IMPACT OF POST- COVID POPULATION SHIFTS ON HOUSING AFFORDABILITY

Western Massachusetts Municipal Conference

April 9, 2022

Easthampton, MA

Moderator:

Tom Matuszko, Executive Director, Berkshire Regional Planning Commission
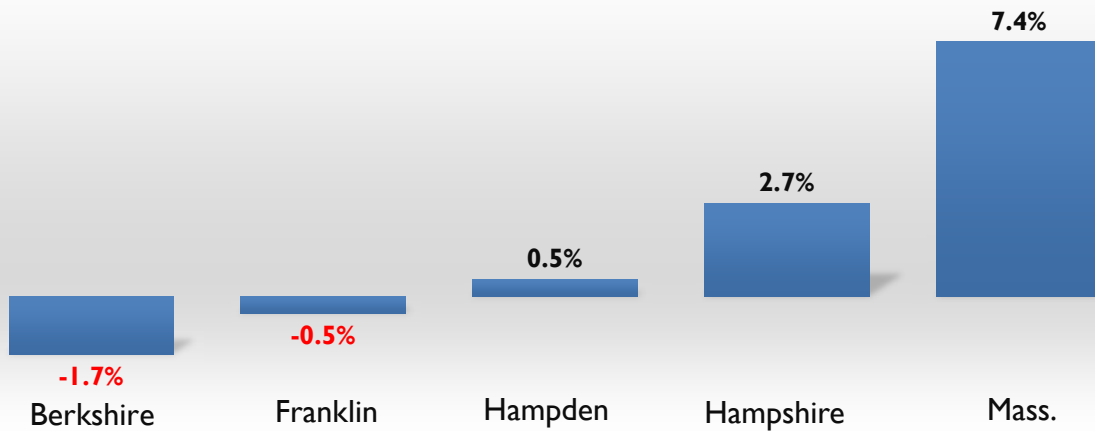
Panelists:

Jessica Atwood, Franklin Regional Council of Governments

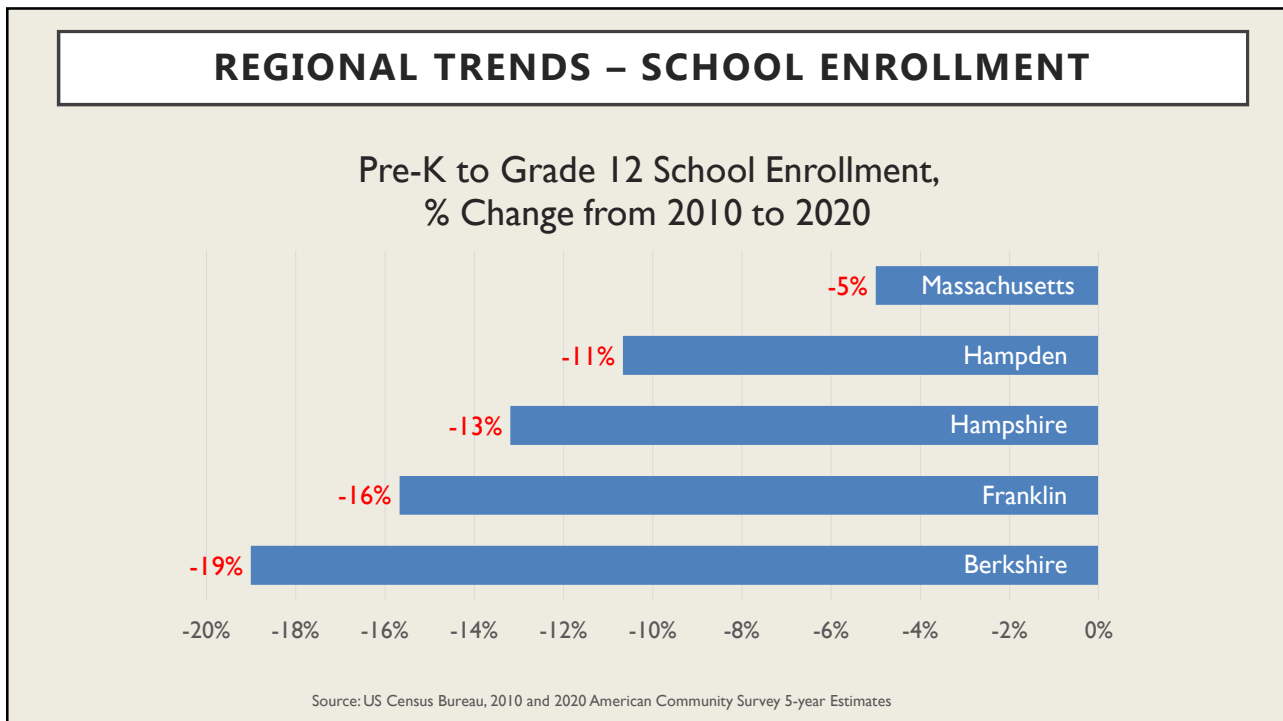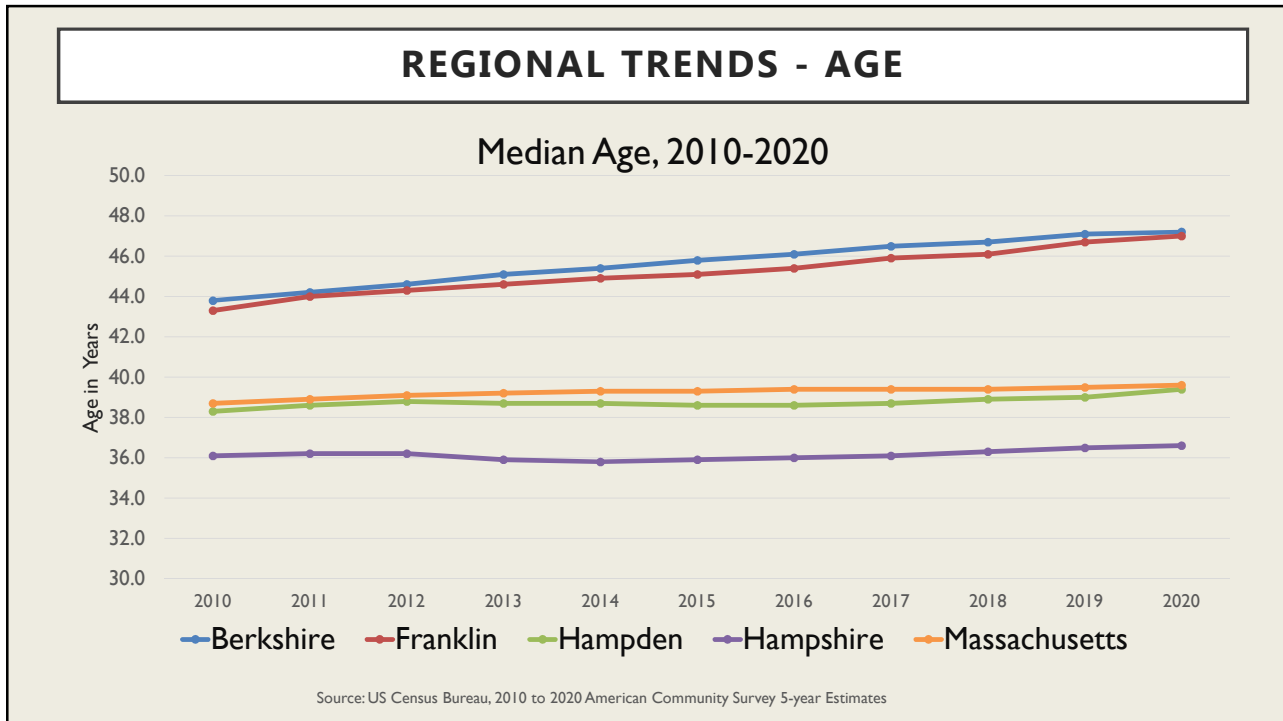Alyssa Larose, Franklin County Regional Housing and Redevelopment Authority

Christopher Rembold, Great Barrington

REGIONAL TRENDS- POPULATION

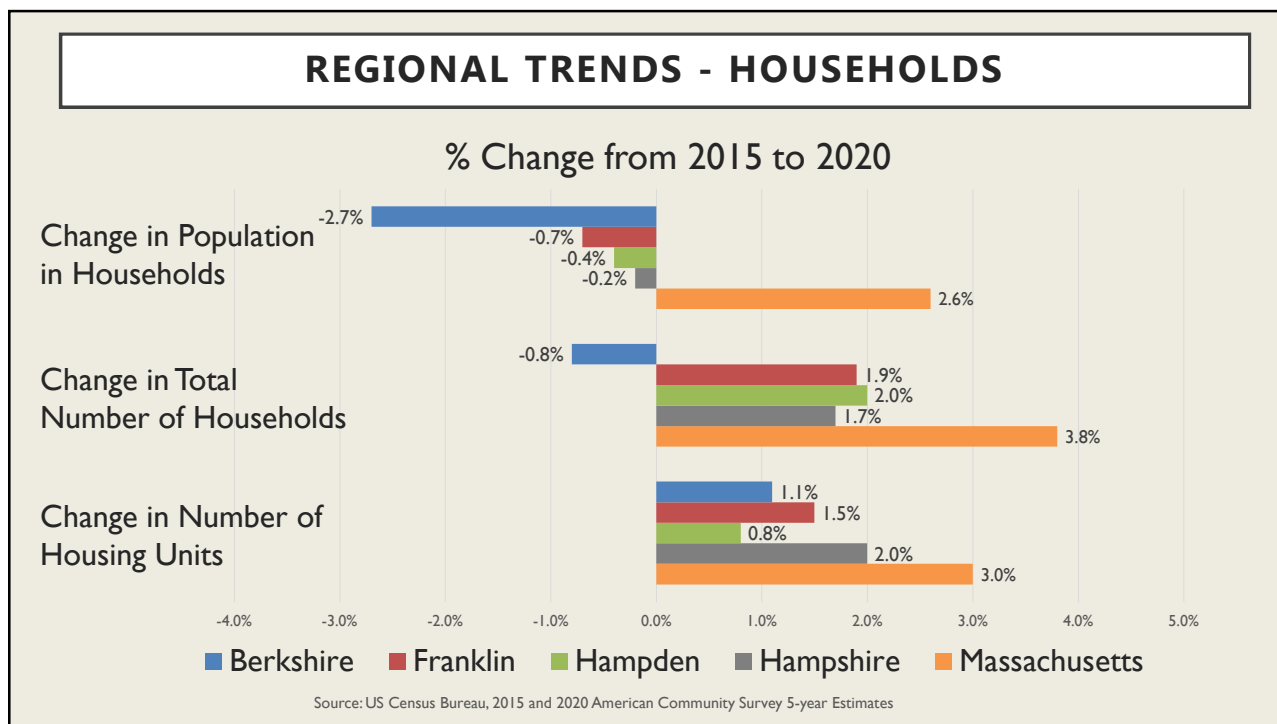% Total Population Change
from 2010 to 2020

Berkshire	Franklin	Hampden	Hampshire	Mass.
-1.7%	-0.5%	0.5%	2.7%	7.4%

Source: US Census Bureau, 2010 Census and 2020 Census Redistricting Data

REGIONAL TRENDS - AGE

Median Age, 2010-2020

Source: US Census Bureau, 2010 to 2020 American Community Survey 5-year Estimates

REGIONAL TRENDS – SCHOOL ENROLLMENT

Pre-K to Grade 12 School Enrollment, % Change from 2010 to 2020

Source: US Census Bureau, 2010 and 2020 American Community Survey 5-year Estimates

REGIONAL TRENDS - HOUSEHOLDS

% Change from 2015 to 2020

Source: US Census Bureau, 2015 and 2020 American Community Survey 5-year Estimates

REGIONAL TRENDS - INCOME

Median Household Income, 2010-2020

Massachusetts 23%
Hampshire 20%
Franklin 11%
Berkshire 24%
Hampden 14%

Source: US Census Bureau, 2010 to 2020 American Community Survey 5-year Estimates

REGIONAL TRENDS – HOME SALES PRICE

Median Single Family Home Sales Price, 2015-2021

Hampshire 42%
Franklin 52%
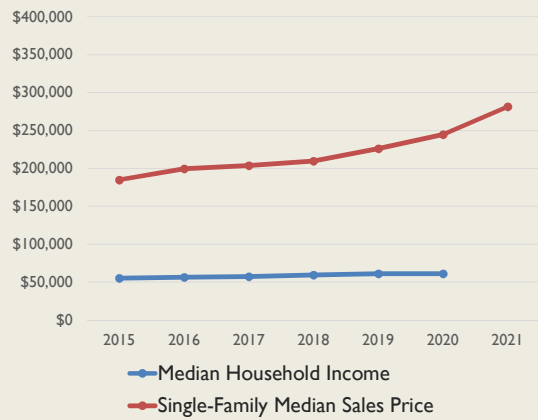Berkshire 62%
Hampden 48%
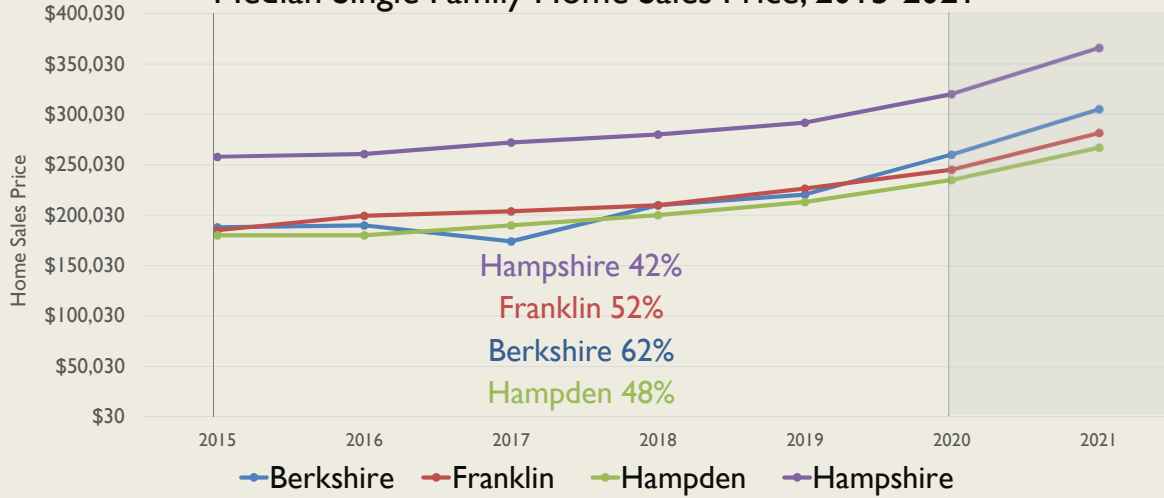
Source: Massachusetts Association of Realtors, Market Data

REGIONAL TRENDS - INCOME & HOME SALES PRICE

Berkshire Median Household Income and Single-Family Median Sales Price, 2015-2021
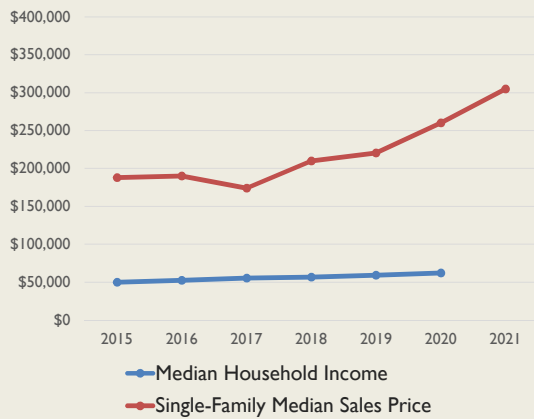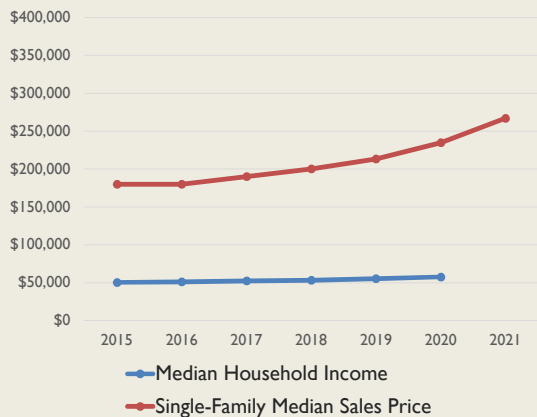
Franklin Median Household Income and Single-Family Median Sales Price, 2015-2021
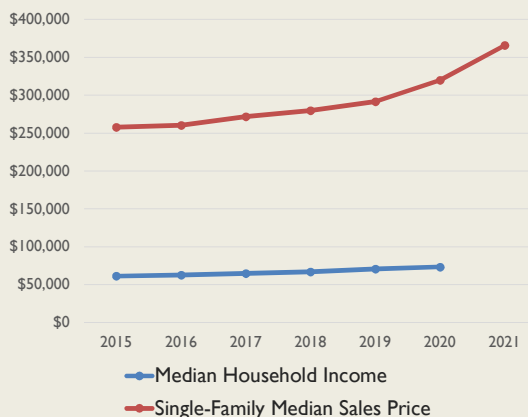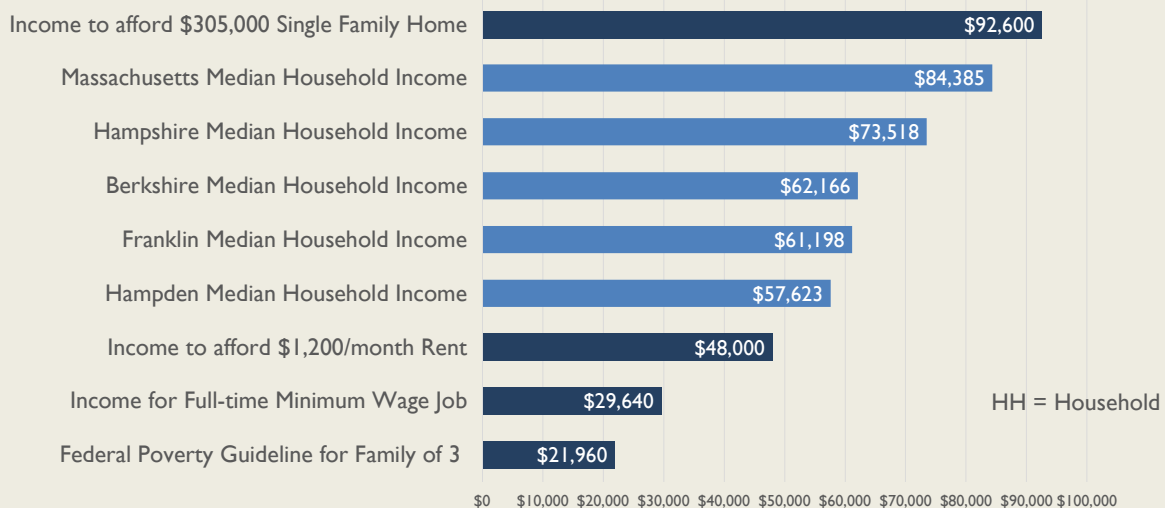
Source: US Census Bureau, 2020 American Community Survey 5-year Estimates; Massachusetts Association of Realtors, Market Data

REGIONAL TRENDS - INCOME & HOME SALES PRICE

Hampden Median Household Income and Single-Family Median Sales Price, 2015-2021

- Median Household Income
- Single-Family Median Sales Price

Hampshire Median Household Income and Single-Family Median Sales Price, 2015-2021

- Median Household Income
- Single-Family Median Sales Price

Source: US Census Bureau, 2020 American Community Survey 5-year Estimates; Massachusetts Association of Realtors, Market Data

REGIONAL TRENDS – INCOME

Category	Amount
Income to afford $305,000 Single Family Home	$92,600
Massachusetts Median Household Income	$84,385
Hampshire Median Household Income	$73,518
Berkshire Median Household Income	$62,166
Franklin Median Household Income	$61,198
Hampden Median Household Income	$57,623
Income to afford $1,200/month Rent	$48,000
Income for Full-time Minimum Wage Job	$29,640
Federal Poverty Guideline for Family of 3	$21,960

HH = Household

$0 $10,000 $20,000 $30,000 $40,000 $50,000 $60,000 $70,000 $80,000 $90,000 $100,000

Source: US Census Bureau, 2020 American Community Survey 5-year Estimates; U.S. Department of Health and Human Services, 2021 Federal Poverty Guidelines; MLS Property Information System, as reported in UMass Donahue Institute's Greater Springfield Regional Housing Analysis; MA DHCD housing calculator (to determine affordable incomes)

REGIONAL TRENDS – HOME AFFORDABILITY

Berkshire County
HOAM Index 90.3
Median Income $58,851
Median Home Price $278,033
% of Median Income 33.2%

Franklin County
HOAM Index 90.4
Median Income $59,985
Median Home Price $271,583
% of Median Income 33.2%

Hampshire County
HOAM Index 97.5
Median Income $75,979
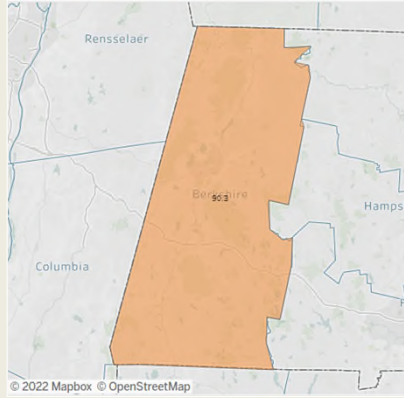Median Home Price $319,333
% of Median Income 30.8%

Hampden County
HOAM Index 97.3
Median Income $62,111
Median Home Price $263,046
% of Median Income 30.8%

Pittsfield, MA
January 2022
Federal Reserve Bank of Atlanta Metro-County Home Ownership Affordability Monitor (HOAM) Index
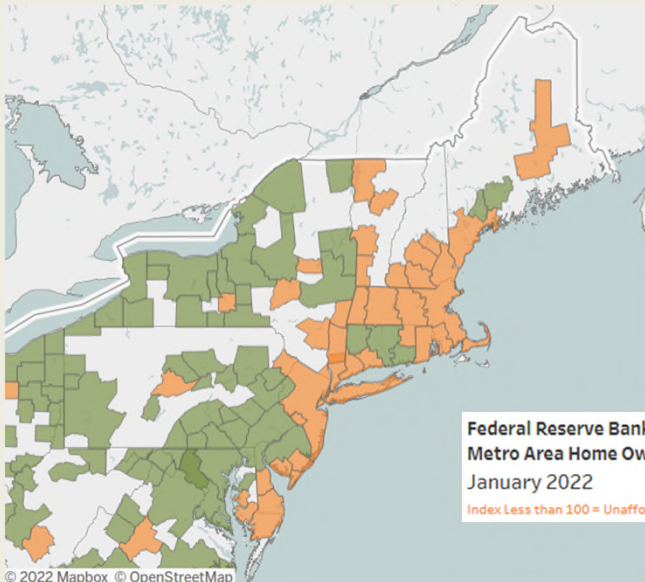Index Less than 100 = Unaffordable

Springfield, MA
January 2022
Federal Reserve Bank of Atlanta Metro-County Home Ownership Affordability Monitor (HOAM) Index
Index Less than 100 = Unaffordable
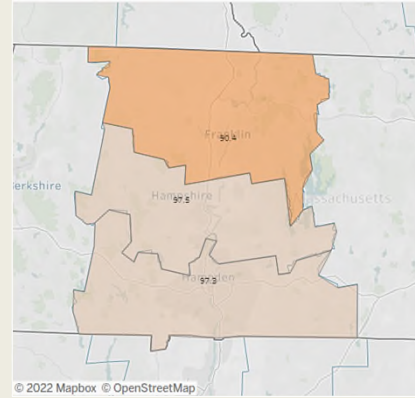
A HOAM index value **lower than 100** indicates that the median household income
is insufficient to cover the annual costs of owning a median-priced home
(the housing cost is greater than 30 percent of income).

Source: Atlanta Federal Reserve Board, Center for Housing and Policy, Home Ownership Affordability Monitor (HOAM), January 2022

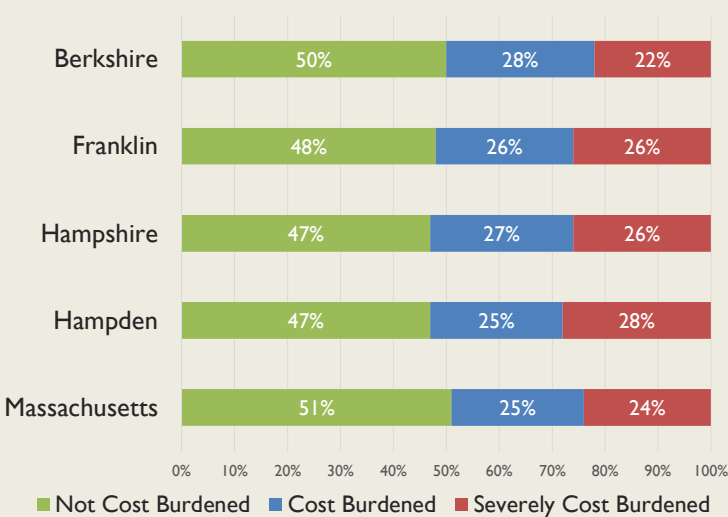# REGIONAL TRENDS – HOME AFFORDABILITY

Federal Reserve Bank of Atlanta
Metro Area Home Ownership Affordability Monitor (HOAM) Index
January 2022
Index Less than 100 = Unaffordable

© 2022 Mapbox © OpenStreetMap

Source: Atlanta Federal Reserve Board, Center for Housing and Policy, Home Ownership Affordability Monitor (HOAM), January 2022

REGIONAL TRENDS – HOUSING COST BURDEN

Renter Units by Cost Burden, 2020

County	Not Cost Burdened	Cost Burdened	Severely Cost Burdened
Berkshire	50%	28%	22%
Franklin	48%	26%	26%
Hampshire	47%	27%	26%
Hampden	47%	25%	28%
Massachusetts	51%	25%	24%

■ Not Cost Burdened ■ Cost Burdened ■ Severely Cost Burdened

Federal Reserve Bank of Boston®   New England Public Policy Center

Regional Brief | 2021-1 | April 21, 2021

Rental Affordability and COVID-19 in Rural New England

"even where rents are lower, households do not necessarily experience less financial pressure, not if lower incomes negate the benefits of low rents. **In 2019, for example, the rural communities in Western Massachusetts had above-average rates of housing-cost burden despite that area's average rent being about 15 percent less than the state's rural-area average.**"
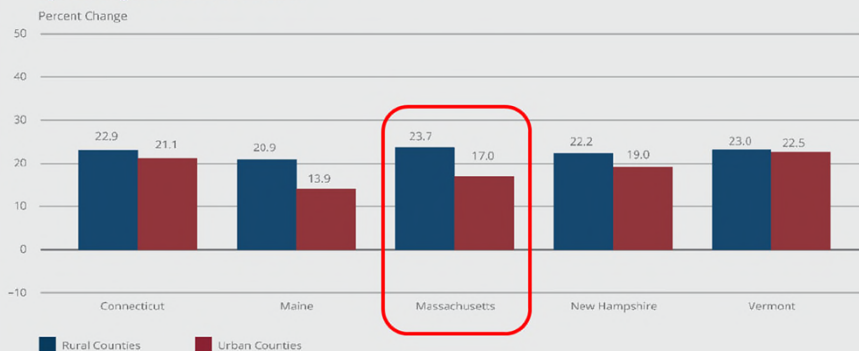
Source: US Census Bureau, 2020 American Community Survey 5-year Estimates; Boston Federal Reserve Board, *Rental Affordability and COVID-19 in Rural New England,* April 2021

REGIONAL TRENDS – HOUSING COST BURDEN

"Between 2000 and 2019, the rent-to-income ratio increased in both rural and urban parts of New England, meaning that rental costs increased as a share of household income. However, they increased more in rural areas than in urban ones, and thus **rural renters saw a greater loss of rental affordability during this period than their urban counterparts.**"

Figure 4: Change in Rent–to–Income Ratio
By New England states, 2000–2019

Percent Change

	Rural Counties	Urban Counties
Connecticut	22.9	21.1
Maine	20.9	13.9
Massachusetts	23.7	17.0
New Hampshire	22.2	19.0
Vermont	23.0	22.5

■ Rural Counties ■ Urban Counties

Source: Boston Federal Reserve Board, *Rental Affordability and COVID-19 in Rural New England,* April 2021

REGIONAL TRENDS – SHIFTING LOCATIONS

Figure 16. USPS Net Change of Address Requests per 10,000 Housing Units
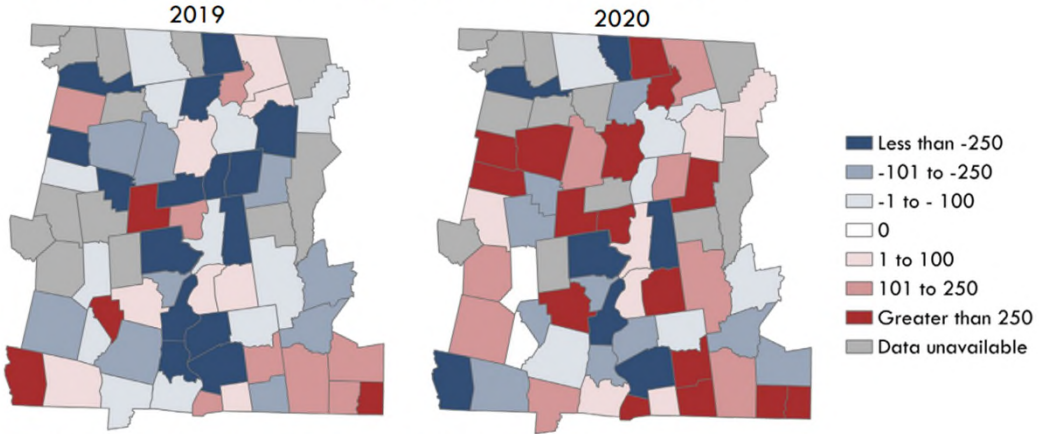
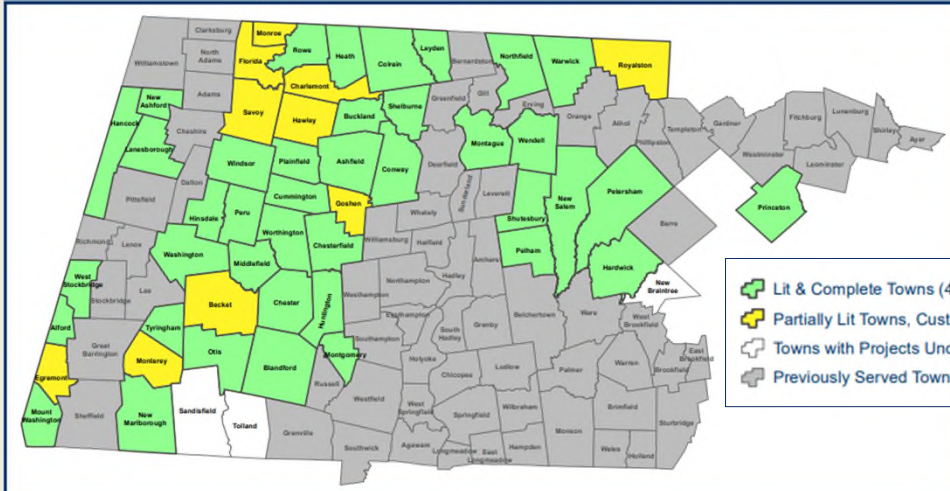Source: USPS Change of Address Stats 2019-2020; ACS 2015-2019 5-Year Estimates

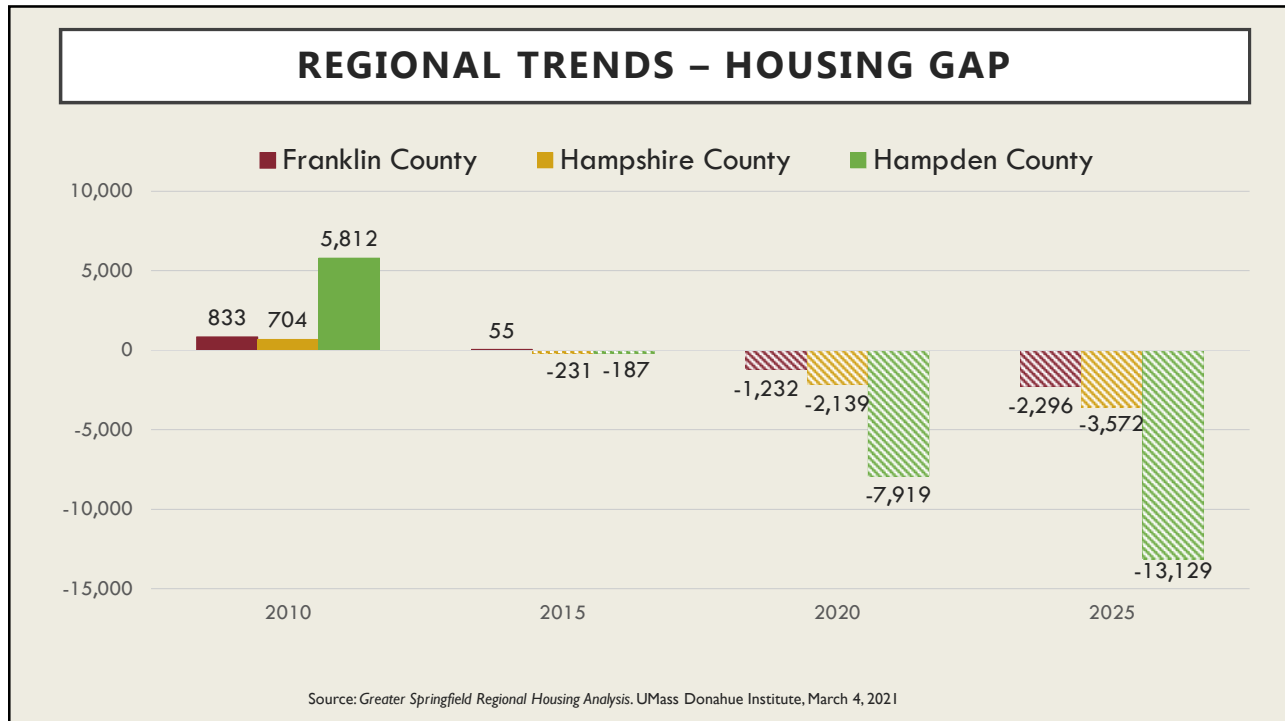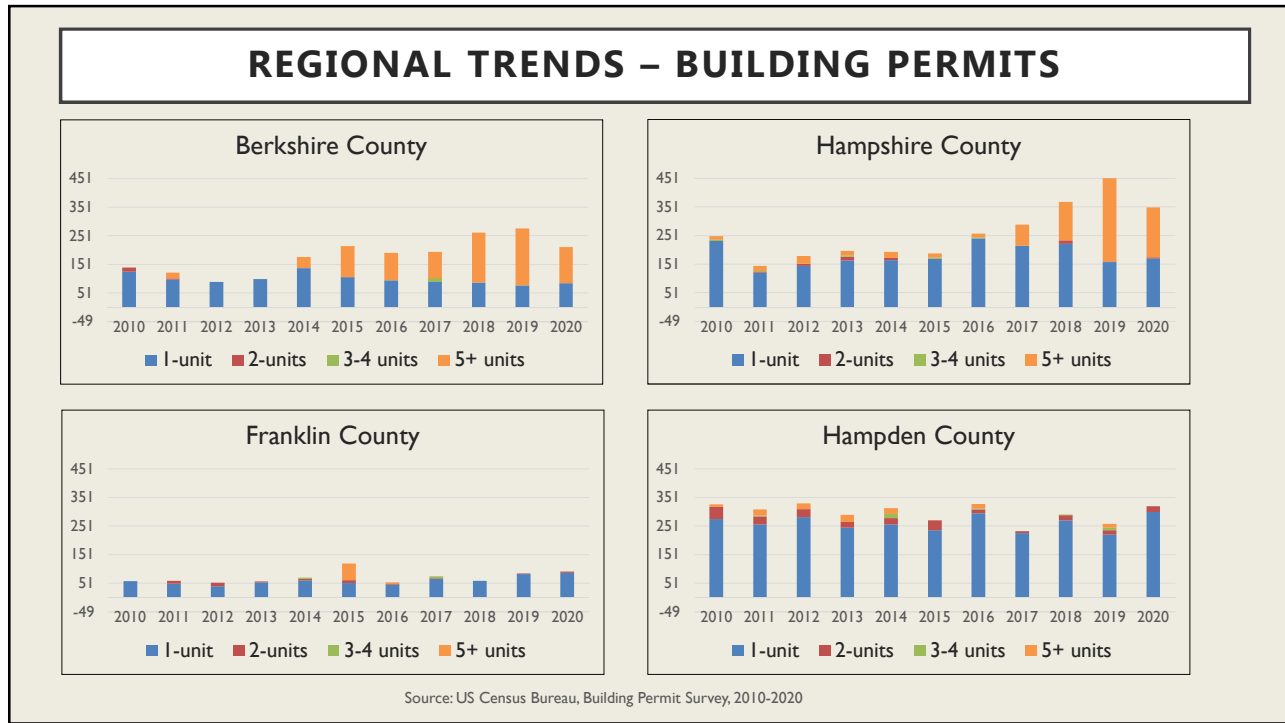Source: UMASS Donahue Institute, *Springfield & Pioneer Valley Phase II*, January 2022

REGIONAL TRENDS – SHIFTING LOCATIONS

Source: Massachusetts Broadband Institute, Last Mile Broadband Projects Status, March 1, 2022

REGIONAL TRENDS – BUILDING PERMITS

Berkshire County

Hampshire County

Franklin County

Hampden County

Source: US Census Bureau, Building Permit Survey, 2010-2020

REGIONAL TRENDS – HOUSING GAP

■ Franklin County   ■ Hampshire County   ■ Hampden County

833   704   5,812   55   -231   -187   -1,232   -2,139   -7,919   -2,296   -3,572   -13,129

2010   2015   2020   2025

Source: *Greater Springfield Regional Housing Analysis*. UMass Donahue Institute, March 4, 2021

DEVELOPMENT CHALLENGES
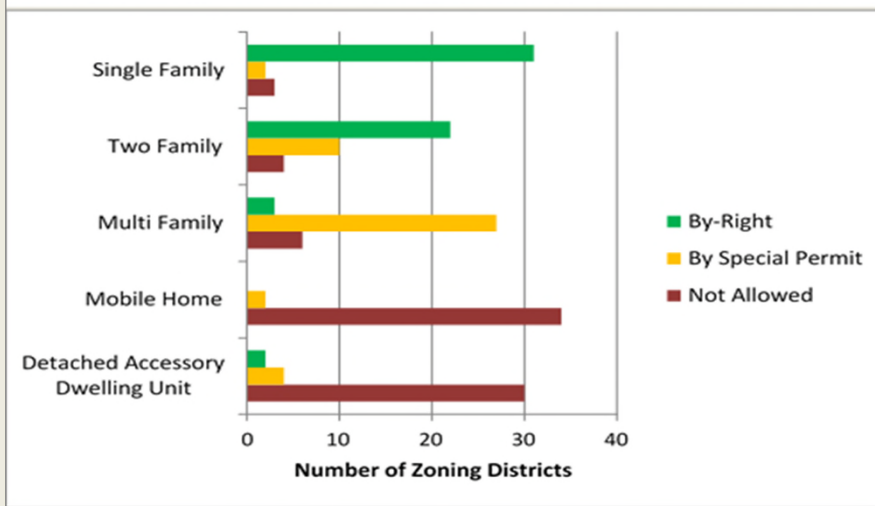
MAP:
Inventory of Public Water
and Sewer Systems in
Franklin County.

Source: Franklin Regional Council of Governments

DEVELOPMENT CHALLENGES

Figure 1: Zoning for Housing Types in Districts with Water and Sewer

Source: Franklin Regional Council of Governments, 2017, for Pioneer Valley Habitat for Humanity

DEVELOPMENT CHALLENGES

Further Restrictions on Multi-Family Housing Development

DEVELOPMENT CHALLENGES

Town of Montague's
Village of Turners Falls

Town Hall

First Street row housing circa 1895- From Montague Historical Society Archives

Town Hall

Building Removed

COVID IMPACTS ON DEVELOPMENT

SINGLE FAMILY:

"As a minimum, I see $250/sq. ft. cost but that goes up quickly with upper end materials. The average house cost an extra $40-$50K in material costs, last year, due to price increases. That $250 cost does not include land, septic, well, etc."

– FCCIP Building Commissioner, December 2021

$375,000 for Construction only

COVID IMPACTS ON DEVELOPMENT

MULTI FAMILY:

- Pre-pandemic per unit total development costs ranged from $350,000 to over $400,000; the current range is north of $500,000 per unit. **Rural projects often cost more**.
  - The TDC per unit (bid pre-pandemic) for the 33-unit Sunderland affordable senior housing project is $408,000.
- For small scale projects, these costs are higher.
  - 12 units estimated to have a TDC over $6 million, with TDC per unit over $500,000.
  - Funding gap of over $2 million.

Sanderson Place Senior Housing Development, Sunderland

TDC = Total Development Cost

TOWN OF GREAT BARRINGTON

TOWN OF GREAT BARRINGTON

- Located in southwest Berkshire County
  - economy driven by, and housing market impacted by, tourism and second homes
  - near constant high demand for homes – rental and ownership – and lack of inventory at popular price points

- Population decline since peak of 7,727 in 1990
- Slight increase 2010 to 2020, now at 7,172 (2020 Census)

- Approximately 3,600 housing units (2020 Census)

- County wide median family income $80,900 (2020, per HUD)
- Local median income estimated at $56,000
- Median Household income owner occupied units estimated at $84,000
  - For renter occupied units: $40,000

TOWN OF GREAT BARRINGTON

Our housing goals and strategies, before COVID-19

Increase organizational capacity
- Established and funded Affordable Housing Trust Fund
- PB+SB joint housing subcommittee
- Partner with BRPC and others on regional housing issues

Provide financial assistance to retain and create new affordable housing
- CDBG housing rehab program (three-town effort)
- $2.4 million CPA towards housing
    - Predevelopment financing for our nonprofit development partners, downpayment assistance grants (through the Housing Trust), and land acquisition for new housing (Habitat to develop 20 homes on Town land)
- Foreclosed properties for affordable housing

TOWN OF GREAT BARRINGTON

And

Updating/amending zoning and other regulations to support housing production in smart growth locations
- OSRD zoning to promote cluster development
- Mill overlay zone to encourage mixed-use / multifamily redevelopment in mills
- Permitted 2-family units by right, and ADUs by right throughout town
- Replaced outdated 1960 zoning with mixed-use zoning, small setbacks, reduced parking in three key areas: Housatonic Village, State Road, and South Main/Mahaiwe
- Created process to for existing nonconforming multifamily homes to be conforming uses
- Approved a 40R SGOD zoning bylaw allowing multifamily by right with affordable units
- Reduced setbacks, parking, lot coverage, open space requirements in other close to downtown zones
- Refined regulations governing ADUs to be more flexible, and now allow tiny house to be permitted as ADUs
- New zoning bylaw allows former nursing homes to be converted to multifamily housing

TOWN OF GREAT BARRINGTON

Success!   Great track record at Town Meeting
          Over 10% SHI
          45-unit multifamily 100% affordable project in our 40R zone
          Designated a Housing Choice community

But, there is a lot more work to do

Income Category	% of Area Median Income	Income Range
Middle Income	101% - 120%	$80,900 - $97,079
Moderate Income	81% - 100%	$64,710 - $80,899
Low Income	51% - 80%	$40,450 -$64,719
Very Low Income	30% - 50%	$24,270 - $40,449
Extremely Low Income	Under 30%	Below $24,270

Income Category	Affordable Monthly Housing Costs	Affordable Rental Units Available	Affordable Homeownership Units Available	Total Affordable Units Available	Total Number of Households	Estimated Affordable Housing Units
Middle	$2,427	10	111	121	199	-78 deficit
Moderate	$2,022	0	219	219	191	28
Low	$1,618	345	400	745	480	265
Very Low	$1,011	433	42	475	446	29
Extremely Low	$607	61	16	77	582	-505 deficit
Totals (0-120% AMI)		849	788	1,637	1,898	-261 deficit

TOWN OF GREAT BARRINGTON

Since COVID-19…

"What are your recovery-related concerns, both for your business and for the region as a whole?"

"We need more housing, period."

"The need to house the workforce, those from 80-120% of AMI is the biggest need."

"Huge challenge to hire, recruit and retain employees due to a high cost of housing."

"If one can find housing it often is not in town, so public transportation is an issue."

"Consumers demand want local food, local produce, and people spend a lot at restaurants that feature it, but we don't have the ability to house the farmers or the restaurant workers."

"Workforce housing education is a huge issue. It people expect their favorite restaurant or store to be open, they need to be ready to accept housing, provide housing, and support housing."

TOWN OF GREAT BARRINGTON

Since COVID-19...

- 2019-2021 2% increase school enrollment
- Estimated 10% increase in net migration from 2019-2020 (NYT based on USPS)
- Median residential sales price increased 43% from $380,300 in 2019 to $466,500 in 2020.
- Median listed home price in November 2020 was $525,000
- County-wide housing inventory is now at a 20-year low

Berkshire County Board of Realtors, Residential Sales Data for Great Barrington:

	2019	2020	2021
Total sales	$29.9 M	$73 M	$73.7 M
Avg. sales price	$411,000	$599,000	$652,000

TOWN OF GREAT BARRINGTON

2018
Median income $56,000
Affordable price: $213,400
Median sale price $345,000
Difference: -$131,600

2021
Median income $56,000
Affordable price: $213,400
Median listed price $510,000
Difference: -$296,600

TOWN OF GREAT BARRINGTON

Since COVID-19…

➤ What was already a crisis has been made worse
➤ Construction costs are worse than ever
➤ Existing units are too expensive for the workforce. Ditto land, if you can find it
➤ Crisis means we cannot wait 10 more years for another large tax credit project.

TOWN OF GREAT BARRINGTON

Immediate / near term strategies we are implementing and exploring

- Using ARPA and CPA funds
- AG's abandoned housing initiative / receiverships
- Activate existing housing, underused hotels and group quarters
- Capital campaign with our nonprofits to purchase housing
- Employer assisted housing development (hospital, college, etc.)
- Incentives for the private sector to provide employer sponsored rentals, for short and especially longer terms
- Property tax incentives up front and/or reduced/phased-in assessments for:
  - Renting to low- and moderate-income households
  - Building an ADU for long term rental (no income limit)
- ADU feasibility/engineering/building/permitting assistance program
- Short term rentals – regulations to disincentive commercial use, and buy-outs to convert STRs to long term rentals

Questions or Comments?

Moderator:

- Tom Matuszko, Executive Director, Berkshire Regional Planning Commission

Panelists:

- Jessica Atwood, Franklin Regional Council of Governments
- Alyssa Larose, Franklin County Regional Housing and Redevelopment Authority
- Christopher Rembold, Great Barrington