WHO CAN WIN THE LOTTERY?
INEQUALITY IN THE DEVELOPMENT AND MARKETING OF SUBSIDIZED HOUSING

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THREE KEY FINDINGS

• We are not building anywhere near enough housing, subsidized or market-rate, to meet the region’s demand!

• Access to subsidized housing is deeply unequal

• State failure to collect systematic information about subsidized housing
  • Makes it harder to access subsidized housing
  • Hampers policy evaluation
A WORD ABOUT DEFINITIONS

- Subsidized housing = any housing produced through government funding or regulatory incentive
  - Tax credit projects
  - Chapter 40B
  - Inclusionary zoning
DATA AND METHODS

- Interviews (some anonymous, some on the record)
- Document review
- Analysis of subsidized housing units from Housing Navigator, HUD, MAPC, and DHCD
INEQUALITY IN SUBSIDIZED HOUSING PRODUCTION

Distribution of Subsidized Rental Units in Housing Navigator Sample Municipalities, by total units and percentage of all housing units.

Source: Housing Navigator; 2020 American Community Survey
Even given this housing scarcity...

- In 2022, multiple subsidized housing unit lotteries went unfilled in communities including Belmont, Wakefield, Kingston, Bellingham, Scituate, Plymouth, and Sudbury.

- Housing in these developments (and similar ones) is available on a first-come, first-serve basis.
HOW CAN WE HAVE AVAILABLE SUBSIDIZED UNITS DURING A HOUSING CRISIS?

- Information fragmentation
- Onerous application process
- Exclusionary restrictions

Our limited subsidized housing stock is not being distributed fairly!
• You can’t apply to housing if you don’t know it exists!

• In an ideal world, we’d have centralized data!

• Right now, system requires private property owners across over 100 jurisdictions to effectively market their properties. This is a tall order!

• We’re starting to build centralized data (Housing Navigator), but, right now data is fragmented by program type (e.g., Chapter 40B, state tax credit)
AFFIRMATIVE MARKETING PLANS

• In the absence of a centralized data source, how do developers let homeseekers know about units?

• State and federal guidelines require affirmative marketing plans that include outreach to underrepresented communities

• Typically written by housing consulting firms on behalf of the developer

• No centralized state repository of affirmative marketing plans, despite their importance in fair housing
  • Separated by program type (e.g., Chapter 40B and state tax credit)
  • These were very difficult to obtain! Evaluate 3 that were shared with us by a housing consulting firm and DHCD, and 2 that we were able to locate on town websites.
AFFIRMATIVE MARKETING PLANS

• Specify outreach plans, including a detailed list of contacts for:
  
  • Government officials (including public housing authorities)
  
  • Nonprofits/CDCs
AFFIRMATIVE MARKETING PLANS

• **Affirmative marketing plans frequently copy and pasted from one plan to the next**
  - We found two plans six years apart with copy and pasted contact information for nonprofits/CDCs in Boston (same group of nonprofits/CDCs listed over and over again)
  - Multiple email addresses out of date
  - Other nonprofits/CDCs contacted said they are not well-suited to distributing information about subsidized housing developments that they receive, and do not distribute this information

• **Limited outreach to Gateway Cities and City of Boston government agencies**
  - Boston nonprofits/CDCs are routinely contacted
  - No contact with Boston Housing Authority and Boston Public Schools (schools and housing authorities in wealthy suburbs are regularly included)
  - Contact with Gateway Cities is more inconsistent
  - Closest majority non-white cities to suburban developments are often left off of affirmative marketing plans (e.g, Kingston plan reaches out to Boston, but not Brockton; Manchester-by-the-Sea plan reaches out to Boston, but not Lynn; Easton plan reaches out to Weston and not Brockton)
LOTTERIES

• Subsidized housing developments hold lotteries to fairly distribute housing in the face of excess demand

• Yet, many lotteries do not fill (one housing consultant responsible for dozens of lotteries over the last decade found that almost half of theirs did not fill in 2022)

• Suggest significant problems in the marketing of these developments

• State government is not tracking lottery outcomes at all (including racial demographics) for state-subsidized developments (e.g., Chapter 40Bs or tax credit projects)
  • All of these data are housed with developers!
CENTRALIZED INFORMATION

• In 2018, Housing Navigator brought together data from a variety of different federal, state, and local sources to create a searchable database of subsidized housing opportunities.

• Features key details, including number of bedrooms, that are often unavailable from other sources.

• City of Boston’s MetroList provides detailed information about some units:
  • Limited information for the total life of the property
  • Limited information about Gateway Cities and suburbs
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FRAGMENTED APPLICATION PROCESS

• Have to fill out lengthy application with financial documentation just to enter a lottery

• Different application for every state and local policy program, and, at times, individual developments

• Dissuades homeseekers from even applying

• Increases the likelihood of mistakes
Riverside Commons Affordable Application Checklist

Required documents for the applicant’s eligibility determination and annual income re-certifications:

_____ Complete, sign and date Affordable Application
_____ Proof of identity for all household members (ex. Copy of driver’s license, social security card or birth certificate)
_____ Proof of income (3 Bi-Weekly consecutive paystubs) or (6 Weekly consecutive paystubs)
_____ Sign Consent of Release for Information

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_____ Tax returns/W2
_____ Release of information form, signed and dated (HUD-9887) or other approved consent form
_____ Tenant Income Certification (TIC) form
_____ Certification Worksheet/Recertification Update Worksheet
_____ Personal Declaration as applicable

_____ Third party income verification. (Income is the amount anticipated to be received during the next 12-months)

OR

_____ Signed statement of zero income (Affidavit)

_____ Asset verification for all assets (including bank accounts, retirement accounts, real estate, stocks, bonds, etc.)
_____ Disposed asset verification

In some cases, the following documentation is needed:

_____ Verification of disability
_____ Verification of live-in attendant
_____ Verification of unemployment benefits
_____ Verification of Section 8 assistance or Social Security payments (letter from Social Security)
_____ Proof of change in family characteristics (ex: divorce, death, birth)
_____ Proof of gift income source, if payments are received regularly
_____ Proof of alimony/child support OR declaration that court-ordered support is not being received
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EXCLUSIONARY RESTRICTIONS

• Local preferences

• Age restrictions

• High cost of affordable housing in suburban communities

• Inaccessible location of subsidized housing

• Failure to prevent private-market discrimination
LOCAL PREFERENCES

- Many communities state that people who live, work, or go to school in a community receive preference in a lottery.

- In addition to explicitly favoring community residents, local preferences may dissuade applications from outsiders, especially given difficulty of process.

- Local housing consultant: “The biggest things towns care about is local preference. They want that.”
• There is clearly a need for senior housing

• But, cannot ignore racial bias
  • 65+ population in MA: 87 percent white
  • 18-65 population in MA: 73 percent white
  • <18 population in MA: 65 percent white
HIGH COST OF SUBURBAN HOUSING

• Subsidized developments often set with relatively high rents, with maximum incomes for a family of four seeking housing at $110,000

• David Gleich (Boston Housing Authority): “Are we interested in serving someone who is a resident of Hingham and they’re at or below 80% [of Area Median Income]? Or, are we interested in serving families who don’t have anywhere to go, who are homeless, who are couch surfing?”
INACCESSIBLE LOCATION OF SUBSIDIZED HOUSING
INACCESSIBLE LOCATION OF SUBSIDIZED HOUSING
FAILURE TO PREVENT PRIVATE-MARKET DISCRIMINATION

• Rampant discrimination among realtors, landlords, and lease managers (Boston Foundation/Suffolk University)

• Need to continue to better regulate this endemic problem
CONCLUSION

- **We need more centralized management of subsidized housing:**
  - Chief of Housing data
  - Centralized database
  - Centralized application system

- **We need better monitoring and enforcement of fair housing regulations, and to abolish exclusionary restrictions like local preferences.**

- **We need to encourage/require local regulations and funding that spur the construction of more housing of all types.**
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