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Housing Issues in Dedham.

Sponsored by the Town of Dedham Human Rights Commission, written by Margaret Matthews

Patricia Smith (pseudonym to protect privacy) is a single, middle-aged woman with 20 years experience in her chosen profession. Up until the Covid19 shutdown in March, she was working full time, paying her rent on a 1 bedroom apartment, making her car lease payments and, while not living in luxury, was able to make a middle class life for herself. With the Covid shutdown, she was completely out of work for 4 months. In late July, 3 things happened all at once: she was able to return to work only part time, the federal funds for enhanced unemployment payments stopped, and her landlord raised her rent by \$200 per month. All of a sudden, she is looking at financial disaster. Like many Americans, she is living paycheck to paycheck and has a very small safety net. One of the things she feels forced to do is apply for affordable housing. Affordable housing in almost every town in Massachusetts has a years-long waiting list. She literally doesn't know what she is going to do.

Stories like Patricia's are becoming as epidemic as the virus. Recently, several articles in the Boston Globe cited statistics for organizations that deal almost exclusively with affordable housing. These articles cited examples such as an organization with 500 units that has a waiting list of over 17,000 names. Another one with 220 units estimates its wait list is 4 to 8 years long for one person to finally hit the top of the list. Anyone applying in 2020 is definitely at the bottom of the list. For organizations like the Dedham Housing Authority that are constrained by state laws on residential priorities, a local Dedham resident who has waited for years to reach the top of the list can be instantly replaced by an out of town applicant who claims homelessness. More people are applying every day while the headlines show a huge wave of expected evictions once the ban is lifted later this year.

Most of these people, like Patricia, want to work, are able to work, ARE working, but are now caught between rent at market-based levels and the increasingly strained financial conditions a global pandemic and changing economy are imposing on all of our lives. But really, the Covid 19 pandemic has simply sped up a new reality that has been creeping up on our society in the last few years: it is getting harder to create a consistent and dependable middle-class existence. America's promise that, if you are willing to work you can "get ahead" in life is simply getting harder to fulfill. If you are in a marginalized minority group, statistics tells us this gets even harder.

What can a community do to protect its housing stock and its increasing numbers of people in need?

Increase Affordability

The first question most people have is "What IS affordable housing?" What is the calculation for it? What are the laws on it? What is required? It is interesting that no laws govern the definition of affordability; only guidelines exist. Most organizations—federal or state-run affordable housing groups as well as most developers accept a definition of affordability that is calculated based on 80% of the Average Median Income, or AMI, of a household in an area. Most also accept that anyone who pays over 30% of his/her/their income for housing is "burdened." People who pay over 50% of their income toward housing are considered "severely burdened."

What does this really mean?

At the federal level, Dedham is considered to be in the same area as Boston for purposes of average median income, which is \$113,000. A look at Dedham-only results in a significantly lower AMI of \$89,514, but no one is required to use the lower number. The accepted threshold for 80% of AMI yields an income of \$71,611 for Dedham only, and \$90,400 if using the federal guideline connecting us to Boston. 30% of that level of income divided by 12 months gets you to a target housing cost range of \$1790-\$2260 per month to avoid becoming “rent burdened”. This is the rate that a landlord could offer going by government guidelines in order to be able to say that s/he is offering “affordable units.” Recent perusals of rents around Dedham for buildings that have been developed in the last decade look to start in the \$2200 and can continue to over \$5000 for 1 or 2 BR units.

Let’s look at this another way. Using publicly available data, a teacher in Dedham who has earned tenure, has a Master’s degree and is in year 5 of his/her/their contract makes \$70,340 in 2020. Using the math above, this person/household should pay no more than \$1759 in housing costs to remain unburdened. Note that this figure is BELOW the \$1790 “affordable” rate using Dedham’s AMI. This teacher simply does not make enough salary to qualify for a rent level that is deemed “affordable” using 80% of AMI at the local Dedham level, much less at the much higher “part of Boston’s area” AMI.

Another example might be a retired senior trying to live on Social Security. Let’s even say this person earned the rare right to the maximum Social Security level of \$3790 per month, currently the most ANYONE can get if s/he waits until 70 to apply. Using the 30% level to achieve a rent that does not present a burden results in suggested housing costs not exceeding \$1137 per month. Contrast this level with the market rates noted above for the newer developments in Dedham—buildings close to downtown, often with elevators to one floor units—all highly desirable features for seniors in Dedham, and you can begin to see the problem.

What If we were able to alter the definition of affordability to be more like 70% of AMI? What if we were able to mandate that developers use the lower Dedham \$ for AMI, instead of the much higher Boston area AMI? Could the numbers work to open up more units to people at levels that might offer truly affordable levels? Just a 10% drop in “affordability” to 70% AMI at the Dedham level opens up an affordable unit level of \$1566 for that teacher with a Master’s degree at Year 5. At the local level, as a community, this could open up all sorts of possibilities for these earners who are just below the AMI for their community.

To be fair, it is important to consider the developer or landlord position as well. Developers have costs and requirements as well that have to be met in order for them to develop in Dedham. Some opinions exist that a developer or landlord could offer THIS level of affordability only if their costs were subsidized in some way—probably at the state or federal level.

But has anyone even asked? Has anyone actually run the numbers for a Dedham development? What if we did and it opened up even 2 more units at true “affordable” levels?

At the local level, we do have the right to enact stricter constraints on requirements for future development. Maybe we should consider exercising that power?

Ease Zoning Requirements for Affordable Housing

One of the simplest tools in the toolbox is to allow developers who WANT to include affordable units in a development a simpler, faster path to earning approvals to build. In the business world, time means money and jumping the zoning hurdles is often an expensive slowdown. While lots of people want to pile on the notion of “greedy developers”, these businesspeople do have bank loans to pay, salaries for employees, taxes, and even certain requirements on projected rates of return in order to even get the loans from banks that finance their projects. It’s not just a matter of “greed”; it’s the way American business is run. If time is money, how could we speed up this process for them, thereby encouraging them to analyze their financials so that perhaps they could offer one more unit as affordable, or offer one of their units at the 70% rate?

In addition to simplifying and expediting the permit process, a variety of other incentives could be offered to developers to include more truly affordable units in any project they propose. Dedham’s Planning Board is actually offering a warrant for the November 2020 Town Meeting that includes language to do exactly this. The proposal would incent a developer to consider including affordable units by allowing a slightly higher density of units in a project. Discussion on this matter is sure to be vibrant at Town Meeting.

Expand the Diversity and Density of Housing Stock

One way to attack the 2 headed monster—the one where developers need to cover their costs, repay their loans, make their own living, etc., and the other where a community offers more affordable levels of housing to a greater mass of people is to look at poking traditional suburban housing standards, most of which were developed in the post-World War II/Baby Boom era. Particularly in densely populated areas like the Northeast, the notion of a single-family home on an acre lot is becoming a more burdensome requirement. Interestingly, this notion of a single family home alone amongst green acreage that so dominated the post-World War II suburban growth is now being challenged by the Millennial generation’s desire to live closer to town centers, to be walking distance to town centers and transportation sites, and to be in the growing service and delivery areas. New England’s small town structure is perfectly suited to this growing trend and we can see it in the growth of residential units in the heart of Dedham Square. In the past, notions of housing density have been shot down due to fears of decreasing single family home property values. In reality, none of this type of growth has slowed down the growth in value; actually, the opposite has been true for Dedham. As we’ve offered more town center rentals and service convenience, Dedham’s popularity as a town to live in has increased, keeping real estate values at an all time high.

Currently, mixed use development, with commercial real estate on the ground floor and residential rentals above is the easiest option available for developers. That’s why we’ve seen these crop up like mushrooms. While this development has certainly filled a need in Dedham, we may be in danger of over saturating the market by relying too much on the “one trick pony”. What else can Dedham do to incent a greater variety of housing? How can we make these other options as expeditious as the mixed use option? These are the questions we need to be asking now. Perhaps it is time to revive the notion of multi-families. Perhaps it is time to revisit making condominium complexes with an ownership model

more popular. There are even “rent to equity” type movements in other towns that are beginning to be explored that promote long term rentals.

Allow Accessory Dwelling Units

Accessory Dwelling Units, or ADUs for short, is a new topic for an old idea. This would enable a single family homeowner to convert a section of a house, or a garage into livable space, for rental income or for a family member’s independent usage. During the Depression and mid-20th century, this type of housing was a common theme. It provided living space for someone who needed it, and perhaps some valuable income for the homeowner. Communities across the US are starting to allow more ADUs as a way to relieve the pressure for more housing. It is a way to enable seniors to remain in their homes as well as help out young graduates who simply cannot afford to live on their own yet. In addition to other benefits, ADUs which are rented out tend to have more affordable rents than apartments in buildings managed by professional developers, providing more options for residents. Livable Dedham and the Dedham Planning Board hosted a meeting about ADUs last spring to gauge interest in expanding this type of housing in Dedham.

What can a community do to impact lasting change?

A community is made up of individuals. The real question here may be what can any individual do to effect lasting change?

Educate ourselves on our town and its options. For example, the topic of Housing is the focus for for Dedham’s Master Plan meeting on Tuesday, September 15 and is open to the public. Attend this Zoom-based meeting from the comfort of your home! You’ll find details on the Town website. It is an opportunity to learn more and voice your support for some of the ideas here—expanding affordability, easing zoning, allowing for alternative structures like ADUs, or allowing an image of a community that has a range of housing type, not just the single family 3000 sq foot home on lawn acreage.

Call your Town Meeting Rep and urge a yes vote in November for the Planning Board articles.

Show up at Planning Board, Select Board, and other meetings to voice your support for expanded housing options in Dedham.

Call our state Representative Paul McMurtry and Senator Mike Rush and ask about housing policy or options that are being considered, or should be considered in the legislature. Too often, the people who call our representatives are the ones who are fearful of change and tend to be negative voices. Our leaders need to understand the positive sides of arguments as well.

Lastly, we all may need to reexamine our (perhaps previously unknown or unspoken) biases toward people who need affordable housing options. Like for Patricia, this is a growing problem for an increasing number of our community members.

<https://www.dedham-ma.gov/home/showdocument?id=12357&fbclid=IwAR1uu0qlwrdC2P5vXKmkd2LS5p2PdYY-OmfgQ7peIScXNvjzPqyPlxRWjMY>

