



Homes for Everyone

As the third most expensive housing market for ownership and for renting in the nation, Metropolitan Boston is losing long-time residents and recent grads to more affordable locales (Zumper, 2020). High home prices also threaten our long-term economic competitiveness, as employers and employees balk at the high cost of living, housing the primary one. Our housing market also has a human cost, with severe cost burdens (spending 50% or more of their income on housing) affecting nearly one quarter of renters. Homelessness and housing instability for lower-income residents are increasing, while wait lists for public and other subsidized housing often number in the 1,000's.

The high cost of housing is due to high demand and limited production. Production of new homes is curtailed by construction costs, local regulations, and attitudes that perpetuate a history of exclusion and segregation. Low-income and BIPOC households are being displaced from their communities. And the central cities and higher wealth suburban submarkets are offering fewer and fewer options affordable to moderate- and middle-income households.

To counteract these trends, we'll need to build more housing, especially affordable housing, at a variety of price points. This will require more resources, updated zoning, and new construction approaches. We will also need to provide greater protections for renters and move to limit displacement. Eradicating discriminatory practices in the housing system will also require more investments in testing, planning, and compliance. Other action areas target the issues of creating better paying jobs, increased ability to build wealth, and building new homes in smart growth locations and with deep energy efficiency and more renewable energy sources to power them.

Vision

- ▶ Our shared vision imagines a future where all residents have safe and comfortable homes that they can afford in the communities that they prefer. A future where housing is available that meets the needs of the population, regardless of their stage of life, family size, income, or mobility barriers. A future where homelessness no longer exists. Some dream of becoming homeowners and others are happy to rent because their rental prices are stable and predictable. If we succeed in reaching our goals, those that want to buy a home will be able to and no renter or owner will have to pay more than 35% of their income on housing expenses. We also imagine a region that is less segregated, where our communities more closely reflect the demographics of the region as a whole. Homes in the future will be deeply energy efficient, even producing electricity that can feed back into the grid.

How We Got Here

There are a variety of reasons why Metro Boston is a high cost and highly segregated region, both the result of intentional choices. We were not always known for our high cost of housing. One of the most significant reasons for our high costs is the reduction in annual construction compared to the 1980's. The supply of new housing is not keeping up with demand. In 2021, the inventory of homes for sale is incredibly low, driving up prices even higher. One of the most significant barriers to housing production is local zoning. Zoning determines what can be built where. Many of our municipalities do not provide for significant opportunities to build multifamily projects, especially projects that include a percentage of units that are deed-restricted affordable housing units. As a result, housing production has not kept up with historical levels (and is not meeting demand), leading some developers to turn to Chapter 40B, the state's affordable housing law, to override local zoning in exchange for providing a percentage of the units as affordable. While far from a perfect law, Chapter 40B has resulted in the greatest number of affordable units built.

Even when proposed residential projects are consistent with local zoning, they are frequently met with opposition stemming from concerns over density, community character, traffic, who will live there, and fears about increased costs due to school-aged children. Researchers have found that this opposition frequently comes from a small, but vocal minority that is significantly more likely to be older, White male homeowners (Einstein, Palmer, Glick. Who Participates in Local Government? Evidence from Meeting Minutes. 2017). And this opposition can derail or significantly scale back the size of proposed projects. Discretionary permitting processes, legal appeals, and the difficulty of passing zoning amendments all contribute to a fraught regulatory environment that increases the cost of construction on top of high land and labor costs. Over the years to come, we will see what impact the [Housing Choice legislation](#) will have on limiting appeals and making it easier to adopt pro-housing policies through zoning and special permits.

Other factors contributing to high housing costs are profit motive and the removal of units from the for-sale or long-term rental markets. Private developers typically build to the top of the market where they realize greater profits from building luxury homes compared to middle-income or affordable ones. With high land and construction costs and low marginal costs between the types of construction, it is simply more profitable to build at the high end of the market. Homes and apartments are also being removed from the market, converted into investment properties. Through short-term rentals like Airbnb to longer-term, speculative investments as a place to park and build wealth, units removed the market are unavailable to residents looking for a permanent home. Limited financing for affordable unit construction and high land and labor costs are other major factors contributing to high housing costs.

The history of how we became so segregated is a much longer one than how we ended up such a high-cost region. Federal, local, and banking policies favored White homebuyers dating back to the early 20th century. Redlining cut off mortgage access to entire neighborhoods that were predominantly home to Black households. The GI Bill, federal lending policies, and social housing policy were designed to keep Whites separate from BIPOC communities (Rothstein, Color of Law. 2017). Redlining and covenants based on race no longer exist, but contemporary zoning continues to maintain regional segregation. Racial bias continues today through tactics like "steering" where real estate agents

guide prospective BIPOC buyers and renters away from neighborhoods that are predominantly White. While now illegal, discrimination continues to harm BIPOC buyers through predatory lending practices and landlord discrimination.

A lack of affordable housing opportunity effectively excludes low-income households from towns and neighborhoods with amenities, public services, and other opportunities, contributing to segregation by income and race. These high-price communities are frequently the same municipalities with high performing and well-funded public school districts. The disparities of school system performance by high-wealth municipalities compared to low-wealth municipalities, help to lock-in long lasting wealth and health disparities over time.

Challenges

Along with restrictive and exclusionary zoning found throughout our region, local opposition towards new residential construction can delay, pare down, and even stop development proposals and rezoning amendments outright. While there is growing pro-housing organizing throughout our region especially for affordable housing, anti-housing attitudes arise for a variety of reasons. Opponents to new housing often cite reasons including increased density, traffic, added school costs, erosion of community character, and negative environmental impacts. Less often stated reasons include racism and opposition to welcoming lower-income neighbors in affordable housing. Other objections come from a different perspective, stemming from fears of market-rate and even affordable units that existing residents cannot afford leading to increasing prices and rents and contributing to displacement of long-term residents.

The lack of homes affordable to low- and increasingly middle-income potential buyers and increasing home prices, generally, in many neighborhoods are causing households to pay ever-increasing shares of their income to cover housing costs or displacing them to lower-cost markets. Market forces, along with restrictive zoning, are driving these trends, as more, higher-income owners and renters compete over limited supply, and the public sector interventions are insufficient to respond to market trends. Wage growth in middle- and low-income occupations is nowhere close to keeping up with the rising housing costs, creating a further disconnect between what the market is offering and what our residents are able to afford.

Tenant protections, support for low-income homeowners, and efforts to enforce anti-discrimination and Fair Housing laws are similarly underfunded and lacking. The rapid rise in housing prices and rents over the past decade has placed great pressures on owners and renters, alike. Rent hikes, property taxes, and evictions are pushing people out of their homes and into new communities, sometimes far removed from where they were previously. The pandemic and associated job losses are resulting in housing instability for renters and owners, alike.

Despite a relatively high level of state support for affordable housing programs, resources are insufficient to meet the demand for permanently affordable units, subsidies to renters through vouchers, or for supportive housing. Public housing authorities generally do not have the resources to build new affordable units, AMI calculations do not reflect neighborhood incomes, and the lack of sufficient resources to build new affordable units is inadequate.

Recommendations

Our short-term recommendations focus on producing more multifamily, energy-efficient, and affordable homes in smart growth consistent locations, such as in downtowns and close to public transportation. Deeper subsidies and support for first generation homebuyers, especially for BIPOC households are needed. And much stronger interventions to minimize displacement and discrimination in the housing markets, especially renter protections, must be prioritized.