



Memorandum

**To: Metro Mayors Coalition Housing Taskforce
municipal CEOs and housing staff**

From: Jessie Partridge Guerrero, Research Manager;
Brandon Stanaway, Socioeconomic Analyst;
Tim Reardon, Director of Data Services

On: April 6, 2023

Re: Phase 2 Tracking Progress Update

Introduction

Housing remains one of if not the most critical issues facing Greater Boston. The mission of the Metro Mayors Coalition Housing Taskforce is to come together as a region to solve this regional challenge, making housing available and accessible to the myriad current and future households who call this region home—renters, young homebuyers, seniors, people with disabilities, families with children, low- and moderate-income households, and more.

The Taskforce recognizes there are many factors that contribute to the region's housing crisis, including the legacy of racist practices such as redlining, ongoing discrimination, insufficient funding for subsidized units, and a lack of adequate renter protections. Members also agree the single biggest factor is that housing production over the last two decades hasn't kept up with growing demand driven by a strong economy. From 2010 to 2018, the 15 cities and towns of the Metro Mayors Coalition added nearly 110,000 residents and 148,000 new jobs, while permitting only 32,500 new housing units. Tremendous competition for the limited available housing drives up prices, makes it difficult for people to find homes they can afford, and increases the potential for displacement.

These challenges are likely to intensify in the coming years. The Metro Mayors Coalition communities are on track to add 235,000 net new jobs from 2015 to 2030. Combined with the imminent retirement of the region's Baby Boomers, this robust economic growth will attract hundreds of thousands of new workers to fill those available jobs. While the long-term impacts of COVID on household location choice are still uncertain, pre-COVID trends suggest that a substantial share of those new workers will want to live near the core of the region, where they can be close to their jobs and all the amenities the area has to offer. The question remains whether they will be able to find homes they can afford and do so without displacing existing residents.

After factoring in the housing demand created by these new workers, the increasing number of senior households, and the changing needs of existing residents, MAPC has estimated that the Metro Mayors Coalition region needs to add 185,000 housing units from 2015 – 2030 in order to meet demand and reduce – or at least stabilize -- housing costs. After deliberating, the Mayors and Managers of the Housing Taskforce adopted that figure as the overall production target for the Mayors Coalition Region,

along with principles and strategies that speak to other aspects of planning, funding, preservation, engagement, and fair housing.

Tracking Progress toward the Regional Production Target

When the Housing Taskforce adopted the 185,000 unit production target, members also agreed it was important to show progress towards that goal, and the goal of making housing accessible to low-income households.¹ MAPC has been working with members of the Housing Taskforce since 2019 to collect housing permit and affordability data. Our goal is to compile information from each municipality on the number of net new housing units permitted each year, the building type of those units (e.g., Single Family, Two-Family, etc.), the number of those units that are deed-restricted affordable, and the number of affordable units restricted to households with earnings at specific area median income (AMI) levels (e.g., <30%, 30-50%, etc.).

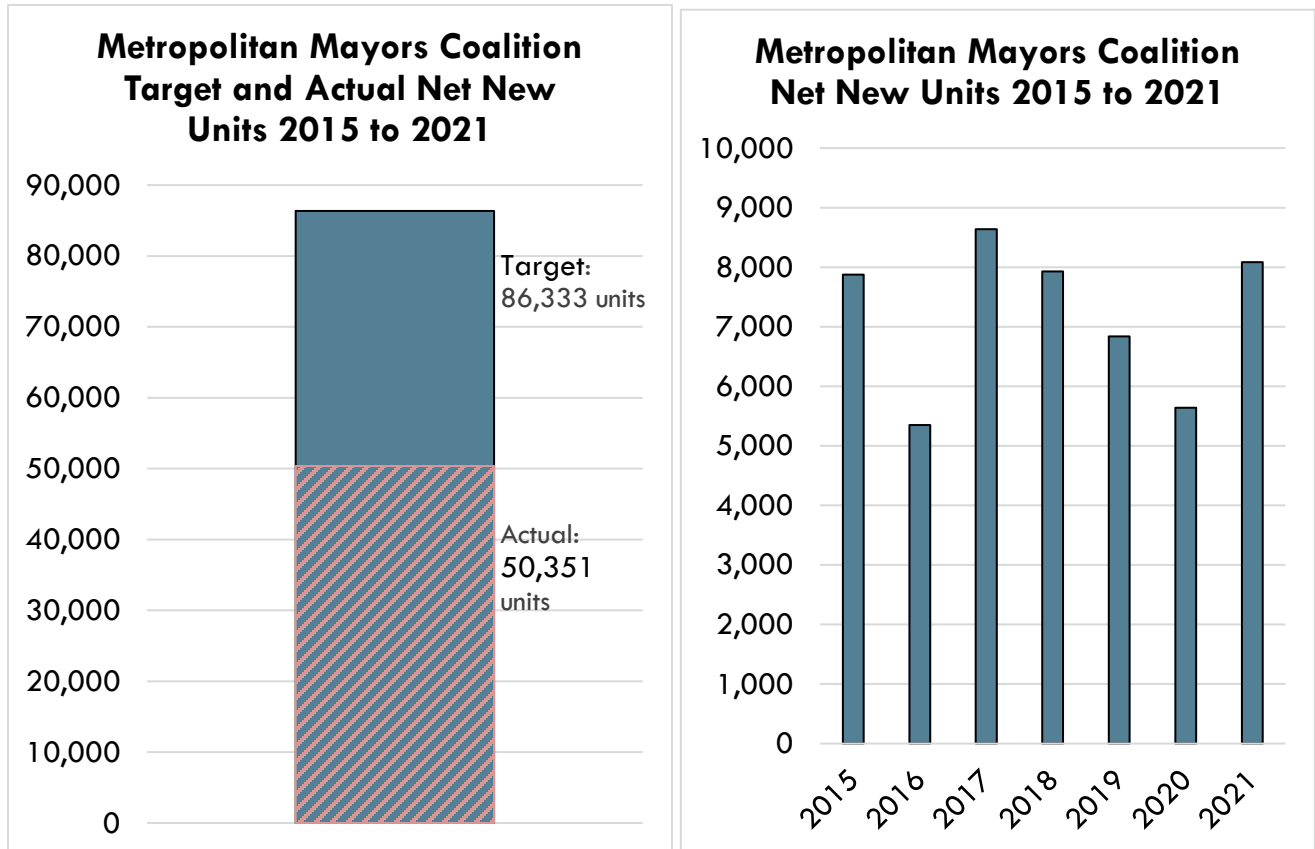
Having accurate, detailed data from the source will allow the Taskforce, member municipalities, and MAPC to understand more fully how the region is progressing toward the 185,000-unit goal, whether those units permitted are expanding access to lower-income households, and the spatial distribution of newly permitted units. Existing publicly available data sources (such as the U.S. Census Building Permit Survey) do not track permitting data at this level of granularity. MAPC asks member municipalities to submit their annual permitting and affordability data organized into a predefined data structure, as determined by discussion in Taskforce meetings and outlined in the scopes for Phases 1 and 2 of the Taskforce's work. Collecting these data is not always easy for municipal staff and can take up a lot of their time. MAPC is committed to supporting staff in whatever way we can to collect annual data, and to making the data collection process more sustainable.

Total Units Permitted

Between 2015 and 2021, municipalities in the Housing Taskforce issued building permits for 50,351 units, equivalent to 8.3 percent of the 2010 housing stock. The annual average of 7,193 units is roughly 58 percent of the pro rata number of units needed to achieve the goal of permitting 185,000 new units over a 15-year period. To be on track to meet this goal, municipalities needed to permit 86,333 units by the end of 2021 (an average of 12,333 units annually), a rate which has not been reached in any year since the goal's inception. To make up the current deficit and remain on track to accomplish the Taskforce's permitting goal by 2030, the municipalities will need to permit, on average, 14,961 units per year for the next nine years—roughly double the annual average for the seven years covered here. The largest permitting year since 2015 was 2017, when the Metro Mayors municipalities permitted 8,640 units. Annual totals decreased in each subsequent year from 2018-2020, but that trend was reversed in 2021 when 8,084 units were permitted.

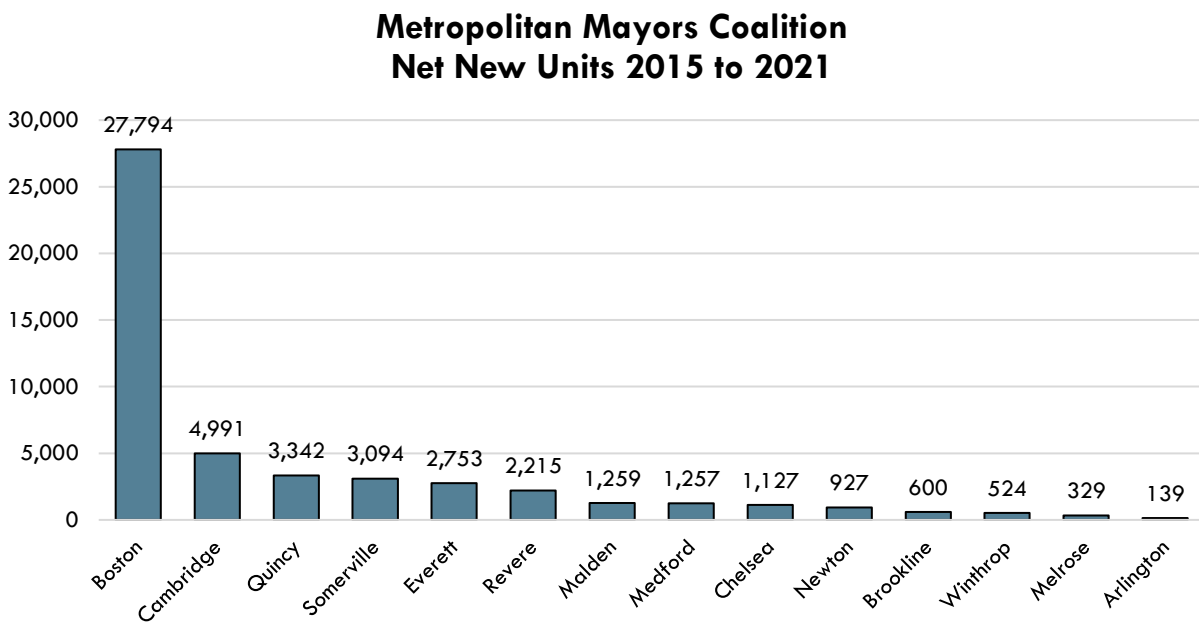
¹ The town of Braintree was part of the Metro Mayors Coalition Housing Taskforce when this goal was developed. As of Phase 2, however, Braintree decided to leave the Housing Taskforce and did not provide permit data to MAPC. Therefore, Braintree is not included in this report. MAPC did not change the regional goal in response to Braintree's departure. In late 2022, the city of Watertown joined the Metro Mayors Coalition and Housing Taskforce; their permitting data will be included in future reports.

Figures 1 & 2:



Boston was responsible for permitting the most units of any municipality from 2015-2021: 27,794 units, or 55% of the total. The next highest permitting municipality was Cambridge, which permitted 4,991 units. Meanwhile, eight municipalities permitted fewer than 1,300 units each, including some that permitted fewer than 50 units annually.

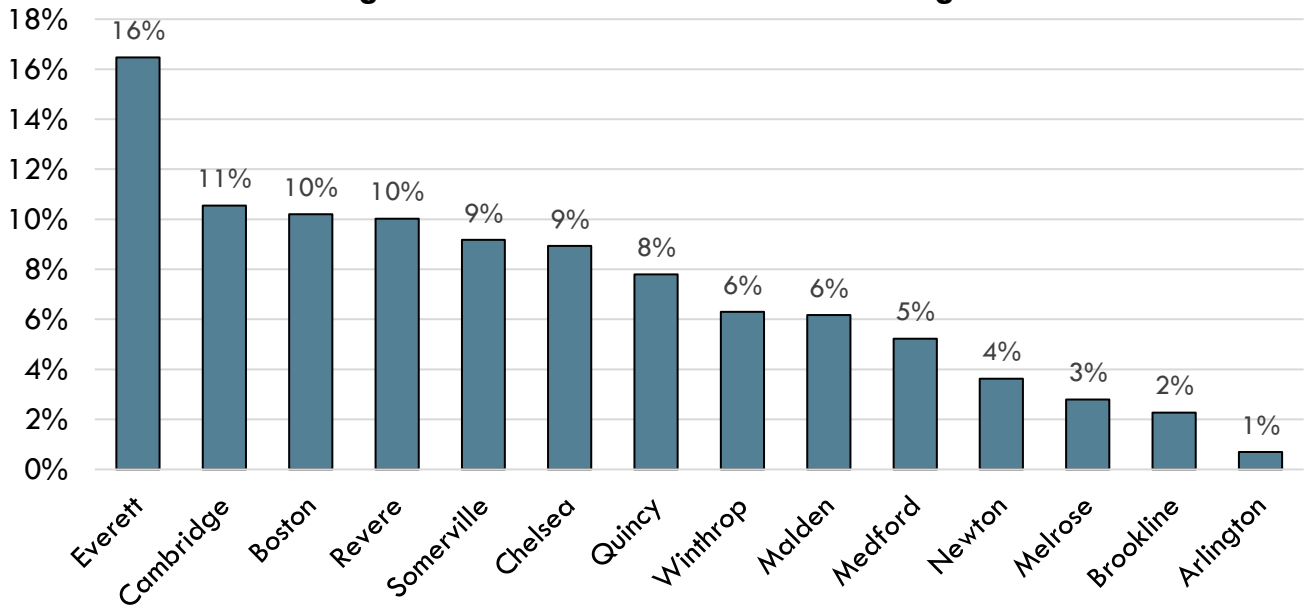
Figure 3:



In percentage terms, we found that there were 2 groupings of the municipalities: seven municipalities had higher rates of relative growth, ranging from 8 to 16 percent; and 7 municipalities had lower rates of growth, ranging from 1 to 6 percent. Among the higher relative growth group were, in descending order, Everett, Cambridge, Boston, Revere, Somerville, Chelsea, and Quincy. Among the lower group, in descending order, were Winthrop, Malden, Medford, Newton, Melrose, Brookline, and Arlington.

Figure 4:

Housing Unit Growth: Net New Housing Units Permitted 2015 through 2021 as a Percent of 2010 Housing Units

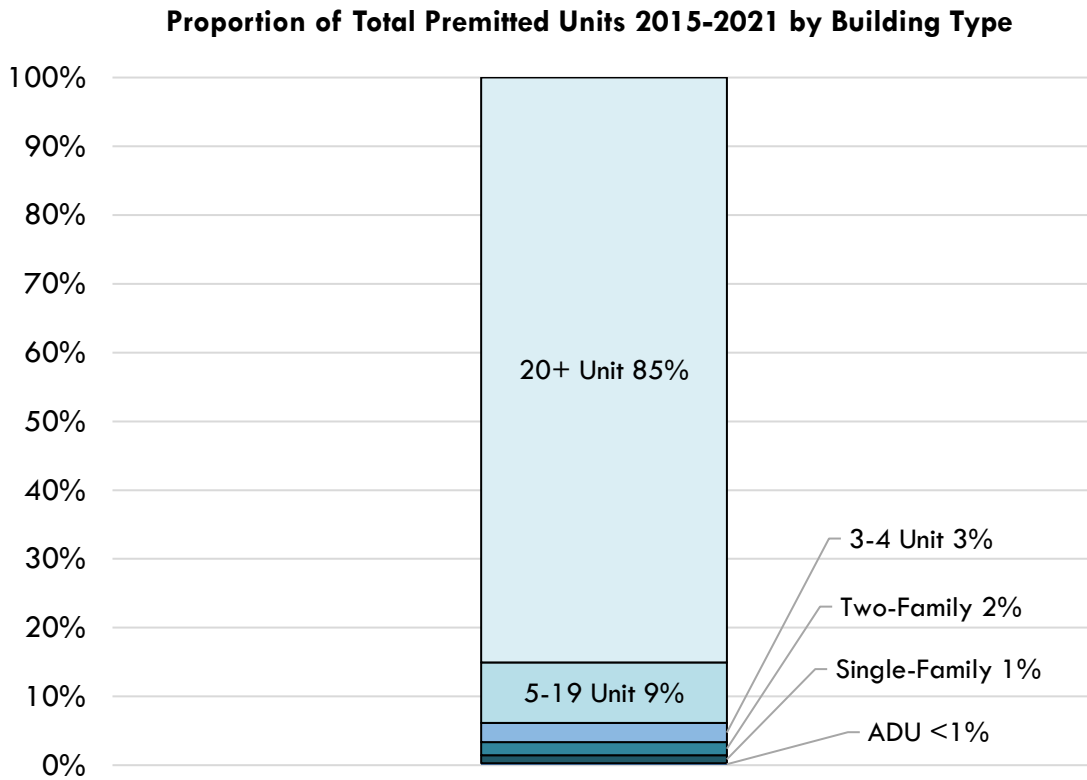


Data Sources: Housing Taskforce municipalities and 2010 decennial census

Permitted Units by Building Type

Nearly all units permitted in the Housing Taskforce region from 2015 through 2021 were multifamily—just 1 percent were single-family. About 85 percent were in buildings with 20 or more units; 9 percent were in buildings with 5 to 19 units; 3 percent in 3-4-family buildings; 2 percent in 2-families; and less than 1 percent in accessory dwelling units (ADUs).

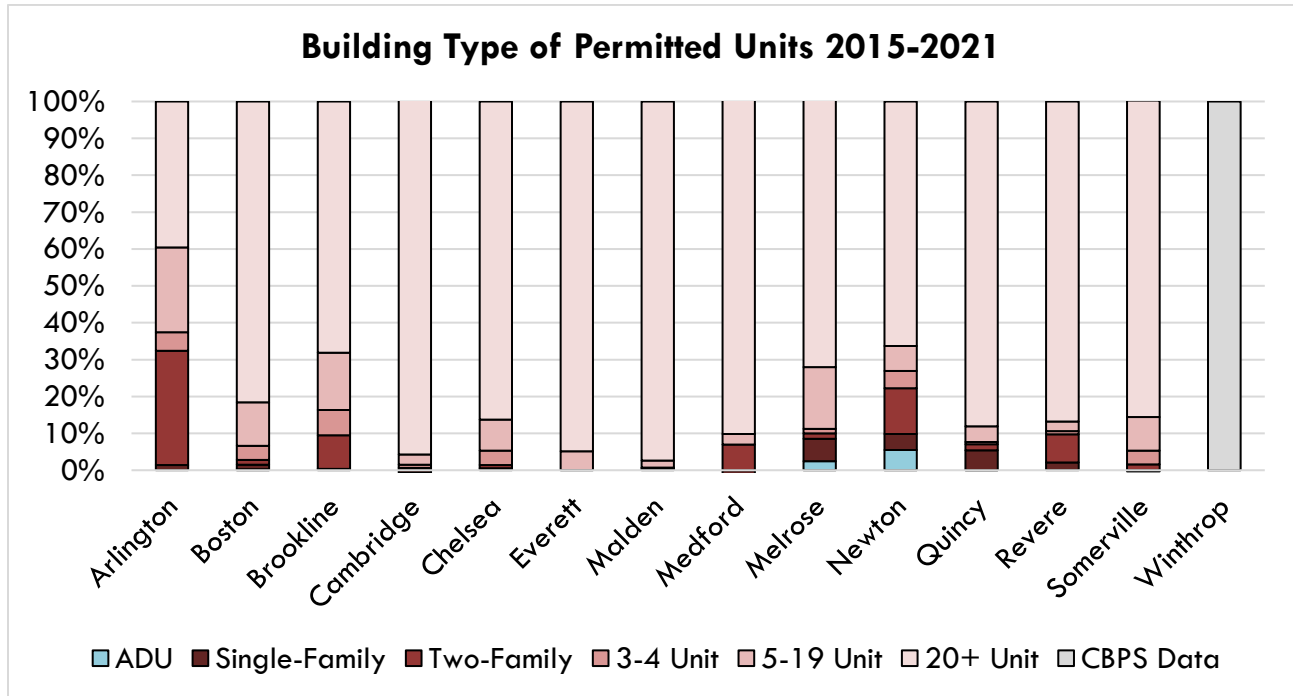
Figure 5:



At the municipal level, there was some variation in the distribution of units by building type, though in all but one municipality, 20+ unit buildings made up the majority of permitted units.² The one exception was Arlington, where units in 20+ building units made up 40 percent of units permitted, and 2-families made up 31 percent. Melrose and Quincy permitted the greatest percentage of single-family homes at 5 and 6 percent of their total permitted units, respectively. In Malden, Cambridge, Everett, and Medford, 20+ unit buildings made up more than 90 percent of total permitted units. While ADUs made up less than 1 percent of permitted units in the region overall and in most municipalities, in Newton and Melrose they made up 4 and 2 percent, respectively.

² Winthrop's permitted building types are not differentiated in our analysis because their data were pulled from the Census Building Permit Survey (CBPS), which groups multifamily buildings with five or more units into one category. For more details on Winthrop's data, see the Challenges section of this memo.

Figure 7:

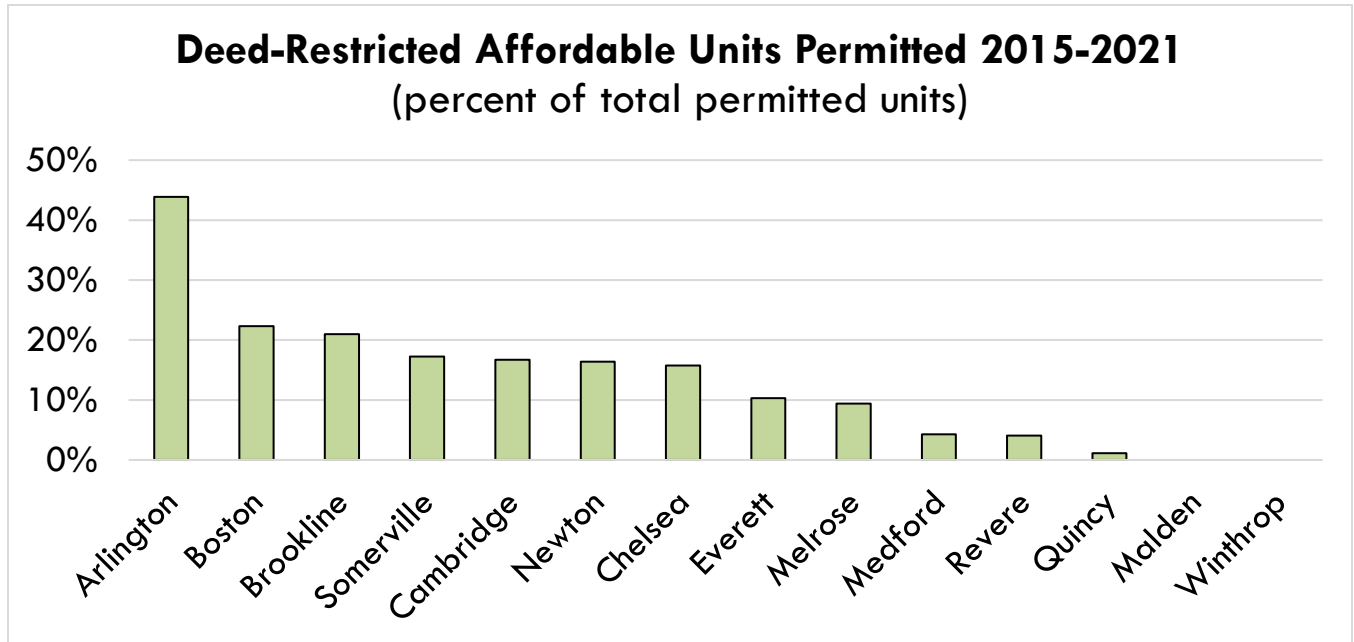


Deed-Restricted Affordable Units Permitted

The need for new housing units in the Housing Taskforce region is great, but just as critical to housing stability in the region is that households with the most need can find and live in units they can afford. For this reason, the Housing Taskforce is tracking the permitting of deed-restricted affordable units, and the income limit for each unit, along with total units.

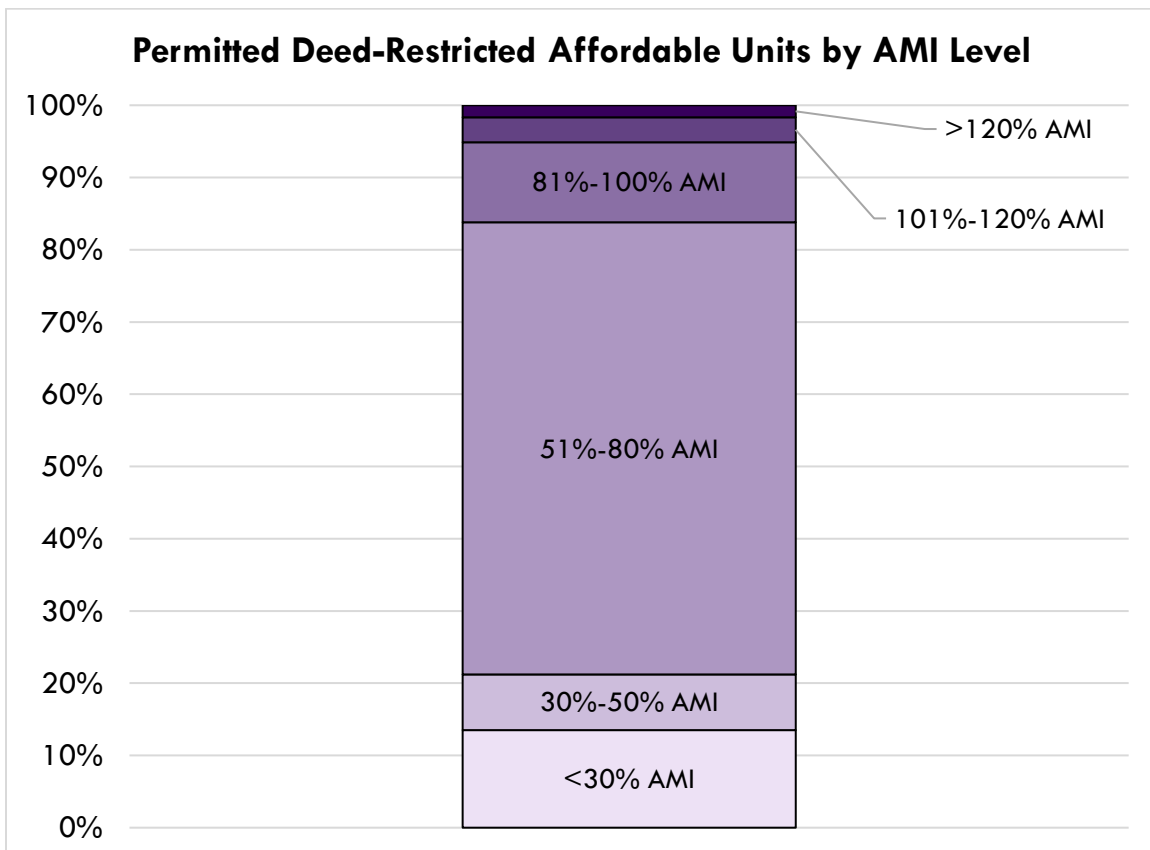
Housing Taskforce municipalities have permitted a total of 8,631 deed-restricted affordable units, 17 percent of all units permitted during that time period. Boston permitted 6,197 (72 percent) of those units; followed by Cambridge, 861 (10 percent), and Somerville 488 (6 percent). As a percentage of total units permitted, Arlington had the highest share, at 44 percent, followed by Boston, at 22 percent, and Brookline, at 21 percent. Neither Malden nor Winthrop permitted any deed-restricted affordable units between 2015 and 2021.

Figure 8:



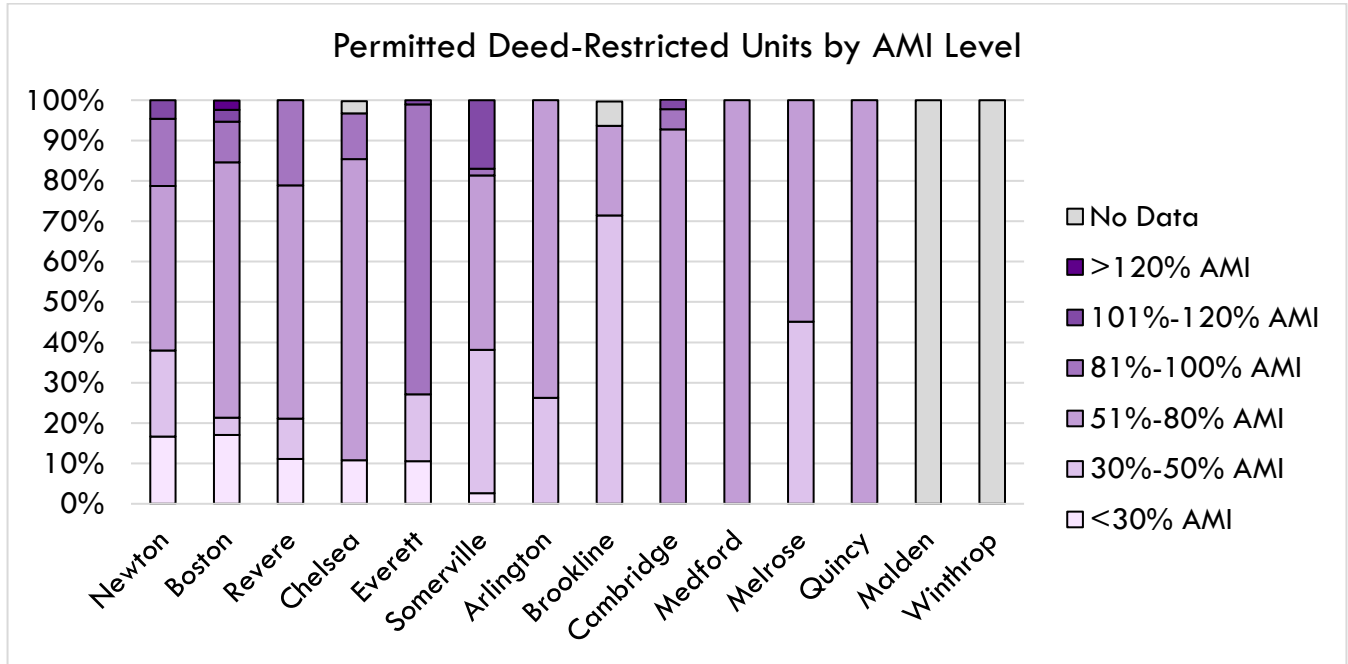
Between 2015 and 2021, a majority, 5,390 (63%), of permitted deed-restricted affordable units region-wide were restricted to households earning 51 to 80 percent of area median income (AMI). Another 1,164 (14 percent) were restricted to those making less than 30 percent of AMI, and 954 (11 percent) to those making 81 to 100 percent of AMI.

Figure 9:



A majority of permitted affordable units in Boston, 3,290 (63%), are restricted to households earning 51-80% of regional AMI. Boston and Newton permitted the highest percentage of affordable units restricted to <30% AMI, at 17% (1,055 and 36 units, respectively); Revere (10 units), Chelsea (20 units), and Everett (30 units) each permitted 11% of their deed restricted units at <30% AMI.³

Figure 10:



Data and Methods

Net new units:

Each of the 14 Housing Taskforce municipal members provided MAPC with data on the number of units for which building permits were issued, netting out the loss of units due to demolition. One municipality, Winthrop, was not able to pull the salient data out of their permitting software, so they provided MAPC with an alternative estimate derived from Assessors’ records. To be more consistent with the data standard, MAPC opted to use Census Building Permit Survey data instead of the Assessors’ data provided by Winthrop. Ultimately, 98 percent of reported units came from data provided by municipalities.

Deed-restricted affordable units:

Each of the 14 Housing Taskforce municipalities provided MAPC with data on deed-restricted affordable units permitted. Not every municipality permitted deed-restricted affordable units during the time period

³ Not all of Brookline’s or Chelsea’s affordable units have an associated AMI level which is why their bars do not sum to 100%. Where an exact AMI level of affordable units is indeterminate, the units are grouped to their maximum AMI tier (i.e., units restricted to households earning 80% AMI or lower are all said to belong to the 51%-80% AMI level even if some may be restricted to households earning below 51% AMI). This pertains to some deed-restricted units in Revere, Somerville, and Arlington.

from 2015 through 2021, however: two municipalities (Malden and Winthrop) shared that they had none permitted during that period.

Affordable unit income restrictions:

Of those municipalities that permitted deed-restricted affordable units, all provided details on the level of affordability of the units, based on area median income thresholds.

Challenges

While each of the 14 Housing Taskforce municipalities made formidable efforts to collect and provide MAPC with the full set of data requested for the Tracking Progress task, and in most cases did share all the requested data, many municipalities relayed challenges they faced doing so. Those municipalities that didn't ultimately share data came up against insurmountable hurdles, given the time constraints of this phase of work.

The most common challenge shared by multiple municipalities is that the specifications of their permitting software do not allow them to record or extract easily the information required to pull these data. In most cases, this meant that municipal staff had to spend significant periods of time tracking down the required information to compile the data from scratch.

Another commonly shared challenge was that the information required to document the levels of affordability by AMI of permitted deed-restricted units are often not tracked by the same departments, teams, or staff as those that track the permits. In many cases, municipalities were able to coordinate with their colleagues or partners to identify affordability levels, but in Somerville—a municipality with hundreds of deed-restricted affordable units—information about AMI levels is contained only in planning documents and is not historically tracked in a spreadsheet or database. In this case, the municipality didn't have the staff capacity to comb through individual documents for their hundreds of deed-restricted affordable units. MAPC worked directly with Somerville, with the help of an intern, to extract AMI levels out of PDF documentation filed over the study period.

MAPC is committed to supporting Housing Taskforce municipalities through these challenges in whatever way we can. Given the frustrations expressed by many municipal staff members about permitting software, it may be worthwhile to explore opportunities for the collective procurement of permitting software.

Conclusions and Next Steps

Housing Taskforce member municipalities have made respectable progress at permitting new housing in their municipalities. Although this work understandably received a lower priority during the height of the COVID-19 pandemic, the work continued, and members came back reinvigorated to the Taskforce's work after the pandemic exposed the extreme racial and economic disparities facing residents of Greater Boston, and the impacts of those disparities on people's health and housing stability in the region. That said, the progress documented through this work shows that the Metro Mayors region has neither created enough housing to be on track to achieve the stated goal of 185,000 units by 2030 nor built enough affordable housing to meet ever increasing demand, despite strong efforts by some municipalities to do so. The findings of this work should be taken as motivation to continue to advocate for increased federal and state funding as well as adjustments to federal and state housing policy, and to further the communications work needed to build support for the development of more affordable, multifamily, and accessory housing throughout the region's municipalities.

MAPC will continue to support Housing Taskforce members in developing and implementing local housing policy and strategies to carry out this work at the local scale. We can also help to streamline permit procurement and can provide guidance and support on permit software specification as needed. We will work with the Housing Taskforce to plan out the collection of 2022 permit data.