smart growth" principles.
- Community Preservation Act (CPA) This 2000 law provides state matching funds to municipalities that adopt a property tax surcharge to support local affordable housing, open space and historic preservation activities. Total state matching contributions to date (2002-2007) have totaled \$248 million.
- *Municipal Affordable Housing Trusts* In 2004, the State enacted legislation to make it easier for localities to establish local housing trusts.

# Chapter 40B

In 1969, the state enacted legislation (<u>Chapter 40B</u>, Sections 20-23) to facilitate the development of affordable housing throughout the state and especially in communities where less than 10% of the year-round housing stock is subsidized. The initial impetus for the legislation was concern that local zoning, land use, and permitting requirements were making it difficult or impossible to build subsidized housing in many suburban and rural communities.

Chapter 40B was intended to speed up the approval process and allow more flexible local decision-making; it also allows the State, through a Housing Appeals Committee, to overturn adverse local decisions. It offers a streamlined and consolidated local approval process for developers of "subsidized" housing. Rather than having to obtain separate approvals from various local boards and commissions, developers apply to the local Zoning Board of Appeals for one "comprehensive permit" (CP). As part of the application, the developer can request

waivers of specific <u>local</u> zoning and other requirements. Most importantly, the law allows developers to appeal the local decision (a denial or conditions they believe make a project uneconomic) to a special State administrative body, the Housing Appeals Committee (HAC), if the project is located in a municipality with a subsidized housing count below 10% of its year-round stock and that municipality is not making adequate progress on creating new affordable housing.

Administration of the Statute The Department of Housing and Community Development (DHCD) is responsible for establishing regulations and guidelines governing the use of 40B and maintaining a Subsidized Housing Inventory for use in determining whether a city or town's subsidized housing inventory exceeds 10% of its year round housing. The HAC is responsible for hearing developer appeals of local comprehensive permit decisions.

While the statute has not changed since 1969, program regulations and guidelines have been revised and updated several times (1990, 2001-2003, 2008) to reflect evolving policies, practices and decisions by the courts and the HAC. Both the regulations and guidelines were comprehensively updated and consolidated recently, resulting in a new consolidated regulation (760 CMR 56) and new guidelines, both effective February 22, 2008.

<u>Projects Eligible to Apply for A Comprehensive Permit (Subsidized Housing)</u> Chapter 40B limits the use of comprehensive permits to subsidized housing. To meet the statutory and regulatory definition, projects must:

- use a federal, state or local subsidy for low or moderate income housing (developers must get a Project Eligibility letter from the subsidizing agency before filing their permit application);
- reserve at least 25% of the units for households with incomes  $\leq$ 80% of area median income *or* reserve at least 20% of the units for households with incomes  $\leq$ 50% of median); the affordable units must have affordable rents or sale prices, as set by the subsidy program; <sup>255</sup>
- have a legally binding use restriction with at least a 30 year term (15 if a rehab projects), <sup>256</sup>
- meet the affirmative marketing requirements of the subsidy program;
- be developed by a public agency, by a nonprofit, or by a limited dividend organization that agrees to limit their profits to the maximum specified under the subsidy program (program limits vary but can't exceed 10% a year for rental projects or 20% for ownership projects).
- The developer must also have site control (through ownership, a lease or an option).

The definition of subsidy has expanded over the years, as housing programs has evolved. DHCD maintains a list of funding programs that meet the definition of subsidy under Chapter 40B. Additions over the year have included the Local Initiative Program in 1989 (projects developed with local support and state technical assistance but no direct cash assistance from the state or federally government), accessory apartments that meet the above standards, units funded with Community Preservation Act monies, and Department of Mental Retardation and Department of Mental Health community residences.

<u>Calculating the 10% Threshold (Subsidized Housing Inventory)</u> DHCD maintains a Subsidized Housing Inventory (SHI), available on its website, to determine the percentage of a community's *year round*<sup>258</sup> housing stock (as of the most recent decennial Census) that counts toward the 10% threshold under Chapter 40B. DHCD is required to survey communities at least once every two years to formally update the count. It also accepts updates on an ongoing basis from

communities as units become eligible. Units are counted as follows:

- The number of units eligible to be counted toward the 10% goal ("SHI eligible units") is based on the number of units in qualifying projects (subsidized, meets income and other requirements, including a long-term legally binding use restriction and affirmative marketing).
  - All units in a subsidized rental project, including market rate units, count as long as at least 20%-25% are affordable as detailed below. Otherwise, only the affordable units count.
  - o In ownership projects, only the affordable units count and the same is true for rental projects where less than 20-25% of the units are affordable.
  - Low-cost units that lack a long-term, legally binding restriction or are limited to town residents do not count.
- When eligible units can be added to the count: Prior to 2001, units did not count until construction was complete. 259 Under the current (2008) regulations:
  - Ounits in projects that receive a CP or site plan approval under Chapter 40R (see page 124) can be counted as soon as the CP became final. CPs subject to a legal appeal by a party other than the ZBA can also be added, though they must be removed a year later if the appeal is still unresolved, if subject to all legal appeals resolved.
  - Units added before the building permit is issued are temporarily removed if the building permit is not issued within a year.
  - Units in other types of projects can be counted once a building permit was issued, or if no building permit is required, once a certificate of occupancy is issued.
  - Units added when receiving a building permit must be temporarily removed if they haven't received certificate of occupancy within 18 months.
  - o All eligible units in a large phased project (where each phase is at least 150 units) will count upfront as long as the average time between phases does not exceed 15 months.
- When units are permanently removed from the count Units are generally removed upon the expiration of all qualifying use restrictions. In the case of projects in which the overall restriction expires but some units remain affordable to income-eligible tenants due to their receipt of "enhanced vouchers" or other DHCD-approved assistance, the units occupied by those tenants will continue to count. Some ownership units developed under the old HOP program or with certain deed restrictions also continue to count even if occupied by an income-ineligible household.

There are three important caveats to bear in mind with regard to SHI counts:

- They are not always equal to the number of affordable units in a community since they may include market rate rental units.
- Municipalities vary in terms of how quickly and fully they report new project or expirations (some cities tend not to report homeowner rehabilitation units, while others count every such unit), so DHCD's posted counts at a given point in time may understate or overstate the actual supply of subsidized units. Large cities long over 10% tend to be more lax in reporting eligible units.
- A community's SHI count and percentage can fluctuate considerably if projects are added

before they are built and then fall off due to construction delays. As a result, a community may rise above 10% temporarily and then fall below.

# 40B Application and Local Review Process

- Determination of Project Eligibility Prior to applying for a comprehensive permit, the applicant must apply to a subsidizing agency to obtain a determination of Project Eligibility. In the case of New England Fund (NEF) projects, MassHousing provides the letter. The State encourages developers to meet with local officials before requesting a determination to identify items that may be of concern to local officials and ideally to resolve those concerns. When a subsidy agency receives a request for a Project Eligibility determination, it must notify local officials, visit the site, and give the community at least 30 days to submit comments. It can only issue a determination of eligibility if it finds that the proposed project is fundable, that the developer has site control, that the design is generally appropriate for the site and location, after considering local plans for affordable housing and any program density guidelines, appears financially feasible (based on review on an initial pro-forma), that the proposed financing complies with profit limitations, and that the developer is financially responsible.
- Filing of Application/ Local Public Hearing Once a determination of Project Eligibility is issued, the developer may file a formal application with the ZBA for a comprehensive permit, including a list of any zoning and other regulatory waivers sought. The ZBA must schedule a public hearing on it within 30 days. The ZBA must notify DHCD and the local chief elected official when it receives the application. It must also notify all relevant local boards and requests their recommendations. ZBAs can also receive help with their review through the Massachusetts Housing Partnership's 40B technical assistance program which provides staff assistance and up to \$10,000 to enable the ZBA to hire a consultant.

The 2008 regulations include a new procedure that ZBAs must follow if they believe that their decision will be appeal-proof because the locality has met one of the various thresholds described below (e.g. large project, over 10%, etc.). Now in such cases, rather than holding a full hearing, the ZBA must notify the applicant and DHCD of this in writing within 15 days of opening the hearing and include documentation.

The Applicant then has 15 days to submit any challenge to the ZBA's assertion to DHCD. DHCD has 30 days to review all materials and issue a decision. If the ZBA or developer are unhappy with DHCD's decision, they can appeal it immediately to the Housing Appeals Committee. If either is unhappy with the HAC's decision, however, they cannot appeal it in the state court system until after they have conducted a hearing on the 40B application, issued a decision, and the HAC has heard any appeal on that decision.

The 2008 regulations also set a limit on the length of hearings (before there was none), requiring ZBAs to conclude the hearing within 180 days of the application filing unless the applicant agrees to a longer timetable. The time required to establish appeal proof status, as described above, does not count against the 180 days. The ZBA must issue its decision (majority vote) no later than 40 days after it ends the public hearing. It can approve the application as submitted, approve it with conditions or deny it entirely. If the ZBA denies the application or imposes conditions that a developer believes will make the project

"uneconomic", the developer may be able to appeal the decision to the State Housing Appeal Committee (HAC).

# Developer Ability to Appeal Adverse Decisions to the State

Generally, in communities where less than 10% of the year round housing is subsidized as defined above, developers can appeal the ZBA denial or approval with conditions to the State's Housing Appeals Committee (HAC). Under the statute, developers *cannot* appeal:

- in communities where low and moderate income housing sites equal at least 1.5% of the total land area on which residential, commercial and industrial uses are allowed,
- in communities where the project would result in the start of construction in one calendar year of subsidized housing on sites totaling more than the larger of 10 acres or 0.3% of the city or town's land area.

In addition, under regulations first adopted in 2001-2002 and revised on February 22, 2008, developers cannot appeal the decision to the HAC if:

- the project is very large (150-300 units depending on the size of the community or 2% of total housing units in larger communities);
- they sought a permit for the same site within the past year to develop something other than subsidized housing; or
- the community has recently increased its subsidized housing supply<sup>264</sup> by a number at least equal to 0.5% or 1.0% of its 2000 year round housing count in accordance with a state-certified long term "housing production plan" (see below).

Housing Production Plans In 2002, DHCD issued a 40B regulation ("planned production") to encourage communities to proactively develop housing plans that spell out how they will gradually raise their subsidized housing percentage to 10%. Under the regulation, communities with DHCD-approved plans who meet certain production levels become appeal proof for either one or two years. The regulation<sup>265</sup> was revised in February 2008 to lower the minimum production levels and require periodic updating of the housing production plan.

The plan must describe how the community will increase its SHI count by a number equal to at least 0.5% of its year-round housing supply each year. Communities can select locations and approaches they prefer to meet this goal (most propose a mix of new construction and rehabilitation as well as zoning changes). The plan must be approved by the chief elected official and the planning board, then submitted to DHCD for approval. Plans must be updated and re-approved every five years. (Under the old regulations, plans had no time limit and only had to be approved by the chief elected official. Previously approved plans will have to meet the new standards starting 5 years from their original effective date.)

Once DHCD approves its plan, a community that subsequently increases its SHI count by at least the 0.5% minimum in any given calendar year can be "certified" by DHCD and become appeal proof for one year from the date it notifies DHCD (ZBA decisions during that period on 40B applications must be upheld by the HAC). If it raises its count by at least 1% in a year, it is appeal proof for two years. Communities can apply for certification once a project is eligible to be counted on the SHI. However, if projects fail to receive building or occupancy permits

within the 12-18 month deadlines imposed by SHI counting rules, communities certified for two years will lose their appeal proof status earlier.

Currently (May 2008), 74 communities have DHCD-approved production plans and 28 have gained appeal-proof status at least once (four have achieved it more than once). All but two communities certified to date did so with projects developed with comprehensive permits. Eleven (11) communities are currently certified - seven for two years and four for one year – including five with current SHI percentages above 10%.

#### Appeals to the Housing Appeals Committee

In communities that are not appeal-proof, a developer can appeal the local decision in full or in part to the Housing Appeals Committee (HAC). The developer can also appeal ZBA actions that he/she believe violate Chapter 40B as well as ZBA decisions with respect to requests for a permit modification or:

- *Denials* In cases where the ZBA has denied a permit, the HAC must overturn the denial unless it finds that proposed development presents serious health or safety concerns that outweigh the regional need for affordable housing and cannot be mitigated. If the HAC orders issuance of the permit, ZBAs have 30 days to comply. If they choose not to issue a permit, the permit is issued by the HAC.
- *Uneconomic Conditions* In cases where a developer appeals one or more conditions included in the ZBA approval as uneconomic, the Committee reviews the impact of those conditions on the economic feasibility of the project and generally must reject uneconomic conditions.

Sometimes, the HAC remands a case back to the ZBA for further consideration, with guidance, rather than issuing a final decision. Overall, the Committee encourages negotiated settlements between the developer and the community so that it does not have to overrule the ZBA decision.

#### Accomplishments Under Chapter 40B

Almost 1,000 developments with approximately 50,000 units using comprehensive permits have been built or begun construction to date. As a result, the number of cities and towns at or above 8% has more than doubled (from 44 to 91) since October 2001 and now include over half (56%) of the State's year round housing units (2000 Census). The May 2008 SHI shows:

- 50 communities are above the 10% threshold up 23 since October 2001.
- 41 more communities are at or above 8% (including 17 above 9%) up 24 since 2001.
- 6 communities below 8% are currently appeal proof under the housing production plan regulation and several more are reviewing projects that would put them over 10%.
- The percentage of the State's supply of affordable housing outside the 15 largest cities has risen from 30% in 1972 to 47% today. 267

Cities and Towns with at least 10 % Affordable Housing – May 2008  $^{268}$ 

		<b>Housing Units</b>	Development		
	Community	(2000)	Units		Percent SHI Units
1	Amesbury*	6,570	853	729	11.10%
2	Amherst	9,020	1,111	1,016	11.30%
3	Aquinnah	155	41	41	26.50%
4	Bedford*	4,692	973	857	18.30%
5	Beverly	16,150	1,898	1,859	11.50%
6	Boston	250,367	50,579	49,759	19.90%
7	Brockton	34,794	4,464	4,464	12.80%
8	Burlington*	8,395	1,379	977	11.60%
9	Cambridge	44,138	7,066	6,976	15.80%
10	Canton*	8,129	997	934	11.50%
11	Chelsea	12,317	2,121	2,116	
12	Chicopee*	24,337	2,575	2,538	10.40%
	Danvers*	9,712	937	1,007	10.40%
14	Dedham*	8,893	1,137	1,092	12.30%
	Fall River	41,757	4,830	4,734	11.30%
	Fitchburg*	15,963	1,668	1,667	10.40%
17	Framingham	26,588	2,724	2,724	10.20%
	Franklin*	10,296	1,547	1,058	10.30%
	Gardner	8,804	1,403	1,403	15.90%
20	Georgetown*	2,601	373	361	13.90%
21	Greenfield	8,274	1,161	1,151	13.90%
22	Hadley*	1,943	257	257	13.20%
23	Holbrook*	4,145	449	449	10.80%
	Holyoke	16,180	3,525	3,448	21.30%
25	Hudson*	7,144	897	726	10.20%
	Lawrence	25,540	3,783	3,713	14.50%
27	Lexington*	11,274	1,338	1,279	11.30%
28	Lowell	39,381	5,254	5,231	13.30%
29	Lynn	34,569	4,511	4,510	13.00%
30	Malden	23,561	2,762	2,694	11.40%
31	Mansfield*	8,083	993	947	11.70%
32	Marlborough*	14,846	1,618	1,564	10.50%
33	Montague*	3,826	427	395	10.30%
	New Bedford	41,403	5,095	5,064	12.20%
	North Adams	7,061	891	891	12.60%
	Northampton	12,282	1,486	1,431	11.70%
37	Northborough*	4,983	668	550	11.00%
38	Orange	3,236	432	432	13.30%
39	Peabody*	18,838	2,068	1,957	10.40%
40	Pembroke*	5,834	780	632	10.80%
41	Quincy*	39,912	4,063	4,063	10.20%
42	Raynham*	4,197	595	480	11.40%
43	Revere	20,102	2,108	2,108	10.50%
44	Salem	18,103	2,591	2,389	13.20%
45	Springfield	61,001	10,398	10,073	16.50%
46	Stockbridge*	1,066	120	120	11.30%
47	Stoughton*	10,429	1,581	1,319	12.60%
48	Ware*	4,285	436	436	
	Winghandon*	3,563	393	393	11.00%
49 50	Winchendon* Worcester	70,408	9,587	9,575	13.60%

Communities reaching 10% after October 2001

## Chapters 40R and 40S

The *Smart Growth Zoning Overlay District Act* (M.G.L. Chapter 40R) <sup>269</sup> was enacted in June 2004. Billed as an alternative way to address zoning barriers to affordable housing while also encouraging "smart growth", 40R requires the State to pay cities and towns that create overlay zoning districts (40R districts) to allow higher density development as of right and require that at least 20% of the units be affordable. As a second incentive, a 2005 companion law (M.G.L. Chapter 40S)<sup>270</sup> provides "school impact insurance" by requiring the State to reimburse localities for school costs related to units in a 40R zone, to the extent that costs exceed the taxes paid by units in the zone. The statute also mandates a timely review and approval process for projects using the new zoning, requiring local authorities to approve or disapprove applications within 120 days of filing.

The statute defines smart growth as "a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves open space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions." <sup>271</sup>

Cities and towns with 40R districts are entitled to two types of payments when building permits are issued for units developed pursuant to the overlay zoning:

• A one-time "zoning incentive payment" of \$10,000 to \$600,000 depending on the projected increase in allowed units (bonus units) in the district. Communities can request payment as soon as DHCD approves their district, though some wait until building permits are issued since they must return the money if permits are not issued within 3 years of the payment.

Projected Units of New Construction*	Zoning Incentive Payment
Up to 20	\$10,000
21-100	\$75,000
101-200	\$200,000
201-500	\$350,000
501 or more	\$600,000

<sup>\*</sup>units that could not have been developed using underlying zoning

• A "density bonus" payment of \$3,000 for each bonus unit that receives a building permit.

## Smart Growth Overlay District (SGOD) Requirements

An overlay district is a mechanism that allows communities to establish special as-of-right rules on top of existing zoning for specific locations. In the case of 40R, the statute requires that the overlay zoning be optional (i.e., owners must continue to be allowed to build using the underlying zoning), be approved both locally and by DHCD, and meet certain locational, density, mixed-use and affordable housing requirements. Communities can create more than one 40R district.

- Eligible Locations: The district must be: (1) an area near transit stations; (2) an area of concentrated development (e.g. existing city and town center, commercial district or rural village); or (3) a "high suitable location" by virtue of its infrastructure, transportation access, existing underused facilities or other features. The district can also include adjacent areas that are served by existing infrastructure and utilities that provide pedestrian access one or more frequently-used destination (e.g. schools, civic facilities, businesses, transit stops, recreation)
- *Use of existing zoning districts* Communities that already have a zoning district that meets the 40R standards, including density and affordability standards, can apply to DHCD to have those districts approved as smart growth districts. While they will not be eligible to receive the one-time zoning incentive payment, they will qualify for density bonus payments.
- As of Right Density The overlay must allow as of right densities of at least 8 units per acre for single family homes, 12 units for 2- and 3-unit buildings and at least 20 units for multifamily housing of right (this can be waived for towns under 10,000). If the community chooses, it can set higher densities.
- Dimensional and Design Standards While not required, municipalities can modify or
  eliminate dimensional standards contained in the underlying zoning, for part or all of the 40R
  district, either as of right or as part of the district plan review process. The community can
  also adopt fairly detailed design standards for the district, covering items such as the scale of
  buildings, location of parking, building entrances, street and sidewalk alignment and
  buffering.
- *District Size*: no district can exceed 15% of the total land area in a city or town and the combined area of all districts in a community can't exceed 25% of its total land area.
- *Allowed Uses/Occupancy Restrictions*: The district must allow housing for a mix of populations and cannot impose district-wide age or other occupancy restrictions, though individual projects exclusively for the elderly or the disabled or for assisted living are allowed. The district can permit non-residential uses as well as housing.
- Affordable Housing: The bylaw must require that at least 20% of the housing units in any project over 12 units be affordable (reserved for households with incomes at or below 80% of median at affordable cost) for at least 30 years. It must also ensure that at least 20% of all units constructed in the district meet this affordability standard. In addition, in the case of projects exclusively for the elderly, the disabled or for assisted living, at least 25% of the units must be affordable. Communities can require greater affordability as part of the bylaw (e.g. a higher percentage of affordable units or lower income limits), if they choose, as long as the targets don't unduly restrict development opportunities.

<u>District Approval Process</u> The statute sets out a 3-step approval process. First, municipalities must submit information on the proposed district and project review process, along with a comprehensive housing plan and draft zoning language, to DHCD for review. If the proposal meets 40R requirements, DHCD issues a letter of project eligibility and the zoning language can be brought to the city council or town meeting for approval (2/3 vote required). After local adoption, the bylaw is resubmitted to DHCD and the Attorney General's office for final approval.

<u>Project Approval Process</u> Once the zoning overlay is in place, developers can apply for approval of their project by the designated local approving authority. The authority must hold a public hearing and make and file its decision within 120 days of the application. Persons

aggrieved by the decision can appeal it in the court system, but must post a bond in an amount equal to twice the developer's estimated legal costs and carrying costs over the appeal period and if the plaintiffs do not substantially prevail, must pay the actual legal and carrying costs.

<u>Funding</u> The State created a Smart Growth Housing Trust Fund in July 2004 to fund the zoning incentive and density bonus payments. The Trust was initially capitalized with a portion of future proceeds from the sale of surplus state properties (the first \$25 million was to go into the General Fund, and the next \$25 million into the Trust). However, by the end of FY2007, it had received less than \$4 million in land sale proceeds. The Legislature authorized transferring \$10 million to the Trust (from the Bay State Competitiveness Investment Fund) in October 2007 to ensure communities could receive payments. Several bills have been proposed in 2007 to revise the surplus land disposition process and hopefully speed up future payments to the Trust.

<u>Use to Date</u> Chapter 40R became operational in March 2005, with the issuance of program regulations. As of early June 2008, 23 communities have fully approved overlay districts or are awaiting final state approval. Four more have submitted preliminary applications to DHCD. One-third of 23 fully or locally approved districts are in transit areas (7) or areas of concentrated development (1); the other 15 are in "other suitable locations."

Only five of the 21 fully approved districts have begun construction. Others have been delayed by the soft housing market (4 have no developers yet). The districts that are furthest along are those created several years ago in collaboration with a developer (7 are for projects either initially proposed or already approved as Chapter 40B developments and two other districts were already zoned for affordable housing).

If the 23 approved and pending districts are fully built out under 40R, the State's zoning and density bonus unit payments will total approximately \$28 million. A number of the projects will also use state and federal subsidies for the affordable units.

#### Smart Growth/Commonwealth Capital Fund

In June 2004, the State announced a new policy giving communities whose land use policies promote *sustainable development* an advantage when they apply for certain discretionary bondfunded grants. Starting in FY2005, it began to base funding awards for certain transportation, infrastructure, environmental and housing programs in part on how well municipalities were using their powers to promote "redevelopment of previously developed areas, sustainable housing production, protection of farms, forests and other priority open space, and public drinking water supply protection." In FY2008, the Patrick administration added promoting clean energy and energy efficiency to the list of Sustainable Development principles used to evaluate funding applications.

Currently the ten Sustainable Development Principles, detailed on the State's website, are:

- 1. Concentrate Development and Mix Uses
- 2. Advance Equity
- 3. Make Efficient Decisions
- 4. Protect Land and Ecosystems
- 5. Use Natural Resources Widely

- 6. Expand Housing Opportunities
- 7. Provide Transportation Choice
- 8. Increase Job and Business Opportunities
- 9. Promote Clean Energy
- 10. Plan Regionally

Each year, communities intending to apply for certain State funds submit a "Commonwealth Capital" application with information on their sustainable development policies to an interagency group that reviews the information and assigns a "community capital score" good for that fiscal year. (In FY2008, 120 communities received scores.) The community score is considered when applications for funding are reviewed. The programs covered by Commonwealth Capital have varied. In FY2008, the Administration removed three affordable housing and three land preservation programs from the list after concluding that the scorecard worked against affordable housing and certain habitat preservation goals.

Currently, Commonwealth Capital is used in connection with 14 programs including DHCD's Community Development Action Grant (infrastructure grants) and the Transit-Oriented Development Bond program, up from 11 programs in FY08. The Administration added five more in FY2009. Complete information on Commonwealth Capital, including past and current community scores is available on the State's www.mass.gov/commcap.<sup>274</sup>

#### State Planning and Technical Assistance Programs

The State has several programs to encourage and help municipalities and local nonprofits to create housing strategies and carry out pre-development activities. DHCD's Community Assistance Unit and the Massachusetts Housing Partnership (MHP) Community Initiatives program both provide technical assistance and CEDAC provides pre-development funding for nonprofits. In addition, several State programs have helped hundreds of communities to develop housing strategies in recent years. Recent initiatives have included:

- Executive Order 418 This program was created in 2000 in response to concern about the general shortage of housing in Massachusetts. <sup>275</sup> It encouraged communities to increase the supply of housing affordable to a broad range of incomes (up to 150% of median) by developing housing strategies in the context of other land use goals. Through 2002, it offered cities and towns grants of up to \$30,000 so they could create a "community development plan" that addressed housing, economic development, open space and resource protection, and transportation. Ultimately, 220 cities and town developed plans under the program. <sup>276</sup> Communities that developed plans or produced units received priority for certain housing grant programs.
- <u>PDF Grants</u> The State made another \$3 million from MassHousing's Priority Development Fund (PDF) available for grants to municipalities of up to \$50,000 for planning and predevelopment activities (e.g., zoning revisions, site identification, feasibility studies and RFP development) in 2004. Though now spent out, it was a major funding source for communities creating 40R districts.
- <u>Smart Growth/Smart Energy Technical Assistance Program</u> This Executive Office of Energy and Environmental Affairs (EOEEA) program provides grants to municipalities to help them develop land use regulations that promote smart growth and green development.

The State's Chapter 40B housing production regulation also encourages affirmative planning, as does the Commonwealth Capital process. State Chapter 40B regulations also give deference to local housing plans when considering developer appeals of comprehensive permit decisions.

#### Community Preservation Act

The Community Preservation Act (CPA), Chapter 267 of the Acts of 2000 (M.G.L. Chapter 44B), allows cities and towns to adopt a property tax surcharge of up to 3% to raise funds for three activities:

- Acquisition and preservation of open space
- Creation and support of affordable housing
- Acquisition and preservation of historic buildings and landscapes

A minimum of 10% of the annual revenues of the fund must be used for each of the 3 allowed uses. Of the remaining 70%, 5% may be used for administrative expenses, and 65% can be allocated for any combination of the three uses, or for land for recreational use. Communities that adopt the surcharge are eligible for state matching grants that until FY2009 equaled 100% of amount raised by the local surcharge. As of May 2008, 133 communities have adopted CPA surcharges and five more have scheduled votes for November 2008. The Act has raised over \$500 million to date (including \$248.7 million in State matching funds through October 2007). The Community Preservation Coalition maintains a website (www.communitypreservation.org) with extensive information on the Act, links to regulations and guidance, a list of communities that have passed or rejected CPA, the structure of their surcharges and the types of activities communities are funding.

Adoption Process Local voters must approve the surcharge. There are two ways to put CPA on the ballot – either by a vote of the local legislative body (Town Meeting or City Council) or by a petition signed by 5% of the voters. The ballot question specifies the surcharge percentage and any exemptions (the Act allows a minimum of 0.5% and a maximum of 3% and allows localities to create exemptions for low income households, for the first \$100,000 of value and in some cases for nonresidential properties).

<u>State Match</u> The state matching funds are paid from surcharges on Registry of Deeds and Land Court fees that have been deposited into a statewide Community Preservation Trust Fund. The current surcharge is \$20 for most types of filings including deeds and conveyances, mortgages, mortgage discharges, plans, U.C.C. filings and releases of collateral. The surcharge is \$10 for municipal lien certificates. It does not apply to homestead declarations. The statute also permits the Legislature to transfer other funds to the Fund.

The State match (not to exceed 100%) is distributed every October 15 and is based on the amount each community raised in the prior fiscal year and the amount available for distribution from the Trust Fund. The first distribution was in October 2002 (for communities that imposed CPA in FY2001). To date, there have been six distributions (2002-20070 with a 100% match rate each year (\$1 for every dollar communities raised through their local surcharge). However, the Department of Revenue estimates the October 2008 match will be about 65% for most communities (communities with a 3% surcharge will receive a 66%-100%). Under the statute, when there are insufficient funds to provide a 100% match to all communities, a more complicated distribution process goes into effect. Eighty percent (80%) of the available funding

is distributed pro-rata to all qualifying communities; communities that adopted a 3% CPA surcharge then get an additional allocation from the remaining 20% of funds, with the additional amount based on population and per capita equalized valuation.

The Department of Revenue expects match rates will be even lower in October 2009, absent new funding sources, as Trust revenues have not kept pace with the growth in the number of communities adopting CPA. In recent years, the Trust was able to use accrued funds to keep up with this growth but that cushion has been exhausted, especially as challenging market conditions have reduced Registry fees collections.<sup>279</sup> Several proposals have been introduced in the Legislature to address this by allowing higher Registry surcharges.

Approval Process for Local Projects After a community adopts the CPA, it must establish a Community Preservation Committee with 5-9 members, including representatives from its conservation commission, housing authority, planning board, parks commission and historic preservation commission. The Committee must review and assess local open space, housing and historic preservation needs and develop a process for accepting and reviewing applications for CPA funding. The Committee makes spending recommendations to the local legislative body which has final approval authority.

<u>Housing Activities</u> The Act requires localities to reserve at least 10% of their annual CPA revenues on "community housing" (affordable to households with incomes of up to 100% of area median) and expresses a preference for activities that using existing housing or developed sites. A March 2008 Massachusetts Housing Partnership/CHAPA <u>guidebook</u> on using CPA for affordable housing details the wide range of housing-related activities that CPA funds can support, including consultant assistance and is available online.<sup>280</sup>

Data on the actual percentage communities are spending on housing is limited<sup>281</sup>, but two studies published in 2006 and 2007, estimate that 31-32% of all CPA spending through June 2006 went to affordable housing, though the percentages varied widely by community (ranging from over 80% in Cambridge to 0% in 20 communities).<sup>282</sup> In some cases, it takes communities a few years to identify affordable housing opportunities and it is estimated that this percentage may be higher today.

#### Municipal Affordable Housing Trusts

In 2004, the State enacted a local option law<sup>283</sup> (M.G.L. Chapter 44, Section 55C) that allows communities to set up municipal affordable housing trusts (MAHT) without state enabling legislation if they follow the model outlined in the law. Technical amendments were made in 2006. Communities can use these Trusts to hold funds, including CPA funds or inclusionary zoning in-lieu payments, for affordable housing activities until they are needed and set guidelines that make it possible to access the funds quickly when needed to take advantage of a housing opportunity. Over 30 communities have created MAHTs to date. The MHP "CPA and Affordable Housing Guidebook" described above provides information on and sample documents for creating and operating such trusts.

\_

<sup>&</sup>lt;sup>254</sup> See federal executive order 12892.

- Income and price limits are set by the state or federal subsidy program used for a given project. One older HUD program and one Rural Housing Service program use income limits slightly above 80% of median, and some state programs including public housing and the project-based Massachusetts Rental Voucher Program now set gross rents at levels above 30% of income.
- 256 Prior to 2001, the minimum term of affordability required under Chapter 40B regulations was 15 years for new construction and 5 years for rehabilitation.
- DHCD maintains a list of eligible subsidy programs online as part of its "40B Guidelines" at <a href="http://www.mass.gov/Ehed/docs/dhcd/legal/shi.doc">http://www.mass.gov/Ehed/docs/dhcd/legal/shi.doc</a>. The list of eligible programs is in Appendix II.
- 258 Year round housing is defined at the Census Bureau's count of total housing units minus its count of "seasonal, recreational and occasional use" units.
- Under regulations adopted in 2001, units could be counted once a building permit was issued and units in projects that receive a CP could be counted as soon as the CP became final (all legal appeals resolved), though they would be temporarily be removed if the building permit was not issued within a year.
- MassHousing has established a general density guideline for NEF homeownership projects of 8 units per acre or four times the allowable zoning, whichever is greater. In notes, higher densities are often appropriate for transit-oriented development.
- <sup>261</sup> Details on all aspects of Chapter 40B can be found online at CHAPA's website (www.chapa.org).
- The regulations governing comprehensive permit applications are available online at <a href="http://www.mass.gov/dhcd/components/hac/default.htm">http://www.mass.gov/dhcd/components/hac/default.htm</a> ((760 CMR 31.02), as well as model rules.
- Information on the 40B Technical Assistance Program is available online at <a href="http://www.mhp.net/uploads/resources/ch.">http://www.mhp.net/uploads/resources/ch.</a> 40b ta guidelines.pdf
- The plan must result in an annual increase in units qualifying for inclusion in the Subsidized Housing Inventory equal to at least 0.75% of the community's total housing units.
- The Housing Production regulation (760 CMR 56.03 (4)) and guidelines are available on DHCD's website at <a href="http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Community+Development&L2=Chapter+40B+Planning&sid=Ehed&b=terminalcontent&f=dhcd">http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Community+Development&L2=Chapter+40B+Planning&sid=Ehed&b=terminalcontent&f=dhcd</a> cd ch40b planprod&csid=Ehed
- <sup>266</sup> Prior to February 2008, the minimum production thresholds were 0.75% and 1.5% of year round housing supply.
- Massachusetts Draft 2005-2009 Consolidated Plan, DHCD, page 33.
- The State Department of Housing and Community Development (DHCD) Subsidized Housing Inventory is posted on its website at <a href="http://www.mass.gov/Ehed/docs/dhcd/hd/shi/shiinventory.htm">http://www.mass.gov/Ehed/docs/dhcd/hd/shi/shiinventory.htm</a>. This table uses the published inventory dated May 2, 2008.
- M.G.L. c. 40R, added by Chapter 149 of the Acts of 2004
- 270 Chapter 141 of the Acts of 2005, "An Act Relative to Smart Growth Zoning and Housing Production", approved November 22, 2005.
- <sup>271</sup> Section 1, M.G.L. Chapter 40R.
- <sup>272</sup> Chapter 40R allows individual projects in an eligible district to have higher or lower percentages of affordable units but all projects of 13 or more units must be at least 20% affordable.
- <sup>273</sup> Chapter 188 of the Acts of 2004, approved July 19, 2004.
- The Commonwealth Capital website is http://www.mass.gov/?pageID=gov3subtopic&L=5&L0=Home&L1=Key+Priorities&L2=Job+Creation+%26+Economic+Growth&L3=Clean+Energy+%26+Smart+Growth-Smart+Energy&L4=Commonwealth+Capital&sid=Agov3
- The text of Executive Order 418 is online at <a href="http://www.lawlib.state.ma.us/ExecOrders/eo418.pdf">http://www.lawlib.state.ma.us/ExecOrders/eo418.pdf</a>
- http://commpres.env.state.ma.us/content/cdplans.asp a map of the 220 communities is available at http://commpres.env.state.ma.us/publications/cdp-status-dhcd.pdf
- See "<u>TIR 00-12: Community Preservation Act Surcharges on Recorded and Registered Documents</u>", Massachusetts Department of Revenue, Boston, MA.
- See "Informational Guideline Release (IGR) No. 00-209: Community Preservation Fund", Massachusetts Department of Revenue, Boston, MA, December 2000, available online at <a href="http://www.mass.gov/Ador/docs/dls/publ/igr/2000/2000209igr.pdf">http://www.mass.gov/Ador/docs/dls/publ/igr/2000/2000209igr.pdf</a>
- 279 See Massachusetts Department of Revenue, Division of Local Services, Community Preservation Trust Fund Balance http://www.mass.gov/Ador/docs/dls/mdmstuf/CPA/CPAFundBalance.xls

The MHP Guidebook on CPA and Affordable Housing is available on online at http://www.mhp.net/uploads/resources/071019 mhp cpa guidebook.pdf

While the Department of Revenue requires communities to report their CPA collections and spending (forms CP-1 and CP-2) and the initiatives funded (<a href="http://www.mass.gov/Ador/docs/dls/publ/forms/CP3">http://www.mass.gov/Ador/docs/dls/publ/forms/CP3</a> initiatives report.pdf) annually, the data is not in a form that allows one to determine the relationship between the initiatives and the amounts spent to date.

Ann Dillemuth, "The Community Preservation Act and Affordable Housing in Massachusetts: Learning from the First Five Years", for the Massachusetts Housing Partnership, Boston, MA, August 2006 (http://www.mhp.net/uploads/resources/cpa\_affordable\_housing\_in\_ma.pdf) and Robin Sherman and David Luberoff, "The Massachusetts Community Preservation Act: Who Benefits, Who Pays?", Rappaport Institute of Greater Boston, Harvard University, Cambridge MA, July 2007 (see http://www.hks.harvard.edu/rappaport/downloads/cpa/cpa\_final.pdf)

<sup>&</sup>lt;sup>283</sup> Chapter 491 of the Acts of 2004, as amended by Chapter 109 of the Acts of 2006

# 14. Fair Housing

Although federal and State laws ban discrimination in the sale or rental of housing on the basis of certain characteristics (households with these characteristics are called "protected classes"), studies indicate that housing discrimination is widespread, particularly against some racial and ethnic groups, people with disabilities, households with rental assistance, and households with children (especially children under age 6 due to lead paint law concerns). Localities also frequently limit housing opportunities through zoning ordinances that do not permit multifamily housing or policies that tend to limit new developments to projects that only have 1 or 2 bedrooms or restrict occupancy to age 55+ households.

#### **Fair Housing Laws**

Federal anti-discrimination laws<sup>284</sup> prohibit a variety of types of housing discrimination and require recipients of federal housing funds to affirmatively try to overcome conditions that limit housing opportunities on the basis of race, color, or national origin. Massachusetts also has a state anti-discrimination law that bans additional forms of housing discrimination, and several municipalities, including Cambridge, Somerville, have local fair housing ordinances.

Enforcement Responsibility for enforcement varies. HUD is the lead agency for enforcing the federal fair housing laws, through its Office of Fair Housing and Equal Opportunity (FHEO). However, it generally delegates investigations to state and local agencies that have fair housing laws and remedies "substantially equivalent" to HUD, where available, and provides funding for this purpose. 285 Massachusetts has three such agencies - the Massachusetts Commission Against Discrimination (MCAD), <sup>286</sup> the Boston Fair Housing Commission and the Cambridge Human Rights Commission. MCAD investigates most federal and state fair housing complaints in Massachusetts (Boston and Cambridge can investigate complaints alleged to have occurred in their city); together they receive about 360 housing discrimination complaints a year, with most filed with MCAD (about 325 a year). <sup>287</sup> (Information on the numbers and types of housing complaints filed with HUD in recent years is available by county on a searchable database maintained by Gannett News Service. 288) However, national studies estimate that only about 1% of all housing discrimination incidents are reported to state and federal agencies.<sup>289</sup> A recent HUD survey of non-filers found a variety of reasons for non-filing including uncertainty about whether actions were actually illegal, uncertainty about where or how to file a complaint, belief that filing would be futile or would result in retaliation or be hard to prove without testing evidence.

<u>Education</u> HUD also funds several private nonprofit agencies in Massachusetts to promote fair housing education and outreach through its Fair Housing Initiatives program (FHIP).

**The Federal Fair Housing Act** Enacted in 1968 and amended in 1988, the Federal Fair Housing Act bars discrimination in public and private housing on the basis of (1) race, (2) color, (3) national origin, (4) religion, (5) sex, (6) familial status (including children under 18, pregnant women), or (7) disability. The Act applies to most housing, although there *are some very limited exemptions* for two-family owner-occupied properties, single family housing sold or rented without using a broker, state and federal housing for the elderly, age-restricted housing (80% of

the units occupied by at least one person 55 or older) and housing operated by organizations and private clubs that limit occupancy to members. State law further restricts these exemptions.

**State Fair Housing Law** The State's Anti-Discrimination Act (M.G.L. c.151B) is similar to the federal Fair Housing Act, but bans some types of discrimination not covered by federal fair housing law. The additional prohibitions include discrimination on the basis of (1) age, (2) marital status, (3) military status, (4) sexual orientation, (5) source of income (including receipt of public or rental assistance), and (6) refusing to rent to families with children due to the presence of lead paint. The state law generally exempts the same types of properties as the federal law, but only for some provisions; the bans on discriminatory advertising, including discriminatory statements, discrimination against recipients of public or rental assistance (e.g. Section 8) and lead paint apply to <u>all</u> housing.

Practices Prohibited Under Fair Housing Law State and federal fair housing laws prohibit a wide range of practices in the sale and rental of housing, including lying about the availability of units, setting different terms and conditions under a lease (such as charging a higher rent for a unit for households with children), using different screening criteria for some types of applicants, refusing to make reasonable accommodations in policies and services for persons with disabilities or refusing to permit reasonable modifications of dwellings, refusing to rent to subsidy recipients because of subsidy program requirements, and refusing to rent to families with children under six because of lead paint. They also ban discriminatory mortgage lending, appraisal and loan purchase practices, blockbusting, redlining and threats against people exercising their fair housing rights. For *all* housing, they prohibits ads or statements, including verbal statements, that indicate a limitation or preference related to race, color, national origin, religion, sex, familial status or disability.

Protections for Persons with Disabilities: Reasonable Accommodations, Reasonable Modifications and Accessibility The Federal Fair Housing Act provides special protections for people with disabilities, including but not limited to physical, cognitive and psychiatric disabilities, AIDS and chronic alcoholism (though it does not require owners to make housing available to people who currently use illegal drugs or are a direct threat to the health and safety of others). It requires owners to take reasonable steps to accommodate disabled tenants/applicants. Under it, owners:

- Must allow tenants with disabilities, at the tenant's expense, to make reasonable
  modifications to their dwelling or common areas if needed to enable the tenant to use the
  housing. In some cases, the tenant must agree to restore the alterations to the interior of their
  unit when moving.
- Must make reasonable accommodations in rules and policies if needed for greater accessibility and use of the building by a tenant with a disability (e.g. allow a visually impaired tenant to keep a guide dog despite a no-pets policy).
- Must provide accessible units in new multifamily buildings (>3 units) first occupied after March 13, 1991 and make public and common areas accessible to persons with disabilities. Under MAAB, coverage begins at 3 or more units in a multifamily building (see page 105).

Americans with Disabilities Act of 1990 (ADA) and Section 504 Under Title II, ADA requires public agencies to operate housing programs in ways that make them accessible and that do not discriminate against persons with disabilities. Under Title III, areas of housing developments that are used as public accommodations must be accessible. It also requires that homeless shelters be accessible. Many of the requirements under ADA flow from earlier legislation, Section 504 of the [federal] Rehabilitation Act of 1973, which applies to programs, entities and businesses receiving federal funds of more than \$2,500. Section 504 bans discrimination on the basis of disability in the provision of services, requires reasonable accommodation and established accessibility standards for physical and sensory impairments (see Housing for People with Disabilities, page 100).

#### **HUD Requirements: Obligation to Affirmatively Further Fair Housing**

As a condition for receiving federal housing and community development funds, HUD requires states and localities to certify that they will affirmatively further fair housing. Public housing agencies are also required to take affirmative action to overcome conditions that result in limiting participation based on race, color, or national origin.

• Analysis of Impediments (AI) States and localities that receive HUD block grant funds must periodically analyze the impediments to fair housing that exist in their jurisdiction – including local policies and practices that restrict housing opportunities and outline the strategies they will pursue to address major impediments. HUD requires these grantees to then report on the ways in which they have addressed the impediments, as part of the annual plans and annual performance reports they submit to HUD<sup>290</sup>, although monitoring appears minimal.

DHCD published an updated <u>Analysis of Impediments to Fair Housing Choice</u> in late 2006<sup>291</sup> in collaboration with a Fair Housing Advisory Panel created in 2004. The Panel included representatives from state housing agencies, advocacy groups and the development community. The AI includes extensive data by county on the demographic characteristic, housing status – including the extent to which they are served by state and federal housing programs - and needs of various protected classes.

- o It found very high levels of geographic concentration among low income minority households and a pattern of discriminatory mortgage lending terms.
- It also found that many communities have local land use regulations that reduce affordable housing opportunities (e.g. large lot requirements, little or no land zoned for multifamily housing).
- Lead paint laws were found to particularly affect renters (who are much more likely to live in pre-1978 housing) and residents in cities and towns where much of the housing stock is very old.
- Limited public transportation options also reduce housing opportunities for many protected classes.

The AI recommended a number of specific steps that State could take to advance fair housing objectives through education and outreach; improving affirmative fair marketing of subsidized housing; best lottery practices; collecting data on subsidized housing to measure performance with respect to fair housing objectives; examining local residency

preferences<sup>292</sup>, creating opportunities for universal access to subsidized housing; developing training opportunities for local officials and managers; and developing approaches to mitigate local hostilities toward housing development.

• **Skinner Consent Decree** Court-ordered remedies in the settlement of a 1978 suit the *NAACP, Boston Branch v. HUD* ("the Skinner decision") also shape State and City of Boston fair housing policies and activities. The consent decree, signed by HUD and the City in 1991, requires metropolitan-wide remedies to ensure greater housing opportunities for low income people of color in Boston and surrounding communities. This led to the creation of **Metrolist**, a clearinghouse operated by the Boston Fair Housing Commission, to provide Boston residents with information on state and federal subsidized housing opportunities in 106 communities in the Boston metropolitan statistical area as well as city-assisted properties.

#### **Local Fair Housing Agencies and Organizations**

Many Massachusetts cities and towns have local fair housing and/or human rights committees or commissions that work to promote fair housing, and some collaborate through the Massachusetts Association of Human Rights Commissions and Relations. There are also several larger private nonprofit fair housing groups in Massachusetts, including the Fair Housing Center of Greater Boston, the Lawyer's Committee for Civil Rights Under Law of the Boston Bar Association, and the Massachusetts Fair Housing Center in Holyoke, that work actively to reduce discriminatory practices, help people file fair housing complaints and work with local fair housing groups. The Fair Housing Center of Greater Boston also maintains information on recent studies of discrimination in rental housing in Greater Boston.<sup>293</sup>

#### **Fair Housing Trends and Issues**

• Data Collection for Affordable Housing In 2006, the State enacted a <u>law</u><sup>294</sup> requiring DHCD to collect, compile and report detailed information on the characteristics of state and federal public housing programs and housing supported by subsidy, including federal funds administered by the state, and state and federal rental assistance programs. DHCD adopted an implementing regulation - "Data Collection for Government Assisted Housing in Massachusetts" (760 CMR 61) - in November 2007.

The regulation requires DHCD, and any state instrumentalities it designates, to collect information annually on unit characteristics, including address, tenure, type of building, type of housing (e.g. elderly, disabled, family, special needs, mixed), number of bedrooms, numbers accessible for mobility impairments and for sensory impairments, and the source and terms of any and all subsidy. It must also collect household data, including income level, race and ethnicity, household type, numbers of children under six and ages 6-18, and numbers of households that requested and that received an accessible unit. DHCD will provide summary data in an annual report to the Legislature.

- The process for obtaining substantial equivalency certification is spelled out on HUD's website at <a href="http://www.hud.gov/offices/fheo/partners/FHAP/equivalency.cfm">http://www.hud.gov/offices/fheo/partners/FHAP/equivalency.cfm</a>. Certified agencies receiving funding through HUD's Fair Housing Assistance Program (FHAP).
- MCAD's website offers extensive information on fair housing law and the complaint/investigation process see <a href="http://www.mass.gov/mcad/forms.html">http://www.mass.gov/mcad/forms.html</a>
- Massachusetts Commission Against Discrimination 2006 Annual Report (data on 2004, 2005 and 2006 complaints); Massachusetts DHCD Analysis of Impediments 2006, page 96 for Boston and Cambridge.
- The link for the Gannett database is http://data.gannettnewsservice.com/housing/start7.php
- National Fair Housing Alliance, "2008 Fair Housing Trends Report", Washington D.C., April 2008, p.4 http://www.nationalfairhousing.org/Portals/33/reports/2008%20Fair%20Housing%20Trends%20Report.pdf
- HUD defines fair housing impediments as (1) actions, omissions and/or decisions which have the effect of restricting housing opportunities on the basis of race, color, national origin, religion, gender, disability and familial status and (2) policies, practices or procedures which have the effect of restricting housing choice due to race, ethnicity, disability status and for families with children.
- Massachusetts Department of Housing Community Development "Analysis of Impediments to Fair Housing Choice", Boston, MA, 2006, available online at <a href="http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Community+Development&L2=Community+Planning&sid=Ehed&b=terminalcontent&f=dhcd">http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Community+Development&L2=Community+Planning&sid=Ehed&b=terminalcontent&f=dhcd</a> hd fair fairh&csid=Ehed
- Most DHCD housing programs now allow communities to establish local residency preferences (often extending for former residents as well) for up to 70% of the affordable units, including units funded with HOME funds.
- <sup>293</sup> See <a href="http://www.bostonfairhousing.org">http://www.bostonfairhousing.org</a> Other studies on trends in housing choice in Massachusetts can be found at <a href="http://www.civilrightsproject.harvard.edu/research/metro/residential\_choice.php">http://www.civilrightsproject.harvard.edu/research/metro/residential\_choice.php</a>
- <sup>294</sup> Chapter 334 of the Acts of 2006, approved October 26, 2006.

See the "Legal Framework" chapter of the Massachusetts Department of Housing and Community Development, "Analysis of Impediments to Fair Housing", Boston, MA 2006, for an extensive discussion of the federal and state anti-discrimination laws. Available online at http://www.mass.gov/Ehed/docs/dhcd/hd/fair/07.pdf

# **Appendices**

Appendix 1 - State Public Housing Units by Local Housing Authority

		L	HA Units	Through D	ecember 31	1, 2006			
					Total State	Federal			
	Chap. 200	Chap. 667	Chap. 705	Chap. 689/ 167	Public	Public Housing	MRVP †	Sec. 8	Grand
	200	007	703	089/ 107	Housing	Housing	MKVP	Sec. 8	Total
Program Total	12,296	32,251	3,105	1,898	49,550	33,579	4,640	55,060	142,829
Berkshire County	-	22	8		30	-	-	41	71
Dukes County	-	-	-	8	8	-	-	-	8
Franklin County	-	69	26	-	95	-	6	579	680
Hampshire County	-	36	4	-	40	-	-	-	40
Abington	-	110	2	-	112	-	-	86	198
Acton	-	91	39	12	142	-	14	150	306
Acushnet	-	60	-	8	68	-	-	-	68
Adams	-	64	25	8	97	-	6	95	198
Agawam	44	191	7	-	242	-	-	-	242
Amesbury	27	205	23	8	263	-	-	84	347
Amherst	-	137	22	24	183	15	4	413	615
Andover	56	218	-	8	282	-	2	127	411
Arlington	176	520	-	13	709	-	7	422	1,138
Ashland	-	40	_	-	40	-	-	-	40
Athol	-	78	16	-	94	-	38	58	190
Attleboro	89	307	20	20	436	-	45	91	572
Auburn	-	90	32	8	130	60	-	25	215
Avon	_	70	-	-	70	-	-	100	170
Ayer	-	61	13	-	74	-	2	-	76
Barnstable	_	153	52	52	257	68	69	393	787
Barre	_	56	10	-	66	-	-	-	66
Bedford	12	80	_	8	100	-	21	-	121
Belchertown	-	48	12	16	76	-	-	30	106
Bellingham	-	120	3	-	123	_	20	30	173
Belmont	100	154	-	2	256	-	2	47	305
Beverly	117	345	15	8	485	168	96	320	1,069
Billerica	-	177	12	16	205	_	-	65	270
Blackstone	-	56	-	-	56	-	-	-	56
Boston <sup>‡</sup>	2,148	177	173	56	2,554	11,286	768	13,211	27,819
Bourne	_	36	14	16	66	56	5	76	203
Braintree	-	179	7	9	195	-	93	143	431
Brewster	-	32	24	-	56	-	29	3	88
Bridgewater	-	146	12	8	166	-	2	69	237
Brimfield	-	54	_	-	54	-	-	-	54
Brockton	152	550	43	20	765	1,255	175	875	3,070
Brookfield	-	-	1	-	1	-	-	-	1
Brookline	291	77	84	31	483	438	39	619	1,579
Burlington	_	105	2	-	107	-	-	95	202
Cambridge	361	370	42	25	798	2,049	175	1,963	4,985
Canton	26	204	7	12	249	-	4	-	253

<sup>&</sup>lt;sup>†</sup> The MRVP figure represents both tenant and project-based allocations – actual units under lease may be less.

Boston's Chapter 705 total includes 34 units managed by nonprofits.

		L	HA Units	Through D	ecember 31	1, 2006			
	Chap. 200	Chap. 667	Chap. 705	Chap. 689/ 167	Total State Public Housing	Federal Public Housing	MRVP †	Sec. 8	Grand Total
Carver	-	20	8	8	36	-	_	_	36
Charlton	_	30	6	-	36	-	13	-	49
Chatham	_	57	12	14	83	_	4	_	87
Chelmsford	_	175	11	8	194	_	1	155	350
Chelsea	294	266	_	_	560	350	84	311	1,305
Chicopee	226	510	80	_	816	383	_	383	1,582
Clinton	32	131	_	8	171	99	11	_	281
Cohasset	_	64	_	12	76	_	_	31	107
Concord	_	88	28	8	124	18	_	85	227
Dalton	_	72	6		78	-	_	-	78
Danvers	_	165	16	18	199	76	_	145	420
Dartmouth	<del>                                     </del>	124	- 10	-	124	, , ,	_	397	521
Dedham	106	205	_	8	319	24	_	217	560
Dennis	100	124	30	8		-	36	98	296
Dighton	<del>                                     </del>	64	30	8		_	- 50		72
Dracut		133	36	8	177	44	_	68	289
Dudley	_	80	-	8	88	_	_	-	88
Duxbury		52	6	8	66		2	12	80
East Bridgewater		129	8	8	145	_		12	145
East Longmeadow		188	6	- 0	194	_	25		219
Easthampton	31	151	4	2	188	_	23	_	188
Easton	31	184	10		194	-	-	101	295
Essex	-	40	10		40	-	-	101	40
Everett	392	279	_		671	-	40	354	1,065
Fairhaven	392	279	6		285	-	40	334	285
Fall River	427	422	33	40	922	1,501	62	2,320	4,805
Falmouth	421	114	25	8	147	1,301	14	326	650
	160	369	15	26	570	99	33	156	858
Fitchburg Foxborough	100	104	41	8		99		130	
	105		64	24	153	225	5 47	927	158
Framingham	185	561			834	235	47	827	1,943
Franklin	28	165	5 14	8 7		-	16	102	206
Gardner	67	261	10	/		-	10	102	467
Georgetown	1.60	126		-	136	- 01	-	-	136
Gloucester	160	362	15	8	545	91	28	625	1,289
Grafton	16	128	6	20	170	-	2	-	172
Granby	-	56	2	-	58	-	-	-	58
Great Barrington	70	64	16	8	88	-	-	- 220	88
Greenfield	70	127	40	8		-	76	330	651
Groton	-	27	-		27		-	-	27
Groveland	-	-	12		1	58	-	14	73
Hadley	-	40	12		52	-	-	-	52
Halifax	-	20	8	-	28	-	-	14	42
Hamilton	-	52	7	8		-	-	-	67
Hampden	-	56	-	-	56	-	-	-	56
Hanson	-	68	-	8		6	-	25	107
Harwich	-	-	12	8		-	11	4	35
Hatfield	-	44	-	-	44	-	-	-	44

		L	HA Units	Through D	ecember 31	1, 2006			
	Chap. 200	Chap. 667	Chap. 705	Chap. 689/ 167	Total State Public Housing	Federal Public Housing	MRVP <sup>†</sup>	Sec. 8	Grand Total
Haverhill	104	302	34	6	446	-	53	349	848
Hingham	_	84	8	14	106	-	-	25	131
Holbrook	_	74	10	_	84	_	7	82	173
Holden	_	48	8	_	56	_	1	58	115
Holliston	_	72	6	_	78	_	-	48	126
Holyoke	217	60	12	8	297	704	138	1,294	2,433
Hopedale	_	80	-	_	80	_	_	-	80
Hopkinton	_	98	_	_	98	_	-	_	98
Hudson	_	126	_	16	142	92	18	44	296
Hull	28	40	_	-	68		-	-	68
Ipswich	24	200	14	12	250	_	33	55	338
Kingston	21	48		8	56	_			56
Lancaster	<del> </del>	70	_	-	70	_	_	_	70
Lawrence	451	71	-	_	522	1,046	84	1,094	2,746
Lee	-	48	16	12	76	- 1,010	-	-	76
Leicester	_	124	-	8	132	_	_	_	132
Lenox	_	102	8	12	122	_	-	_	122
Leominster	73	343	10	- 12	426	_	16	273	715
Lexington	-	148	10	16	165	77	6	68	316
Littleton	_	48	12	8	68		12	-	80
Lowell	_	175	64	16	255	1,755	46	1,246	3,302
Ludlow		150	16	-	166	1,733		1,240	166
Lunenburg	_	48	6		54	-	_	-	54
Lynn		354	35	16	405	453	275	2,669	3,802
Lynnfield	_	64	33	8	72	433	213	2,009	72
Malden	220	175		18	413	987	11	568	1,979
Manchester	220	80	4	10	84	907	11	306	1,979
Mansfield	10	131	13	8	162	-	10	64	236
Marblehead	76	223	8		307	-	10	04	
	76	227	0	12	239	-	5	128	307 372
Marlborough CDA.  Marshfield	-	97	16			-		128	
Mashpee	-	24	6		113 30	-	53	34	116 117
•	10	54	O		64	-	33	34	
Mattapoisett	10		_			32	42	-	64
Maynard	-	112	_		112	32		-	186
Medfield	150	60	_	8	60	401	26	920	1 603
Medford	150	219	-	9		481	15	820	1,693
Medway	-	94	- 17		103	100	3	- 2.42	206
Melrose	-	305	17	24		-	7	243	596
Mendon	-	30	-		30	-	-	-	30
Merrimac	-	48	4	-	52	-	-	19	71
Methuen	60	289	14	48	411	42	13	236	702
Middleborough	28	154	-	8		-	4	154	348
Middleton	-	54	12	-	66	-	-		66
Milford	69	180	23	16		65	29	562	944
Millbury	25	169	13	-	207	-	7	-	214
Millis	-	73	10		83	-	2	21	106
Milton	-	39	12	14	65	-	3	109	177

		L	HA Units	Through D	ecember 31	, 2006			
	Chap.	Chap. 667	Chap. 705	Chap. 689/ 167	Total State Public Housing	Federal Public Housing	MRVP <sup>†</sup>	Sec. 8	Grand Total
Monson	-	78	17	-	95	-	12	-	107
Montague	30	80	_	_	110	_	_	_	110
Nahant	14	29	5	-	48	_	-	_	48
Nantucket	_	10	12	-	22	19	-	_	41
Natick	52	325	37	8	422	_	5	102	529
Needham	80	152	_	8	240	76	-	92	408
New Bedford	330	389	169	16	904	1,647	106	1,603	4,260
Newburyport	42	100	-	24	166	50	4	81	301
Newton	_	136	79	41	256	226	28	442	952
Norfolk	_	64	20	-	84				84
North Adams	_	_		9	9	306	6	304	625
North Andover	24	164	2		190	105	3	140	438
North Attleborough	20	226	14	12	272	105	1	63	336
North Brookfield	20	59	14	12	73	_	3	0.5	76
North Reading		40	4		44	_		22	66
Northampton	80	383	12	27	502	109	6	560	1,177
Northborough	- 80	104	26	8	138	109	-	500	138
Northbridge	_	76	20	16	92	-			92
Norton	-	130	14	10	144	-	2	-	146
Norwell	-	80	14	16	96	-		-	96
Norwood	75	310			385	96	13	192	686
	/3	56	8	-	64	90	42	192	106
Orange	-	100	11	16	127	-	18	6	151
Orleans Oxford	-	166	14	8	188	-	10	87	275
	-	48	14	0		-	-	67	48
Palmer	- 02		45	26	48	-	1.41	227	
Peabody	92	346	7	26	509	- 40	141	337	987
Pembroke	-	116		16	139	49	6	83	277
Pepperell	104	62	7		69	155	2		71
Pittsfield	124	344	40	50	558	155	12	514	1,239
Plainville	-	40	-	-	40	- 110	-	- 220	40
Plymouth	40	191	5	8		112	8	320	684
Provincetown	-	24	9	-	33		-	10	43
Quincy	400	470	39	29	938	651	28	945	2,562
Randolph	-	236	-	8	244	-	12	-	256
Raynham	-	62	-	-	62	-	-	44	106
Reading	-	80	10	8	98	-	-	112	210
Revere	284	351	69	-	704	194	116	515	1,529
Rockland	-	42	-	-	42	40	12	140	234
Rockport	-	80	24	-	104	-	-	153	257
Rowley	-	42	12	-	54	-	-	-	54
Salem	168	465	26	17	676	39	7	846	1,568
Salisbury	-	80	-	-	80	-	-	58	138
Sandwich	-	36	13	12	61	-	3	28	92
Saugus	-	204	8	8	220	100	-	141	461
Scituate	-	158	-	7	165	51	1	-	217
Seekonk	-	72	8	-	80	-	2	-	82
Sharon	_	88	6	8	102	-	-	-	102

		L	HA Units	Through D	ecember 31	, 2006			
	Chap. 200	Chap. 667	Chap. 705	Chap. 689/ 167	Total State Public Housing	Federal Public Housing	MRVP <sup>†</sup>	Sec. 8	Grand Total
Shelburne	-	46	-	ı	46	-	-	-	46
Shrewsbury	_	136	17	-	153	99	-	173	425
Somerset	_	135	_	-	135	_	-	-	135
Somerville	456	502	3	40	1,001	421	13	1,034	2,469
South Hadley	-	136	12	8	156	-	9	-	165
Southborough	-	56	3	8	67	_	_	-	67
Southbridge	-	152	8	16	176	_	84	124	384
Southwick	-	48	6	14	68	40	_	-	108
Spencer	-	174	8	8	190	_	40	-	230
Springfield	532	429	48	53	1,062	1,327	206	2,681	5,276
Sterling	-	40	-	1	40	-	-	-	40
Stockbridge	-	53	_	8	61	-	-	41	102
Stoneham	72	209	-	-	281	-	-	-	281
Stoughton	26	186	18	8	238	40	33	48	359
Sudbury	-	64	20	-	84	_	-	-	84
Sutton	_	40		-	40	_	_	_	40
Swampscott	36	84	_	8	128	_	2	_	130
Swansea	_	64	_	8	72	8	_	_	80
Taunton	140	276	24	8	448	326	31	731	1,536
Templeton	110	52	8		60	320	-	731	60
Tewksbury	<u> </u>	140	19	24	183	50	_	105	338
Topsfield	_	60	-		60	-	_	103	60
Tyngsborough	<u> </u>	94	14	8	116	_	1		117
Upton	<u> </u>	40	17		40	_	7		47
Uxbridge	22	86	12	16	136	_	,	_	136
Wakefield		141	8	8	157	40	15	331	543
Walpole		118	12	8	138	40	5	110	253
Waltham	273	226	24	22	545	265	28	450	1,288
Ware	213	86	25	22	111	203	20	55	166
Wareham	-	104			104	-	34	33	138
Warren	-	60	10		70	-	10	66	146
Watertown	228	276	12	23	539	50	10	156	745
	220	56	1.2	23	56	80	-	77	213
Wahstan	30	72	-	16			6	35	
Webster Wellesley	90	133	12	16	118	61			220
•	90		12	8	235	-	1	21	257
Wenham West Beylsten	-	84	10	8		-	-	-	92
West Boylston	-	36	18	8		-	-	-	62
West Bridgewater	-	48	10	8	48	-	-	-	48 54
West Brookfield	-	36	10	8		-	-	-	
West Springfield	-	250	12	10	26	-	- 10	251	26
West Springfield	90	250	9	10	359	-	10	251	620
Westborough	14	76	12	8	110	-	-	- 201	110
Westfield	62	339	26	14		-	74	281	796
Westford	-	73	6	8		-	-	-	87
Westport	- 100	48	-	-	48	-	-		48
Weymouth	189	216	-	-	405	70	87	159	721
Whitman	-	164	18	-	182	-	2	-	184

		L	HA Units	Through D	ecember 31	, 2006			
	Chap.	Chap.	Chap.	Chap.	Total State Public	Federal Public			Grand
	200	667	705	689/ 167	Housing	Housing	MRVP †	Sec. 8	Total
Wilbraham	-	75	9	-	84	-	-	-	84
Williamstown	-	30	8	8	46	-	6	94	146
Wilmington	-	72	13	-	85	-	-	11	96
Winchendon	-	87	24	8	119	127	3	35	284
Winchester	-	112	7	-	119	-	-	143	262
Winthrop	73	348	8	8	437	-	-	-	437
Woburn	176	239	-	-	415	100	-	288	803
Worcester	594	252	40	40	926	2,074	271	1,798	5,069
Wrentham	-	66	15	-	81	-	-	-	81
Yarmouth	-	40	-	8	48	-	9	249	306

## Appendix 2: Summary of 2008 Housing Bond Bill

The 2008 Housing Bond Bill (Chapter 119 of the Acts of 2008) authorizes \$1.275 billion over five years.

Budget Line	Program	Author- ization (millions)	Provisions
7004- 0028	Home Modification Loan Program	50	Loans to make access modifications to primary residences of elders, adults with disabilities, and families with children with disabilities.
7004- 0029	Facilities Consolidation Fund (FCF)	40	Can be used by nonprofit and for profit developers; authorizes up to \$10 million for pilot program for homeless chronically mentally ill
7004- 0030	Community-Based Housing	30	Integrated housing for persons with disabilities who are not eligible for FCF and who are institutionalized or at risk of institutionalization; can be used by non- or for-profit developers; can finance up to 50% of costs
7004- 0031	Affordable Housing Trust Fund (AHTF)	220	Capitalization of Trust
7004- 0032	Housing Stabilization Fund HSF)	125	At least 25% of funds must be used to preserve or produce housing for extremely low income (ELI) households (incomes ≤30% AMI); requires that at least \$5 million be used to create or preserve housing for persons 60+ and at least \$10 million be used to stabilize and promote reinvestment through homeownership in "weak market areas"*
7004- 0033	Public Housing	500	Grants for modernization, community facilities (day care, learning centers, etc.), accessibility. Authorizes DHCD to establish program to provide funds to housing authorities on a predictable basis. Requires DHCD to establish a capital reserve fund.
7004- 0033	Public Housing Demonstration	50	Five year demonstration program providing competitive grants to test cost-effective revitalization methods to reduce need for future state modernization funds. Seven member advisory committee, including representatives from DHCD, MassNAHRO, CHAPA and Mass. Union of Public Housing Tenants to recommend regulations. Allows waiver of statutory requirements. Encourages regional collaboration and projects to create additional affordable units. DHCD to develop regulations within 90 days of bill enactment.
7004- 0035	Community Development Action Grants (CDAG)	55	Infrastructure grants. At least \$2 million must be used for projects in seriously distressed areas with significant amounts of vacant land or buildings.
7004- 0036	Housing Innovations Fund (HIF)	75	At least 25% must be used to fund projects that produce or preserve housing for extremely low income households
7004- 0037	Capital Improvement and Preservation Fund (CIPF)	100	Grants or loans for expiring use properties.
7004- 0037	Commercial Area/Transit Node Housing	30	Reserves \$15 million for transit-oriented housing development (at least 50% of assisted units must be affordable at 80% of median)
	Total	\$1,275	

<sup>\*</sup> Defined as areas with a high concentration of assisted rental housing, low rate of homeownership, low median

family income, low average sales prices *or* high levels of unpaid property taxes or vacant or abandoned buildings. For ownership programs, allows DHCD to reduce the tern of required affordability to ten years and to raise income limit to 135% of AMI.

Appendix 3 – CDBG and HOME Entitlement Communities and Funding

Federal FY2008

	Name	CDBG	HOME	ADDI	ESG	HOPWA	Total	CD	HOME
	State (DHCD)	33,553,851	13,454,112	132,403	2,566,908	173,000	49,880,274		
	Localities	73,735,164	29,761,528	131,513	2,208,202	3,511,000	109,347,407	36	19
	Total	107,289,015	43,215,640	263,916	4,775,110	3,684,000	159,227,681		
	Arlington	1,285,289	-	-	-		1,285,289	1	
	Attleboro	463,462	-	-	-		463,462	1	
*	Barnstable	348,630	675,131	5,944	-		1,029,705	1	1
	Boston	19,766,060	7,663,144	46,514	880,962	1,747,000	30,103,680	1	1
	Brockton	1,469,027	758,606	-	-		2,227,633	1	1
	Brookline	1,607,057	-	-	-		1,607,057	1	
	Cambridge	3,135,274	1,037,286	-	140,972		4,313,532	1	1
	Chicopee	1,279,818	-	-	1		1,279,818	1	
	Fall River	2,968,470	1,116,709	-	132,529		4,217,708	1	1
*	Fitchburg	1,152,851	609,863	-	1		1,762,714	1	1
	Framingham	529,444	-	-	-		529,444	1	
	Gloucester	782,760	-	-	-		782,760	1	
	Haverhill	1,042,478	-	-	1		1,042,478	1	
*	Holyoke	1,328,319	1,085,154	-	-		2,413,473	1	1
	Lawrence	1,710,755	1,002,742	-	-		2,713,497	1	1
	Leominster	507,270	-	-	-		507,270	1	
	Lowell	2,357,359	1,066,457	-	105,193	644,000	4,173,009	1	1
	Lynn	2,488,209	976,987	-	110,740	326,000	3,901,936	1	1
*	Malden	1,532,996	2,546,487	17,475	-		4,096,958	1	1
	Medford	1,725,630	-	-	-		1,725,630	1	
	New Bedford	2,956,836	1,204,241	-	131,886		4,292,963	1	1
*	Newton	2,223,223	2,037,052	14,221	99,264		4,373,760	1	1
	Northampton	742,369	-	-	-		742,369	1	
	Peabody	459,228	2,128,607	17,664	-		2,605,499	1	1
	Pittsfield	1,477,763	-	-	-		1,477,763	1	
	Plymouth	391,913	-	-	-		391,913	1	
*	Quincy	2,042,480	723,713	-	91,717		2,857,910	1	1
	Salem	1,127,314	-	-			1,127,314	1	
	Somerville	2,843,782	865,345	-	127,110		3,836,237	1	1
	Springfield	4,095,204	1,623,186	10,078	183,020	426,000	6,337,488	1	1
*	Taunton	871,480	839,215	7,415			1,718,110	1	1
	Waltham	1,054,184	-		-		1,054,184	1	
	Westfield	442,511	-		-		442,511	1	
	Weymouth	800,264	-	-	-		800,264	1	
	Worcester	4,586,468	1,801,603	12,202	204,809	368,000	6,973,082	1	1
	Yarmouth	138,987	-		-		138,987	1	
	Total	73,735,164	29,761,528	131,513	2,208,202	3,511,000	109,347,407		

<sup>\*</sup> American Dream Downpayment Initiative (ADDI) allocations are funded from the national HOME appropriation.

Appendix 4: HUD 2008 Income Limits for Massachusetts

	FY2008		1	2	3	4	5	6	7	8
Metropolitan Statistical Area (MSA)	MFI*	Upper Limit	Person	Person						
BARNSTABLE TOWN, MA MSA	73,500	30% of Median	15,550	17,750	20,000	22,200	24,000	25,750	27,550	29,300
2111111222 10 1111111111111111111111111	72,233	50% of Median	25,900	29,600	33,300	37,000	39,950	42,900	45,900	48,850
		80% of Median	41,450	47,350	53,300	59,200	63,950	68,650	73,400	78,150
BOSTON-CAMBRIDGE-QUINCY, MA-N	H MSA			-					-	
Boston-Cambridge-Quincy HMFA**	85,800	30% of Median	18,050	20,600	23,200	25,750	27,800	29,850	31,950	34,000
		50% of Median	30,050	34,300	38,600	42,900	46,350	49,750	53,200	56,650
		80% of Median	46,300	52,950	59,550	66,150	71,450	76,750	82,050	87,350
Brockton, MA HMFA	76,000	30% of Median	15,950	18,250	20,500	22,800	24,600	26,450	28,250	30,100
		50% of Median	26,600	30,400	34,200	38,000	41,050	44,100	47,100	50,150
		80% of Median	42,550	48,650	54,700	60,800	65,650	70,550	75,400	80,250
Lawrence, MA-NH HMFA	80,600	30% of Median	16,950	19,350		24,200	26,150	28,050		,
		50% of Median	28,200	32,250		40,300	43,500	46,750	49,950	, , , , ,
		80% of Median	43,050	49,200	55,350	61,500	66,400	71,350	76,250	81,200
LII MA IIMEA	0.4.900	200/ -FM-4:	17.000	20.250	22,000	25 450	27.500	20.500	21.550	22 (00
Lowell, MA HMFA	84,800	30% of Median 50% of Median	17,800 29,700	20,350	22,900 38,150	25,450 42,400	27,500 45,800	29,500 49,200	31,550 52,600	
		80% of Median	43,050	49,200	55,350	61,500	66,400	71,350	76,250	81,200
PITTSFIELD, MA MSA		00% of Median	43,030	47,200	33,330	01,500	00,400	71,330	70,230	01,200
Berkshire County, MA (part) HMFA	63,800	30% of Median	15,550	17,750	20,000	22,200	24,000	25,750	27,550	29,300
Berksime county, 1111 (part) 11111 11	03,000	50% of Median	25,900	29,600	33,300	37,000	39,950	42,900	45,900	
		80% of Median	41,450	47,350		59,200	63,950	68,650	73,400	
			,	.,,	,	,	,	,	,	
Pittsfield, MA HMFA	64,800	30% of Median	15,550	17,750	20,000	22,200	24,000	25,750	27,550	29,300
		50% of Median	25,900	29,600	33,300	37,000	39,950	42,900	45,900	48,850
		80% of Median	41,450	47,350	53,300	59,200	63,950	68,650	73,400	78,150
PROVIDENCE-NEW BEDFORD-FALL R	IVER, RI-MA	MSA								
Easton-Raynham, MA HMFA	96,200	30% of Median	20,200	23,100	25,950	28,850	31,150	33,450	35,750	38,100
		50% of Median	33,650	38,500	43,300	48,100	51,950	55,800	59,650	63,500
		80% of Median	44,050	50,300	56,600	62,900	67,950	72,950	78,000	83,050
New Bedford, MA HMFA	54,900	30% of Median	15,350	17,550	19,750	21,950	23,700	25,450	27,200	28,950
		50% of Median	25,600	29,250	32,900	36,600	39,500	42,450	45,350	48,300
		80% of Median	41,000	46,850	52,700	58,550	63,250	67,900	72,600	77,300
Dravidanaa Fall Diver DI MA IIMEA	69 200	200/ of M-1:-	15 250	17.550	10.750	21.050	22.700	25 450	27.250	20,000
Providence-Fall River, RI-MA HMFA	68,300	30% of Median	15,350	17,550	19,750	21,950 36,600	23,700	25,450	27,250	
		50% of Median 80% of Median	25,600 41,000	29,250 46,850	32,900 52,700	58,550	39,500 63,250	42,450 67,900	45,350 72,600	
		ouw of Median	41,000	40,830	32,700	20,330	03,230	07,900	72,000	77,300
Taunton-Mansfield-Norton, MA HMFA	79,300	30% of Median	17,350	19,850	22,350	24,800	26,800	28,800	30,750	32,750
radion-manshed-notton, MA HWI A	79,300	50% of Median	28,950	33,100	37,200	41,350	44,650	47,950	51,250	
		80% of Median	46,300	52,950		66,150	71,450	76,750	82,050	

<sup>\*</sup> MFI=Median Family Income. \*\* HMFA=HUD Metro FMR Area. See Appendix 5 for cities and towns in each HMFA.

## Appendix 4 (continued): HUD 2008 Income Limits for Massachusetts

Metropolitan Statistical Area (MSA)	FY2008 MFI*	Upper Limit	1 Person	2 Person	3 Person	4 Person	5 Doman	6 Person	7 Parson	8 Person
SPRINGFIELD, MA MSA	WIFT	Opper Linut	reison	reison	reison	reison	reison	reison	reison	reison
Franklin County, MA (part) HMFA	65,900	30% of Median	15,550	17,750	20,000	22,200	24,000	25,750	27,550	29,300
Trankini County, WA (part) Then A	03,700	50% of Median	25,900	29,600	33,300	37,000	39,950			48,850
		80% of Median	41,450	47,350	53,300	59,200	63,950		73,400	78,150
		30 % of Wedian	71,730	47,330	33,300	37,200	03,730	00,030	73,400	70,130
Springfield, MA HMFA	64,800	30% of Median	15,550	17,750	20,000	22,200	24,000	25,750	27,550	29,300
		50% of Median	25,900	29,600	33,300	37,000	39,950	42,900	45,900	48,850
		80% of Median	41,450	47,350	53,300	59,200	63,950	68,650	73,400	78,150
WORCESTER, MA MSA										
Eastern Worcester County, MA HMFA	101,800	30% of Median	20,650	23,600	26,550	29,500	31,850	34,200	36,600	38,950
		50% of Median	34,450	39,350	44,300	49,200	53,150	57,050	61,000	64,950
		80% of Median	46,300	52,950	59,550	66,150	71,450	76,750	82,050	87,350
Fitchburg-Leominster, MA HMFA	66,200	30% of Median	15,550	17,750	20,000	22,200	24,000	25,750	27,550	29,300
		50% of Median	25,900	29,600	33,300	37,000	39,950	42,900	45,900	48,850
		80% of Median	41,450	47,350	53,300	59,200	63,950	68,650	73,400	78,150
Western Worcester County, MA HMFA	61,000	30% of Median	15,550	17,750	20,000	22,200	24,000	25,750	27,550	29,300
		50% of Median	25,900	29,600	33,300	37,000	39,950	42,900	45,900	48,850
		80% of Median	41,450	47,350	53,300	59,200	63,950	68,650	73,400	78,150
Worcester, MA HMFA	76,900	30% of Median	16,150	18,450	20,750	23,050	24,900	26,750		30,450
		50% of Median	26,900	30,750	34,600	38,450	41,550	44,600	47,700	50,750
		80% of Median	43,050	49,200	55,350	61,500	66,400	71,350	76,250	81,200
NON-METRO AREAS										
Dukes County, MA	70,800	30% of Median	16,500	18,900	21,250	23,600	25,500	27,400	29,250	31,150
		50% of Median	27,500	31,450	35,350	39,300	42,450	45,600	48,750	51,900
		80% of Median	44,050	50,300	56,600	62,900	67,950	72,950	78,000	83,050
	1									
Nantucket County, MA	84,400	30% of Median	19,650	22,450	25,250	28,050	30,300			37,050
		50% of Median	32,750	37,400	42,100	46,750	50,500			61,700
		80% of Median	52,350	59,850	67,300	74,800	80,800	86,750	92,750	98,750

<sup>\*</sup> MFI=Median Family Income. \*\* HMFA=HUD Metro FMR Area. See Appendix 5 for cities and towns in each HMFA.

#### Appendix 5 – HUD FY2008 Fair Market Rents

(effective 10/1/2007 through 9/31/2008)

"Fair Market Rents" are used to set the maximum rent subsidy levels allowed under the Section 8 program. They are supposed to represent the 40th percentile gross rent for a recently rented "standard" apartment (at least two years old, non-luxury, not substandard). The 40th percentile rent is the cost which is below the amount paid by 60% of recent renters. HUD calculates these amounts through a combination of rent surveys and CPI adjustments.

FMRs represent gross rents (contract rent paid to the owner plus a utility allowance to cover the costs of basic utilities not included in the contract rent assuming modest consumption levels). Since most Massachusetts apartments *do not* include all basic utilities in the contract rent, the FMRs are higher than average contract rents. Many studies use FMRs as a measure of rent trends.

		One	Two	Three	Four
	Studio	bedroom	Bedroom	Bedroom	Bedroom
Metropolitan FMR Areas					
Barnstable County	743	870	1,145	1,366	1,409
Berkshire County (part)	590	662	764	1,046	1,076
Boston-Cambridge-Quincy	1,086	1,153	1,353	1,618	1,778
Brockton	926	963	1,213	1,451	1,818
Eastern Worcester County	747	835	1,099	1,313	1,929
Easton-Raynham	811	1,074	1,249	1,494	2,160
Fitchburg-Leominster	634	728	913	1,118	1,214
Franklin County (part)	567	662	820	1,094	1,321
Lawrence	733	932	1,127	1,346	1,387
Lowell	801	958	1,232	1,471	1,614
New Bedford	559	716	819	981	1,324
Pittsfield	556	650	806	1,036	1,067
Providence-Fall River	800	874	1,020	1,221	1,556
Springfield	559	664	844	1,010	1,172
Taunton-Mansfield	699	882	1,077	1,321	1,426
Western Worcester County	509	700	785	937	1,203
Worcester	689	792	965	1,154	1,224
Non-Metro FMR Areas					
Dukes County	892	1,132	1,348	1,611	1,661
Nantucket County	1,044	1,445	1,604	1,918	1,976

\*See below for cities and towns in each FMR Area where not countywide

Barnstable – all of Cape Cod

**Berkshire County, MA (part)-** Alford, Becket, Clarksburg, Egremont, Florida, Great Barrington, Hancock, Monterey, Mount Washington, New Ashford, New Marlborough, North Adams city, Otis, Peru, Sandisfield, Savoy, Sheffield, Tyringham, Washington, West Stockbridge, Williamstown, Windsor

#### **Boston-Cambridge-Quincy FMR Area**

<u>Essex County</u>: Amesbury, Beverly, Danvers, Essex, Gloucester, Hamilton, Ipswich, Lynn, Lynnfield, Manchester-by-the-Sea, Marblehead, Middleton, Nahant, Newbury, Newburyport, Peabody, Rockport, Rowley, Salem, Salisbury, Saugus, Swampscott, Topsfield, Wenham

<u>Middlesex County</u>: Acton, Arlington, Ashby, Ashland, Ayer, Bedford, Belmont, Boxborough, Burlington, Cambridge, Carlisle, Concord, Everett, Framingham, Holliston, Hopkinton, Hudson, Lexington, Lincoln, Littleton, Malden, Marlborough, Maynard, Medford, Melrose, Natick, Newton, North Reading, Reading, Sherborn, Shirley, Somerville, Stoneham, Stow, Sudbury, Townsend, Wakefield, Waltham, Watertown, Wayland, Weston, Wilmington, Winchester, Woburn

#### **Boston-Cambridge-Quincy FMR Area (continued)**

Norfolk County: Bellingham, Braintree, Brookline, Canton, Cohasset, Dedham, Dover, Foxborough, Franklin, Holbrook, Medfield, Medway, Millis, Milton, Needham, Norfolk, Norwood, Plainville, Quincy, Randolph, Sharon, Stoughton, Walpole, Wellesley, Westwood, Weymouth, Wrentham

<u>Plymouth County</u>: Carver, Duxbury, Hanover, Hingham, Hull, Kingston, Marshfield, Norwell, Pembroke, Plymouth, Rockland, Scituate, Wareham

Suffolk County: Boston, Chelsea, Revere, Winthrop

#### **Brockton** Norfolk County towns of Avon

<u>Plymouth County</u> towns of Abington, Bridgewater, Brockton, East Bridgewater, Halifax, Hanson, Lakeville, Marion, Mattapoisett, Middleborough, Plympton, Rochester, West Bridgewater, Whitman

**Eastern Worcester County** - Berlin, Blackstone, Bolton, Harvard, Hopedale, Lancaster, Mendon, Milford, Millville, Southborough, Upton

Easton-Raynham - Easton, Raynham

**Fitchburg-Leominster** - <u>Worcester County</u> towns of Ashburnham, Fitchburg, Gardner, Leominster, Lunenburg, Templeton, Westminster, Winchendon

**Franklin County (part)** - Ashfield, Bernardston, Buckland, Charlemont, Colrain, Conway, Deerfield, Erving, Gill, Greenfield, Hawley, Heath, Leverett, Leyden, Monroe, Montague, New Salem, Northfield, Orange, Rowe, Shelburne, Shutesbury, Warwick, Wendell, Whately

**Lawrence** - Essex County: Andover, Boxford, Georgetown, Groveland, Haverhill, Lawrence, Merrimac, Methuen, North Andover, West Newbury

**Lowell -** <u>Middlesex County</u>: Billerica, Chelmsford, Dracut, Dunstable, Groton, Lowell, Pepperell, Tewksbury, Tyngsborough, Westford

New Bedford - Bristol County: Acushnet, Dartmouth, Fairhaven, Freetown, New Bedford

**Pittsfield** - <u>Berkshire County</u>: Adams, Cheshire, Dalton, Hinsdale, Lanesborough, Lee, Lenox, Pittsfield, Richmond, Stockbridge

**Providence-Fall River** - <u>Bristol County</u>: Attleboro, Fall River, North Attleborough, Rehoboth, Seekonk, Somerset, Swansea, Westport

#### **Springfield** - <u>Franklin County</u>: Sunderland

<u>Hampden County</u>: Agawam, Blandford, Brimfield, Chester, Chicopee, East Longmeadow, Granville, Hampden, Holland, Holyoke, Longmeadow, Ludlow, Monson, Montgomery, Palmer, Russell, Southwick, Springfield, Tolland, Wales, Westfield, West Springfield, Wilbraham

<u>Hampshire County</u>: Amherst, Belchertown, Chesterfield, Cummington, Easthampton, Goshen, Granby, Hadley, Hatfield, Huntington, Middlefield, Northampton, Pelham, Plainfield, Southampton, South Hadley, Ware, Westhampton, Williamsburg, Worthington

Taunton-Mansfield-Norton - Bristol County: Berkley, Dighton, Mansfield, Norton, Taunton

Western Worcester County - Athol, Hardwick, Hubbardston, New Braintree, Petersham, Phillipston, Royalston, Warren

**Worcester**-Worcester County: Auburn, Barre, Boylston, Brookfield, Charlton, Clinton, Douglas, Dudley, East Brookfield, Grafton, Holden, Leicester, Millbury, Northborough, Northbridge, North Brookfield, Oakham, Oxford, Paxton, Princeton, Rutland, Shrewsbury, Southbridge, Spencer, Sterling, Sturbridge, Sutton, Uxbridge, Webster, Westborough, West Boylston, West Brookfield, Worcester

**Dukes County**- all (Aquinnah, Chilmark, Edgartown, Gosnold, Oak Bluffs, Tisbury, West Tisbury) **Nantucket County** – all (Nantucket)

Appendix 6 - DHCD Maximum Projected Sales Prices for Affordable Homebuyer Units

For First-Time Homebuyers in State-Assisted Developments (June 2007)

Metropolitan Area	Studio	1-BR	1-BR	3-BR	4-BR	2-Family
Barnstable-Town MSA	126,900	136,000	163,100	188,500	210,300	228,700
Boston-Cambridge-Quincy	139,100	149,000	178,900	206,700	230,600	255,000
Brockton	124,600	133,500	160,200	185,100	206,600	227,800
Lawrence	125,200	134,200	161,200	186,200	207,600	227,900
Lowell	124,200	133,100	159,800	184,600	205,900	229,600
Pittsfield	119,000	127,500	152,800	176,600	197,100	203,200
Berkshire County	123,000	131,700	158,000	182,500	203,700	208,500
Providence-Fall River	125,700	134,700	161,500	186,700	208,200	226,200
Taunton-Mansfield-Norton	140,200	150,200	180,400	208,400	232,500	248,400
Easton-Raynham	132,500	142,000	170,300	196,800	219,500	248,300
New Bedford	125,500	134,400	161,300	186,400	207,900	218,700
Springfield	117,500	125,900	150,900	174,400	194,600	207,300
Franklin County	116,300	124,600	149,500	172,700	192,800	200,500
Worcester	122,300	131,000	157,100	181,400	202,400	217,100
Eastern Worcester County	138,000	147,900	177,600	205,200	228,900	247,400
Fitchburg-Leominster	118,900	127,400	152,800	176,600	197,000	209,800
Western Worcester County	120,100	128,600	154,200	178,300	199,000	203,800
Dukes County	130,300	139,600	167,300	193,400	215,800	237,800
Nantucket County	149,300	160,000	192,000	221,800	247,400	272,900

<sup>\*</sup> These prices are for units for households with incomes at or below 80% of area median, assuming household sizes that average of 1.5 persons per bedroom. DHCD uses them for underwriting purposes only and notes that because affordability depends on a project's particular circumstances (e.g. a locality's tax rate, a project's condo fee structure, average lender interest rates, etc.), the actual price limit for an individual project is sometimes below these maximums.

Source: Massachusetts Department of Housing and Community Department. Available online at  $\underline{ http://www.mass.gov/Ehed/docs/dhcd/hd/home/h\_hspl.pdf}$ 

# Appendix 7 –Home Sale Price Trends 2001-2007 (Single Family Homes and Condominiums) §

**Table A. Single Family Home Prices** 

		Si	ngle Family Ho	me Median S	Sales Price			% Change		
Community	2001	2002	2003	2004	2005	2006	2007	2001-7	2006-7	
Abington	\$215,000	\$245,000	\$280,250	\$313,450	\$339,900	320,000	324,750	51%	1.48	
Acton	\$420,000	\$435,000	\$469,638	\$532,750	\$525,000	535,000	525,000	25%	-1.87	
Acushnet	\$146,000	\$180,000	\$231,000	\$267,000	\$277,500	281,000	254,000	74%	-9.61	
Adams	\$85,000	\$88,850	\$109,000	\$109,500	\$129,000	148,000	145,375	71%	-1.77	
Agawam	\$130,000	\$148,000	\$163,000	\$184,500	\$209,900	221,000	226,000	74%	2.26	
Alford	\$340,000	\$340,750	\$370,250	\$620,000	\$675,000	530,000	645,000	90%	21.7	
Amesbury	\$246,950	\$275,000	\$300,000	\$320,000	\$335,000	329,950	358,000	45%	8.5	
Amherst	\$195,000	\$209,000	\$257,000	\$295,000	\$318,000	317,000	342,500	76%	8.04	
Andover	\$422,500	\$445,500	\$485,000	\$525,000	\$576,000	530,000	565,500	34%	6.7	
Aquinnah	\$800,000	\$1,183,750	\$1,000,000	\$950,000	\$388,500	1,195,000	1,350,000	69%	12.97	
Arlington	\$373,000	\$401,000	\$425,000	\$467,000	\$493,000	486,000	471,000	26%	-3.09	
Ashburnham	\$156,120	\$174,500	\$209,000	\$225,900	\$245,000	240,000	242,000	55%	0.83	
Ashby	\$162,900	\$217,500	\$235,865	\$248,500	\$255,000	285,250	235,000	44%	-17.62	
Ashfield	\$131,250	\$144,900	\$147,500	\$190,000	\$206,350	249,900	265,000	102%	6.04	
Ashland	\$321,250	\$334,000	\$370,000	\$385,000	\$403,900	419,000	388,500	21%	-7.28	
Athol	\$90,600	\$112,500	\$132,950	\$149,000	\$173,750	172,900	164,500	82%	-4.86	
Attleboro	\$191,000	\$234,900	\$265,000	\$305,000	\$317,000	318,000	300,000	57%	-5.66	
Auburn	\$158,850	\$195,000	\$217,500	\$240,000	\$260,900	249,900	249,000	57%	-0.36	
Avon	\$208,000	\$234,900	\$272,000	\$289,000	\$319,000	310,000	290,500	40%	-6.29	
Ayer	\$217,950	\$260,900	\$250,000	\$272,000	\$317,750	319,900	291,000	34%	-9.03	
Barnstable*	\$315,000	\$356,000	\$388,750	\$435,000	\$460,000	472,000	482,500	53%	2.22	
Barre	\$129,900	\$149,450	\$170,000	\$208,400	\$229,000	235,500	211,450	63%	-10.21	
Becket	\$122,750	\$134,000	\$131,000	\$185,000	\$183,250	199,000	273,000	122%	37.19	
Bedford	\$400,200	\$428,500	\$445,000	\$509,000	\$503,250	510,000	495,725	24%	-2.8	
Belchertown	\$164,900	\$183,000	\$195,000	\$227,500	\$250,000	265,000	263,000	59%	-0.75	
Bellingham	\$206,000	\$237,300	\$260,000	\$286,630	\$306,250	303,000	309,000	50%	1.98	
Belmont	\$570,000	\$601,250	\$645,000	\$673,500	\$699,500	749,500	682,000	20%	-9.01	
Berkley	\$244,000	\$255,000	\$285,500	\$312,500	\$340,000	360,000	334,950	37%	-6.96	
Berlin	\$337,450	\$257,500	\$320,000	\$380,000	\$395,000	495,000	425,000	26%	-14.14	
Bernardston	\$129,000	\$159,900	\$135,750	\$156,950	\$200,000	265,000	219,000	70%	-17.36	
Beverly	\$285,000	\$139,900	\$345,000	\$375,000	\$381,950	383,000	369,000	29%	-3.66	
Billerica	\$250,000	\$288,000	\$343,000	\$345,000	\$369,900	345,000	342,500	37%	-0.72	
Blackstone	\$188,750	\$288,000	\$252,950	\$285,500	\$288,500	280,000	277,400	47%	-0.72	
Blandford	\$132,000	\$219,000	\$232,930	\$139,000	\$288,300	200,700	219,950	67%	9.59	
Bolton	\$479,950	\$447,000	\$469,500	\$505,000	\$557,000	587,500	575,000	20%	-2.13	
Bourne	\$204,200	\$249,900	\$305,000	\$334,000	\$368,000	353,950	340,000	67%	-3.94	
Boxboro	\$497,500	\$449,450	\$505,000	\$530,000	\$567,500	550,000	598,000	20%	8.73	
Boxford	\$481,900	\$545,000	\$583,600	\$635,750	\$650,000	585,000	607,450	26%	3.84	
				\$369,900						
Boylston	\$221,200	\$261,250	\$308,000			570,000	410,000 370,000	85%	-28.07	
Braintree	\$262,000	\$290,000	\$322,500	\$365,000		380,000	,	41%	-2.63	
Brewster	\$252,250	\$290,000	\$355,000	\$400,000	\$423,000	428,000	455,250	80%	6.37	
Bridgewater	\$254,000	\$285,000	\$318,000	\$350,500	\$375,000	382,725	366,750	44%	-4.17	
Brimfield	\$129,950	\$154,000	\$167,000	\$210,000	\$218,450	235,000	245,750	89%	4.57	
Brockton	\$164,000	\$195,000	\$229,900	\$250,000	\$274,450	275,000	250,000	52%	-9.09 25.27	
Brookfield	\$129,950	\$153,000	\$184,000	\$207,450		205,000	257,000	98%	25.37	
Brookline	\$720,000	\$775,000	\$840,100	\$975,000	\$1,090,000	985,000	1,070,000	49%	8.63	
Buckland	\$115,000	\$122,000	\$155,000	\$184,500	\$187,000	202,500	228,500	99%	12.84	
Burlington	\$313,000	\$349,900	\$360,000	\$394,000	\$410,000	400,000	410,000	31%	2.5	

\_

<sup>§</sup> Source: Boston Globe analysis of Banker and Tradesman data, April 4, 2008

Community         2001         2002         2003         2004           Cambridge         \$516,250         \$587,500         \$630,000         \$615,000           Canton         \$318,750         \$350,000         \$403,500         \$446,500           Carlisle         \$656,000         \$649,500         \$715,000         \$730,000           Carver         \$214,000         \$230,000         \$275,300         \$308,000	<b>2005</b> \$717,500 \$490,000	<b>2006</b> 785,000	2007	2001-7	Change 2006-7
Cambridge         \$516,250         \$587,500         \$630,000         \$615,000           Canton         \$318,750         \$350,000         \$403,500         \$446,500           Carlisle         \$656,000         \$649,500         \$715,000         \$730,000	\$717,500				
Canton         \$318,750         \$350,000         \$403,500         \$446,500           Carlisle         \$656,000         \$649,500         \$715,000         \$730,000			648,450	26%	-17.39
Carlisle \$656,000 \$649,500 \$715,000 \$730,000		480,000	415,000	30%	-13.54
	\$828,444	822,000	727,500	11%	-11.5
	\$319,000	319,000	306,500	43%	-3.92
Charlemont \$120,500 \$126,500 \$124,000 \$162,450	\$158,900	195,000	193,750	61%	-0.64
Charlton \$195,000 \$219,950 \$247,450 \$264,950	\$287,000	315,950	310,000	59%	-1.88
Chatham \$310,000 \$350,000 \$469,000 \$535,000	\$626,500	690,000	657,500	112%	-4.71
Chelmsford \$270,000 \$300,000 \$329,900 \$350,000	\$370,000	370,000	353,500	31%	-4.46
Chelsea \$199,500 \$237,500 \$275,000 \$302,500	\$317,000	343,750	303,500	52%	-11.71
Cheshire \$63,000 \$111,000 \$121,000 \$161,250	\$154,950	176,850	200,000	217%	13.09
Chester \$72,267 \$129,000 \$87,000 \$129,300	\$139,000	159,900	215,000	198%	34.46
Chesterfield \$123,750 \$116,250 \$160,000 \$172,200	\$217,750	202,500	255,000	106%	25.93
Chicopee \$107,000 \$117,000 \$130,000 \$146,000	\$162,000	175,000	179,500	68%	2.57
Chilmark \$995,000 \$1,200,000 \$1,150,000 \$1,087,500	\$1,500,000	1,912,500	2,800,000	181%	46.41
Clarksburg \$112,000 \$113,000 \$110,000 \$100,500	\$129,000	152,000	138,000	23%	-9.21
Clinton \$168,000 \$177,000 \$224,000 \$234,500	\$266,500	262,450	270,600	61%	3.11
Cohasset \$630,000 \$626,250 \$677,500 \$682,500	\$751,250	856,500	789,000	25%	-7.88
Colrain \$96,000 \$100,000 \$150,000 \$172,700	\$146,000	175,000	172,500	80%	-1.43
Concord \$596,500 \$627,000 \$659,900 \$709,563	\$712,000	825,000	780,000	31%	-5.45
Conway \$204,750 \$148,400 \$225,000 \$212,500	\$250,000	221,200	245,000	20%	10.76
Cummington \$108,750 \$160,000 \$179,500 \$210,000	\$103,500	232,500	208,000	91%	-10.54
Dalton \$127,000 \$149,850 \$141,500 \$165,500	\$181,500	189,700	167,000	31%	-11.97
Danvers \$285,000 \$309,500 \$353,075 \$371,000	\$390,500	382,000	393,200	38%	2.93
Dartmouth \$191,950 \$210,000 \$263,500 \$305,000	\$338,375	320,000	325,000	69%	1.56
Dedham         \$265,000         \$317,250         \$342,000         \$375,000	\$392,250	380,000	362,750	37%	-4.54
Deerfield \$152,250 \$162,500 \$200,000 \$256,950	\$255,000	254,500	255,000	67%	0.2
Dennis \$183,000 \$233,200 \$277,200 \$322,450	\$340,000	353,325	335,000	83%	-5.19
Dighton \$195,000 \$230,000 \$273,500 \$289,950	\$312,500	335,625	337,500	73%	0.56
Douglas \$210,915 \$235,000 \$263,500 \$308,900	\$310,000	351,250	319,700	52%	-8.98
Dover \$719,500 \$720,000 \$752,250 \$872,000	\$1,057,500	917,500	1,020,825	42%	11.26
Dracut \$216,200 \$236,000 \$264,000 \$289,900	\$307,600	305,000	285,000	32%	-6.56
Dudley \$149,900 \$194,000 \$229,900 \$256,400	\$254,000	254,950	255,250	70%	0.12
Dunstable \$365,000 \$391,413 \$417,450 \$395,000	\$565,325	478,500	399,900	10%	-16.43
Duxbury \$425,000 \$430,000 \$552,500 \$595,250	\$610,000	590,400	638,250	50%	8.1
East Bridgewater \$220,000 \$266,500 \$290,000 \$297,000	\$343,500	329,500	340,000	55%	3.19
East Brookfield \$137,000 \$190,050 \$204,500 \$217,000	\$224,750	211,500	239,000	74%	13
East Longmeadow \$145,000 \$157,250 \$181,500 \$205,000	\$230,000	244,000	237,750	64%	-2.56
Eastham \$240,850 \$305,000 \$364,000 \$440,000	\$429,900	455,000	452,500	88%	-0.55
Easthampton \$135,500 \$154,000 \$175,000 \$200,000	\$218,950	229,000	228,500	69%	-0.22
Easton \$282,000 \$334,000 \$360,000 \$387,342	\$415,125	410,000	392,500	39%	-4.27
Edgartown \$450,000 \$466,500 \$485,000 \$584,500	\$716,250	750,000	705,000	57%	-6
Egremont \$210,000 \$310,750 \$197,500 \$350,000	\$327,000	432,850	267,500	27%	-38.2
Erving \$99,000 \$117,700 \$108,000 \$159,900	\$179,900	192,500	189,900	92%	-1.35
Essex \$299,125 \$361,100 \$359,500 \$490,000	\$425,000	516,000	449,000	50%	-12.98
Everett \$225,000 \$260,000 \$295,000 \$331,000	\$349,900	345,000	305,000	36%	-11.59
Fairhaven \$144,500 \$166,000 \$220,000 \$243,375	\$274,000	275,000	271,950	88%	-1.11
Fall River \$140,000 \$167,900 \$205,000 \$238,500	\$252,900	262,000	250,000	79%	-4.58
Falmouth \$220,000 \$270,000 \$315,000 \$365,500	\$400,000	395,000	410,000	86%	3.8
Fitchburg \$135,000 \$159,000 \$172,900 \$192,000	\$208,700	216,300	200,000	48%	-7.54
Florida \$0 <sup>(1)</sup> \$71,250 \$124,000 \$145,000	\$158,500	163,000	191,950		
Foxboro \$262,450 \$325,000 \$355,000 \$389,900	\$395,000	389,900	395,000	51%	1.31
Framingham \$285,000 \$306,400 \$324,900 \$361,900	\$380,000	374,000	360,000	26%	-3.74
Franklin \$315,000 \$335,000 \$370,000 \$399,900	\$422,500	430,000	440,000	40%	2.33
Freetown \$190,000 \$223,000 \$255,000 \$304,014	\$345,000	329,000	332,000	75%	0.91
Gardner \$130,250 \$150,000 \$164,000 \$189,000	\$209,950	210,000	203,500	56%	-3.1
Georgetown \$313,500 \$332,000 \$352,500 \$413,500	\$400,000	410,000	415,000	32%	1.22
Gill \$124,450 \$144,000 \$168,000 \$205,000	\$165,000	265,000	233,000	87%	-12.08
Gloucester \$244,500 \$299,900 \$330,000 \$365,000	\$380,000	364,500	381,000	56%	4.53
Goshen \$175,808 \$139,000 \$166,250 \$148,000	\$259,000	217,000	203,456	16%	-6.24

		Si	ngle Family H	ome Median S	Sales Price			% (	Change
Community	2001	2002	2003	2004	2005	2006	2007	2001-7	2006-7
Gosnold	\$0 <sup>(1)</sup>	\$0 <sup>(1)</sup>	\$0 <sup>(1)</sup>	\$0 <sup>(1)</sup>	\$0 <sup>(1)</sup>	**	**	**	
Grafton	\$285,000	\$278,700	\$319,450	\$374,000	\$400,000	385,000	394,000	38%	2.34
Granby	\$140,725	\$155,000	\$185,750	\$190,500	\$209,250	225,000	227,000	61%	0.89
Granville	\$140,000	\$132,000	\$162,000	\$221,000	\$180,000	240,000	208,000	49%	-13.33
Great Barrington	\$169,000	\$233,500	\$272,000	\$310,000	\$280,500	375,000	297,000	76%	-20.8
Greenfield	\$111,000	\$122,750	\$139,900	\$159,950	\$176,250	182,000	184,000	66%	1.1
Groton	\$325,000	\$357,000	\$419,900	\$447,500	\$470,000	465,000	501,450	54%	7.84
Groveland	\$289,450	\$305,000	\$337,450	\$355,000	\$375,000	373,500	358,300	24%	-4.07
Hadley	\$145,000	\$177,500	\$230,000	\$264,950	\$304,050	305,500	341,250	135%	11.7
Halifax	\$182,000	\$244,250	\$300,000	\$317,000	\$314,000	315,000	310,500	71%	-1.43
Hamilton	\$334,750	\$383,000	\$462,250	\$479,500	\$510,000	496,000	426,250	27%	-14.06
Hampden	\$182,250	\$165,000	\$190,000	\$223,000	\$227,500	252,500	273,500	50%	8.32
Hancock	\$0 <sup>(1)</sup>	\$0 <sup>(1)</sup>	\$0 <sup>(1)</sup>	\$0 <sup>(1)</sup>	\$213,450	233,500	255,000	**	9.21
Hanover	\$285,000	\$355,000	\$395,000	\$393,750	\$429,450	448,500	465,000	63%	3.68
Hanson	\$200,000	\$260,000	\$280,000	\$322,250	\$356,250	337,000	333,000	67%	-1.19
Hardwick	\$137,000	\$131,900	\$154,000	\$152,500	\$192,000	235,500	289,500	111%	22.93
Harvard	\$525,000	\$470,000	\$489,950	\$585,000	\$596,000	619,750	550,000	5%	-11.25
Harwich	\$210,000	\$270,500	\$320,500	\$355,000	\$390,000	385,000	390,000	86%	1.3
Hatfield						277,500			
	\$162,500	\$159,888	\$210,000	\$250,500	\$272,000		270,000	66%	-2.7
Haverhill	\$215,000	\$250,000 \$0 <sup>(1)</sup>	\$273,950	\$298,500	\$314,000 \$0 <sup>(1)</sup>	304,000	299,850	39%	-1.37
Hawley	\$38,500		\$51,000	\$64,900					0.72
Heath	\$77,000	\$60,000	\$129,500	\$74,500	\$241,200	137,000	136,000	77%	-0.73
Hingham	\$395,000	\$475,000	\$580,000	\$610,500	\$655,000	625,000	624,900	58%	-0.02
Hinsdale	\$119,750	\$104,500	\$129,000	\$200,000	\$205,000	265,000	221,781	85%	-16.31
Holbrook	\$189,900	\$230,100	\$256,000	\$298,000	\$317,750	310,000	292,251	54%	-5.73
Holden	\$193,500	\$217,000	\$255,000	\$268,500	\$289,900	290,000	295,900	53%	2.03
Holland	\$115,000	\$135,800	\$152,000	\$170,000	\$199,227	225,000	190,000	65%	-15.56
Holliston	\$322,750	\$325,000	\$355,000	\$408,400	\$435,000	390,000	398,200	23%	2.1
Holyoke	\$107,000	\$112,500	\$139,450	\$155,000	\$165,900	185,300	184,000	72%	-0.7
Hopedale	\$258,325	\$282,500	\$318,000	\$325,000	\$340,000	325,000	405,000	57%	24.62
Hopkinton	\$422,000	\$459,500	\$455,000	\$501,531	\$549,000	645,000	585,000	39%	-9.3
Hubbardston	\$196,000	\$205,000	\$230,000	\$249,900	\$250,000	275,000	245,000	25%	-10.91
Hudson	\$249,900	\$287,900	\$293,250	\$330,000	\$355,000	346,000	350,000	40%	1.16
Hull	\$237,250	\$271,000	\$324,250	\$349,000	\$351,000	385,000	360,000	52%	-6.49
Huntington	\$118,000	\$141,000	\$125,000	\$145,400	\$179,700	247,000	270,500	129%	9.51
Ipswich	\$325,000	\$344,000	\$408,000	\$455,000	\$477,000	451,000	502,430	55%	11.4
Kingston	\$250,000	\$265,000	\$319,950	\$350,000	\$370,000	379,450	342,500	37%	-9.74
Lakeville	\$203,000	\$247,750	\$295,000	\$328,700	\$351,000	345,000	366,500	81%	6.23
Lancaster	\$197,450	\$237,500	\$263,500	\$300,000	\$325,000	342,000	316,500	60%	-7.46
Lanesboro	\$116,000	\$108,000	\$121,250	\$138,250	\$150,000	171,200	199,500	72%	16.53
Lawrence	\$149,900	\$180,000	\$205,000	\$230,000	\$243,950	246,450	218,500	46%	-11.34
Lee	\$125,500	\$139,500	\$162,500	\$225,250	\$225,000	225,000	245,000	95%	8.89
Leicester	\$137,500	\$159,000	\$203,000	\$229,000	\$237,500	246,000	230,000	67%	-6.5
Lenox	\$194,950	\$250,000	\$307,500	\$260,000	\$300,000	353,250	383,000	96%	8.42
Leominster	\$169,000	\$195,000	\$222,500	\$240,000	\$258,000	264,575	260,000	54%	-1.73
Leverett	\$191,000	\$159,900	\$257,500	\$310,500	\$302,500	285,000	325,000	70%	14.04
Lexington	\$500,000	\$561,550	\$615,000	\$650,000	\$691,500	700,000	691,500	38%	-1.21
Leyden	\$138,500	\$155,000	\$176,000	\$182,000	\$0 <sup>(1)</sup>		238,125	72%	**
Lincoln	\$850,000	\$830,000	\$952,500	\$924,750		904,250	1,117,500	31%	23.58
Littleton	\$295,250	\$314,000	\$369,500	\$390,000	\$446,025	380,000	400,000	35%	5.26
Longmeadow	\$225,500	\$233,750	\$281,000	\$290,000	\$330,000	325,000	325,000	44%	0.20
Lowell	\$170,000	\$195,000	\$218,000	\$248,250	\$265,500		251,000	48%	-5.28
Ludlow	\$126,000	\$139,900	\$158,000	\$170,000	\$195,000	214,000	215,000	71%	0.47
Lunenburg	\$120,000	\$240,950	\$244,600	\$269,900	\$294,500	276,000	285,000	50%	3.26
Lynn	\$180,000	\$240,930	\$244,000	\$265,000	\$294,300	283,000	259,000	44%	-8.48
Lynnfield	\$379,000	\$442,000	\$461,000	\$496,950	\$557,000	520,000	549,500	45%	5.67
Malden	\$240,000	\$279,900	\$303,500	\$334,900	\$357,000		327,500	36%	-5.07
						710,000			-3.07 -4.93
Manchester Manafield	\$512,500	\$500,000	\$602,500	\$554,000	\$670,000		675,000	32%	
Mansfield	\$284,950	\$310,500	\$350,000	\$378,450	\$415,000	422,000	385,000	35%	-8.77

Community         2001         2002         2003         2004         2006         2007         2007         2007         2007         2007         2007         2008         5.22           Marion         \$233,750         \$229,000         \$239,750         \$525,000         \$530,000         \$341,000         \$46,500         \$380,000         \$14,818           Marbifield         \$252,000         \$230,000         \$311,000         \$355,000         \$515,500         \$300,000         \$346,000         \$360,000 </th <th colspan="8">Single Family Home Median Sales Price</th> <th>% C</th> <th>hange</th>	Single Family Home Median Sales Price								% C	hange
Marbehead         \$397,350         \$441,390         \$482,500         \$552,000         \$575,000         \$376,000         37%         \$528,000           Marborough         \$264,900         \$234,450         \$391,700         \$354,300         \$353,000         \$350,000         \$300	Community	2001					2006	2007		2006-7
Marbonugh										
Marborough										
Marshfield										
Mashpee										
Mathaporiset										
Maymard										
Medfield	•									
Methors										
Methons										
Methose						. ,				
Mendon	-									
Merrimac										
Methuen										
Middlefield         \$216,000         \$235,275         \$277,000         \$307,000         \$325,100         \$313,000         \$45%         \$3.72           Middlefield         \$88,000         \$132,500         \$125,600         \$159,000         \$325,000         \$205,000         \$313,000         \$45%         \$133,55%           Middlefield         \$291,950         \$406,000         \$458,500         \$445,500         \$350,000         \$250,000         \$250,000         \$350,000         \$250,000         \$280,000         \$450,000         \$346,000         \$162,200         \$234,000         \$350,000         \$350,000         \$250,000         \$234,000         \$350,000         \$250,000         \$236,000         \$350,000         \$350,000         \$250,000         \$234,000         \$360,000         \$350,000         \$360,000         \$360,000         \$360,000         \$360,000         \$360,000         \$360,000         \$360,000         \$360,000 <td></td>										
Middlefield         \$88,000         \$132,500         \$159,900         \$157,000         **         206,500         13%           Midleton         \$291,950         \$406,000         \$488,500         \$485,500         \$530,000         \$510,000         \$254,000         \$246,000         \$326,000         \$325,000         \$285,000         \$328,500         \$348         1.08           Millbury         \$184,000         \$196,250         \$240,000         \$254,500         \$255,000         \$238,500         \$370,000         \$236,000         \$300,000         \$										
Middleton         \$291,950         \$446,000         \$485,500         \$3270,500         \$259,000         \$324,000         \$350,000         \$350,000         \$450,000         \$446,100										-3.12
Milford         \$245,000         \$270,500         \$295,000         \$324,000         \$325,000         \$325,000         \$348,00         \$348,000         \$340,000         \$326,000         \$255,000         \$255,000         \$254,500         \$250,000         \$350,000         \$350,000         \$255,000         \$254,500         \$250,000         \$370,000         \$355,500         \$39%         \$-0.02           Millville         \$222,500         \$213,500         \$220,000         \$301,000         \$355,500         \$367,700         \$36,800         \$36,7										-18 33
Millbury         \$184,000         \$196,250         \$240,000         \$225,500         \$25,000         \$24,950         39%         -0.02           Millis         \$270,000         \$290,000         \$349,900         \$350,000         \$380,000         370,000         355,500         32%         -3.92           Milliville         \$222,500         \$213,500         \$227,500         \$220,000         \$380,000         2370,000         19%         -8.6           Milton         \$334,000         \$370,000         \$435,000         \$469,900         466,000         441,000         32%         -5.36           Monson         \$136,950         \$137,000         \$165,000         \$200,000         \$215,000         \$20,100         \$231,750         69%         5.29           Monson         \$135,500         \$115,000         \$143,750         \$155,000         \$216,500         \$217,500         \$20,000         \$30,000         \$30,000         \$30,000         \$30,000         \$30,000         \$30,000         \$30,000         \$30,000         \$30,000         \$30,000         \$30,000         \$30,000         \$30,000         \$30,000         \$30,000         \$34,400         \$30,000         \$30,000         \$30,000         \$34,400         \$30,000         \$30,000         \$30,			· ·							
Millisi         \$270,000         \$290,000         \$349,000         \$350,000         \$370,000         \$355,500         \$32,%         \$3.2%         \$3.2%         \$3.2%         \$3.2%         \$3.2%         \$3.2%         \$3.2%         \$3.2%         \$3.2%         \$3.2%         \$3.2%         \$3.2%         \$3.2%         \$3.2%         \$3.56         Miltion         \$334,000         \$370,000         \$436,000         \$455,000         \$460,000         \$41,000         \$37,000         \$3.2%         \$3.56           Monroe         \$070         \$500         \$6500         \$285,000         \$215,000         \$221,000         \$21,750         \$9.29           Montague         \$115,500         \$115,000         \$143,750         \$155,000         \$166,500         \$387,500         \$385,20         \$400,000         \$160,500         \$387,500         \$385,500         \$387,500         \$385,500         \$387,500         \$383,500         \$380,000         \$160,500         \$282,000         \$178,750         \$244,750         \$265,000         \$214,000         \$386         \$183,500         \$380,000         \$343,000         \$344,750         \$60,000         \$50,000         \$760,000         \$9.00         \$880,000         \$140,000         \$9.00         \$880,000         \$140,000         \$140,000										
Millville         \$222,500         \$231,500         \$227,500         \$220,000         \$301,000         288,500         263,700         19%         -8.6           Milton         \$334,000         \$370,000         \$436,000         \$455,000         \$469,900         466,000         441,000         32%         -5.36           Monson         \$136,950         \$137,000         \$165,000         \$220,000         \$215,000         220,100         231,750         69%         5.29           Monstague         \$115,500         \$115,000         \$143,750         \$155,000         \$216,500         290,000         220,100         221,700         69%         5.29           Monterey         \$185,000         \$185,000         \$220,000         \$375,750         284,750         2365,000         214,000         38%         -19.25           Monterey         \$155,000         \$160,500         \$220,000         \$377,50         284,750         264,000         38%         -19.25           Nahant         \$300,000         \$1410,000         \$425,000         \$374,750         \$264,750         265,000         214,000         38%         -19.25           Namicket         \$759,000         \$750,000         \$8000         \$112,000         \$14,113,750										
Milton         \$334,000         \$370,000         \$436,000         \$445,000         \$60,000         \$41,000         \$2%         \$.36           Monroe         \$00^{11}         \$00^{11}         \$50^{10}         \$42,000         \$50^{11}         \$6,500         ***         Nordhaffeld         \$123,000         \$200,000         \$200,000         \$316,000         \$160,500         \$282,000         \$165,500         \$244,750         \$265,000         \$214,000         \$3%*         -19.25           Mi Washington         \$95,000         \$160,500         \$282,000         \$178,750         \$244,750         \$265,000         \$214,000         \$3%*         -19.25           Mathant         \$300,000         \$410,000         \$343,000         \$\$44,750         \$265,000         \$214,000         \$3%*         -9.02           Natucket         \$759,000         \$350,000         \$350,000         \$1120,000         \$1441,3750         \$1550,000         \$167,125         30%*         -5.78										
Monson										
Monson						\$469,900				-3.30
Montague										5.20
Montgomery   \$185,500   \$185,000   \$200,000   \$396,250   \$357,500   \$382,50   \$400,000   \$169,000   \$169,000   \$150,000   \$150,000   \$178,750   \$267,000   \$214,000   \$38   \$-19.25   \$180,000   \$150,000   \$150,000   \$500   \$150,00										
Montgomery										
Mt Washington										
Nahant         \$300,000         \$410,000         \$425,000         \$434,000         \$544,750         460,000         501,500         67%         9.02           Nantucket         \$759,000         \$750,000         \$850,000         \$1,120,000         \$1,413,750         1,550,000         1,590,000         123%         9.03           Nantucket         \$325,000         \$366,000         \$390,000         \$415,250         \$449,400         430,000         430,000         23%         0           Needham         \$473,500         \$510,000         \$550,000         \$669,500         \$669,500         655,000         617,125         30%         -5.78           New Ashford         \$0'''         \$146,000         \$184,900         \$222,000         \$232,000         240,000         231,000         79%         -3.75           New Bedford         \$129,000         \$146,000         \$199,000         \$212,000         267,600         219,500         25%         -17,77           New Barintree         \$175,500         \$146,000         \$199,000         \$221,000         264,950         445,500         224%         71,22           New Salem         \$149,500         \$155,000         \$214,950         \$188,775         \$108,000         246,900 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>-19.25</td></t<>										-19.25
Nantucket										
Natick										
Needham								, ,		
New Ashford         \$0^{(1)}         \$0^{(1)}         \$175,050         \$193,000         \$0^{(1)}         ***         ***         ***           New Bedford         \$129,000         \$146,000         \$184,900         \$222,000         \$232,000         240,000         231,000         79%         -3.75           New Braintree         \$175,500         \$146,000         \$199,000         \$221,000         267,600         219,500         25%         -17.97           New Mariboro         \$132,500         \$252,000         \$280,000         \$275,000         \$285,000         264,950         455,500         244%         71.92           New Salem         \$149,500         \$155,000         \$214,950         \$188,775         \$108,000         209,650         207,000         38%         1.26           Newbury         \$300,000         \$357,450         \$399,999         \$430,000         \$444,000         460,000         462,500         54%         -3.65           Newburyport         \$340,000         \$350,000         \$380,000         \$430,000         \$447,500         465,000         37%         3.91           Newton         \$570,000         \$575,750         \$638,000         \$692,000         \$736,400         739,000         761,000										•
New Bedford         \$129,000         \$146,000         \$184,900         \$222,000         \$232,000         \$240,000         \$231,000         79%         -3.75           New Braintree         \$175,500         \$146,000         \$195,000         \$199,000         \$221,000         \$267,600         \$219,500         \$25%         -17.97           New Marlboro         \$132,500         \$252,000         \$280,000         \$225,000         \$264,950         \$455,500         \$244         71.97           New Salem         \$149,500         \$155,000         \$214,950         \$188,775         \$108,000         \$209,650         \$207,000         388         -1.26           Newbury         \$300,000         \$355,000         \$389,999         \$430,000         \$444,000         \$480,000         \$465,000         37%         3.91           Newton         \$575,000         \$585,000         \$380,000         \$430,000         \$475,000         \$465,000         37%         3.91           North Adams         \$79,000         \$779,250         \$92,000         \$112,200         \$121,000         \$142,950         \$148,200         88%         3.67           North Andover         \$410,000         \$410,000         \$455,000         \$595,000         \$512,000         \$142,9										-5.78
New Braintree         \$175,500         \$146,000         \$195,000         \$199,000         \$221,000         \$267,600         \$219,500         \$25%         -17.97           New Marlboro         \$132,500         \$252,000         \$280,000         \$275,000         \$288,000         \$264,950         \$455,500         \$244%         71.92           New Salem         \$149,500         \$155,000         \$214,950         \$188,775         \$108,000         \$209,650         \$207,000         38%         1-1.26           Newbury         \$300,000         \$357,450         \$399,999         \$430,000         \$444,000         462,500         54%         -3.65           Newburyport         \$340,000         \$350,000         \$388,000         \$430,000         \$447,500         465,000         37%         3.91           Newton         \$570,000         \$575,750         \$638,000         \$692,000         \$736,400         739,000         761,000         34%         2.98           Norfolk         \$3362,500         \$381,500         \$408,450         \$470,000         \$475,000         460,000         437,500         21%         -4.89           North Adams         \$79,000         \$79,250         \$92,000         \$112,200         \$121,000         142,950										
New Marlboro         \$132,500         \$252,000         \$280,000         \$275,000         \$285,000         \$264,950         \$455,500         \$244%         71.92           New Salem         \$149,500         \$155,000         \$214,950         \$188,775         \$108,000         209,650         207,000         38%         -1.26           Newbury         \$300,000         \$357,450         \$399,999         \$430,000         \$444,000         446,500         54%         -3.65           Newburyport         \$340,000         \$350,000         \$380,000         \$430,000         \$447,500         465,000         37%         3.91           Newton         \$570,000         \$575,750         \$638,000         \$692,000         \$736,400         739,000         761,000         34%         2.98           Norfolk         \$362,500         \$381,500         \$408,450         \$470,000         \$475,000         460,000         437,500         21%         -4.89           North Adms         \$79,000         \$79,250         \$92,000         \$112,200         \$12,000         \$142,950         \$148,200         88%         3.67           North Adms         \$79,000         \$268,000         \$299,950         \$331,750         3365,000         344,750         355										
New Salem         \$149,500         \$155,000         \$214,950         \$188,775         \$108,000         209,650         207,000         38%         -1.26           Newbury         \$300,000         \$357,450         \$399,999         \$430,000         \$444,000         480,000         462,500         54%         -3.65           Newburyport         \$340,000         \$350,000         \$380,000         \$440,000         447,500         465,000         37%         3.91           Newton         \$570,000         \$575,750         \$638,000         \$692,000         \$736,400         739,000         761,000         34%         2.98           Norfolk         \$362,500         \$381,500         \$448,450         \$470,000         \$475,000         460,000         437,500         21%         -4.89           North Adams         \$79,000         \$79,250         \$92,000         \$112,200         \$121,000         142,950         148,200         88%         3.67           North Andover         \$410,000         \$410,000         \$455,000         \$508,500         \$550,000         513,750         476,200         16%         -7.31           North Artleboro         \$239,900         \$268,000         \$299,950         \$331,750         \$365,000         3		\$175,500								
Newbury         \$300,000         \$357,450         \$399,999         \$430,000         \$444,000         \$480,000         \$462,500         \$54%         -3.65           Newburyport         \$340,000         \$350,000         \$380,000         \$430,000         \$450,000         \$475,000         \$465,000         37%         3.91           Newton         \$570,000         \$575,750         \$638,000         \$692,000         \$736,400         739,000         761,000         34%         2.98           Norfolk         \$362,500         \$381,500         \$408,450         \$470,000         \$475,000         460,000         437,500         21%         4.89           North Adams         \$79,000         \$79,250         \$92,000         \$112,000         \$142,950         \$148,200         88%         3.67           North Andover         \$410,000         \$455,000         \$508,500         \$550,000         \$13,750         476,200         \$16%         -7.31           North Artleboro         \$239,900         \$268,000         \$299,950         \$331,750         \$365,000         364,750         355,000         48%         -2.67           North Brookfield         \$129,450         \$140,000         \$169,950         \$219,900         \$207,400         222,500										
Newburyport         \$340,000         \$350,000         \$380,000         \$440,000         \$447,500         \$465,000         37%         3.91           Newton         \$570,000         \$575,750         \$638,000         \$692,000         \$736,400         739,000         761,000         34%         2.98           Northolk         \$362,500         \$381,500         \$408,450         \$470,000         \$475,000         \$400,000         437,500         21%         -4.89           North Adams         \$79,000         \$79,250         \$92,000         \$112,000         \$121,000         \$142,950         \$148,200         88%         3.67           North Andover         \$410,000         \$410,000         \$455,000         \$508,500         \$550,000         513,750         \$476,200         16%         -7.31           North Andover         \$239,900         \$268,000         \$299,950         \$331,750         \$365,000         364,750         355,000         48%         -2.67           North Brookfield         \$129,450         \$140,000         \$169,950         \$219,900         \$207,400         222,500         215,000         66%         -3.37           North Reading         \$303,750         \$345,000         \$380,000         \$417,500         \$440,000<										
Newton         \$570,000         \$575,750         \$638,000         \$692,000         \$736,400         739,000         761,000         34%         2.98           Norfolk         \$362,500         \$381,500         \$408,450         \$470,000         \$475,000         460,000         437,500         21%         -4.89           North Adams         \$79,000         \$79,250         \$92,000         \$112,200         \$121,000         142,950         148,200         88%         3.67           North Andover         \$410,000         \$410,000         \$455,000         \$508,500         \$550,000         513,750         476,200         16%         -7.31           North Attleboro         \$239,900         \$268,000         \$299,950         \$331,750         \$365,000         364,750         355,000         48%         -2.67           North Brookfield         \$129,450         \$140,000         \$169,950         \$219,900         \$207,400         222,500         215,000         66%         -3.37           North Reading         \$303,750         \$345,000         \$230,500         \$235,300         \$275,000         277,125         66%         0.77           Northborough         \$2280,000         \$3330,500         \$344,000         \$402,000         \$402,000 </td <td>·</td> <td></td> <td></td> <td>. /</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	·			. /						
Norfolk         \$362,500         \$381,500         \$408,450         \$470,000         \$475,000         460,000         437,500         21%         -4.89           North Adams         \$79,000         \$79,250         \$92,000         \$112,200         \$121,000         142,950         148,200         88%         3.67           North Andover         \$410,000         \$410,000         \$455,000         \$508,500         \$550,000         513,750         476,200         16%         -7.31           North Attleboro         \$239,900         \$268,000         \$299,950         \$331,750         \$365,000         364,750         355,000         48%         -2.67           North Brookfield         \$129,450         \$140,000         \$169,950         \$217,900         \$207,400         222,500         215,000         66%         -3.37           North Reading         \$303,750         \$345,000         \$380,000         \$417,500         \$440,000         417,000         395,000         30%         -5.28           Northampton         \$166,500         \$185,000         \$203,500         \$235,300         \$275,000         277,125         66%         0.77           Northbridge         \$280,000         \$330,500         \$344,000         \$360,000         \$402,00						,				
North Adams         \$79,000         \$79,250         \$92,000         \$112,200         \$121,000         \$142,950         \$148,200         \$8%         \$3.67           North Andover         \$410,000         \$410,000         \$455,000         \$508,500         \$550,000         \$13,750         \$476,200         \$16%         -7.31           North Attleboro         \$239,900         \$268,000         \$299,950         \$331,750         \$365,000         364,750         355,000         48%         -2.67           North Brookfield         \$129,450         \$140,000         \$169,950         \$219,900         \$207,400         \$222,500         \$215,000         66%         -3.37           North Reading         \$303,750         \$345,000         \$380,000         \$417,500         \$440,000         417,000         395,000         30%         -5.28           Northampton         \$166,500         \$185,000         \$203,500         \$235,300         \$275,000         \$277,125         66%         0.77           Northbridge         \$280,000         \$330,500         \$344,000         \$360,000         \$402,000         \$325,000         335,000         60%         3.08           Northfield         \$124,500         \$135,450         \$151,000         \$162,500										
North Andover         \$410,000         \$455,000         \$508,500         \$550,000         \$13,750         476,200         16%         -7.31           North Attleboro         \$239,900         \$268,000         \$299,950         \$331,750         \$365,000         364,750         355,000         48%         -2.67           North Brookfield         \$129,450         \$140,000         \$169,950         \$219,900         \$207,400         222,500         215,000         66%         -3.37           North Reading         \$303,750         \$345,000         \$380,000         \$417,500         \$440,000         417,000         395,000         30%         -5.28           Northampton         \$166,500         \$185,000         \$203,500         \$235,300         \$275,000         277,125         66%         0.77           Northborough         \$280,000         \$330,500         \$344,000         \$360,000         \$402,000         390,000         39%         -7.14           Northfield         \$124,500         \$135,450         \$151,000         \$162,500         \$192,500         221,000         206,000         65%         -6.79           Nortuch         \$235,000         \$263,000         \$295,000         \$327,000         \$339,000         357,700         325										
North Attleboro         \$239,900         \$268,000         \$299,950         \$331,750         \$365,000         364,750         355,000         48%         -2.67           North Brookfield         \$129,450         \$140,000         \$169,950         \$219,900         \$207,400         222,500         215,000         66%         -3.37           North Reading         \$303,750         \$345,000         \$380,000         \$447,500         \$440,000         417,000         395,000         30%         -5.28           Northampton         \$166,500         \$185,000         \$203,500         \$235,300         \$275,000         277,125         66%         0.77           Northborough         \$280,000         \$330,500         \$344,000         \$360,000         \$402,000         420,000         390,000         39%         -7.14           Northbridge         \$209,900         \$264,000         \$280,000         \$310,000         \$308,500         325,000         335,000         60%         3.08           Northfield         \$124,500         \$135,450         \$151,000         \$162,500         \$192,500         221,000         206,000         65%         -6.79           Norten         \$235,000         \$263,000         \$295,000         \$327,000         \$339,00										
North Brookfield         \$129,450         \$140,000         \$169,950         \$219,900         \$207,400         \$222,500         \$215,000         \$66%         -3.37           North Reading         \$303,750         \$345,000         \$380,000         \$417,500         \$440,000         417,000         395,000         30%         -5.28           Northampton         \$166,500         \$185,000         \$203,500         \$235,300         \$275,000         275,000         277,125         66%         0.77           Northborough         \$280,000         \$330,500         \$344,000         \$360,000         \$402,000         420,000         390,000         39%         -7.14           Northbridge         \$209,900         \$264,000         \$280,000         \$310,000         \$308,500         325,000         335,000         60%         3.08           Northfield         \$124,500         \$135,450         \$151,000         \$162,500         \$192,500         221,000         206,000         65%         -6.79           Norton         \$235,000         \$263,000         \$295,000         \$327,000         \$339,000         357,700         325,000         38%         -9.14           Norwell         \$393,650         \$463,250         \$479,000         \$532,500										
North Reading         \$303,750         \$345,000         \$380,000         \$417,500         \$440,000         417,000         395,000         30%         -5.28           Northampton         \$166,500         \$185,000         \$203,500         \$235,300         \$275,000         275,000         277,125         66%         0.77           Northborough         \$280,000         \$330,500         \$344,000         \$360,000         \$402,000         420,000         390,000         39%         -7.14           Northbridge         \$209,900         \$264,000         \$280,000         \$310,000         \$308,500         325,000         335,000         60%         3.08           Northfield         \$124,500         \$135,450         \$151,000         \$162,500         \$192,500         221,000         206,000         65%         -6.79           Norton         \$235,000         \$263,000         \$295,000         \$327,000         \$339,000         357,700         325,000         38%         -9.14           Norwell         \$393,650         \$463,250         \$479,000         \$532,500         \$543,750         613,750         590,000         50%         -3.87           Norwood         \$265,000         \$310,250         \$344,250         \$380,000 <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>										
Northampton         \$166,500         \$185,000         \$203,500         \$235,300         \$275,000         275,000         277,125         66%         0.77           Northborough         \$280,000         \$330,500         \$344,000         \$360,000         \$402,000         \$420,000         390,000         39%         -7.14           Northbridge         \$209,900         \$264,000         \$280,000         \$310,000         \$308,500         325,000         335,000         60%         3.08           Northfield         \$124,500         \$135,450         \$151,000         \$162,500         \$192,500         221,000         206,000         65%         -6.79           Norton         \$235,000         \$263,000         \$295,000         \$327,000         \$339,000         357,700         325,000         38%         -9.14           Norwell         \$393,650         \$463,250         \$479,000         \$532,500         \$543,750         613,750         590,000         50%         -3.87           Norwood         \$265,000         \$310,250         \$344,250         \$380,000         \$400,000         388,750         372,500         41%         -4.18           Oak Bluffs         \$270,000         \$325,000         \$400,000         \$500,000         \$										
Northborough         \$280,000         \$330,500         \$344,000         \$360,000         \$402,000         420,000         390,000         39%         -7.14           Northbridge         \$209,900         \$264,000         \$280,000         \$310,000         \$308,500         325,000         335,000         60%         3.08           Northfield         \$124,500         \$135,450         \$151,000         \$162,500         \$192,500         221,000         206,000         65%         -6.79           Norton         \$235,000         \$263,000         \$295,000         \$327,000         \$339,000         357,700         325,000         38%         -9.14           Norwell         \$393,650         \$463,250         \$479,000         \$532,500         \$543,750         613,750         590,000         50%         -3.87           Norwood         \$265,000         \$310,250         \$344,250         \$380,000         \$400,000         388,750         372,500         41%         -4.18           Oak Bluffs         \$270,000         \$325,000         \$400,000         \$500,000         \$568,850         538,000         539,500         100%         0.28           Orange         \$90,000         \$98,000         \$129,900         \$148,950         \$166,250										
Northbridge         \$209,900         \$264,000         \$280,000         \$310,000         \$308,500         \$325,000         \$35,000         60%         3.08           Northfield         \$124,500         \$135,450         \$151,000         \$162,500         \$192,500         221,000         206,000         65%         -6.79           Norton         \$235,000         \$263,000         \$295,000         \$327,000         \$339,000         357,700         325,000         38%         -9.14           Norwell         \$393,650         \$463,250         \$479,000         \$532,500         \$543,750         613,750         590,000         50%         -3.87           Norwood         \$265,000         \$310,250         \$344,250         \$380,000         \$400,000         388,750         372,500         41%         -4.18           Oak Bluffs         \$270,000         \$325,000         \$400,000         \$500,000         \$568,850         538,000         539,500         100%         0.28           Oakham         \$158,500         \$144,000         \$213,500         \$250,000         \$260,000         252,000         266,950         68%         5.93           Orleans         \$337,000         \$410,000         \$500,000         \$610,000         \$675,000 <td></td>										
Northfield         \$124,500         \$135,450         \$151,000         \$162,500         \$192,500         \$21,000         \$206,000         65%         -6.79           Norton         \$235,000         \$263,000         \$295,000         \$327,000         \$339,000         357,700         325,000         38%         -9.14           Norwell         \$393,650         \$463,250         \$479,000         \$532,500         \$543,750         613,750         590,000         50%         -3.87           Norwood         \$265,000         \$310,250         \$344,250         \$380,000         \$400,000         388,750         372,500         41%         -4.18           Oak Bluffs         \$270,000         \$325,000         \$400,000         \$500,000         \$568,850         538,000         539,500         100%         0.28           Oakham         \$158,500         \$144,000         \$213,500         \$250,000         \$260,000         252,000         266,950         68%         5.93           Orange         \$90,000         \$98,000         \$129,900         \$148,950         \$166,250         177,200         159,950         78%         -9.73           Orleans         \$337,000         \$410,000         \$500,000         \$610,000         \$675,000	Northborough									-7.14
Norton         \$235,000         \$263,000         \$295,000         \$327,000         \$339,000         357,700         325,000         38%         -9.14           Norwell         \$393,650         \$463,250         \$479,000         \$532,500         \$543,750         613,750         590,000         50%         -3.87           Norwood         \$265,000         \$310,250         \$344,250         \$380,000         \$400,000         388,750         372,500         41%         -4.18           Oak Bluffs         \$270,000         \$325,000         \$400,000         \$500,000         \$568,850         538,000         539,500         100%         0.28           Oakham         \$158,500         \$144,000         \$213,500         \$250,000         \$260,000         252,000         266,950         68%         5.93           Orange         \$90,000         \$98,000         \$129,900         \$148,950         \$166,250         177,200         159,950         78%         -9.73           Orleans         \$337,000         \$410,000         \$500,000         \$610,000         \$675,000         647,500         600,000         78%         -7.34           Otis         \$128,000         \$218,500         \$184,500         \$223,250         \$266,526 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>3.08</td></t<>										3.08
Norwell         \$393,650         \$463,250         \$479,000         \$532,500         \$543,750         613,750         590,000         50%         -3.87           Norwood         \$265,000         \$310,250         \$344,250         \$380,000         \$400,000         388,750         372,500         41%         -4.18           Oak Bluffs         \$270,000         \$325,000         \$400,000         \$500,000         \$568,850         538,000         539,500         100%         0.28           Oakham         \$158,500         \$144,000         \$213,500         \$250,000         \$260,000         252,000         266,950         68%         5.93           Orange         \$90,000         \$98,000         \$129,900         \$148,950         \$166,250         177,200         159,950         78%         -9.73           Orleans         \$337,000         \$410,000         \$500,000         \$610,000         \$675,000         647,500         600,000         78%         -7.34           Otis         \$128,000         \$218,500         \$184,500         \$223,250         \$266,526         369,750         280,000         119%         -24.27										-6.79
Norwood         \$265,000         \$310,250         \$344,250         \$380,000         \$400,000         388,750         372,500         41%         -4.18           Oak Bluffs         \$270,000         \$325,000         \$400,000         \$500,000         \$568,850         538,000         539,500         100%         0.28           Oakham         \$158,500         \$144,000         \$213,500         \$250,000         \$260,000         252,000         266,950         68%         5.93           Orange         \$90,000         \$98,000         \$129,900         \$148,950         \$166,250         177,200         159,950         78%         -9.73           Orleans         \$337,000         \$410,000         \$500,000         \$610,000         \$675,000         647,500         600,000         78%         -7.34           Otis         \$128,000         \$218,500         \$184,500         \$223,250         \$266,526         369,750         280,000         119%         -24.27										-9.14
Oak Bluffs         \$270,000         \$325,000         \$400,000         \$500,000         \$568,850         538,000         539,500         100%         0.28           Oakham         \$158,500         \$144,000         \$213,500         \$250,000         \$260,000         252,000         266,950         68%         5.93           Orange         \$90,000         \$98,000         \$129,900         \$148,950         \$166,250         177,200         159,950         78%         -9.73           Orleans         \$337,000         \$410,000         \$500,000         \$610,000         \$675,000         647,500         600,000         78%         -7.34           Otis         \$128,000         \$218,500         \$184,500         \$223,250         \$266,526         369,750         280,000         119%         -24.27										-3.87
Oakham         \$158,500         \$144,000         \$213,500         \$250,000         \$260,000         252,000         266,950         68%         5.93           Orange         \$90,000         \$98,000         \$129,900         \$148,950         \$166,250         177,200         159,950         78%         -9.73           Orleans         \$337,000         \$410,000         \$500,000         \$610,000         \$675,000         647,500         600,000         78%         -7.34           Otis         \$128,000         \$218,500         \$184,500         \$223,250         \$266,526         369,750         280,000         119%         -24.27	Norwood	\$265,000		\$344,250	\$380,000			372,500	41%	-4.18
Orange         \$90,000         \$98,000         \$129,900         \$148,950         \$166,250         177,200         159,950         78%         -9.73           Orleans         \$337,000         \$410,000         \$500,000         \$610,000         \$675,000         647,500         600,000         78%         -7.34           Otis         \$128,000         \$218,500         \$184,500         \$223,250         \$266,526         369,750         280,000         119%         -24.27	Oak Bluffs				\$500,000	\$568,850		539,500	100%	0.28
Orange         \$90,000         \$98,000         \$129,900         \$148,950         \$166,250         177,200         159,950         78%         -9.73           Orleans         \$337,000         \$410,000         \$500,000         \$610,000         \$675,000         647,500         600,000         78%         -7.34           Otis         \$128,000         \$218,500         \$184,500         \$223,250         \$266,526         369,750         280,000         119%         -24.27	Oakham	\$158,500	\$144,000	\$213,500	\$250,000	\$260,000	252,000	266,950	68%	5.93
Orleans         \$337,000         \$410,000         \$500,000         \$610,000         \$675,000         647,500         600,000         78%         -7.34           Otis         \$128,000         \$218,500         \$184,500         \$223,250         \$266,526         369,750         280,000         119%         -24.27	Orange							159,950	78%	-9.73
Otis \$128,000 \$218,500 \$184,500 \$223,250 \$266,526 369,750 280,000 119% -24.27										-7.34
									119%	-24.27
										-4.13

		Si	ngle Family Ho	ome Median S	Sales Price			% C	hange
Community	2001	2002	2003	2004	2005	2006	2007	2001-7	2006-7
Palmer	\$110,000	\$134,900	\$149,000	\$166,000	\$185,000	198,300	189,000	72%	-4.69
Paxton	\$205,000	\$217,000	\$270,000	\$292,000	\$316,500	282,500	330,000	61%	16.81
Peabody	\$265,000	\$310,000	\$329,500	\$358,000	\$372,000	360,000	350,000	32%	-2.78
Pelham	\$209,950	\$125,000	\$257,500	\$220,833	\$285,000	336,500	343,000	63%	1.93
Pembroke	\$239,000	\$276,000	\$305,000	\$348,750	\$346,500	359,900	345,000	44%	-4.14
Pepperell	\$284,900	\$273,250	\$308,950	\$335,000	\$359,450	322,500	322,500	13%	0
Peru	\$111,750	\$103,450	\$145,000	\$159,950	\$183,500	255,000	207,500	86%	-18.63
Petersham	\$172,750	\$166,000	\$205,000	\$258,500	\$258,500	353,085	372,500	116%	5.5
Phillipston	\$131,750	\$120,000	\$150,308	\$184,900	\$229,000	233,500	196,000	49%	-16.06
Pittsfield	\$104,900	\$110,250	\$123,750	\$136,000	\$149,900	162,250	173,000	65%	6.63
Plainfield	\$102,000	\$168,900	\$200,000	\$167,250	\$167,000	**	234,000	129%	
Plainville	\$237,500	\$269,500	\$315,875	\$352,250	\$361,500	366,450	349,500	47%	-4.63
Plymouth	\$212,000	\$250,000	\$289,000	\$325,950	\$339,900	340,000	325,000	53%	-4.41
Plympton	\$249,900	\$264,575	\$338,500	\$392,000	\$380,000	411,600	345,750	38%	-16
Princeton	\$250,000	\$266,000	\$286,950	\$300,000	\$377,500	393,000	301,000	20%	-23.41
Provincetown	\$370,000	\$455,500	\$497,000	\$654,000	\$680,000	727,000	699,000	89%	-3.85
Quincy	\$250,000	\$290,750	\$321,400	\$353,250	\$372,250	360,000	345,000	38%	-4.17
Randolph	\$218,750	\$250,000	\$280,000	\$312,000	\$344,500	328,000	306,000	40%	-6.71
Raynham	\$225,400	\$275,450	\$290,000	\$339,000	\$337,575	376,250	335,000	49%	-10.96
Reading	\$315,000	\$364,350	\$389,000	\$418,500	\$435,000	420,000	416,000	32%	-0.95
Rehoboth	\$209,000	\$275,000	\$297,450	\$320,000	\$345,150	372,500	380,000	82%	2.01
Revere	\$210,000	\$247,500	\$285,000	\$315,000	\$335,000	337,000	300,000	43%	-10.98
Richmond	\$244,750	\$241,250	\$400,000	\$360,000	\$354,500	357,500	355,000	45%	-0.7
Rochester	\$200,500	\$237,500	\$315,000	\$357,250	\$379,000	365,000	390,000	95%	6.85
Rockland	\$209,638	\$249,750	\$273,350	\$300,000	\$317,750	309,000	290,000	38%	-6.15
Rockport	\$305,800	\$362,500	\$385,000	\$432,500	\$416,450	495,000	475,500	55%	-3.94
Rowe	\$145,000	\$129,500	\$165,000	\$165,000	\$169,250	**	197,500	36%	3.71
Rowley	\$299,900	\$306,600	\$409,425	\$378,300	\$432,500	481,895	479,500	60%	-0.5
Royalston	\$111,700	\$122,000	\$144,450	\$120,000	\$174,000	179,000	213,000	91%	18.99
Russell	\$151,000	\$150,000	\$148,500	\$155,000	\$212,500	215,000	202,600	34%	-5.77
Rutland	\$215,450	\$222,500	\$237,620	\$259,900	\$282,000	312,000	285,000	32%	-8.65
Salem	\$225,500	\$276,500	\$303,500	\$319,250	\$345,000	325,000	315,500	40%	-2.92
Salisbury	\$180,000	\$216,129	\$270,000	\$312,000	\$322,500	319,750	310,000	72%	-3.05
Sandisfield	\$178,000	\$149,000	\$160,000	\$340,000	\$316,000	275,000	240,500	35%	-12.55
Sandwich	\$238,900	\$279,900	\$322,250	\$350,000	\$365,000	370,000	350,000	47%	-5.41
Saugus	\$250,000	\$292,000	\$320,000	\$345,000	\$366,000	350,000	335,500	34%	-4.14
Savoy	\$0 <sup>(1)</sup>	\$0 <sup>(1)</sup>	\$127,000	\$139,900	\$123,000	121,500	140,500	**	15.64
Scituate	\$329,000	\$390,000	\$445,000	\$459,000	\$510,000	497,500	500,000	52%	0.5
Seekonk	\$177,000	\$224,000	\$265,000	\$282,500	\$300,000	340,000	312,500	77%	-8.09
Sharon	\$360,000	\$364,338	\$400,000	\$425,000	\$445,000	437,500	435,000	21%	-0.57
Sheffield	\$171,500	\$206,000	\$260,000	\$253,500	\$260,000	299,000	273,750	60%	-8.44
Shelburne	\$0 <sup>(1)</sup>	\$174,250	\$165,000	\$200,000	\$272,500	210,000	175,000	**	-16.67
Sherborn	\$600,000	\$615,000	\$689,000	\$734,000	\$740,000	835,000	663,500	11%	-20.54
Shirley	\$241,950	\$277,173	\$252,550	\$314,950	\$323,250	367,000	343,000	42%	-6.54
Shrewsbury	\$285,070	\$329,900	\$360,000	\$362,500	\$390,500	403,750	400,000	40%	-0.93
Shutesbury	\$169,900	\$134,750	\$198,750	\$190,000	\$225,000	270,000	266,500	57%	-1.3
Somerset	\$164,500	\$183,250	\$245,000	\$264,900	\$286,500	285,000	275,000	67%	-3.51
Somerville	\$280,000	\$329,000	\$362,500	\$382,000	\$415,000	422,500	450,000	61%	6.51
South Hadley	\$135,000	\$150,000	\$165,900	\$187,000	\$217,500	230,000	242,025	79%	5.23
Southampton	\$172,000	\$170,500	\$204,500	\$234,000	\$263,250	270,500	295,000	72%	9.06
Southborough	\$428,700	\$445,000	\$504,000	\$495,000	\$545,000	575,125	500,000	17%	-13.06
Southbridge	\$119,900	\$149,950	\$165,000	\$189,000	\$220,000	217,000	201,900	68%	-6.96
Southwick	\$150,000	\$147,900	\$170,000	\$189,950	\$223,500	225,000	279,000	86%	24
Spencer	\$148,000	\$169,500	\$200,000	\$219,900	\$237,500	246,000	227,500	54%	-7.52
Springfield	\$85,000	\$92,400	\$105,000	\$119,000	\$135,000	150,000	150,000	76%	0
Sterling	\$259,900	\$296,750	\$285,000	\$306,250	\$319,500	400,000	345,500	33%	-13.63
Stockbridge	\$235,000	\$347,500	\$452,000	\$350,000	\$422,500	391,000	525,000	123%	34.27
Stoneham	\$303,750	\$338,950	\$370,000	\$391,500	\$420,000	403,000	405,000	33%	0.5

Community   2001   2002   2003   2004   2005   2006   2007   20			Si	ingle Family H	ome Median S	Sales Price			% C	hange
Store	Community	2001					2006	2007		2006-7
Surbridge	•	\$362,000	\$391,750		\$435,000					-11.56
Sautheury	Sturbridge							302,500	86%	-3.97
Sunderland   \$191,888   \$227,500   \$218,500   \$257,000   \$207,500   \$266,000   \$240,025   \$35%   \$9\$   \$9\$   \$9\$   \$8\$   \$9\$   \$9\$   \$300,000   \$376,6450   \$364,450   \$381,250   \$375,500   \$68%   \$44%   \$1\$   \$380,000   \$324,000   \$376,640   \$350,000   \$455,000   \$465,000   \$44%   \$44%   \$480,000   \$324,000   \$234,000   \$234,000   \$250,000   \$270,000   \$285,000   \$275,000   \$96%   \$350,000   \$380,000   \$318,750   \$350,000   \$320,000   \$370,000   \$285,000   \$275,000   \$96%   \$350,000   \$380,000   \$318,750   \$350,000   \$385,000   \$38										0.19
Saturns										9.71
Swampscut										-2.3
Syanasea	Swampscott									6.9
Taunton \$180,000 \$218,750 \$255,000 \$295,000 \$300,000 \$300,000 \$277,000 \$45% \$47\$. Templeton \$145,000 \$143,125 \$169,505 \$186,500 \$205,000 \$217,250 \$207,500 \$43% \$44\$. Tewksbury \$207,330 \$290,000 \$330,000 \$353,000 \$358,000 \$358,000 \$388,500 \$27% \$7. Tishury \$350,000 \$352,500 \$348,000 \$358,000 \$757,000 \$388,500 \$27% \$7. Tishury \$350,000 \$312,000 \$138,400 \$315,000 \$388,000 \$757,000 \$205,200 \$29% \$16 Tolland \$152,000 \$138,400 \$138,400 \$135,000 \$255,000 \$289,900 \$305,000 \$21,500 \$87% Topsfield \$412,000 \$480,000 \$527,500 \$252,000 \$259,000 \$305,000 \$21,500 \$87% Topsfield \$412,000 \$428,750 \$252,000 \$259,000 \$225,000 \$282,900 \$305,000 \$21,500 \$87% Truro \$425,000 \$428,750 \$475,000 \$325,250 \$300,000 \$717,000 \$885,000 \$388,750 \$300,000 \$177,000 \$885,000 \$348,000										-3.51
Templeton										-7.67
Tewksbury         \$267,530         \$290,000         \$330,000         \$338,500         \$27%         \$7           Tolland         \$152,000         \$138,400         \$135,000         \$358,900         \$75,000         \$575,000         \$252,000         \$29%         16           Topsfield         \$412,000         \$480,000         \$525,000         \$525,000         \$259,000         \$552,500         \$259,000         \$257,500         \$257,500         \$277,500         \$237,500         \$277,500         \$277,500         \$277,500         \$277,500         \$277,500         \$277,500         \$277,500         \$277,500         \$277,500         \$277,500         \$277,500         \$277,500         \$282,950         \$289,000         \$277,500         \$282,950         \$289,000         \$277,500         \$282,950         \$289,000         \$277,500         \$282,950         \$289,000         \$277,000         \$380,000         \$277,000         \$380,000         \$277,000         \$380,000         \$277,000         \$380,000         \$380,000         \$380,000         \$380,000         \$380,000         \$380,000         \$380,000         \$380,000         \$380,000         \$380,000         \$380,000         \$380,000         \$380,000         \$380,000         \$380,000         \$375,500         \$280,000         \$375,500         \$32										-4.49
Tisbury										-7.26
Tolland	•									16.96
Topsfield										-7.7
Townsend   \$209,900   \$225,000   \$225,000   \$275,000   \$282,950   \$289,000   \$272,500   \$30%   \$-5   \$170,000   \$455,000   \$458,000   \$355,000   \$358,000   \$358,000   \$358,000   \$358,000   \$358,000   \$358,000   \$358,000   \$358,000   \$358,000   \$358,000   \$358,000   \$358,000   \$359,000   \$350,000   \$350,000   \$350,000   \$369,00										-8.91
Times										-5.71
Tyngabno							,			-18.41
Tyringham										-10.41
Typinon	, ,									-37.62
Uxbridge										
Wakefield         \$300,500         \$340,000         \$375,600         \$395,500         \$425,000         400,000         395,000         31%         1           Wales         \$111,000         \$112,450         \$126,500         \$155,000         \$210,000         175,000         197,500         78%         12           Walpole         \$295,000         \$335,000         \$365,750         \$410,000         \$438,750         403,125         \$424,950         44%         5           Waltham         \$317,375         \$340,000         \$366,150         \$397,900         \$424,750         419,900         406,000         22%         -34           Ware         \$116,450         \$120,400         \$1156,025         \$188,450         200,000         177,500         \$29%         -3           Wareham         \$110,000         \$175,500         \$210,000         \$249,900         \$259,500         \$260,000         \$262,500         75%         0           Warrick         \$110,000         \$123,500         \$178,500         \$121,750         \$166,600         \$187,000         \$175,000         \$147,500         \$25,000         78%         0           Warrick         \$10,000         \$156,000         \$124,000         \$175,000         \$147,500	•							,		-5.12
Wales         \$111,000         \$112,450         \$126,500         \$155,000         \$210,000         \$175,000         \$175,000         \$78%         \$12           Walpole         \$295,000         \$335,000         \$365,750         \$401,000         \$438,750         \$401,000         \$448,750         \$424,950         \$444,950         \$446,000         \$28%         -3           Ware         \$116,450         \$129,400         \$143,900         \$156,625         \$185,450         \$200,000         \$177,500         \$27%         \$10           Warren         \$110,000         \$173,500         \$210,000         \$249,900         \$259,500         \$96,000         \$78%         \$10           Warren         \$110,000         \$132,500         \$141,000         \$194,500         \$195,400         \$196,000         \$78%         \$0           Warrick         \$110,000         \$139,000         \$132,500         \$175,000         \$217,750         \$16,600         \$187,500         \$70%         \$16           Warrick         \$110,000         \$139,000         \$122,500         \$175,000         \$147,500         \$235,000         \$202,250         \$78%         \$0           Warrick         \$110,000         \$139,000         \$124,000         \$175,000         <				. ,				,		-9.23
Walpole         \$295,000         \$335,000         \$365,750         \$401,000         \$438,750         \$403,125         \$42,4500         \$44%         \$5           Waltham         \$317,375         \$340,000         \$366,150         \$397,900         \$424,750         \$400,000         \$28%         -3           Ware         \$116,450         \$129,400         \$143,900         \$156,625         \$185,450         \$200,000         \$177,500         \$25%         -11           Wareham         \$1149,900         \$176,500         \$210,000         \$249,900         \$259,500         \$260,000         \$75%         0           Warren         \$110,000         \$123,500         \$149,000         \$194,500         \$194,500         \$196,000         \$78%         0           Warrenck         \$110,000         \$132,500         \$178,500         \$217,750         \$160,600         \$187,500         \$70%         \$16           Washington         \$000         \$124,000         \$175,000         \$147,500         \$235,000         \$22,250         ***         \$400,000         \$417,500         \$417,500         \$417,500         \$417,500         \$417,500         \$417,500         \$417,500         \$417,500         \$417,500         \$417,500         \$417,500         \$417,500<										-1.25
Waltham										12.86
Wareham										5.41
Wareham							,			-3.31
Warren         \$110,000         \$123,500         \$149,000         \$194,500         195,400         196,000         78%         0           Warwick         \$110,000         \$135,000         \$132,500         \$175,000         \$217,750         166,600         1875,000         70%         16           Washington         \$0"         \$156,000         \$124,000         \$175,000         \$217,750         166,600         1875,000         202,250         ***         -13           Watertown         \$350,000         \$374,100         \$412,000         \$450,000         \$461,500         457,500         457,000         31%         -0           Welster         \$154,000         \$180,255         \$199,000         \$222,750         \$529,950         \$26,000         240,000         56%         -2           WellBester         \$154,000         \$380,000         \$385,500         \$876,738         \$950,000         \$963,250         38%         -1           WellBestey         \$699,000         \$722,500         \$753,500         \$876,738         \$950,000         \$93,9500         394%         -10           Wendell         \$50,450         \$300         \$851,000         \$140,000         \$154,500         \$161,000         \$199,46         -10 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>,</td> <td></td> <td></td> <td>-11.25</td>							,			-11.25
Warwick							,			0.96
Washington         \$0^{(1)}         \$156,000         \$124,000         \$175,000         \$147,500         235,000         202,250         ***         -13           Watertown         \$350,000         \$374,100         \$412,000         \$450,000         \$451,500         457,500         457,000         31%         -0           Wayland         \$468,000         \$505,000         \$518,000         \$567,500         \$590,000         \$582,50         631,000         3567,500         \$590,000         \$582,500         631,000         3567,500         \$590,000         \$580,000         500,000         500,000         \$660,000         240,000         56%         -2           Wellelseley         \$699,000         \$722,500         \$573,500         \$876,738         \$950,000         963,250         38%         -1           Wellellet         \$5278,050         \$369,000         \$835,000         \$816,000         \$144,000         \$154,250         176,500         161,000         219%         -8           Wenham         \$529,500         \$512,500         \$875,000         \$542,300         \$473,900         725,000         456,000         -6%         -31           West Bridgewater         \$219,900         \$233,000         \$289,450         \$321,500 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>0.31</td></t<>										0.31
Watertown         \$350,000         \$374,100         \$412,000         \$450,000         \$461,500         \$457,500         \$457,000         31%         -0           Wayland         \$468,000         \$505,000         \$518,000         \$567,500         \$590,000         \$282,200         \$641,000         \$56%         -2           Webster         \$154,000         \$180,250         \$199,000         \$222,750         \$229,950         246,000         240,000         56%         -2           Wellesley         \$699,000         \$722,500         \$753,500         \$876,738         \$950,000         \$963,250         38%         -1           Wellleel         \$278,050         \$369,000         \$835,500         \$552,000         \$660,000         539,000         94%         -10           Wendell         \$50,465         \$99,000         \$857,000         \$542,300         \$473,900         722,500         496,000         -6%         -31           West Boylston         \$189,900         \$183,000         \$237,000         \$289,000         \$310,000         275,000         246,000         466,000         466,000         466,000         \$462,000         466,000         446,500         \$462,000         \$462,000         464,000         \$462,000         \$462,00							,			16.75
Wayland         \$468,000         \$505,000         \$518,000         \$567,500         \$590,000         586,250         631,000         35%         7           Webster         \$154,000         \$180,250         \$199,000         \$222,750         \$229,950         246,000         240,000         56%         -2           Wellesley         \$699,000         \$722,500         \$753,500         \$876,738         \$950,000         976,500         963,250         38%         -1           Wellelleet         \$278,050         \$369,000         \$850,000         \$560,000         600,000         539,000         94%         -10           Wendell         \$50,465         \$99,000         \$85,000         \$144,000         \$154,250         176,500         161,000         219%         -8           Wenham         \$529,500         \$512,500         \$575,000         \$524,300         \$473,900         722,500         496,000         -6%         -31           West Bridgewater         \$219,900         \$233,000         \$237,000         \$289,000         \$310,000         275,000         275,000         476,000         46%           West Bridgewater         \$219,900         \$162,750         \$179,250         \$199,450         \$230,000         \$420,000				,				,		-13.94
Webster         \$154,000         \$180,250         \$199,000         \$222,750         \$229,950         \$246,000         \$240,000         56%         -2           Wellesley         \$699,000         \$752,500         \$753,500         \$876,738         \$950,000         976,500         963,250         38%         -1           Welfleet         \$278,050         \$369,000         \$383,500         \$\$52,000         \$650,000         600,000         \$39,000         94%         -10           Wendell         \$50,465         \$99,000         \$885,000         \$144,000         \$154,250         176,500         161,000         219%         -8           Wenham         \$529,500         \$\$12,500         \$575,000         \$\$473,900         722,500         496,000         -6%         -31           West Bridgewater         \$189,900         \$183,000         \$237,000         \$289,400         \$310,000         275,000         445%           West Brookfield         \$149,000         \$162,750         \$179,250         \$199,450         \$230,000         242,000         240,000         61%         -0           West Brookfield         \$149,000         \$465,000         \$462,000         \$482,500         \$80,000         \$15,000         31%         -1										-0.11
Wellesley         \$699,000         \$722,500         \$753,500         \$876,738         \$950,000         976,500         963,250         38%         -1           Wellfleet         \$278,050         \$369,000         \$383,500         \$552,000         \$560,000         600,000         539,000         94%         -10           Wendell         \$50,465         \$99,000         \$85,000         \$144,000         \$154,250         176,500         161,000         219%         -8           Wenham         \$529,500         \$512,500         \$575,000         \$542,300         \$473,900         722,500         496,000         -6%         -31           West Boylston         \$189,900         \$183,000         \$237,000         \$289,000         \$310,000         275,000         257,000         45%           West Bridgewater         \$219,900         \$233,000         \$289,450         \$321,500         \$349,900         322,750         \$10,000         41%         -4           West Brockfield         \$149,000         \$162,750         \$179,250         \$199,450         \$80,000         \$15,000         31%         -11           West Springfield         \$127,000         \$137,700         \$151,000         \$166,000         \$193,950         205,500 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>7.63</td></t<>										7.63
Wellfleet         \$278,050         \$369,000         \$383,500         \$552,000         \$600,000         539,000         94%         -10           Wendell         \$50,465         \$99,000         \$85,000         \$144,000         \$154,250         176,500         161,000         219%         -8           Wenham         \$529,500         \$512,500         \$873,000         \$473,900         722,500         496,000         -6%         -31           West Boylston         \$189,900         \$183,000         \$237,000         \$289,000         \$310,000         275,000         275,000         45%           West Bridgewater         \$219,900         \$233,000         \$289,450         \$321,500         \$349,900         323,750         310,000         41%         -4           West Brookfield         \$149,000         \$162,750         \$179,250         \$199,450         \$230,000         242,000         240,000         61%         -4           West Brookfield         \$127,000         \$166,000         \$462,000         \$482,500         \$580,000         \$15,000         31%         -11           West Springfield         \$127,000         \$137,000         \$151,000         \$166,000         \$193,950         205,500         207,000         63%							,			-2.44
Wendell         \$50,465         \$99,000         \$85,000         \$144,000         \$154,250         176,500         161,000         219%         -8           Wenham         \$529,500         \$512,500         \$575,000         \$542,300         \$473,900         722,500         496,000         -6%         -31           West Boylston         \$189,900         \$183,000         \$237,000         \$289,000         \$310,000         275,000         45%           West Bridgewater         \$219,900         \$233,000         \$289,450         \$341,500         3349,900         323,750         310,000         41%         -4           West Brookfield         \$149,000         \$162,750         \$179,250         \$199,450         \$230,000         242,000         240,000         61%         -0           West Newbury         \$392,450         \$405,000         \$462,000         \$482,500         580,000         515,000         31%         -11           West Springfield         \$127,000         \$137,700         \$151,000         \$462,000         \$482,500         580,000         515,000         31%         -11           West Springfield         \$127,000         \$332,000         \$415,000         \$265,475         \$360,000         446,000         144%										-1.36
Wenham         \$529,500         \$512,500         \$575,000         \$542,300         \$473,900         722,500         496,000         -6%         -31           West Boylston         \$189,900         \$183,000         \$237,000         \$289,000         \$310,000         275,000         275,000         45%           West Bridgewater         \$219,900         \$233,000         \$289,450         \$321,500         \$349,900         323,750         310,000         41%         -4           West Brookfield         \$149,000         \$162,750         \$179,250         \$199,450         \$230,000         242,000         240,000         61%         -0           West Newbury         \$392,450         \$405,000         \$465,000         \$482,500         \$80,000         \$15,000         31%         -11           West Springfield         \$127,000         \$137,700         \$151,000         \$166,000         \$193,950         205,500         207,000         63%         0           West Stockbridge         \$190,000         \$232,000         \$415,000         \$265,475         \$360,000         425,000         464,000         144%         9           West Tisbury         \$480,000         \$440,000         \$647,000         \$710,000         \$809,000         \$17,500<										-10.17
West Boylston         \$189,900         \$183,000         \$237,000         \$289,000         \$310,000         275,000         275,000         45%           West Bridgewater         \$219,900         \$233,000         \$289,450         \$321,500         \$349,900         323,750         310,000         41%         -4           West Brookfield         \$149,000         \$162,750         \$179,250         \$199,450         \$230,000         242,000         240,000         61%         -0           West Newbury         \$392,450         \$405,000         \$465,000         \$462,000         \$482,500         580,000         515,000         31%         -11           West Springfield         \$127,000         \$137,700         \$151,000         \$166,000         \$919,950         205,500         207,000         63%         0           West Stockbridge         \$190,000         \$232,000         \$415,000         \$265,475         \$360,000         \$460,000         144%         9           West Tisbury         \$480,000         \$440,000         \$647,000         \$710,000         \$690,000         \$810,000         \$90,000         \$10,000         \$90         1           Westfield         \$139,900         \$151,750         \$167,000         \$184,600         \$224,										-8.78
West Bridgewater         \$219,900         \$233,000         \$289,450         \$321,500         \$349,900         \$323,750         \$310,000         \$41%         -4           West Brookfield         \$149,000         \$162,750         \$179,250         \$199,450         \$230,000         \$242,000         \$240,000         61%         -0           West Newbury         \$392,450         \$405,000         \$465,000         \$462,000         \$482,500         \$80,000         \$15,000         31%         -11           West Springfield         \$127,000         \$137,700         \$151,000         \$166,000         \$193,950         \$205,500         \$207,000         63%         00           West Strockbridge         \$190,000         \$232,000         \$415,000         \$265,475         \$360,000         425,000         464,000         144%         9           West Tisbury         \$480,000         \$440,000         \$647,000         \$710,000         \$690,000         \$800,000         \$810,000         69%         1           Westborough         \$338,000         \$360,000         \$380,000         \$430,000         \$455,900         \$517,500         436,300         29%         -15           Westfield         \$139,900         \$151,750         \$167,000         \$8								,		-31.35
West Brookfield         \$149,000         \$162,750         \$179,250         \$199,450         \$230,000         \$242,000         \$240,000         61%         -0           West Newbury         \$392,450         \$405,000         \$465,000         \$462,000         \$482,500         \$80,000         \$15,000         31%         -11           West Springfield         \$127,000         \$137,700         \$151,000         \$166,000         \$193,950         205,500         207,000         63%         0           West Stockbridge         \$190,000         \$232,000         \$415,000         \$265,475         \$360,000         \$425,000         \$464,000         144%         9           West Tisbury         \$480,000         \$440,000         \$647,000         \$710,000         \$690,000         \$80,000         \$10,000         69%         1           Westfordugh         \$338,000         \$360,000         \$380,000         \$430,000         \$455,900         517,500         \$46,300         29%         -15           Westfield         \$139,900         \$151,750         \$167,000         \$184,600         \$224,500         235,000         236,000         69%         0           Westford         \$352,000         \$397,000         \$420,000         \$459,000							,			0
West Newbury         \$392,450         \$405,000         \$465,000         \$462,000         \$482,500         \$580,000         \$515,000         31%         -11           West Springfield         \$127,000         \$137,700         \$151,000         \$166,000         \$193,950         205,500         207,000         63%         0           West Stockbridge         \$190,000         \$232,000         \$415,000         \$265,475         \$360,000         425,000         464,000         144%         9           West Tisbury         \$480,000         \$440,000         \$647,000         \$710,000         \$690,000         800,000         \$810,000         69%         1           Westborough         \$338,000         \$360,000         \$380,000         \$440,000         \$455,900         \$175,000         436,300         29%         -15           Westfield         \$139,900         \$151,750         \$167,000         \$184,600         \$224,500         235,000         236,000         69%         0           Westford         \$352,000         \$397,000         \$420,000         \$459,000         \$500,000         465,000         498,500         42%           Westminster         \$189,900         \$192,000         \$218,650         \$253,000         \$280,000	West Bridgewater									-4.25
West Springfield         \$127,000         \$137,700         \$151,000         \$166,000         \$193,950         \$205,500         \$207,000         63%         \$0           West Stockbridge         \$190,000         \$232,000         \$415,000         \$265,475         \$360,000         \$425,000         \$464,000         \$144%         \$9           West Tisbury         \$480,000         \$440,000         \$647,000         \$710,000         \$690,000         \$800,000         \$10,000         69%         \$1           Westborough         \$338,000         \$360,000         \$380,000         \$430,000         \$455,900         \$17,500         \$436,300         29%         -15           Westfield         \$139,900         \$151,750         \$167,000         \$184,600         \$224,500         \$235,000         \$236,000         69%         \$0           Westford         \$352,000         \$397,000         \$420,000         \$459,000         \$500,000         \$465,000         \$428,500         \$235,000         \$236,000         \$26,500         \$42,000         \$429,250         \$310,750         \$26,500         \$42,000         \$26,500         \$42,000         \$26,500         \$42,000         \$26,500         \$280,000         \$285,000         \$285,000         \$285,000         \$285,000	West Brookfield						,	,		-0.83
West Stockbridge         \$190,000         \$232,000         \$415,000         \$265,475         \$360,000         \$425,000         \$464,000         \$144%         9           West Tisbury         \$480,000         \$440,000         \$647,000         \$710,000         \$690,000         \$800,000         \$810,000         69%         1           Westborough         \$338,000         \$360,000         \$3380,000         \$430,000         \$455,900         \$517,500         \$436,300         29%         -15           Westfield         \$139,900         \$151,750         \$167,000         \$184,600         \$224,500         235,000         236,000         69%         0           Westford         \$352,000         \$397,000         \$420,000         \$459,000         \$500,000         465,000         498,500         42%           Westford         \$352,000         \$377,000         \$200,000         \$429,500         \$500,000         465,000         498,500         42%           Westford         \$175,000         \$175,000         \$200,000         \$249,500         \$310,750         256,500         342,000         95%         33           Westford         \$189,500         \$192,000         \$1,071,875         \$1,205,000         \$280,000         285,000				. ,			,	515,000	31%	-11.21
West Tisbury         \$480,000         \$440,000         \$647,000         \$710,000         \$690,000         \$800,000         \$810,000         69%         1           Westborough         \$338,000         \$360,000         \$380,000         \$430,000         \$455,900         \$517,500         436,300         29%         -15           Westfield         \$139,900         \$151,750         \$167,000         \$184,600         \$224,500         235,000         236,000         69%         0           Westford         \$352,000         \$397,000         \$420,000         \$459,000         \$500,000         465,000         498,500         42%           Westhampton         \$175,000         \$175,000         \$200,000         \$249,250         \$310,750         256,500         342,000         95%         33           Westminster         \$189,900         \$192,000         \$218,650         \$253,000         \$280,000         285,000         285,000         50%           Weston         \$955,000         \$922,000         \$1,071,875         \$1,205,000         \$21,200,000         1,225,000         286,000         28%         2           Westwood         \$412,500         \$420,000         \$483,900         \$525,000         \$595,000         540,000 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>207,000</td><td>63%</td><td>0.73</td></t<>								207,000	63%	0.73
Westborough         \$338,000         \$360,000         \$380,000         \$430,000         \$455,900         \$517,500         436,300         29%         -15           Westfield         \$139,900         \$151,750         \$167,000         \$184,600         \$224,500         235,000         236,000         69%         0           Westford         \$352,000         \$397,000         \$420,000         \$459,000         \$500,000         465,000         498,500         42%           Westhampton         \$175,000         \$175,000         \$200,000         \$249,250         \$310,750         256,500         342,000         95%         33           Westminster         \$189,900         \$192,000         \$218,650         \$253,000         \$280,000         285,000         285,000         50%           Weston         \$955,000         \$922,000         \$1,071,875         \$1,205,000         \$1,200,000         1,225,000         28%         2           Westport         \$174,500         \$210,000         \$268,950         \$307,500         \$315,000         340,500         372,500         113%           Westwood         \$412,500         \$420,000         \$483,900         \$525,000         \$595,000         540,000         366,000           Weym	West Stockbridge		\$232,000	\$415,000	\$265,475	\$360,000	425,000	464,000	144%	9.18
Westfield         \$139,900         \$151,750         \$167,000         \$184,600         \$224,500         235,000         236,000         69%         0           Westford         \$352,000         \$397,000         \$420,000         \$459,000         \$500,000         465,000         498,500         42%           Westhampton         \$175,000         \$175,000         \$200,000         \$249,250         \$310,750         256,500         342,000         95%         33           Westminster         \$189,900         \$192,000         \$218,650         \$253,000         \$280,000         285,000         285,000         50%           Weston         \$955,000         \$922,000         \$1,071,875         \$1,205,000         \$1,200,000         1,225,000         28%         2           Westport         \$174,500         \$210,000         \$268,950         \$307,500         \$315,000         372,500         \$113%           Westwood         \$412,500         \$420,000         \$483,900         \$525,000         \$595,000         \$540,000         \$60,000         36%           Weymouth         \$229,000         \$267,700         \$297,000         \$325,000         \$340,000         330,000         44%         -1           Whately         \$200,000 <td>West Tisbury</td> <td>\$480,000</td> <td>\$440,000</td> <td></td> <td>\$710,000</td> <td>\$690,000</td> <td>800,000</td> <td>810,000</td> <td>69%</td> <td>1.25</td>	West Tisbury	\$480,000	\$440,000		\$710,000	\$690,000	800,000	810,000	69%	1.25
Westford         \$352,000         \$397,000         \$420,000         \$459,000         \$500,000         465,000         498,500         42%           Westhampton         \$175,000         \$175,000         \$200,000         \$249,250         \$310,750         256,500         342,000         95%         33           Westminster         \$189,900         \$192,000         \$218,650         \$253,000         \$280,000         285,000         285,000         50%           Weston         \$955,000         \$922,000         \$1,071,875         \$1,205,000         \$1,200,000         1,200,000         1,225,000         28%         2           Westport         \$174,500         \$210,000         \$268,950         \$307,500         \$315,000         340,500         372,500         113%           Westwood         \$412,500         \$420,000         \$483,900         \$525,000         \$595,000         560,000         36%           Weymouth         \$229,000         \$267,700         \$297,000         \$325,000         \$340,000         335,000         330,000         44%         -1           Whately         \$200,000         \$210,000         \$184,000         \$168,500         \$235,000         \$250,000         323,100         62%         29 <tr< td=""><td>Westborough</td><td>\$338,000</td><td>\$360,000</td><td>\$380,000</td><td>\$430,000</td><td>\$455,900</td><td>517,500</td><td>436,300</td><td>29%</td><td>-15.69</td></tr<>	Westborough	\$338,000	\$360,000	\$380,000	\$430,000	\$455,900	517,500	436,300	29%	-15.69
Westhampton         \$175,000         \$200,000         \$249,250         \$310,750         \$256,500         \$342,000         95%         33           Westminster         \$189,900         \$192,000         \$218,650         \$253,000         \$280,000         285,000         285,000         50%           Weston         \$955,000         \$922,000         \$1,071,875         \$1,205,000         \$1,200,000         1,225,000         28%         2           Westport         \$174,500         \$210,000         \$268,950         \$307,500         \$315,000         340,500         372,500         113%           Westwood         \$412,500         \$420,000         \$483,900         \$525,000         \$595,000         540,000         560,000         36%           Weymouth         \$229,000         \$267,700         \$297,000         \$325,000         \$340,000         335,000         330,000         44%         -1           Whately         \$200,000         \$210,000         \$184,000         \$168,500         \$235,000         \$250,000         323,100         62%         29           Whitman         \$207,000         \$235,000         \$265,500         \$295,000         \$315,000         318,000         301,825         46%         -5	Westfield	\$139,900	\$151,750	\$167,000	\$184,600	\$224,500	235,000	236,000	69%	0.43
Westminster         \$189,900         \$192,000         \$218,650         \$253,000         \$280,000         285,000         285,000         50%           Weston         \$955,000         \$922,000         \$1,071,875         \$1,205,000         \$1,200,000         \$1,225,000         28%         2           Westport         \$174,500         \$210,000         \$268,950         \$307,500         \$315,000         340,500         372,500         \$13%           Westwood         \$412,500         \$420,000         \$483,900         \$525,000         \$595,000         540,000         560,000         36%           Weymouth         \$229,000         \$267,700         \$297,000         \$325,000         \$340,000         335,000         330,000         44%         -1           Whately         \$200,000         \$210,000         \$184,000         \$168,500         \$235,000         \$250,000         323,100         62%         29           Whitman         \$207,000         \$235,000         \$295,000         \$315,000         318,000         301,825         46%         -5           Wilbraham         \$185,000         \$215,500         \$230,000         \$259,500         \$269,500         297,500         61%         0           Williamsburg	Westford	\$352,000	\$397,000	\$420,000	\$459,000	\$500,000	465,000	498,500	42%	7.2
Weston         \$955,000         \$922,000         \$1,071,875         \$1,205,000         \$1,200,000         \$1,205,000         \$20,000         \$25,000         \$28%         \$2           Westport         \$174,500         \$210,000         \$268,950         \$307,500         \$315,000         340,500         372,500         \$13%           Westwood         \$412,500         \$420,000         \$483,900         \$525,000         \$595,000         540,000         560,000         36%           Weymouth         \$229,000         \$267,700         \$297,000         \$325,000         \$340,000         335,000         330,000         44%         -1           Whately         \$200,000         \$210,000         \$184,000         \$168,500         \$235,000         \$250,000         323,100         62%         29           Whitman         \$207,000         \$235,000         \$295,000         \$315,000         318,000         301,825         46%         -5           Wilbraham         \$185,000         \$215,500         \$230,000         \$259,500         \$269,500         295,000         297,500         61%         0           Williamsburg         \$122,000         \$165,000         \$155,250         \$236,000         \$225,383         250,000         224,450 </td <td>Westhampton</td> <td>\$175,000</td> <td>\$175,000</td> <td>\$200,000</td> <td>\$249,250</td> <td>\$310,750</td> <td>256,500</td> <td>342,000</td> <td>95%</td> <td>33.33</td>	Westhampton	\$175,000	\$175,000	\$200,000	\$249,250	\$310,750	256,500	342,000	95%	33.33
Westport         \$174,500         \$210,000         \$268,950         \$307,500         \$315,000         340,500         372,500         \$113%           Westwood         \$412,500         \$420,000         \$483,900         \$525,000         \$595,000         540,000         560,000         36%           Weymouth         \$229,000         \$267,700         \$297,000         \$325,000         \$340,000         335,000         330,000         44%         -1           Whately         \$200,000         \$210,000         \$184,000         \$168,500         \$235,000         250,000         323,100         62%         29           Whitman         \$207,000         \$235,000         \$295,000         \$315,000         318,000         301,825         46%         -5           Wilbraham         \$185,000         \$215,500         \$230,000         \$259,500         \$295,000         297,500         61%         0           Williamsburg         \$122,000         \$165,000         \$155,250         \$236,000         \$225,383         250,000         224,450         84%         -10           Williamstown         \$190,500         \$245,000         \$207,500         \$215,000         \$283,750         310,000         374,000         96%         20 <td>Westminster</td> <td>\$189,900</td> <td>\$192,000</td> <td>\$218,650</td> <td></td> <td>\$280,000</td> <td>285,000</td> <td>285,000</td> <td>50%</td> <td>0</td>	Westminster	\$189,900	\$192,000	\$218,650		\$280,000	285,000	285,000	50%	0
Westport         \$174,500         \$210,000         \$268,950         \$307,500         \$315,000         340,500         372,500         \$113%           Westwood         \$412,500         \$420,000         \$483,900         \$525,000         \$595,000         540,000         560,000         36%           Weymouth         \$229,000         \$267,700         \$297,000         \$325,000         \$340,000         335,000         330,000         44%         -1           Whately         \$200,000         \$210,000         \$184,000         \$168,500         \$235,000         250,000         323,100         62%         29           Whitman         \$207,000         \$235,000         \$295,000         \$315,000         318,000         301,825         46%         -5           Wilbraham         \$185,000         \$215,500         \$230,000         \$259,500         \$269,500         295,000         297,500         61%         0           Williamsburg         \$122,000         \$165,000         \$155,250         \$236,000         \$225,383         250,000         224,450         84%         -10           Williamstown         \$190,500         \$245,000         \$207,500         \$215,000         \$283,750         310,000         374,000         96%	Weston	\$955,000	\$922,000	\$1,071,875		\$1,200,000	1,200,000		28%	2.08
Weymouth         \$229,000         \$267,700         \$297,000         \$325,000         \$340,000         335,000         330,000         44%         -1           Whately         \$200,000         \$210,000         \$184,000         \$168,500         \$235,000         250,000         323,100         62%         29           Whitman         \$207,000         \$235,000         \$265,500         \$295,000         \$315,000         318,000         301,825         46%         -5           Wilbraham         \$185,000         \$215,500         \$230,000         \$259,500         \$269,500         295,000         297,500         61%         0           Williamsburg         \$122,000         \$165,000         \$155,250         \$236,000         \$225,383         250,000         224,450         84%         -10           Williamstown         \$190,500         \$245,000         \$207,500         \$215,000         \$283,750         310,000         374,000         96%         20           Wilmington         \$272,000         \$306,900         \$345,000         \$355,000         \$374,750         387,000         364,900         34%         -5           Winchendon         \$132,900         \$144,000         \$168,000         \$171,900         \$198,000	Westport	\$174,500		\$268,950	\$307,500	\$315,000	340,500	372,500	113%	9.4
Weymouth         \$229,000         \$267,700         \$297,000         \$325,000         \$340,000         335,000         330,000         44%         -1           Whately         \$200,000         \$210,000         \$184,000         \$168,500         \$235,000         250,000         323,100         62%         29           Whitman         \$207,000         \$235,000         \$265,500         \$295,000         \$315,000         318,000         301,825         46%         -5           Wilbraham         \$185,000         \$215,500         \$230,000         \$259,500         \$269,500         295,000         297,500         61%         0           Williamsburg         \$122,000         \$165,000         \$155,250         \$236,000         \$225,383         250,000         224,450         84%         -10           Williamstown         \$190,500         \$245,000         \$207,500         \$215,000         \$283,750         310,000         374,000         96%         20           Wilmington         \$272,000         \$306,900         \$345,000         \$355,000         \$374,750         387,000         364,900         34%         -5           Winchendon         \$132,900         \$144,000         \$168,000         \$171,900         \$198,000										3.7
Whately         \$200,000         \$210,000         \$184,000         \$168,500         \$235,000         \$250,000         \$323,100         62%         29           Whitman         \$207,000         \$235,000         \$265,500         \$295,000         \$315,000         318,000         301,825         46%         -5           Wilbraham         \$185,000         \$215,500         \$230,000         \$259,500         \$295,000         297,500         61%         0           Williamsburg         \$122,000         \$165,000         \$155,250         \$236,000         \$225,383         250,000         224,450         84%         -10           Williamstown         \$190,500         \$245,000         \$207,500         \$215,000         \$283,750         310,000         374,000         96%         20           Wilmington         \$272,000         \$306,900         \$345,000         \$355,000         \$374,750         387,000         364,900         34%         -5           Winchendon         \$132,900         \$144,000         \$168,000         \$171,900         \$198,000         201,000         187,600         41%         -6										-1.49
Whitman         \$207,000         \$235,000         \$265,500         \$295,000         \$315,000         318,000         301,825         46%         -5           Wilbraham         \$185,000         \$215,500         \$230,000         \$259,500         \$269,500         295,000         297,500         61%         0           Williamsburg         \$122,000         \$165,000         \$155,250         \$236,000         \$225,383         250,000         224,450         84%         -10           Williamstown         \$190,500         \$245,000         \$207,500         \$215,000         \$283,750         310,000         374,000         96%         20           Wilmington         \$272,000         \$306,900         \$345,000         \$355,000         \$374,750         387,000         364,900         34%         -5           Winchendon         \$132,900         \$144,000         \$168,000         \$171,900         \$198,000         201,000         187,600         41%         -6	•									29.24
Wilbraham         \$185,000         \$215,500         \$230,000         \$259,500         \$269,500         \$295,000         \$297,500         61%         0           Williamsburg         \$122,000         \$165,000         \$155,250         \$236,000         \$225,383         \$250,000         \$224,450         84%         -10           Williamstown         \$190,500         \$245,000         \$207,500         \$215,000         \$283,750         310,000         374,000         96%         20           Wilmington         \$272,000         \$306,900         \$345,000         \$355,000         \$374,750         387,000         364,900         34%         -5           Winchendon         \$132,900         \$144,000         \$168,000         \$171,900         \$198,000         201,000         187,600         41%         -6										-5.09
Williamsburg         \$122,000         \$165,000         \$155,250         \$236,000         \$225,383         250,000         224,450         84%         -10           Williamstown         \$190,500         \$245,000         \$207,500         \$215,000         \$283,750         310,000         374,000         96%         20           Wilmington         \$272,000         \$306,900         \$345,000         \$355,000         \$374,750         387,000         364,900         34%         -5           Winchendon         \$132,900         \$144,000         \$168,000         \$171,900         \$198,000         201,000         187,600         41%         -6										0.85
Williamstown         \$190,500         \$245,000         \$207,500         \$215,000         \$283,750         \$310,000         \$374,000         96%         20           Wilmington         \$272,000         \$306,900         \$345,000         \$355,000         \$374,750         387,000         364,900         34%         -5           Winchendon         \$132,900         \$144,000         \$168,000         \$171,900         \$198,000         201,000         187,600         41%         -6							,			-10.22
Wilmington         \$272,000         \$306,900         \$345,000         \$355,000         \$374,750         387,000         364,900         34%         -5           Winchendon         \$132,900         \$144,000         \$168,000         \$171,900         \$198,000         201,000         187,600         41%         -6										20.65
Winchendon \$132,900 \$144,000 \$168,000 \$171,900 \$198,000 201,000 187,600 41% -6										-5.71
										-6.67
LW in the start $L$ . So the contraction of $LW$ is the start $LW$ in the start $LW$ in the start $LW$ is the start $LW$ in the start $LW$ in the start $LW$ is the start $LW$ in the start $LW$ in the start $LW$ is the start $LW$ in the start $LW$ in the start $LW$ is the start $LW$ in the start $LW$ in the start $LW$ is the start $LW$ in the start $LW$ in the start $LW$ is the start $LW$ in the star	Winchester	\$520,000	\$569,950	\$670,000	\$670,000	\$726,675	724,900	675,500	30%	-6.81

		Si	ngle Family H	ome Median S	Sales Price			% Ch	ange
Community	2001	2002	2003	2004	2005	2006	2007	2001-7	2006-7
Windsor	\$180,000	\$117,450	\$160,000	\$140,000	\$189,000	235,000	154,000	-14%	-34.47
Winthrop	\$260,000	\$292,500	\$340,500	\$355,000	\$375,000	362,500	339,950	31%	-6.22
Woburn	\$265,000	\$300,000	\$332,500	\$360,000	\$385,000	365,400	349,000	32%	-4.49
Worcester	\$148,000	\$177,390	\$199,700	\$220,000	\$241,000	240,000	227,000	53%	-5.42
Worthington	\$125,000	\$135,500	\$170,050	\$187,500	\$240,150	260,000	232,500	86%	-10.58
Wrentham	\$293,750	\$335,000	\$362,500	\$420,000	\$395,000	430,000	435,000	48%	1.16
Yarmouth	\$175,200	\$229,140	\$267,500	\$300,000	\$320,125	315,000	304,400	74%	-3.37
Boston									
Allston	\$335,000	\$357,000	\$380,000	\$409,000	\$467,000	420,000	449,000	34%	6.9
Boston**	\$1,330,000	\$1,290,250	\$1,675,000	\$1,260,000	\$1,427,500	1,662,500	1,506,250	13%	-9.4
Brighton	\$330,000	\$365,000	\$375,000	\$445,000	\$481,575	453,250	459,000	39%	1.27
Charlestown	\$441,715	\$433,864	\$465,000	\$558,000	\$557,500	643,500	629,000	42%	-2.25
Dorchester	\$204,000	\$240,000	\$300,000	\$335,000	\$363,500	349,000	336,000	65%	-3.72
East Boston	\$170,000	\$185,000	\$237,450	\$280,000	\$330,000	327,500	292,500	72%	-10.69
Hyde Park	\$228,500	\$253,000	\$295,000	\$327,000	\$354,900	345,500	321,500	41%	-6.95
Jamaica Plain	\$400,000	\$419,500	\$457,450	\$495,000	\$500,000	520,000	485,000	21%	-6.73
Mattapan	\$194,000	\$215,000	\$260,000	\$295,000	\$326,000	317,500	305,000	57%	-3.94
Roslindale	\$251,000	\$300,000	\$334,900	\$370,000	\$380,000	372,500	370,000	47%	-0.67
Roxbury	\$174,600	\$250,000	\$300,000	\$370,000	\$349,900	329,900	371,250	113%	12.53
South Boston	\$239,000	\$318,750	\$319,000	\$380,000	\$405,000	375,000	395,000	65%	5.33
West Roxbury	\$295,000	\$335,450	\$357,750	\$412,500	\$430,000	405,000	407,500	38%	0.62
Barnstable									
Centerville	\$215,000	\$250,000	\$290,000	\$342,500	\$359,000	355,000	336,250	56%	-5.28
Cotuit	\$268,500	\$330,250	\$365,000	\$435,000	\$425,250	447,500	482,500	80%	7.82
Hyannis	\$163,250	\$205,000	\$245,000	\$290,000	\$320,000	310,000	297,250	82%	-4.11
Marston Mills	\$219,000	\$253,500	\$290,000	\$340,000	\$339,000	379,000	375,000	71%	-1.06
Osterville	\$319,750	\$326,250	\$421,000	\$552,500	\$550,000	589,100	610,000	91%	3.55

<sup>\*\*</sup> This entry covers the following neighborhoods: Financial District, Waterfront, Beacon Hill, Back Bay, South End, North End, Kenmore, and Fenway.

### Appendix 5 – Home Sale Price Trends 2001-2007 (Single Family Homes and Condominiums) $^{\dagger\dagger}$

**Table B. Median Condominium Prices** 

<b>2001</b> \$198,425	2002	2002	Median Sales Price - Condominiums							
¢100 425	-00-	2003	2004	2005	2006	2007	2001-7	2006-7		
\$196,423	\$223,970	\$270,000	\$314,900	\$305,000	305,000	272,900	38%	-11%		
\$195,000	\$185,500	\$182,000	\$225,000	\$272,000	277,712	253,000	30%	-9%		
\$0(‡‡)	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**		
\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$169,488	178,018		**	-100%		
\$87,528	\$100,000	\$121,500	\$132,000	\$153,000	159,900	162,500	86%	2%		
\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**		
\$127,500	\$141,000	\$165,000	\$180,000	\$208,750	214,450	225,000	76%	5%		
\$110,500	\$125,000	\$113,000	\$159,250	\$172,000	181,500	189,000	71%	4%		
\$139,400	\$162,000	\$192,000	\$285,550	\$301,000	267,250	271,200	95%	1%		
\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>	**	**		
\$273,625	\$299,500	\$309,000	\$310,000	\$364,000	355,000	354,500	30%	0%		
\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**		
\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**		
\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**		
\$272,750	\$298,110	\$315,000	\$321,000	\$367,000	308,745	312,500	15%	1%		
		,					218%	56%		
								-6%		
+								-6%		
					,		**	**		
					249,900		38%	-12%		
								2%		
						-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	**	**		
		\$0 <sup>(2)</sup>			\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**		
·							-24%	82%		
							271%	7%		
								-3%		
							28%	6%		
\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>						**	**		
\$299,265	\$348,412		\$0 <sup>(2)</sup>		358,700		5%	-12%		
\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**		
\$167,075		\$210,250			248,000	230,000	38%	-7%		
		\$164,675					68%	-28%		
						226,250		-1%		
							**	**		
					\$0 <sup>(2)</sup>		**	**		
							105%	-9%		
								1%		
						, , , ,	**	**		
						204,000	36%	-5%		
								-5%		
								0%		
								0%		
	. ,			,			**	**		
· ·							84%	-2%		
	\$0 <sup>(2)</sup> \$87,528 \$0 <sup>(2)</sup> \$127,500 \$110,500 \$139,400 \$0 <sup>(2)</sup> \$273,625 \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$272,750 \$45,500 \$141,630 \$131,000 \$0 <sup>(2)</sup> \$159,000 \$131,500 \$0 <sup>(2)</sup> \$470,000 \$57,600 \$178,500 \$330,200 \$0 <sup>(2)</sup> \$299,265	\$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$127,500 \$141,000 \$110,500 \$125,000 \$139,400 \$162,000 \$0 <sup>(2)</sup> \$141,630 \$164,000 \$131,000 \$152,000 \$0 <sup>(2)</sup> \$159,000 \$168,500 \$131,500 \$245,000 \$131,500 \$245,000 \$0 <sup>(2)</sup> \$178,500 \$225,750 \$330,200 \$319,500 \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$167,075 \$205,000 \$116,000 \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$153,000 \$161,000 \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$153,000 \$161,000 \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$153,000 \$161,000 \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$150,500 \$135,728 \$129,950 \$137,000 \$95,000 \$100,000 \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$150,500 \$165,000 \$172,000 \$190,000 \$115,000 \$127,019 \$0 <sup>(2)</sup> \$150,500 \$127,019 \$0 <sup>(2)</sup> \$0 <sup>(</sup>	\$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$121,500 \$121,500 \$121,500 \$121,500 \$121,500 \$121,500 \$1125,000 \$1125,000 \$113,000 \$139,400 \$162,000 \$192,000 \$0 <sup>(2)</sup> \$141,630 \$164,000 \$135,500 \$141,630 \$164,000 \$185,500 \$131,000 \$152,000 \$174,700 \$0 <sup>(2)</sup> \$116,250 \$152,950 \$164,675 \$153,000 \$161,000 \$229,900 \$0. \$0 <sup>(2)</sup> \$0 <sup>(2</sup>	\$0(2) \$0(2) \$0(2) \$0(2) \$0(2) \$132,000 \$0(2) \$121,500 \$132,000 \$121,500 \$132,000 \$127,500 \$132,000 \$127,500 \$132,000 \$127,500 \$127,500 \$141,000 \$165,000 \$180,000 \$110,500 \$125,000 \$113,000 \$159,250 \$139,400 \$162,000 \$192,000 \$285,550 \$0(2)	\$0(2) \$0(2) \$0(2) \$0(2) \$169,488 \$87,528 \$100,000 \$121,500 \$132,000 \$153,000 \$0(2) \$	\$0(2) \$0(2) \$0(2) \$0(2) \$169,488 178,018 \$87,528 \$100,000 \$121,500 \$132,000 \$153,000 159,900 \$127,500 \$141,000 \$165,000 \$180,000 \$208,750 \$214,450 \$110,500 \$125,000 \$113,000 \$159,250 \$172,000 \$181,500 \$139,400 \$162,000 \$192,000 \$285,550 \$301,000 \$267,250 \$0(2) \$0(	\$80^{(2)}	\$87,528 \$100,000 \$121,500 \$132,000 \$153,000 \$159,900 \$162,500 \$86% \$0^{12}\$ \$151,000 \$158,000 \$180,000 \$208,750 \$214,450 \$225,000 \$76% \$110,500 \$162,000 \$113,000 \$159,250 \$172,000 \$181,500 \$189,000 \$71% \$139,400 \$162,000 \$192,000 \$285,550 \$301,000 \$267,250 \$271,200 \$95% \$0^{12}\$ \$0		

Source: Boston Globe analysis of Banker and Tradesman data, April 4, 2008. Information on Boston listed at end of table. †† Data is unavailable or no residential condominiums were sold in that town for the year indicated. §§ See end of table for Information on some Barnstable villages.

	Median Sales I	Price - Cond	ominiums					% Chang	
City or town	2001	2002	2003	2004	2005	2006	2007	2001-7	2006-7
Brookfield	\$2,000	\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>		2000	2007	**	**
Brookline	\$328,500	\$370,000	\$392,750	\$425,000	\$459,000	450,000	446,625	36%	-1%
Buckland	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		100,000	1.10,020	**	**
Burlington	\$357,900	\$378,950	\$205,500	\$408,950	\$445,000	204,900	411,000	15%	101%
Cambridge	\$329,000	\$343,750	\$353,875	\$375,000	\$417,500	415,000	407,250	24%	-2%
Canton	\$152,000	\$250,000	\$219,900	\$288,950	\$295,000	268,767	250,000	64%	-7%
Carlisle	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	470,000	\$0 <sup>(2)</sup>	**	**
Carver	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$372,538	267,950	269,150	**	0%
Charlemont	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	209,130	**	**
Charlton	\$141,000	\$150,750		\$177,000	\$212,450		100.000		
			\$154,000			195,000	190,000	35%	-3%
Chatham	\$187,500	\$210,000	\$247,500	\$295,000	\$465,000	532,500	510,200	172%	-4%
Chelmsford	\$189,325	\$212,000	\$231,000	\$254,500	\$271,900	250,000	245,250	30%	-2%
Chelsea	\$164,900	\$184,500 \$0 <sup>(2)</sup>	\$200,000 \$0 <sup>(2)</sup>	\$230,000 \$0 <sup>(2)</sup>	\$235,250	243,500	215,000	30%	-12% **
Cheshire	\$0 <sup>(2)</sup>				\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Chester	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		
Chesterfield	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Chicopee	\$76,950	\$86,000	\$95,000	\$102,500	\$118,450	130,000	140,000	82%	8%
Chilmark	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Clarksburg	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>			**	**
Clinton	\$185,500	\$202,000	\$212,900	\$242,500	\$268,000	243,000	240,000	29%	-1%
Cohasset	\$340,000	\$388,300	\$393,250	\$430,000	\$530,000	481,000	444,400	31%	-8%
Colrain	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Concord	\$329,500	\$335,000	\$390,000	\$405,000	\$425,000	400,000	404,000	23%	1%
Conway	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Cummington	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Dalton	\$85,000	\$90,500	\$120,000	\$344,500	\$399,500	394,500	273,250	221%	-31%
Danvers	\$229,900	\$219,450	\$275,500	\$275,000	\$299,000	288,750	288,500	25%	0%
Dartmouth	\$262,000	\$359,900	\$346,000	\$429,900	\$487,450	480,000	387,515	48%	-19%
Dedham	\$170,000	\$195,000	\$278,000	\$315,000	\$290,000	268,000	239,000	41%	-11%
Deerfield	\$120,500	\$139,000	\$158,000	\$190,000	\$217,500	208,500	206,000	71%	-1%
Dennis	\$97,900	\$114,750	\$146,000	\$130,000	\$169,900	165,000	101,520	4%	-38%
Dighton	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$223,000	\$0 <sup>(2)</sup>	253,000	185,000	**	-27%
Douglas	\$128,000	\$165,000	\$182,000	\$203,000	\$217,000	231,950	232,500	82%	0%
Dover	\$308,000	\$195,300	\$430,750	\$495,000	\$485,000		445,000	44%	**
Dracut	\$126,150	\$150,000	\$164,950	\$174,900	\$193,000	190,000	179,950	43%	-5%
Dudley	\$41,900			\$81,500	\$154,500	128,500		257%	17%
Dunstable	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Duxbury	\$275,000	\$332,000	\$316,481	\$381,250	\$400,000	358,750	352,000	28%	-2%
East Bridgewater	\$139,900	\$178,400	\$189,950	\$229,900	\$267,400	227,090	221,000	58%	-3%
East Brookfield	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		**	**
East Longmeadow	\$250,000	\$268,000	\$299,900	\$295,908	\$185,000	344,000	427,040	71%	24%
Eastham	\$104,900	\$150,950	\$212,450	\$196,500	\$155,000	262,500	210,000	100%	-20%
Easthampton	\$73,950	\$90,950	\$105,000	\$136,200	\$200,366	253,332	200,000	170%	-21%
Easton	\$161,700	\$194,900	\$217,500	\$233,750	\$242,500	243,500	235,000	45%	-3%
Edgartown	\$5,100	\$172,725	\$443,219	\$425,000	\$482,500	432,500	3,000	-41%	-99%
Egremont	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Erving	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	ΨΟ	\$0 <sup>(2)</sup>	**	**
Essex	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		\$227,000	\$375,000	254,000	685,000	**	170%
Everett	\$120,000	\$150,000	\$177,300	\$227,000	\$229,861	285,000	250,000	108%	-12%
						297,819	279,900		
Fairhaven	\$118,750	\$175,000	\$164,500	\$205,250	\$290,000			136%	-6% 5%
Fall River	\$78,000	\$85,000	\$129,200	\$173,000	\$159,900	168,000	159,450	104%	-5%
Falmouth	\$221,450	\$248,500	\$290,000	\$325,000	\$331,500	407,062	322,000	45%	-21%
Fitchburg	\$127,500	\$141,855	\$145,000	\$171,093	\$191,717	199,500	202,822	59%	2%
Florida	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**

	Median Sales I	Price - Cond	ominiums					% Chang	
City or town	2001	2002	2003	2004	2005	2006	2007	2001-7	2006-7
Foxboro	\$124,900	\$209,125	\$176,000	\$250,000	\$181,000	239,500	256,000	105%	7%
Framingham	\$109,700	\$132,000	\$158,750	\$183,000	\$205,000	204,000	207,000	89%	1%
Franklin	\$154,950	\$192,950	\$205,000	\$227,200	\$276,500	266,000	260,000	68%	-2%
Freetown	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$316,526	\$0 <sup>(2)</sup>	200,000	200,000	**	**
Gardner	\$84,950	\$69,900	\$119,000	\$131,500	\$139,900	149,900	118,500	39%	-21%
Georgetown	\$509,000	\$291,168	\$588,260	\$469,423	\$499,010	407,875	435,865	-14%	7%
Gill	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	133,003	**	**				
Gloucester	\$175,000	\$201,000	\$293,000	\$250,000	\$224,900	195,000	243,000	39%	25%
Goshen	\$40,000	\$0 <sup>(2)</sup>	\$79,000	\$72,000	\$0 <sup>(2)</sup>	111.000	243,000	-100%	-100%
Gosnold	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**				
	\$174,950	\$210,000	1	\$255,000			322,250	84%	1%
Grafton	\$174,930	\$210,000	\$234,200 \$110,500		\$315,000 \$171,000	318,912 179,900	168,000	77%	-7%
Granby	\$94,730 \$0 <sup>(2)</sup>	\$99,900 \$0 <sup>(2)</sup>	\$110,300 \$0 <sup>(2)</sup>	\$136,250 \$0 <sup>(2)</sup>	\$1/1,000 \$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	11%	-1%
Granville									
Great Barrington	\$6,650	\$102,500	\$121,000	\$164,276	\$254,350	418,000	225,000	3283%	-46%
Greenfield	\$103,450	\$101,000	\$92,000	\$135,900	\$136,000	145,500	94,330	-9%	-35%
Groton	\$197,000	\$224,500	\$258,000	\$260,000	\$270,200	337,500	312,500	59%	-7%
Groveland	\$0 <sup>(2)</sup>	\$269,161	\$249,900	\$309,900	\$339,900	352,450	268,000	**	-24%
Hadley	\$0 <sup>(2)</sup>	25	\$0 <sup>(2)</sup>	**	**				
Halifax	\$152,500	\$183,000	\$203,900	\$223,300	\$237,200	227,000	211,000	38%	-7%
Hamilton	\$278,000	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$349,900	\$372,450	315,000	294,000	6%	-7%
Hampden	\$0 <sup>(2)</sup>		310,000	**	**				
Hancock	\$151,250	\$115,000	\$108,000	\$246,406	\$370,000	391,314	190,000	26%	-51%
Hanover	\$125,000	\$130,000	\$308,750	\$449,900	\$489,000	496,000	545,000	336%	10%
Hanson	\$163,000	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$329,900	\$254,250	302,400	249,950	53%	-17%
Hardwick	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	98,700	**	**				
Harvard	\$345,000	\$259,450	\$329,200	\$319,900	\$295,000	320,000	497,500	44%	55%
Harwich	\$158,750	\$163,000	\$189,500	\$209,950	\$234,250	218,000	216,500	36%	-1%
Hatfield	\$0 <sup>(2)</sup>	\$130,000	\$166,000	\$181,000	\$180,000		200,000	**	**
Haverhill	\$147,000	\$171,500	\$196,000	\$202,000	\$218,000	215,000	219,450	49%	2%
Hawley	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**				
Heath	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**				
Hingham	\$212,500	\$243,500	\$258,450	\$321,450	\$398,950	371,000	353,500	66%	-5%
Hinsdale	\$237,025	\$264,500	\$299,500	\$399,500	\$354,750	\$0 <sup>(2)</sup>		-100%	**
Holbrook	\$137,000	\$180,000	\$188,000	\$220,400	\$225,000	213,000	203,000	48%	-5%
Holden	\$162,500	\$215,000	\$158,438	\$236,750	\$267,000	268,000	234,450	44%	-13%
Holland	\$0 <sup>(2)</sup>	\$100,000		\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>			**	**
Holliston	\$100,000	\$107,450	\$127,000	\$138,000		194,500	199,500	100%	3%
Holyoke	\$36,750	\$47,653	\$65,500	\$61,000	\$105,900	96,500	90,650	147%	-6%
Hopedale	\$169,900	\$200,000	\$216,000	\$235,000	\$261,500	254,500	244,500	44%	-4%
Hopkinton	\$232,500	\$250,000	\$284,250	\$303,880	\$329,900	304,000	313,000	35%	3%
Hubbardston	\$114,000	(8)	\$132,500	\$153,950	\$274,156	261,455	241,397	112%	-8%
Hudson	\$155,950		\$205,000	\$215,000	\$260,650	265,000	204,000	31%	-23%
Hull	\$213,763	\$255,000	\$260,000	\$314,000	\$310,000	305,000	343,750	61%	13%
Huntington	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**				
Ipswich	\$246,830	\$219,500	\$249,900	\$252,250	\$312,300	281,700	286,000	16%	2%
1			\$249,900	\$429,900		285,000	228,636		
Kingston Lakeville	\$166,000 \$0 <sup>(2)</sup>	\$183,500 \$0 <sup>(2)</sup>	\$230,000 \$0 <sup>(2)</sup>	\$231,000	\$453,785 \$231,195	341,500	332,000	38%	-20% -3%
	\$86,880		\$229,900						
Lancaster	\$86,880 \$0 <sup>(2)</sup>	\$140,000		\$104,450	\$250,000	321,500	305,950	252%	-5%
Lanesboro	·	\$90,000	\$59,750	\$75,000	\$72,500	78,200	81,000		4%
Lawrence	\$79,200	\$94,950	\$110,950	\$154,900	\$163,750	149,900	150,000	89%	0%
Lee	\$164,000	\$238,000	\$316,750	\$219,000	\$287,500	327,500	337,500	106%	3%
Leicester	\$87,500		\$112,450	\$133,500	\$143,500	259,500	295,000	237%	14%
Lenox	\$268,000	\$465,000	\$516,000	\$540,000	\$271,000	423,575	232,500	-13%	-45%
Leominster	\$118,900	\$115,500	\$161,250	\$173,450	\$187,250	170,000	170,000	43%	0%

	Median Sales l	Price - Cond	ominiums					% Chang	re .
City or town	2001	2002	2003	2004	2005	2006	2007	2001-7	2006-7
Leverett	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		**	**
Lexington	\$330,000	\$403,000	\$403,000	\$429,000	\$439,000	402,450	436,500	32%	8%
Leyden	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		**
Lincoln	\$385,000	\$384,500	\$360,000	\$385,000	\$438,000	390,000	435,000	13%	12%
Littleton	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	294,450	**	**
Longmeadow	\$246,950	\$261,500	\$285,000	\$0 <sup>(2)</sup>	\$345,000	40	395,000	60%	**
Lowell	\$104,900	\$129,000	\$144,000	\$165,000	\$192,000	202,000	175,000	67%	-13%
Ludlow	\$93,950	\$123,000	\$125,500	\$141,500	\$188,500	184,500	175,000	86%	-5%
Lunenburg	\$334,500	\$392,500	\$407,292	\$426,713	\$446,950	391,015	343,500	3%	-12%
Lynn	\$121,900	\$155,000	\$173,900	\$183,000	\$192,738	199,400	188,250	54%	-6%
Lynnfield	\$349,500	\$0 <sup>(2)</sup>	\$350,000	\$325,000	\$326,000	199,400	639,900	83%	**
Malden	\$162,250	\$199,900	\$215,000	\$234,437	\$260,000	249,050	249,500	54%	0%
						460,000		92%	-4%
Manchester	\$229,500	\$310,000	\$350,000	\$360,000	\$374,500		440,000		
Mansfield	\$118,000	\$125,000	\$159,000	\$210,950	\$210,000	207,000	212,000	80%	2%
Marblehead	\$209,000	\$286,000	\$293,500	\$305,000	\$299,000	322,500	345,000	65%	7%
Marion	\$0 <sup>(2)</sup>	\$225,500	\$197,500	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	159,500	\$0 <sup>(2)</sup>		
Marlborough	\$115,000	\$142,750	\$155,000	\$168,000	\$186,000	172,750	239,500	108%	39%
Marshfield	\$96,000	\$115,000	\$142,250	\$170,000	\$422,933	271,500	217,500	127%	-20%
Mashpee	\$216,150	\$247,900	\$279,700	\$285,700	\$285,000	344,400	322,000	49%	-7%
Mattapoisett	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$318,981	\$377,786	\$0 <sup>(2)</sup>		421,250	**	**
Maynard	\$225,000	\$248,500	\$267,500	\$290,000	\$299,900	295,000	279,450	24%	-5%
Medfield	\$130,450	\$225,000	\$245,000	\$275,000	\$309,900	297,500	293,500	125%	-1%
Medford	\$220,000	\$250,000	\$260,000	\$286,500	\$309,000	314,500	313,625	43%	0%
Medway	\$223,000	\$198,000	\$202,000	\$242,250	\$247,000	253,950	252,000	13%	-1%
Melrose	\$179,900	\$190,000	\$222,200	\$222,000	\$262,500	292,000	274,950	53%	-6%
Mendon	\$0 <sup>(2)</sup>	\$204,500	\$214,950	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	294,000	266,500	**	-9%
Merrimac	\$197,450	\$212,000	\$234,200	\$260,000	\$264,450	251,000	244,625	24%	-3%
Methuen	\$142,750	\$172,450	\$202,551	\$199,950	\$205,000	227,400	210,000	47%	-8%
Middleboro	\$121,000	\$176,200	\$195,000	\$228,900	\$270,000	302,400	269,900	123%	-11%
Middlefield	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Middleton	\$357,000	\$380,000	\$399,900	\$449,900	\$346,000	368,700	275,525	-23%	-25%
Milford	\$124,950	\$180,000	\$164,100	\$239,950	\$285,000	259,950	263,250	111%	1%
Millbury	\$143,500	\$164,000	\$251,929	\$200,000	\$295,900	288,350	194,800	36%	-32%
Millis	\$181,500	\$214,950	\$225,000	\$244,000	\$251,000	245,000	245,000	35%	0%
Millville	\$125,750	\$149,900	\$179,500	\$175,150	\$193,000	198,000	174,900	39%	-12%
Milton	\$340,000	\$364,000	\$385,500		\$484,000	400,500	330,000	-3%	-18%
Monroe	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>			**	**
Monson	\$0 <sup>(2)</sup>	\$149,900	\$161,569	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		265,000	**	**
Montague	\$72,000	\$79,750	\$77,700	\$133,000	\$154,000	145,000	135,750	89%	-6%
Monterey	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$90,000	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	. ,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	**	**
Montgomery	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Mt Washington	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Nahant	\$165,000	\$210,000	\$175,000	\$240,000	\$273,250	40	224,000	36%	**
Nantucket	\$395,000	\$360,000	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$547,000	619,460	510,000	29%	-18%
Natick	\$153,000	\$190,000	\$209,450	\$209,000	\$239,250	243,000	230,000	50%	-5%
Needham	\$277,450	\$323,950	\$367,000	\$379,000	\$572,500	444,500	428,000	54%	-4%
New Ashford	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$307,000 \$0 <sup>(2)</sup>	\$0(2)	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
New Bedford	\$42,900	\$65,000	\$95,500	\$104,000	\$131,250	149,900	223,900	422%	49%
New Braintree	\$0 <sup>(2)</sup>	\$05,000	\$93,300 \$0 <sup>(2)</sup>	\$104,000	\$131,230 \$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	42270 **	49% **
	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		**
New Marlboro	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		**
New Salem	\$0 <sup>(2)</sup>							**	
Newbury		\$236,000	\$325,000	\$555,238	\$664,866	674,670	752,523		12%
Newburyport	\$242,750	\$262,500	\$279,900	\$324,900	\$285,000	306,250	310,000	28%	1%
Newton	\$355,000	\$399,450	\$430,000	\$427,000	\$469,000	485,000	450,000	27%	-7%

	Median Sales l	Price - Cond	ominiums					% Chang	re.
City or town	2001	2002	2003	2004	2005	2006	2007	2001-7	2006-7
Norfolk	\$192,500	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$480,754	\$557,802	534,321	457,996	138%	-14%
North Adams	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$87,630	\$131,899	112,231	200,000	**	78%
North Andover	\$145,000	\$160,000	\$189,525	\$222,700	\$233,810	262,900	185,000	28%	-30%
North Attleboro	\$120,750	\$148,750	\$170,000	\$197,000	\$207,000	194,000	186,500	54%	-4%
North Brookfield	\$89,900	\$129,900	\$137,900	\$149,900	\$165,000	157,500	100,000	-100%	-100%
North Reading	\$135,000	\$151,000	\$169,250	\$173,750	\$215,000	207,000	216,000	60%	4%
Northampton	\$86,000	\$113,000	\$107,900	\$145,000	\$179,900	195,000	196,500	128%	1%
Northborough	\$172,825	\$209,000	\$203,000	\$230,000	\$283,000	248,000	338,153	96%	36%
Northbridge	\$172,823	\$145,000	\$139,450	\$230,000	\$205,000	203,000	191,500	56%	-6%
Northfield	\$122,800 \$0 <sup>(2)</sup>	\$143,000 \$0 <sup>(2)</sup>	\$139,430 \$0 <sup>(2)</sup>	\$218,300 \$0 <sup>(2)</sup>	\$203,000 \$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	30%	**
	· ·		1				·		
Norwell	\$174,450	\$205,000	\$256,900	\$249,950	\$282,750	335,000	310,000	78% 4%	-7%
	\$408,017	\$465,600	\$484,800	\$450,000	\$350,000	334,000	425,000		27%
Norwood	\$166,250	\$226,000	\$246,500	\$283,000	\$305,400	305,500	315,000	89%	3%
Oak Bluffs	\$85,000	\$234,000	\$305,000	\$360,000	\$310,000	150,000	409,500	382%	173%
Oakham	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		
Orange	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$203,775	157,797	233,700	**	48%
Orleans	\$136,950	\$165,000	\$215,000	\$260,000	\$320,000	270,000	262,000	91%	-3%
Otis	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Oxford	\$114,000	\$131,200	\$129,000	\$161,000	\$188,250	191,000	190,000	67%	-1%
Palmer	\$49,750	\$67,250	\$107,500	\$136,000	\$134,900	135,900	92,200	85%	-32%
Paxton	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$324,500		329,000	**	**
Peabody	\$185,000	\$234,950	\$275,000	\$247,000	\$259,555	269,950	263,000	42%	-3%
Pelham	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Pembroke	\$190,000	\$241,450	\$267,000	\$274,200	\$293,950	322,427	291,500	53%	-10%
Pepperell	\$134,900	\$147,650	\$167,000	\$189,750	\$245,000	249,000	168,500	25%	-32%
Peru	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Petersham	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Phillipston	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Pittsfield	\$96,950	\$86,250	\$125,250	\$167,000	\$160,000	190,500	369,500	281%	94%
Plainfield	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Plainville	\$149,900	\$183,000	\$217,500	\$235,700	\$283,875	305,750	280,000	87%	-8%
Plymouth	\$109,500	\$155,000	\$179,000	\$256,000	\$308,000	335,000	281,000	157%	-16%
Plympton	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	325,000	347,450	**	7%
Princeton	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>	**	**
Provincetown	\$215,000	\$260,000	\$325,000	\$329,000	\$357,000	380,000	355,000	65%	-7%
Quincy	\$180,000				\$260,500		252,000	40%	
Randolph	\$159,000	\$194,500	\$233,000	\$254,500	\$269,950	266,000	209,750	32%	-21%
Raynham	\$112,000	\$136,500	\$153,000	\$245,000	\$262,500	345,400	210,000	88%	-39%
Reading	\$225,000	\$237,450	\$277,000	\$280,000	\$306,200	319,000	324,000	44%	2%
Rehoboth	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	392,070	403,189	**	3%
Revere	\$158,500	\$180,000	\$239,900	\$244,950	\$278,000	276,500	264,000	67%	-5%
Richmond	\$138,300 \$0 <sup>(2)</sup>	\$0(2)	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	270,300	\$0 <sup>4</sup> ,000	**	**
Rochester	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$307,200	\$337,900	398,800	409,365	**	3%
Rockland	\$178,450	\$225,000	\$241,900	\$265,750	\$259,900	264,950	260,000	46%	-2%
Rockport	\$178,430	\$225,000	\$241,900	\$203,730	\$302,500	318,750	282,500	28%	-11%
	\$220,000 \$0 <sup>(2)</sup>	\$230,000 \$0 <sup>(2)</sup>	\$239,000 \$0 <sup>(2)</sup>	\$273,000 \$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$18,730 \$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	28%	-11%
Rowe Rowley	\$149,000			\$210,000	\$199,900			48%	-9%
•	\$149,000 \$0 <sup>(2)</sup>	\$195,000 \$0 <sup>(2)</sup>	\$266,419 \$0 <sup>(2)</sup>	\$210,000 \$0 <sup>(2)</sup>	\$199,900 \$0 <sup>(2)</sup>	243,125 \$0 <sup>(2)</sup>	221,000 \$0 <sup>(2)</sup>	48%	-9% **
Royalston	· · · · · · · · · · · · · · · · · · ·	\$0 <sup>(2)</sup> \$0 <sup>(2)</sup>						**	**
Russell	\$0 <sup>(2)</sup>			\$0 <sup>(2)</sup>	\$0(2)	\$0(2)	\$0 <sup>(2)</sup>		
Rutland	\$46,750	\$49,900	\$80,000	\$79,500	\$93,750	105,000	109,900	135%	5%
Salem	\$195,000	\$223,250	\$249,950	\$266,000	\$271,000	269,900	250,000	28%	-7%
Salisbury	\$177,500	\$215,000	\$263,000	\$229,900	\$297,450	315,000	299,000	68%	-5%
Sandisfield	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Sandwich	\$167,500	\$191,400	\$220,000	\$245,000	\$255,750	245,000	219,000	31%	-11%

City ortown         QS20000         20031         QS275000         SS27500         SS27500         SS27500         355700         255700         <		Median Sales l	Price - Cond	ominiums					% Chang	
Saugus	City or town				2004	2005	2006	2007		
Savoy	-									
Seitunate										**
Section   Silaron   Sila	-	· · · · · · · · · · · · · · · · · · ·	\$399,900						71%	-12%
Sharema										
Sheffield			-						212%	44%
Sherborn										
Sherborn   S0 <sup>20</sup>   S0 <sup>20</sup>   S0 <sup>20</sup>   S305,000   S0 <sup>20</sup>   S38,85,00   377,500   113,600   **   270%   Shirley   S112,500   S149,750   S122,500   S222,500   221,000   200,000   10%   20								ΨΟ	**	**
Shirley								113 600	**	-70%
Shrewsbury   \$117,000   \$140,040   \$185,000   \$165,000   \$222,500   \$21,500   \$26,750   \$125									10%	
Sourcester										
Somerset   Sara, Sa	-						271,300			**
Somerville							204 500			
South Hadley										
Southhampton         \$00°2         \$180,000         \$00°2         \$223,500         \$225,000         245,000         275,000         ***         12%           Southbridge         \$480,996         \$619,310         \$585,500         \$630,000         \$63,000         463,000         4-4°         -23%           Southwick         \$118,000         \$130,000         \$149,950         \$138,000         \$275,112         241,900         201,000         70%         -17%           Spencer         \$71,900         \$0°3         \$189,950         \$183,000         \$275,112         241,900         201,000         70%         -17%           Spencer         \$71,900         \$176,000         \$180,000         \$226,500         \$280,000         \$127,500         \$195,00         \$75         22%           Sterling         \$176,500         \$176,000         \$180,000         \$237,500         \$250,000         \$27,500         \$290,00         \$21,250         65%         4%           Stockhridge         \$179,900         \$219,950         \$239,500         \$237,500         \$252,000         \$25,000         \$25,000         \$25,000         \$24,000         \$24,500         429,00         42%         -72%         *300,00         \$263,000         \$234,500										
Southbrough         \$480,996         \$619,310         \$585,050         \$630,600         \$655,000         603,000         463,000         -4%         -2.3%           Southbridge         \$81,250         \$89,400         \$106,950         \$87,000         \$113,000         \$132,000         62%         -12%           Southwick         \$118,000         \$130,000         \$149,950         \$138,000         \$275,112         241,900         201,000         70%         -17%           Spencer         \$71,900         \$0°20         \$0°20         \$179,900         \$163,000         \$176,000         \$175,000         \$291,000         \$228,000         \$237,500         \$252,000         \$254,000         \$241,000         \$227,000         \$228,000         \$234,000         \$228,000         \$237,500         \$225,000         \$254,000         \$228,000 <t< td=""><td>-</td><td></td><td></td><td>. ,</td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	-			. ,						
Southbridge         \$81,250         \$89,400         \$106,950         \$87,000         \$113,000         \$132,000         \$2         \$1-12%           Southwick         \$118,000         \$130,000         \$139,950         \$138,000         \$275,112         241,900         201,000         70%         -17%           Springfield         \$71,900         \$6073         \$178,900         \$180,000         \$179,900         \$176,000         \$145,600         \$176,000         \$180,000         \$226,500         \$250,000         \$219,500         \$75%         \$2%           Sterling         \$176,500         \$176,000         \$180,000         \$225,500         \$250,000         \$291,250         \$65%         \$4%           Stockbridge         \$070         \$219,950         \$229,900         \$237,500         \$250,000         \$254,000         \$24,500         \$42,900         \$42,900         \$28,000         \$255,000         \$254,000         \$24,900         \$42,900         \$28,000         \$24,900         \$24,900         \$24,900         \$24,900         \$24,900         \$24,900         \$24,900         \$24,900         \$24,900         \$24,900         \$24,900         \$24,900         \$24,900         \$24,900         \$24,900         \$24,900         \$28,900         \$24,900         \$24,900<										
Southwick         \$118,000         \$130,000         \$149,950         \$138,000         \$275,112         \$241,000         \$201,000         \$70%         \$-17%           Spencer         \$71,900         \$00^{23}\$         \$50^{20}\$         \$170,900         \$163,000         \$179,060         \$145%         \$-2%           Springfield         \$74,113         \$\$878,950         \$\$875,00         \$890,00         \$250,000         \$280,00         \$291,250         \$65%         \$4%           Stockbridge         \$00^{20}\$         \$00^{23}\$         \$365,000         \$405,000         \$250,000         \$290,00         \$250,000         \$250,000         \$291,250         \$65%         \$4%           Stockbridge         \$079         \$000         \$238,750         \$250,000         \$250,000         \$250,000         \$249,000         \$242,000         \$242,000         \$242,000         \$242,000         \$242,000         \$242,000         \$242,000         \$242,000         \$242,000         \$242,000         \$245,000         \$245,000         \$238,813         \$282,000         \$255,000         \$245,000         \$245,000         \$245,000         \$238,813         \$282,000         \$241,500         \$147,500         \$241,500         \$147,500         \$241,500         \$147,500         \$241,500         \$1										
Spencer         \$71,900         \$00^{12}         \$00^{12}         \$179,900         \$163,000         \$176,000         \$145%         \$-2%           Springfield         \$74,113         \$78,900         \$78,500         \$89,207         \$87,900         \$127,500         \$19,500         75%         2%           Storckbridge         \$00^{12}         \$00^{12}         \$365,000         \$405,000         \$515,000         \$00,456         \$34,250         ***         -29%           Stonchbridge         \$178,950         \$198,000         \$238,750         \$252,000         \$250,000         \$249,000         42%         0%           Stoughton         \$178,950         \$198,000         \$238,750         \$250,000         \$250,000         \$249,000         42%         0%           Stow         \$463,449         \$252,900         \$239,900         \$381,425         \$401,000         \$17,550         \$417,75         -9%         -19%           Studbury         \$632,267         \$523,516         \$195,000         \$239,900         \$381,425         \$401,000         \$147,550         \$44           Sudbury         \$632,067         \$523,516         \$195,000         \$235,500         \$239,800         \$500,000         \$81,000         \$96         \$48     <										
Springfield   \$74,113   \$78,950   \$78,500   \$89,207   \$87,900   \$127,500   \$129,500   \$75%   \$29.										
Sterling         \$176,500         \$176,000         \$180,000         \$226,500         \$250,000         \$23,900         \$21,250         \$65%         \$4%           Stockbridge         \$030         \$000         \$365,000         \$405,000         \$515,000         \$50,000         \$234,250         **         \$29%           Stoneham         \$179,900         \$219,950         \$229,900         \$237,500         \$252,000         \$256,000         \$249,000         \$239,000         \$238,750         \$250,000         \$245,000         \$229,000         \$238,750         \$250,000         \$247,500         \$250,000         \$229,000         \$238,900         \$238,900         \$238,930         \$238,900         \$238,900         \$238,900         \$247,500         \$147,500         \$147,50										
Stockbridge         \$00^{12}\$         \$00^{12}\$         \$365,000         \$405,000         \$515,000         500,456         354,250         ***         2-9%           Stoneham         \$179,900         \$219,950         \$229,900         \$237,500         \$255,000         \$254,000         \$426         0%           Stoughton         \$178,950         \$198,000         \$238,8750         \$250,000         \$247,500         \$256,000         \$249,000         \$28%         \$-11%           Stow         \$463,449         \$252,900         \$239,900         \$381,425         \$401,000         \$175,50         \$419,775         -9%         -19%           Sturbridge         \$172,500         \$194,700         \$204,950         \$239,813         \$282,000         \$241,750         \$147,500         \$-14%         -39%           Sudbury         \$632,516         \$195,000         \$235,000         \$235,000         \$235,000         \$235,000         \$245,000         \$245,000         \$255,000         \$235,000         \$245,000         \$225,000         \$225,000         \$234,000         \$225,000         \$225,000         \$239,000         \$239,000         \$239,000         \$239,000         \$239,000         \$239,000         \$239,000         \$239,000         \$239,000         \$239,000										
Stoneham         \$179,900         \$219,950         \$229,900         \$237,500         \$252,000         \$254,000         \$254,900         \$4%         0%           Stoughton         \$178,950         \$198,000         \$238,750         \$250,000         \$247,500         \$256,500         \$29,000         28%         -11%           Stow         \$463,449         \$252,900         \$238,900         \$381,425         \$401,000         \$114,775         414,775         -9%         -19%           Sturbridge         \$172,500         \$194,700         \$204,950         \$239,813         \$282,000         \$241,750         \$147,500         -14%         -39%           Sudbury         \$632,067         \$623,516         \$195,000         \$379,900         \$182,000         \$00,000         \$18,100         29%         64%           Sunderland         \$98,000         \$235,500         \$239,500         \$268,000         \$314,900         \$270,000         \$294,000         \$160%         \$294,500         \$264,500         \$270,000         \$294,000         \$170,000         \$294,500         \$264,500         \$200,000         \$295,000         \$293,500         \$264,500         \$200,000         \$200,000         \$200,000         \$200,000         \$200,000         \$200,000         \$200,00										
Stoughton         \$178,950         \$198,000         \$238,750         \$250,000         \$247,500         \$250,000         \$29,000         \$28%         \$-11%           Stow         \$463,449         \$252,900         \$239,900         \$381,425         \$401,000         \$11,750         \$19,775         \$-9%         \$-19%           Sturbridge         \$172,500         \$194,700         \$204,950         \$239,813         \$282,000         \$241,750         \$417,500         \$-14%         -39%           Sudbury         \$632,067         \$623,516         \$195,000         \$379,900         \$182,000         \$00,000         \$818,100         29%         64%           Sunderland         \$98,000         \$0°2         \$210,000         \$255,000         \$293,500         \$167,500         254,500         \$10°         \$29         \$-19%           Sutton         \$208,500         \$235,500         \$268,000         \$314,900         334,900         \$270,000         29%         \$-19%           Swampscott         \$217,500         \$66,000         \$50°2         \$272,500         \$333,000         \$210,000         \$239,000         \$10°0         \$10°0         \$10°0         \$10°0         \$10°0         \$10°0         \$10°0         \$10°0         \$10°0							, ,			
Stow         \$463,449         \$252,900         \$239,900         \$381,425         \$401,000         \$17,550         \$419,775         -9%         -19%           Sturbridge         \$172,500         \$194,700         \$224,950         \$239,813         \$282,000         241,750         147,500         -14%         -39%           Sudbury         \$632,667         \$623,516         \$195,000         \$379,900         \$182,000         500,000         818,100         29%         64%           Sunderland         \$98,000         \$0°20         \$210,000         \$255,000         \$293,500         167,500         254,500         160%         52%           Sutton         \$208,500         \$235,500         \$255,000         \$277,000         264,500         239,000         10%         -10%           Swampscott         \$217,500         \$245,000         \$255,000         \$265,950         \$277,000         264,500         239,000         10%         -10%           Swampscott         \$217,500         \$233,000         \$225,000         \$20,259         \$272,500         \$333,000         \$27,250         66%         -8%           Templeton         \$0°20         \$50°20         \$118,750         \$0°20         \$211,875         \$270,00         \$2										
Sturbridge         \$172,500         \$194,700         \$204,950         \$239,813         \$282,000         241,750         147,500         -14%         -39%           Sudbury         \$632,067         \$623,516         \$195,000         \$379,900         \$182,000         500,000         818,100         29%         64%           Sunderland         \$98,000         \$022         \$210,000         \$255,000         \$293,500         167,500         254,500         160%         52%           Sutton         \$208,500         \$235,500         \$239,000         \$268,000         \$314,900         334,900         270,000         29%         1-19%           Swampscott         \$217,500         \$245,000         \$255,000         \$265,950         \$277,000         264,500         239,000         10%         -10%           Swansea         \$91,750         \$002         \$118,750         \$204,950         \$333,000         270,000         264,500         239,000         10%         -10%           Fumpleton         \$022         \$118,500         \$118,750         \$023         \$171,633         193,375         193,400         **         -8%           Templeton         \$022,500         \$255,000         \$272,500         \$2812,520         \$270,0										
Sudbury         \$632,067         \$623,516         \$195,000         \$379,900         \$182,000         500,000         \$18,100         29%         64%           Sutton         \$208,500         \$235,500         \$2210,000         \$225,000         \$293,500         \$167,500         \$254,500         \$160%         \$25%           Sutton         \$208,500         \$235,500         \$239,000         \$268,000         \$314,900         \$34,900         270,000         29%         -19%           Swampscott         \$217,500         \$245,000         \$255,000         \$265,950         \$277,000         264,500         239,000         10%         -10%           Swampscat         \$91,750         \$020         \$00         \$218,275         \$204,950         \$233,000         \$20,250         140,000         53%         ***           Taunton         \$124,900         \$155,000         \$182,750         \$204,950         \$230,000         \$25,000         207,250         66%         -8%           Templeton         \$002         \$225,000         \$250,000         \$227,290         \$281,250         \$260,000         38%         -7%           Tisbury         \$92,500         \$69,500         \$506,000         \$2281,250         \$281,250         \$281,2										
Sunderland         \$98,000         \$0 <sup>(2)</sup> \$210,000         \$255,000         \$293,500         \$167,500         \$24,500         \$6         52%           Sutton         \$208,500         \$235,500         \$239,000         \$268,000         \$314,900         334,900         270,000         29%         -19%           Swampscott         \$217,500         \$245,000         \$255,000         \$265,950         \$277,000         264,500         239,000         10%         -10%           Swansea         \$91,750         \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$272,500         \$335,000         225,000         239,000         10%         -10%           Taunton         \$124,900         \$155,000         \$182,750         \$204,950         \$335,000         225,000         207,250         66%         -8%           Templeton         \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$118,750         \$0 <sup>(2)</sup> \$171,633         193,375         193,400         **         0%           Templeton         \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$118,750         \$0 <sup>(2)</sup> \$171,633         193,375         193,400         **         0%           Templeton         \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup> \$0 <sup>(2)</sup>	Sturbridge									
Sutton         \$208,500         \$235,500         \$239,000         \$268,000         \$314,900         334,900         270,000         29%         -19%           Swampscott         \$217,500         \$245,000         \$255,000         \$265,950         \$277,000         264,500         239,000         10%         -10%           Swansea         \$91,750         \$0°2°         \$0°2°         \$272,500         \$335,000         140,000         53%         ***           Taunton         \$124,900         \$155,000         \$181,750         \$204,950         \$230,000         225,000         207,250         66%         -8%           Templeton         \$0°2°         \$118,750         \$0°2°         \$171,633         193,375         193,400         ***         0%           Tewksbury         \$192,500         \$250,000         \$252,250         \$272,900         \$281,250         285,000         265,000         38%         -7%           Tisbury         \$92,500         \$69,500         \$506,000         \$255,000         \$190,000         266,500         305,000         230,00         14%           Tolland         \$0°2°         \$0°2°         \$234,500         \$424,000         \$237,500         437,000         397,500         ***         <										
Swampscott         \$217,500         \$245,000         \$255,000         \$265,950         \$277,000         264,500         239,000         10%         -10%           Swansea         \$91,750         \$0°20         \$0°20         \$272,500         \$335,000         140,000         53%         ***           Taunton         \$124,900         \$155,000         \$182,750         \$204,950         \$230,000         225,000         207,250         66%         -8%           Templeton         \$0°20         \$0°21         \$118,750         \$0°20         \$171,633         193,375         193,400         ***         0%           Templeton         \$90°20         \$252,000         \$252,500         \$272,900         \$281,250         266,000         38%         -7%           Tisbury         \$92,500         \$69,500         \$506,000         \$255,000         \$190,000         266,500         305,000         230         ***         ***           Tolland         \$0°20 </td <td>Sunderland</td> <td>· ·</td> <td></td> <td>\$210,000</td> <td>\$255,000</td> <td>\$293,500</td> <td>167,500</td> <td>254,500</td> <td></td> <td>52%</td>	Sunderland	· ·		\$210,000	\$255,000	\$293,500	167,500	254,500		52%
Swansea         \$91,750         \$0^{(2)}         \$0^{(2)}         \$272,500         \$335,000         140,000         53%         ***           Taunton         \$124,900         \$155,000         \$182,750         \$204,950         \$230,000         225,000         207,250         66%         -8%           Templeton         \$0^{(2)}         \$0^{(2)}         \$118,750         \$0^{(2)}         \$171,633         193,375         193,400         ***         0%           Tewksbury         \$192,500         \$252,500         \$252,500         \$252,500         \$252,000         \$265,000         38%         -7%           Tisbury         \$99,500         \$69,500         \$506,000         \$255,000         \$190,000         266,500         305,000         230%         14%           Tolland         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$80^{(2)}         ***         ***           Toyland         \$0^{(2)}         \$0^{(2)}         \$234,500         \$424,000         \$237,500         437,000         397,500         ***         ***           Townsend         \$54,500         \$69,500         \$72,000         \$77,450         \$74,00         205,500         178,000         227% </td <td>Sutton</td> <td></td> <td></td> <td>\$239,000</td> <td></td> <td>,</td> <td>334,900</td> <td>270,000</td> <td></td> <td>-19%</td>	Sutton			\$239,000		,	334,900	270,000		-19%
Taunton         \$124,900         \$155,000         \$182,750         \$204,950         \$230,000         \$25,000         \$207,250         66%         -8%           Templeton         \$0°2'         \$0°2'         \$118,750         \$0°2'         \$171,633         193,375         193,400         **         0%           Tewksbury         \$192,500         \$225,000         \$225,250         \$272,900         \$281,250         285,000         265,000         38%         -7%           Tisbury         \$92,500         \$69,500         \$506,000         \$255,000         \$190,000         266,500         305,000         230%         14%           Tolland         \$0°2' <t< td=""><td>Swampscott</td><td></td><td></td><td></td><td></td><td>\$277,000</td><td>264,500</td><td></td><td></td><td></td></t<>	Swampscott					\$277,000	264,500			
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Swansea					\$335,000			53%	**
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Taunton			\$182,750		\$230,000	225,000	207,250	66%	-8%
Tisbury         \$92,500         \$69,500         \$506,000         \$255,000         \$190,000         266,500         305,000         230%         14%           Tolland         \$0(2) <td>Templeton</td> <td>\$0<sup>(2)</sup></td> <td>\$0<sup>(2)</sup></td> <td>\$118,750</td> <td></td> <td>\$171,633</td> <td>193,375</td> <td>193,400</td> <td>**</td> <td>0%</td>	Templeton	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$118,750		\$171,633	193,375	193,400	**	0%
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Tewksbury	\$192,500	\$225,000	\$252,250	\$272,900	\$281,250	285,000	265,000	38%	-7%
Topsfield         \$0^{(2)}         \$0^{(2)}         \$234,500         \$424,000         \$237,500         437,000         397,500         ***         -9%           Townsend         \$54,500         \$69,500         \$72,000         \$77,450         \$74,000         205,500         178,000         227%         -13%           Truro         \$120,000         \$180,000         \$168,000         \$241,350         \$229,000         239,000         239,000         99%         0%           Tyngsboro         \$112,450         \$148,900         \$177,900         \$179,000         \$202,500         222,000         182,000         62%         -18%           Tyringham         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$18%           Upton         \$0^{(2)}         \$236,500         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$1000         ***         ***           Uxbridge         \$170,000         \$174,900         \$209,450         \$215,900         \$266,950         \$286,124         \$253,250         49%         -11%           Wakefield         \$168,950         \$185,000         \$227,000         \$230,000         \$292,714         \$15,000		\$92,500	\$69,500	\$506,000	\$255,000	\$190,000	266,500	305,000		14%
Topsfield         \$0^{(2)}         \$0^{(2)}         \$234,500         \$424,000         \$237,500         437,000         397,500         **         -9%           Townsend         \$54,500         \$69,500         \$72,000         \$77,450         \$74,000         205,500         178,000         227%         -13%           Truro         \$120,000         \$180,000         \$168,000         \$241,350         \$229,000         239,000         239,000         99%         0%           Tyngsboro         \$112,450         \$148,900         \$177,900         \$179,000         \$202,500         222,000         182,000         62%         -18%           Tyringham         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$18%           Upton         \$0^{(2)}         \$236,500         \$0^{(2)}         \$0^{(2)}         \$290,000         260,500         310,000         ***         ***           Uxbridge         \$170,000         \$174,900         \$209,450         \$215,900         \$266,950         286,124         253,250         49%         -11%           Wakefield         \$168,950         \$185,000         \$227,000         \$230,000         \$292,714         315,000         320,615         <	Tolland		\$0 <sup>(2)</sup>	**	**					
Truro         \$120,000         \$180,000         \$168,000         \$241,350         \$229,000         \$239,000         \$29,000         \$9%         \$0%           Tyngsboro         \$112,450         \$148,900         \$177,900         \$179,000         \$202,500         \$220,000         \$182,000         \$6%         -18%           Tyringham         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0	Topsfield	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$234,500	\$424,000	\$237,500	437,000	397,500	**	-9%
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Townsend	\$54,500	\$69,500	\$72,000	\$77,450	\$74,000	205,500	178,000	227%	-13%
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Truro	\$120,000	\$180,000	\$168,000	\$241,350	\$229,000	239,000	239,000	99%	0%
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Tyngsboro	\$112,450	\$148,900	\$177,900	\$179,000	\$202,500	222,000	182,000	62%	-18%
Uxbridge         \$170,000         \$174,900         \$209,450         \$215,900         \$266,950         286,124         253,250         49%         -11%           Wakefield         \$168,950         \$185,000         \$227,000         \$230,000         \$292,714         315,000         320,615         90%         2%           Wales         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0         2%           Walpole         \$252,500         \$265,000         \$315,000         \$340,500         \$355,000         298,000         298,000         18%         0%           Waltham         \$209,900         \$252,500         \$325,000         \$339,900         \$329,000         370,000         353,865         69%         -4%           Ware         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         149,900         **         -100%           Wareham         \$139,900         \$156,450         \$175,000         \$255,950         \$238,000         232,000         262,500         88%         13%           Warren         \$62,500         \$52,500         \$0^{(2)}         \$56,900         \$0^{(2)}         \$0^{(2)} <td>Tyringham</td> <td>\$0<sup>(2)</sup></td> <td>\$0<sup>(2)</sup></td> <td>\$0<sup>(2)</sup></td> <td>\$0<sup>(2)</sup></td> <td>\$0<sup>(2)</sup></td> <td>\$0<sup>(2)</sup></td> <td>\$0<sup>(2)</sup></td> <td>**</td> <td>**</td>	Tyringham	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	Upton	\$0 <sup>(2)</sup>	\$236,500	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$290,000	260,500	310,000	**	19%
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		\$170,000		\$209,450	\$215,900				49%	-11%
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Wakefield	\$168,950			\$230,000	\$292,714	315,000		90%	2%
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$									**	**
Waltham         \$209,900         \$252,500         \$325,000         \$339,900         \$329,000 $370,000$ $353,865$ $69\%$ $-4\%$ Ware $\$0^{(2)}$									18%	0%
Ware $\$0^{(2)}$ $\$0^{(2)}$ $\$0^{(2)}$ $\$0^{(2)}$ $\$0^{(2)}$ $\$0^{(2)}$ $\$149,900$ ** $-100\%$ Wareham $\$139,900$ $\$156,450$ $\$175,000$ $\$255,950$ $\$238,000$ $232,000$ $262,500$ $88\%$ $13\%$ Warren $\$62,500$ $\$52,500$ $\$0^{(2)}$ $\$56,900$ $\$0^{(2)}$ $97,000$ $55\%$ **           Warwick $\$0^{(2)}$ $\$0^{($										
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$			,					- ,		
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$								262,500	88%	
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$							202,000			**
Washington         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         \$0^{(2)}         **         **           Watertown         \$289,950         \$302,950         \$324,000         \$325,000         \$333,000         325,000         320,000         10%         -2%							\$0 <sup>(2)</sup>			**
Watertown \$289,950 \$302,950 \$324,000 \$325,000 \$333,000 325,000 320,000 10% -2%										**
	Wayland	\$520,000	\$530,000	\$560,000	\$590,000	\$634,000	639,250	631,000	21%	-1%

	Median Sales I	Price - Cond	ominiums					% Chang	ge
City or town	2001	2002	2003	2004	2005	2006	2007	2001-7	2006-7
Webster	\$175,000	\$160,000	\$170,000	\$215,000	\$210,000	214,950	220,950	26%	3%
Wellesley	\$507,000	\$445,000	\$450,000	\$550,000	\$622,000	587,500	525,000	4%	-11%
Wellfleet	\$126,000	\$129,500	\$165,000	\$272,000	\$400,775	250,000	265,000	110%	6%
Wendell	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	,	**	**
Wenham	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$319,500		881,697	**	**
West Boylston	\$132,500	\$219,900	\$229,900	\$259,900	\$279,900	294,900	290,000	119%	-2%
West Bridgewater	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$307,675	379,900	306,550	**	-19%
West Brookfield	\$0 <sup>(2)</sup>	\$16,000	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$60,000	128,500	10,000	**	-92%
West Newbury	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
West Springfield	\$41,547	\$46,000	\$52,900	\$62,500	\$73,900	81,200	131,000	215%	61%
West Stockbridge	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
West Tisbury	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Westborough	\$123,200	\$275,000		\$166,900	\$180,000	207,000	173,350	41%	-16%
Westfield	\$82,000	\$77,350		\$98,000	\$124,900	135,000	140,000	71%	4%
Westford	\$339,900	\$364,900	\$354,900	\$369,900	\$369,900	340,000	210,000	-38%	-38%
Westhampton	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Westminster	\$134,000	\$145,000	\$165,500	\$175,000	\$182,000	170,000	163,000	22%	-4%
Weston	\$676,250	\$290,000	\$690,000	\$520,000	\$620,000	568,000	414,500	-39%	-27%
Westport	\$070,230	\$145,000	\$190,000	\$320,000 \$0 <sup>(2)</sup>	\$305,000	303,750	351,250	-39%	16%
Westwood	\$0 <sup>(2)</sup>	\$143,000 \$0 <sup>(2)</sup>		\$0 <sup>(2)</sup>	\$003,000 \$0 <sup>(2)</sup>	\$0 <sup>3</sup> ,730	\$0 <sup>(2)</sup>	**	**
	\$133,000	\$159,000			\$224,900	220,000	210,000		
Weymouth	\$133,000	\$139,000 \$0 <sup>(2)</sup>	\$172,250 \$0 <sup>(2)</sup>	\$208,875 \$0 <sup>(2)</sup>	\$224,900 \$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	58%	-5% **
Whately Whitman							*		
	\$156,950	\$214,000	\$220,000	\$263,500	\$297,900	302,100	270,000	72%	-11%
Wilbraham	\$158,450 \$0 <sup>(2)</sup>	\$172,450 \$0 <sup>(2)</sup>	\$249,900 \$0 <sup>(2)</sup>	\$283,900 \$0 <sup>(2)</sup>	\$301,941 \$0 <sup>(2)</sup>	214,500	220,000	39%	3%
Williamsburg			· ·			207,000	140,000		-32%
Williamstown	\$85,000	\$165,000 \$0 <sup>(2)</sup>	\$194,500	\$106,250	\$165,000	164,000	141,000	66%	-14%
Wilmington	\$189,900		\$182,000 \$0 <sup>(2)</sup>	\$75,000 \$0 <sup>(2)</sup>	\$394,950	208,750	349,900	84%	68%
Winchendon	\$64,000	\$42,500	· ·		\$126,950	200,000	141,000	120%	
Winchester	\$265,000 \$0 <sup>(2)</sup>	\$285,000 \$0 <sup>(2)</sup>	\$350,000 \$0 <sup>(2)</sup>	\$384,085 \$0 <sup>(2)</sup>	\$330,900	380,000 \$0 <sup>(2)</sup>	351,250 \$0 <sup>(2)</sup>	33%	-8% **
Windsor					\$55,000	·			
Winthrop	\$142,500	\$160,000	\$187,000	\$205,000	\$230,000	249,000	283,800	99%	14%
Woburn	\$170,000	\$237,000	\$278,000	\$270,000	\$350,000	310,000	282,000	66%	-9%
Worcester	\$90,000	\$105,000	\$118,000	\$132,900	\$161,975	180,000	178,900	99%	-1% **
Worthington	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0(2)	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>		
Wrentham	\$163,500	\$181,500	\$205,000	\$239,750	\$257,750	314,950	241,000	47%	-23%
Yarmouth	\$187,500	\$200,000	\$230,000	\$211,750	\$229,000	248,000	215,000	15%	-13%
Boston	4102 100	*********	<b>***</b> *********************************	<b>***</b> *********************************	4240.000	210025	206.770	**	**
Allston	\$183,100	\$215,000	\$250,000	\$250,000	\$318,000	319,925	286,750	57%	-10%
Boston***	\$374,000	\$370,000	\$388,250	\$462,750	\$510,000	495,000	509,000	36%	3%
Brighton	\$179,000	\$206,500	\$237,500	\$253,500	\$274,500	272,500	265,000	48%	-3%
Charlestown	\$369,500	\$380,000	\$370,000	\$404,600	\$439,450	429,000	435,000	18%	1%
Dorchester	\$153,750	\$187,150	\$229,200	\$245,000	\$274,950	290,000	273,500	78%	-6%
East Boston	\$110,000	\$155,500	\$172,750	\$217,500	\$260,000	250,000	271,200	147%	8%
Hyde Park	\$98,000	\$119,900	\$225,000	\$260,000	\$289,900	297,500	256,000	161%	-14%
Jamaica Plain	\$224,950	\$260,000	\$292,750	\$312,000	\$319,000	322,000	330,000	47%	2%
Mattapan	\$126,250	\$132,000	\$184,250	\$250,000	\$228,625	225,000	245,000	94%	9%
Roslindale	\$180,500	\$231,500	\$257,000	\$299,250	\$299,900	290,000	297,700	65%	3%
Roxbury	\$299,000	\$352,300	\$366,000	\$399,000	\$377,500	350,000	370,000	24%	6%
South Boston	\$235,000	\$269,000	\$310,000	\$345,000	\$351,000	345,000	365,000	55%	6%
West Roxbury	\$162,000	\$187,250	\$215,475	\$233,000	\$253,000	253,000	247,000	52%	-2%
Barnstable areas								**	**

<sup>\*\*\*\*</sup>Includes the Financial District, Waterfront, Beacon Hill, Back Bay, South End, North End, Kenmore, and Fenway

	Median Sales l	Median Sales Price - Condominiums							
City or town	2001	2002	2003	2004	2005	2006	2007	2001-7	2006-7
Centerville	\$0 <sup>(2)</sup>	\$187,500	\$160,000	\$193,500	\$212,000		191,000	**	**
Cotuit	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	\$0 <sup>(2)</sup>	**	**
Hyannis	\$108,884	\$137,500	\$160,000	\$190,500	\$225,000	185,000	190,000	74%	3%
Marston Mills	\$78,700	\$105,500	\$135,950	\$150,000	\$140,000	180,000	185,000	135%	3%
Osterville	\$214,500	\$262,000	\$322,500	\$354,500	\$400,000	354,500	287,500	34%	-19%