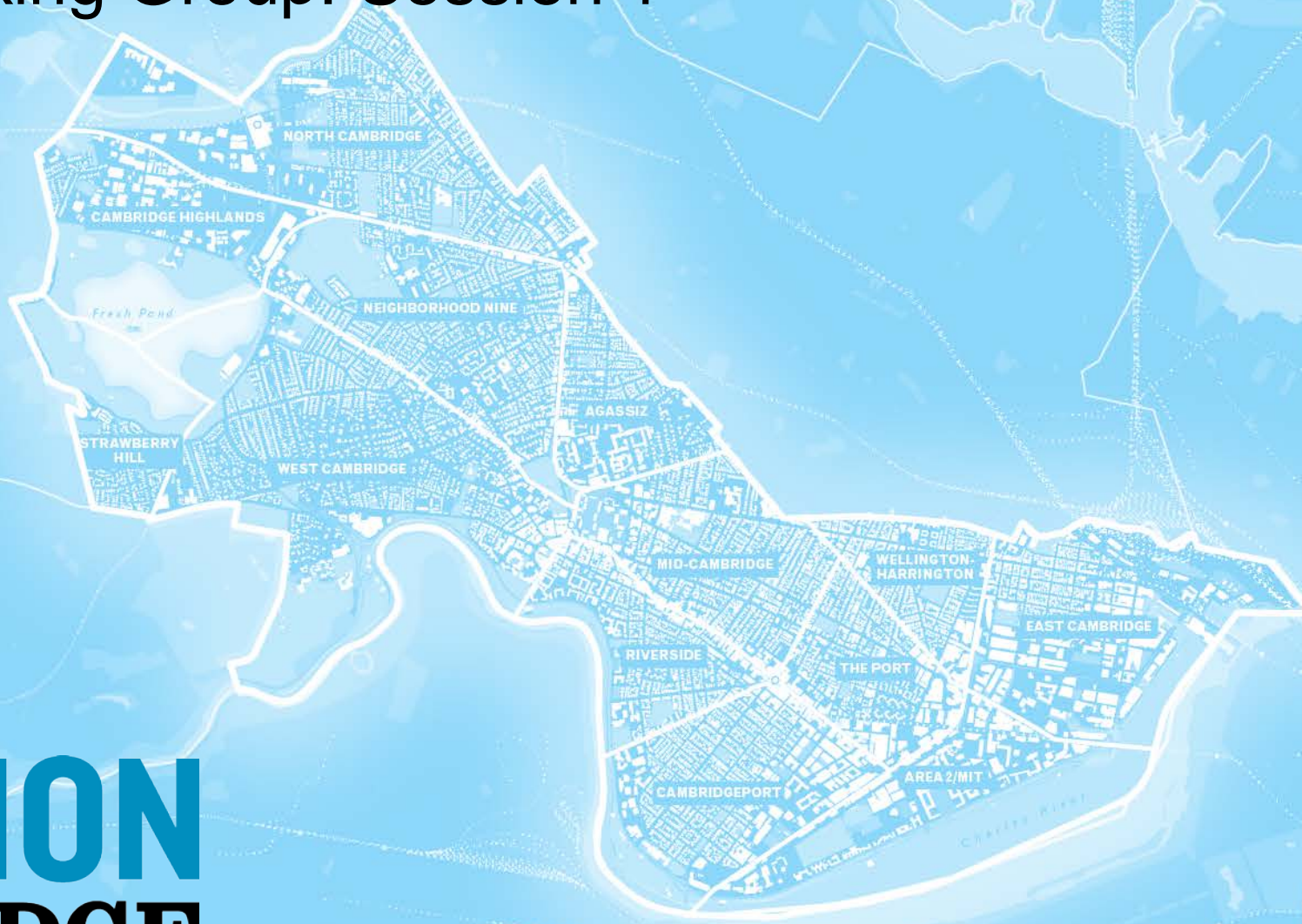


Housing Working Group: Session 1

May 18, 2017



ENVISION CAMBRIDGE

Agenda

Process Overview

Existing Conditions

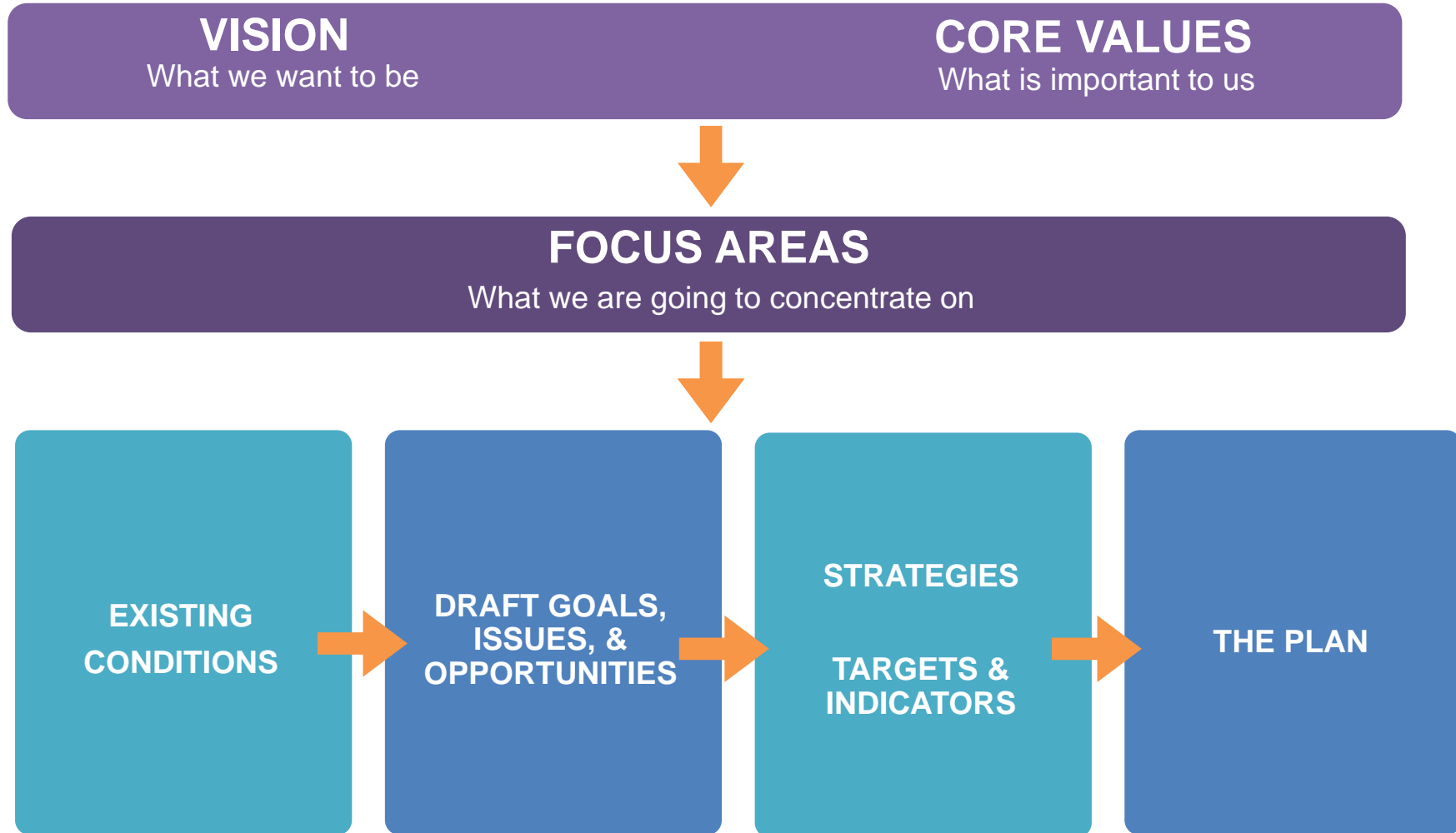
Issues, Goals, & Opportunities

Process Overview



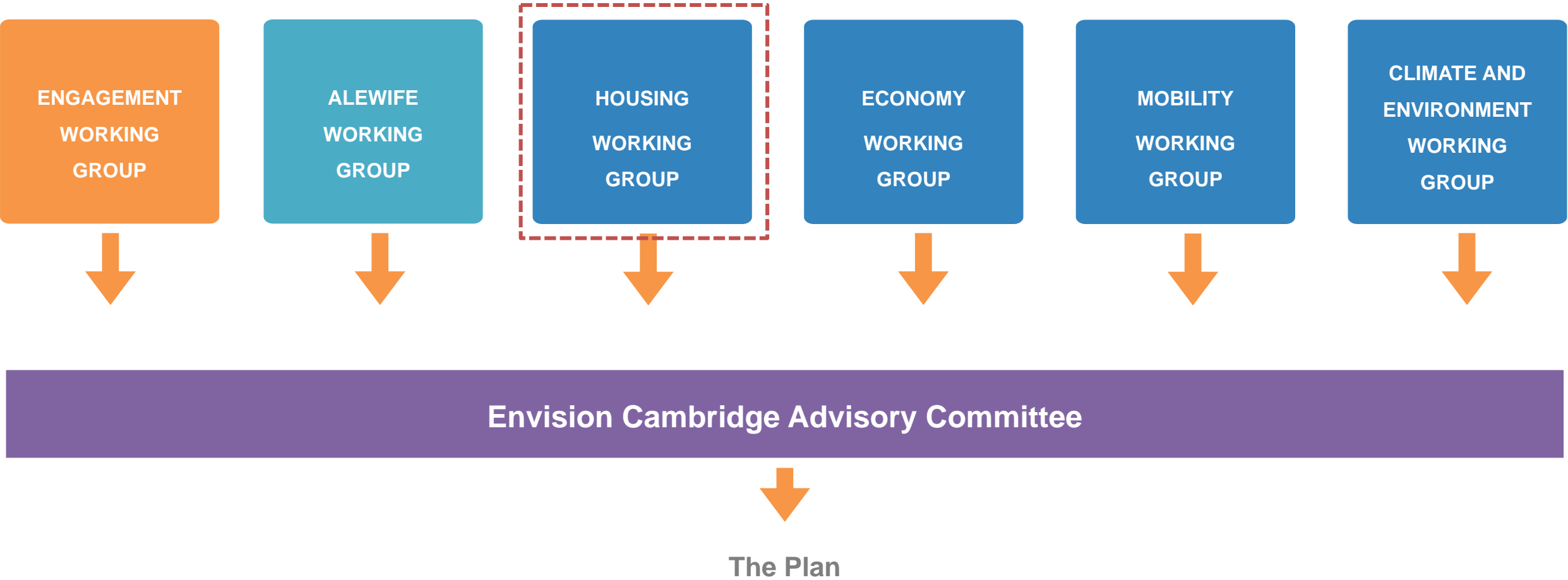
Project Framework

For definitions of key terms, please refer to the provided glossary.



Housing Working Group's Role

Six working groups will provide input to the Envision Cambridge Advisory Committee for plan development.

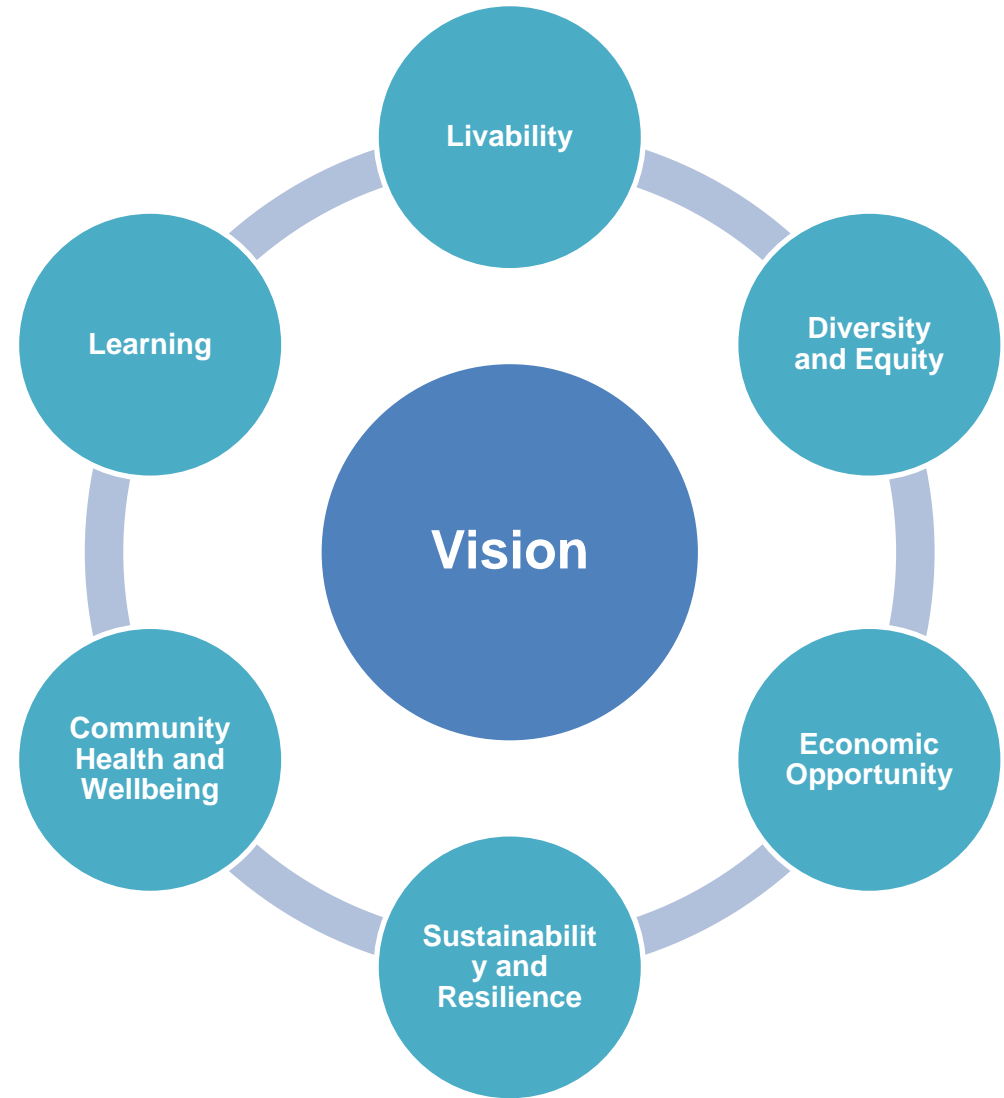


Spring 2017 Working Group Schedule



Vision & Core Values

“Cambridge is a forward-thinking, welcoming, and diverse city. We enjoy a high quality of life and thrive in a sustainable, inclusive, and connected community.”



Existing Conditions



Data Sources

U.S. Census Bureau Decennial Census

Census conducted by the U.S. Census Bureau of all the residents living in a particular place every 10 years.

American Community Survey Estimates

Ongoing survey conducted by the U.S. Census Bureau that is based on a sample of responses from one, three, and five year intervals.

U.S. Department of Housing and Urban Development Comprehensive Housing Affordability Strategy (CHAS) Data

Data based on American Community Survey data that summarizes housing affordability for a particular place.

Key Terms

Family Households

Households in which the householder lives with one or more people related by birth, marriage, or adoption.

Non-Family Households

Households in which the householder lives alone or with only non-relatives. These households often consist of roommates and unmarried partners.

Median Household Income

The median income of households in a given Census-defined geography, such as the City of Cambridge (a Census-defined place). The median is based on incomes as reported to the U.S. Census Bureau. It is a true median, wherein half the incomes in the area fall below it and half fall above it.

Area Median Income (AMI)

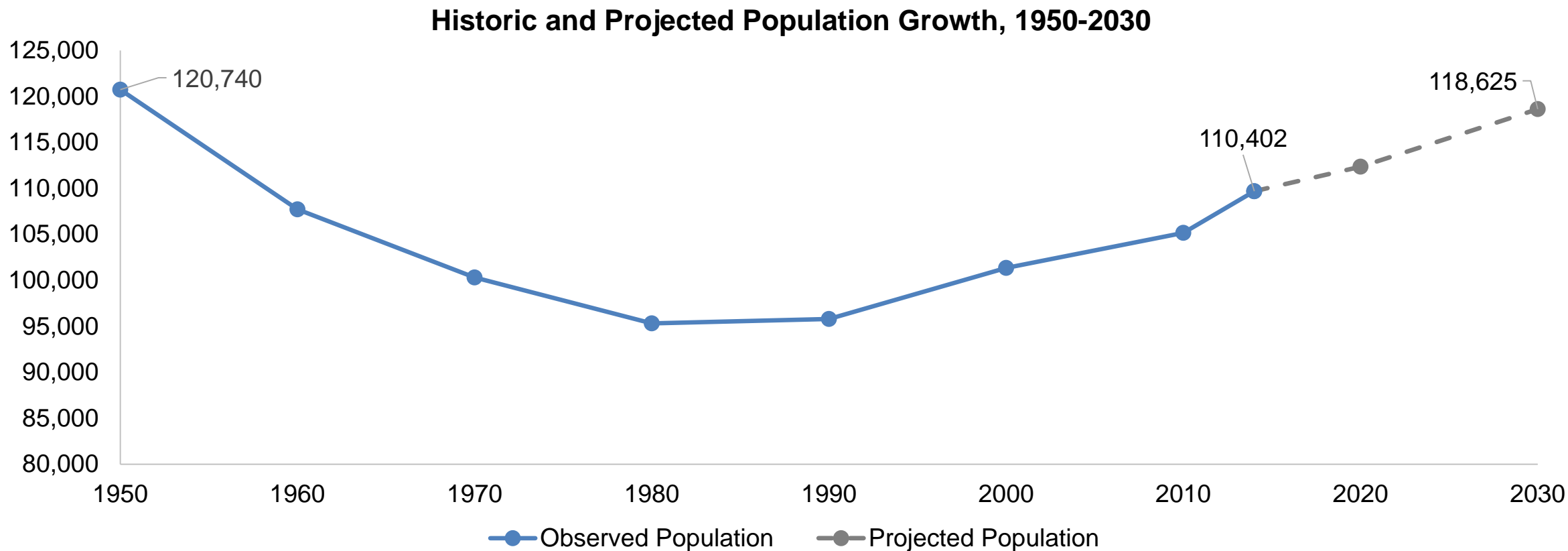
The median income of households in a given region, as defined by the U.S. Department of Housing & Urban Development for the purpose of benchmarking housing affordability. Cambridge falls within the Boston-Cambridge-Quincy metro area for AMI.

Cambridge Population and Housing Profile

	Cambridge	Boston	Massachusetts
Population	110,402	669,469	6,794,422
Population Density (Population Per Square Mile)	17,290	13,867	871
Households	45,569	261,492	2,559,951
Avg. Household Size	2.0*	2.4	2.6
Housing Units	47,291*	286,120	2,845,805
Homeownership Rate	38.8%	34.1%	61.7%

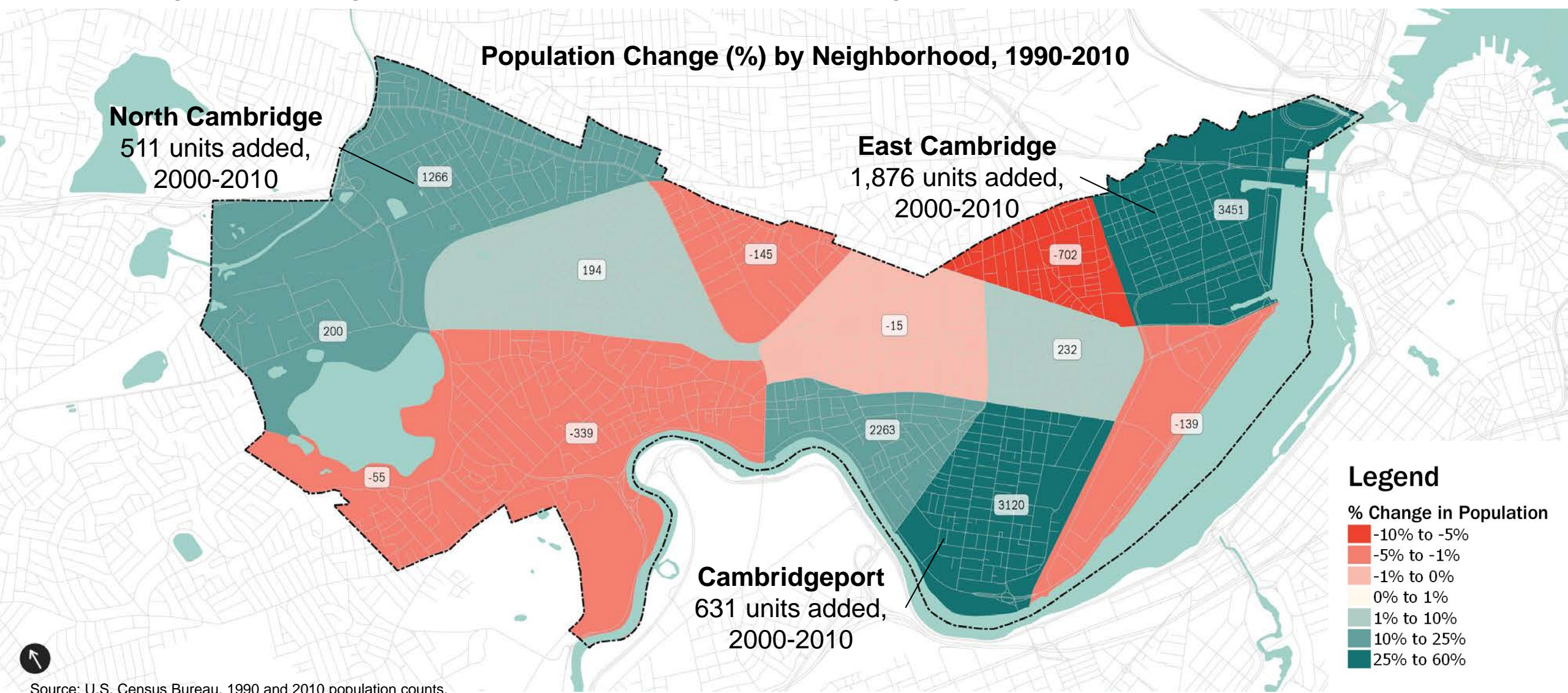
Source: 2015 American Community Survey 1-Year Estimates. *Starred data sourced from City of Cambridge Housing Profile, 2016.

Cambridge's population has rebounded since 1980, and is projected to be close to exceeding its mid-century peak by 2030.



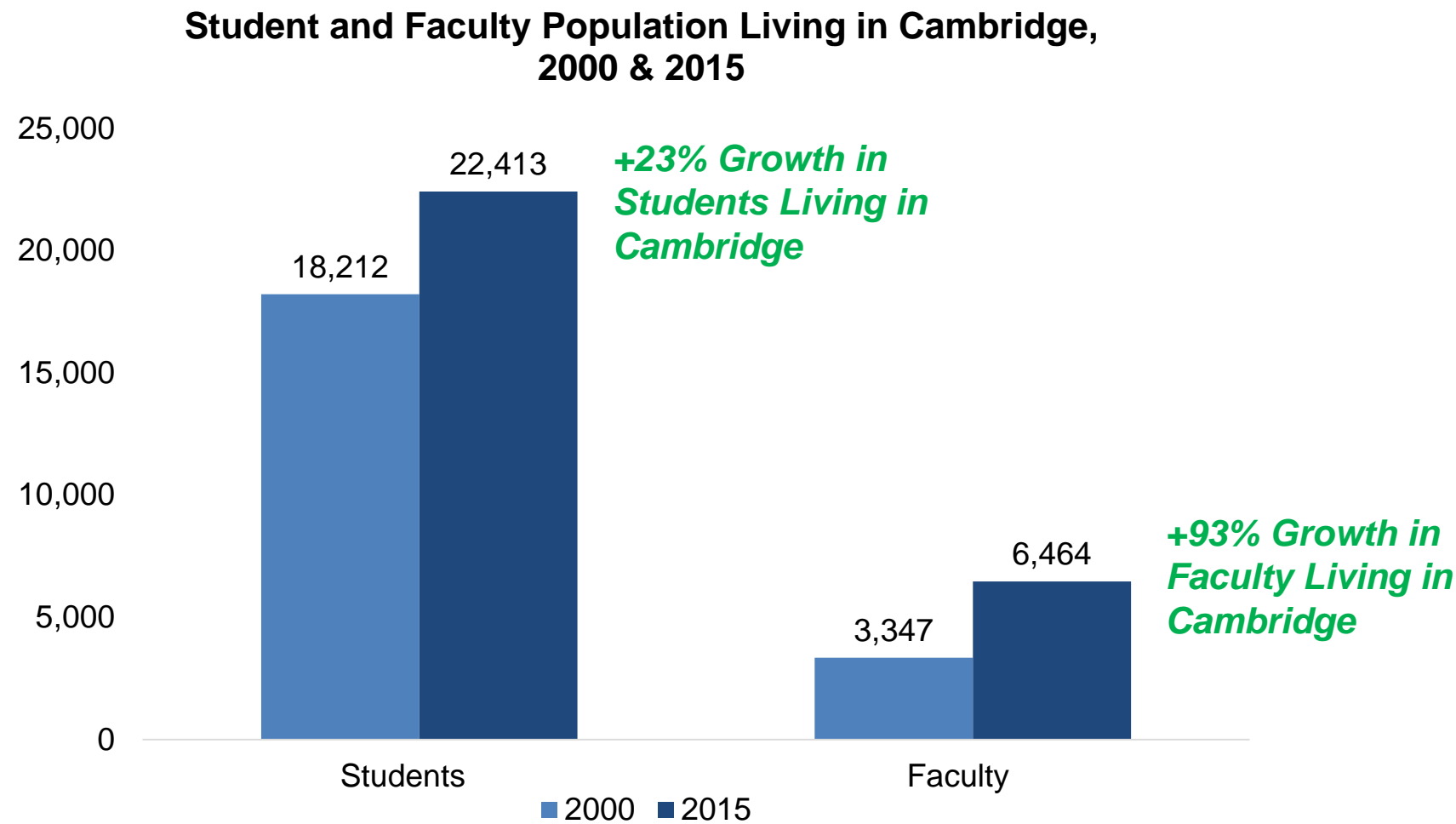
Source: Cambridge 2011 Statistical Abstract; 2014 MAPC Growth Projections (Strong Core); and 2015 Census Population Estimates.

Between 1990-2010, population growth was concentrated in specific neighborhoods, including East Cambridge, Cambridgeport, Riverside, and North Cambridge.



Source: U.S. Census Bureau, 1990 and 2010 population counts.

The expansion of Cambridge’s educational institutions has resulted in more students and faculty living in Cambridge.



Student Residence Location

	2000	2015
In dormitories	71%	63%
Off-campus, university-affiliated housing	8%	8%
Off-campus, non- university-affiliated housing	21%	29%

Source: City of Cambridge Annual Town-Grown Reports, 2000 and 2015.

Cambridge's robust job growth, especially in knowledge economy industries such as life sciences and tech, is also fueling residential growth.

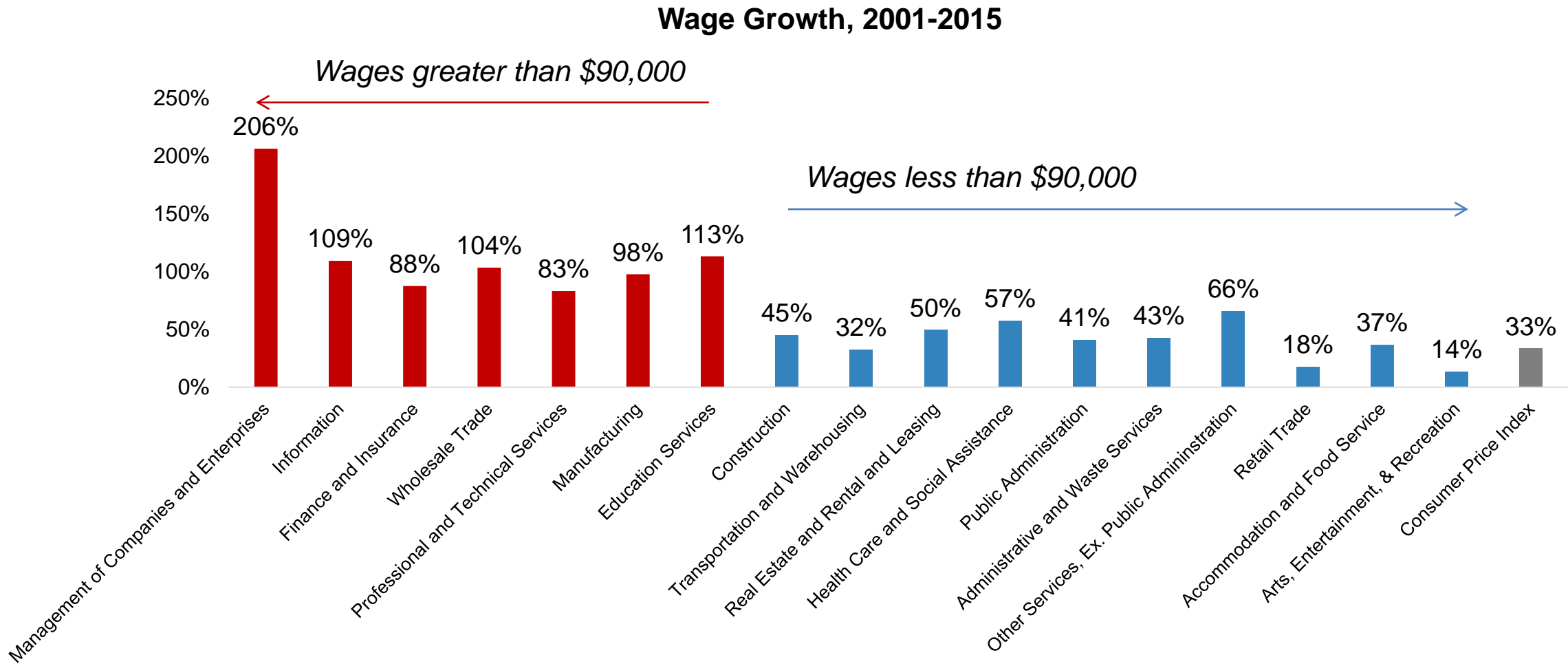


Kendall Square, the premiere location for life science and tech tenants in the region



Source: Massachusetts Executive Office of Labor and Workforce Development. *2016 employment represents 2016 Q3 employment.

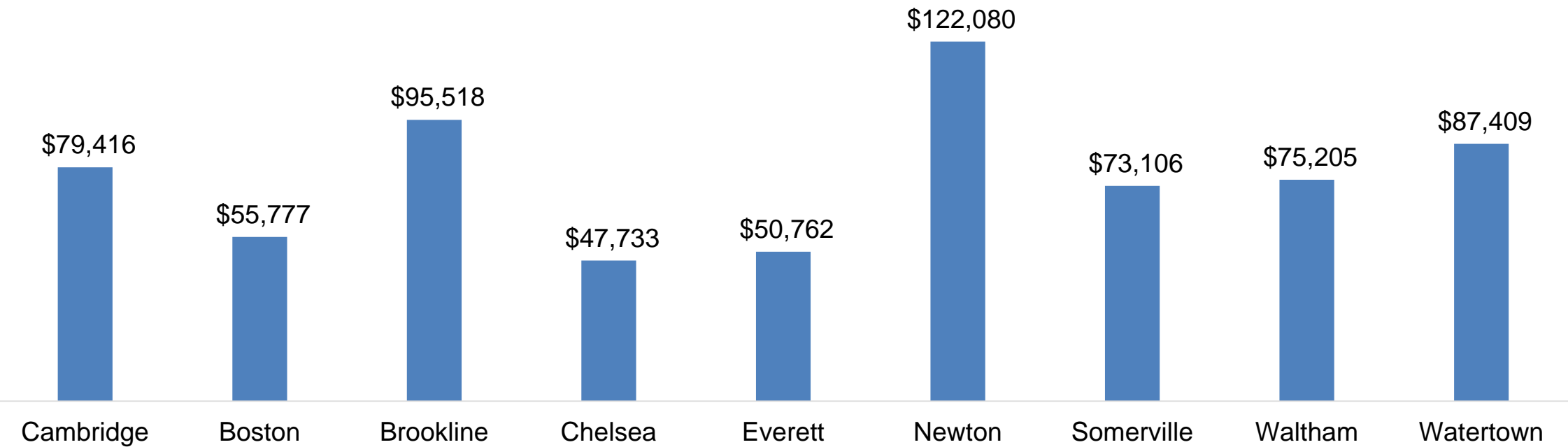
Employees working in Cambridge’s knowledge economy industries have experienced strong wage growth, providing more income to spend on housing.



Source: Massachusetts Executive Office of Labor and Workforce Development. Note: Sectors are arranged from highest average wage to lowest.

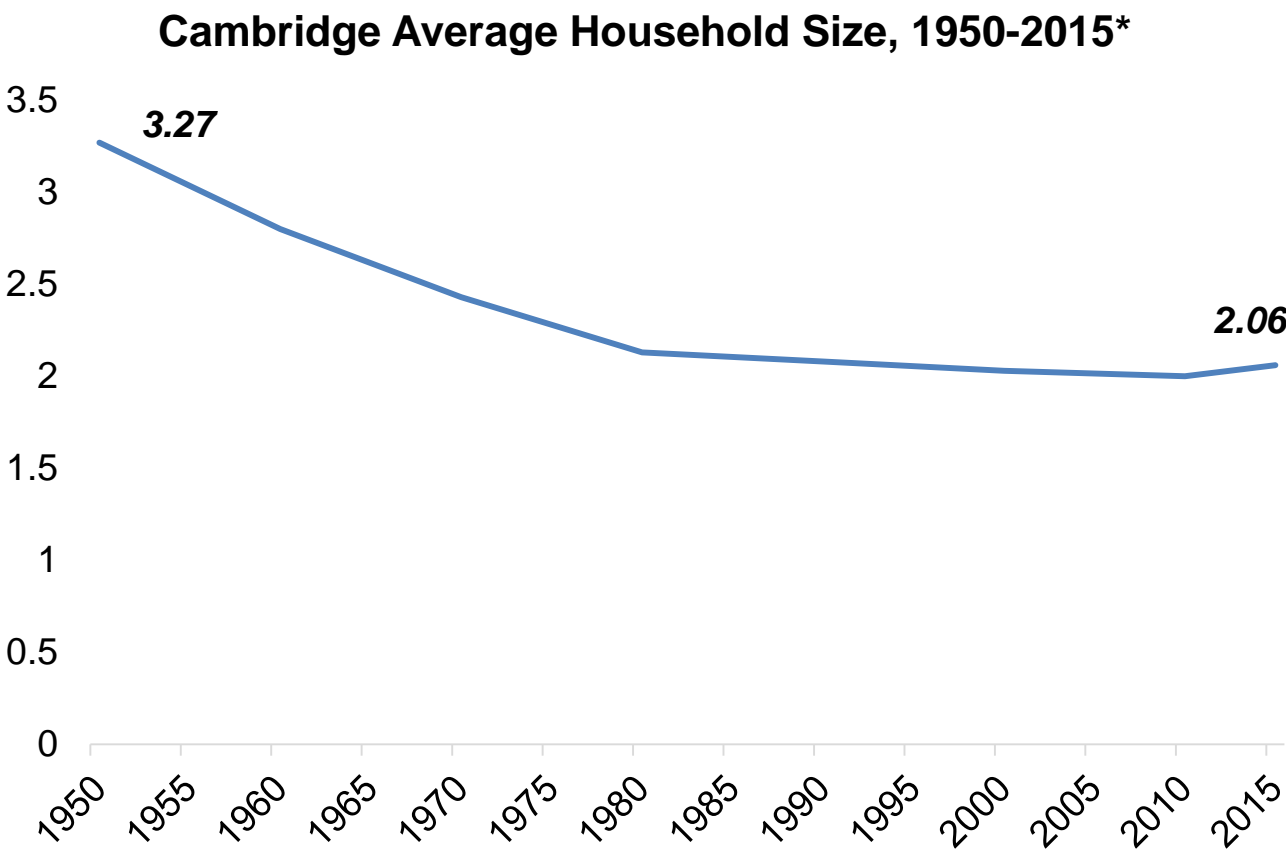
The median income for households living in Cambridge is also high relative to local peers, falling below only that of Brookline, Newton, and Watertown.

Median Household Income, Cambridge vs. Peer Cities, 2015*



Source: * 2011-2015 American Community Survey, 5-Year Estimates.

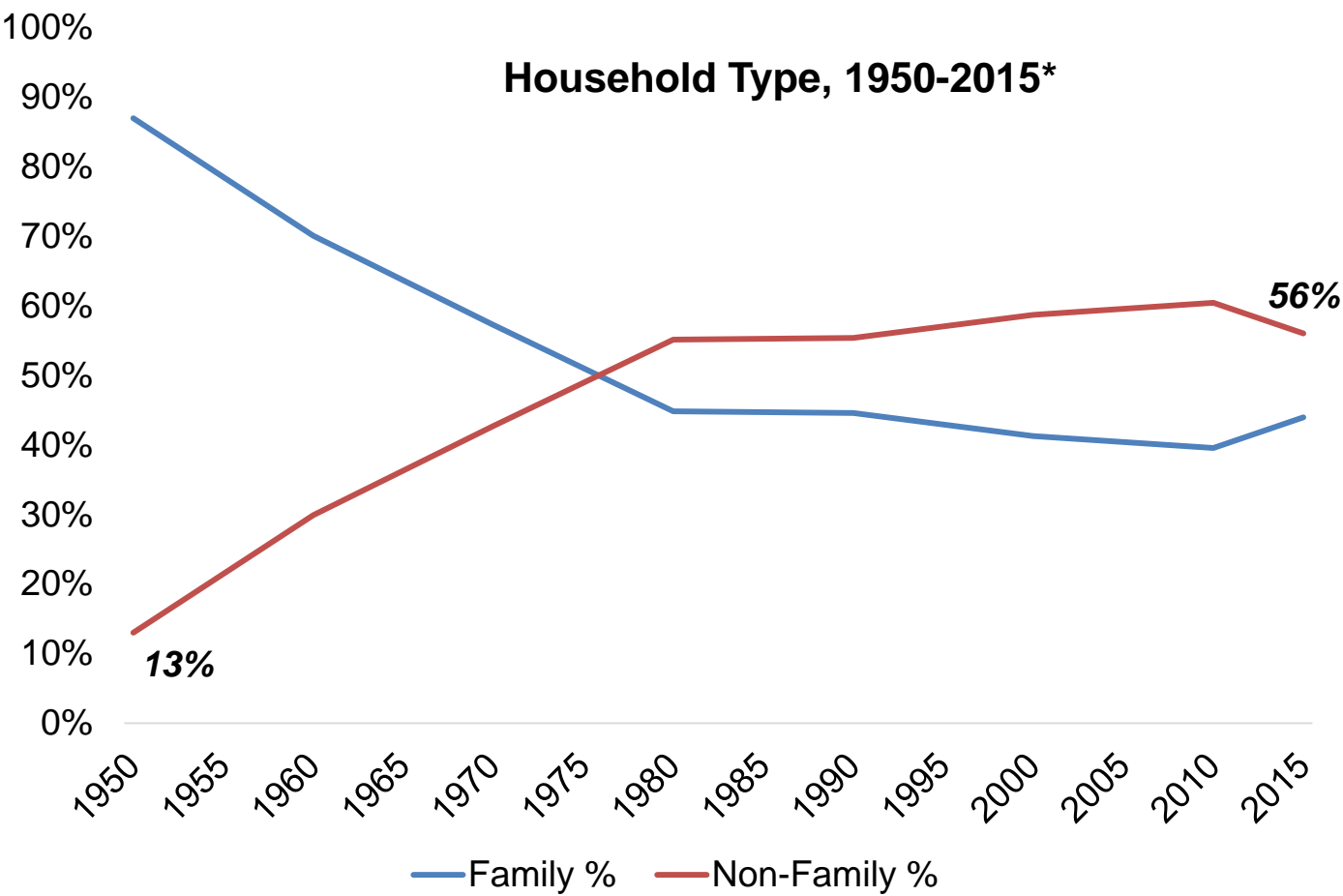
Cambridge has experienced a decline in its average household size over time, and has a smaller average household size today than Boston, Massachusetts, and the U.S.



Average Household Size			
Year	Boston	Mass.	U.S.
1950	3.37	3.41	3.38
2015	2.38	2.56	2.65

Source: 1950-2010 Decennial Census, * 2011-2015 American Community Survey, 5-Year Estimates.

With the rise of student populations and young professionals working in knowledge economy industries, Cambridge has experienced a decline in the portion of family households.



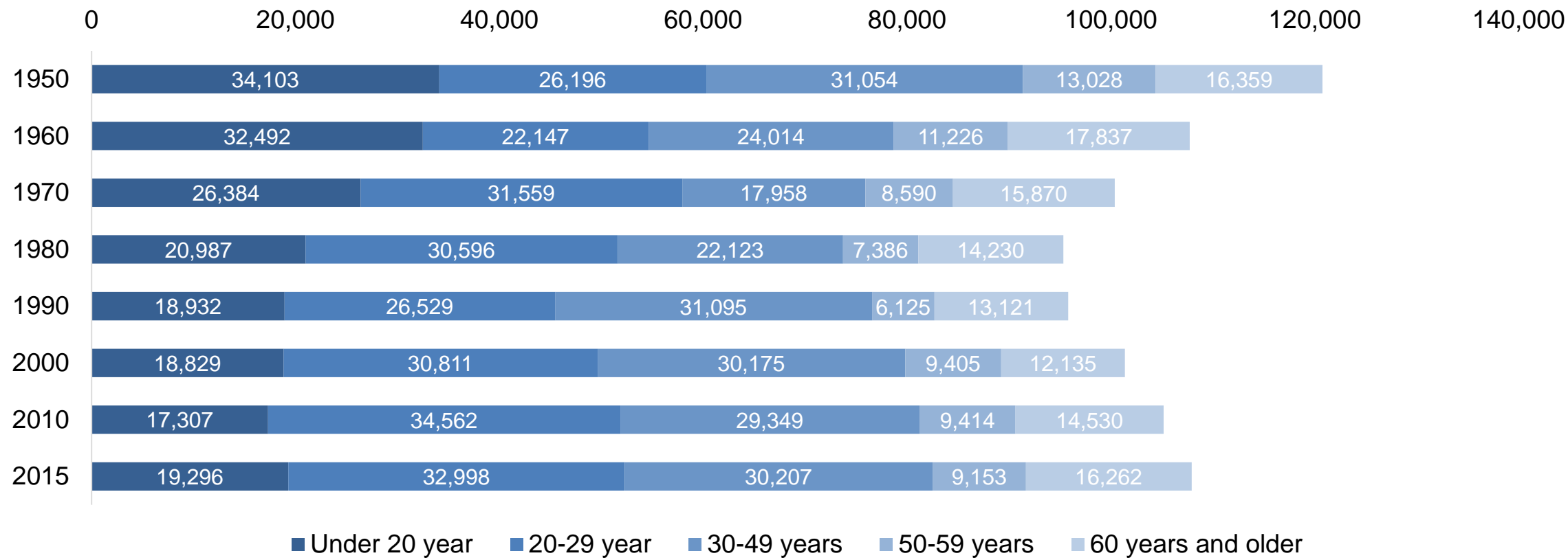
% Non-Family Households

Year	Boston	Mass.	U.S.
1950	12%	10%	11%
2015	52%	36%	34%

Source: 1950-2010 Decennial Census, * 2011-2015 American Community Survey, 5-Year Estimates.

Since the 1950s, children have come to represent a significantly smaller component of Cambridge's population.

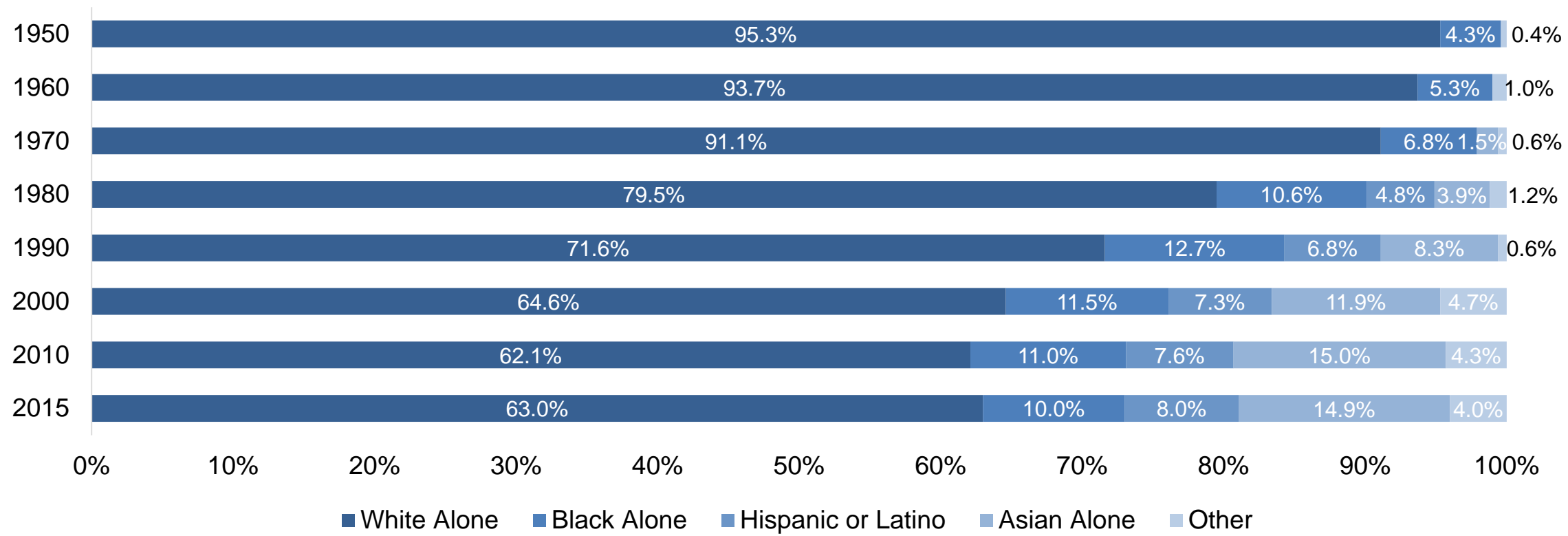
Age Structure, 1950-2015*



Source: 2011 Statistical Abstract; * 2011-2015 American Community Survey, 5-Year Estimates.

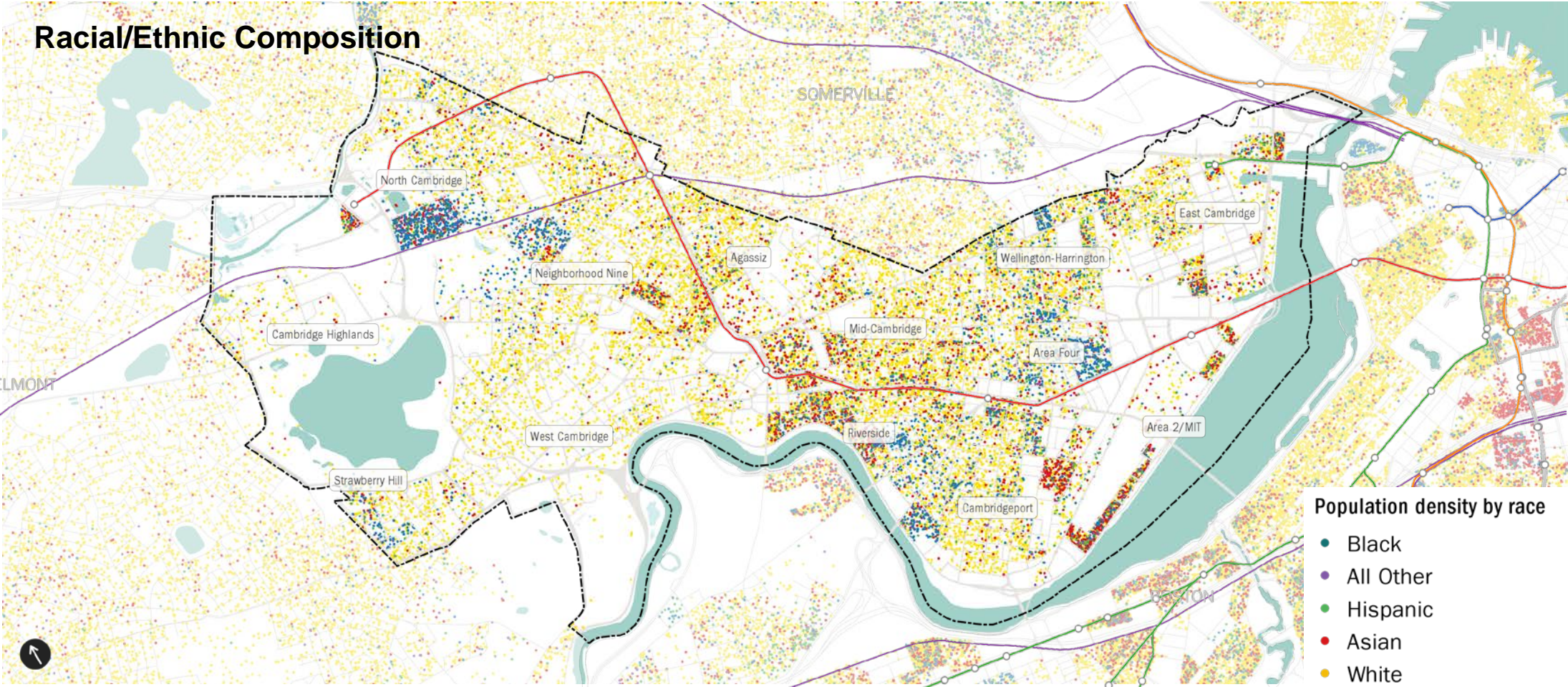
Cambridge became increasingly diverse from 1950 to 2000, but the racial composition of the City has remained relatively constant since then.

Racial Composition, 1950-2015*



Source: 2011 Statistical Abstract; * 2011-2015 American Community Survey, 5-Year Estimates.

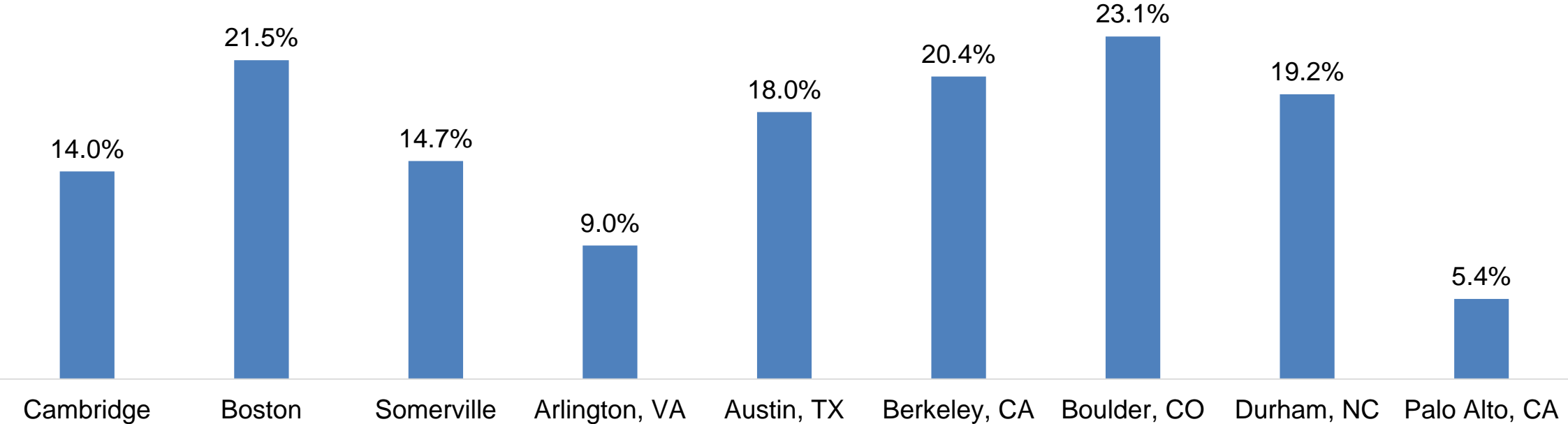
Housing patterns in Cambridge remain divided along racial lines, with Black residents and residents of other minority groups concentrated in specific areas.



Source: U.S. Census 2010 Population Count;

While Cambridge has a lower overall poverty rate than Boston, its poverty rate is comparable with that of Somerville and exceeds that of Palo Alto.

Poverty Rate, Cambridge vs. Peer Cities



Source: 2011-2015 American Community Survey, 5-Year Estimates.

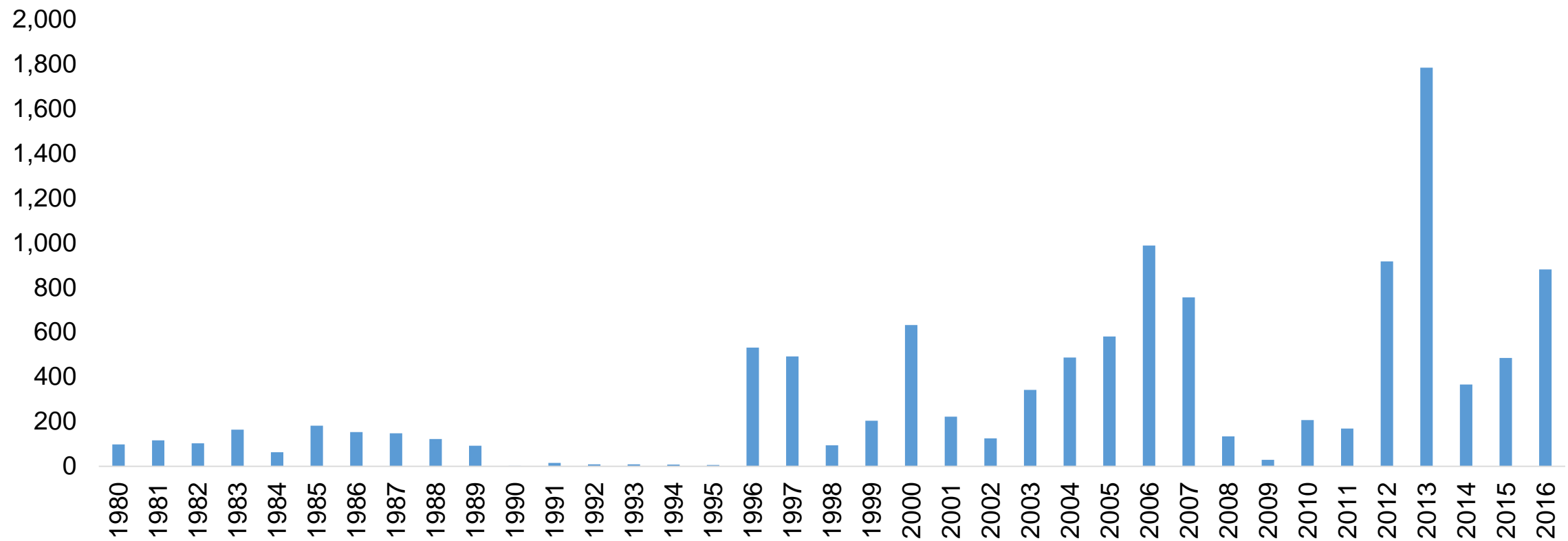
Poverty is concentrated among families headed by single females.

Single female-headed households represent **20%** of family households
in Cambridge, but **50%** of all Cambridge family households in poverty.

Source: 2011-2015 American Community Survey, 5-Year Estimates.

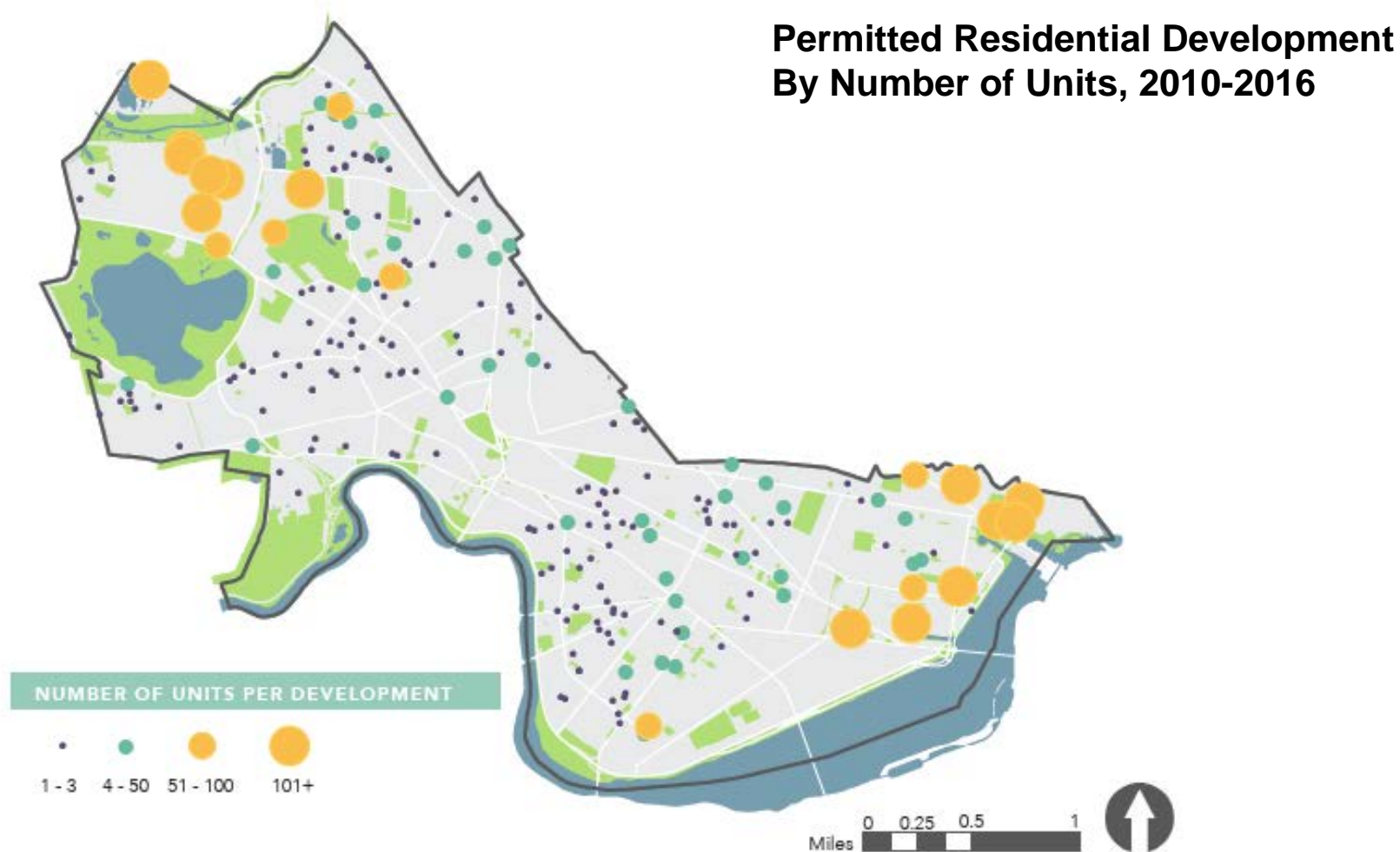
Since the 1980s, Cambridge has experienced four major development periods, with very significant permitting activity since 2012.

Housing Starts (Permits), 2000-2016



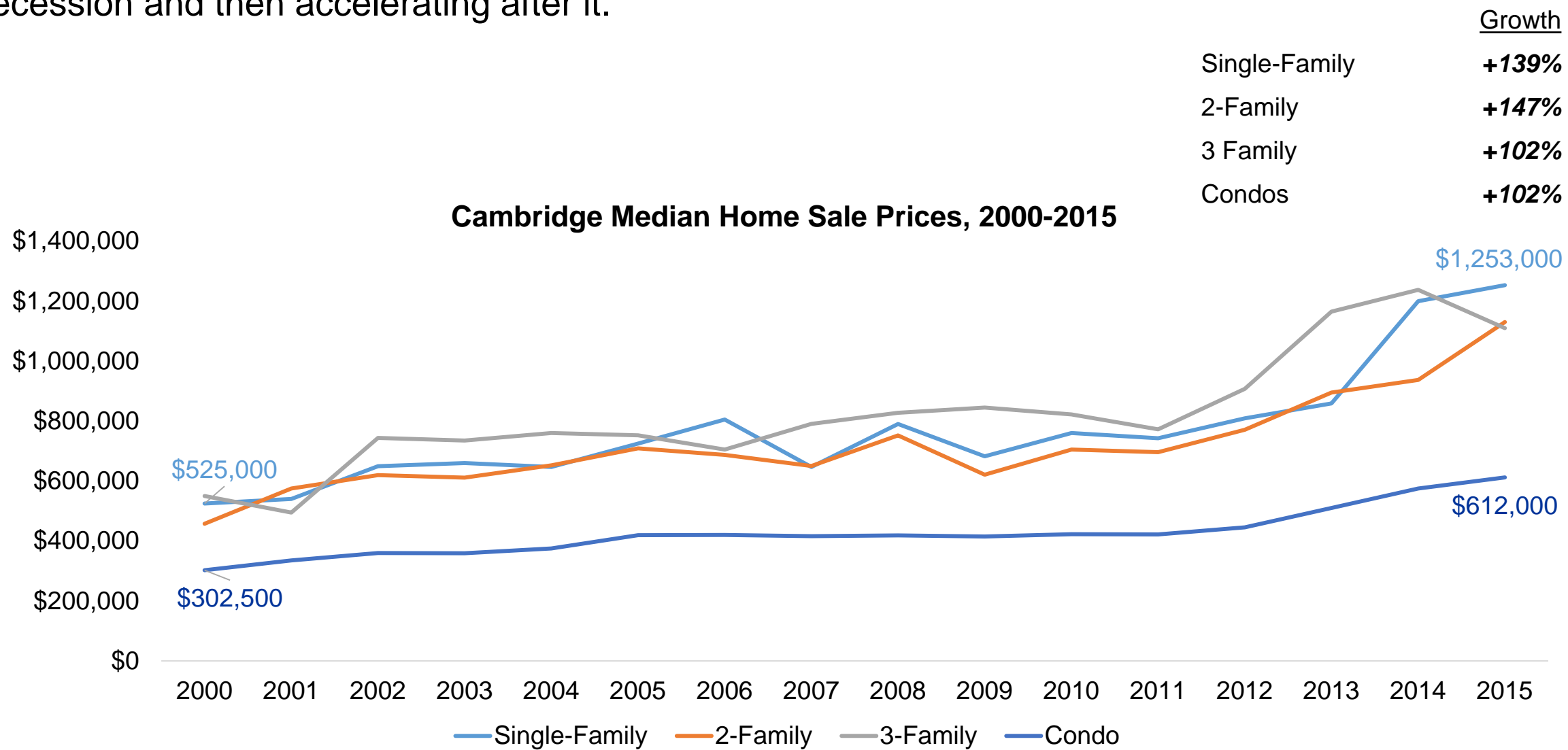
Source: 1980-1995, HUD permitting data; 1996-1999, City of Cambridge data; 2000-2016, City of Cambridge Housing Profile data.

Development has been primarily concentrated in formerly industrial areas that are undergoing conversion to mixed uses, such as East Cambridge, Cambridgeport, and North Cambridge.



Source: City of Cambridge Housing Profile, 2016

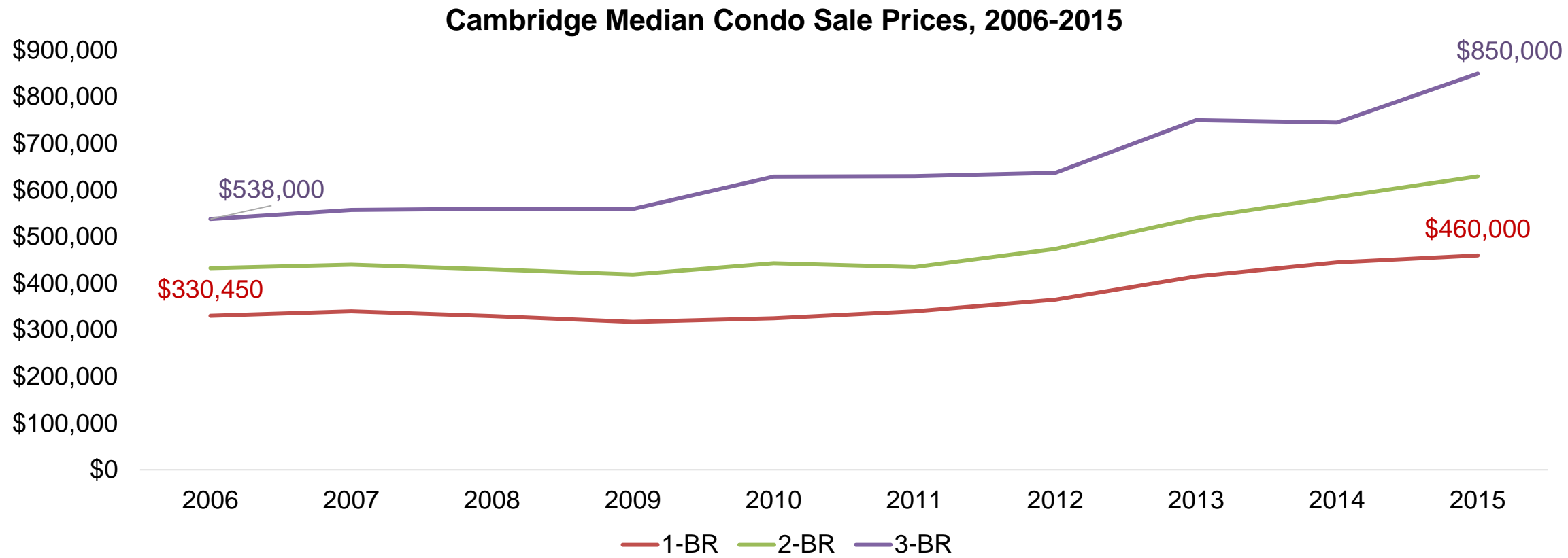
Cambridge housing prices have risen since 2000, experiencing minimal declines during the Great Recession and then accelerating after it.



Source: City of Cambridge Housing Profile, 2016

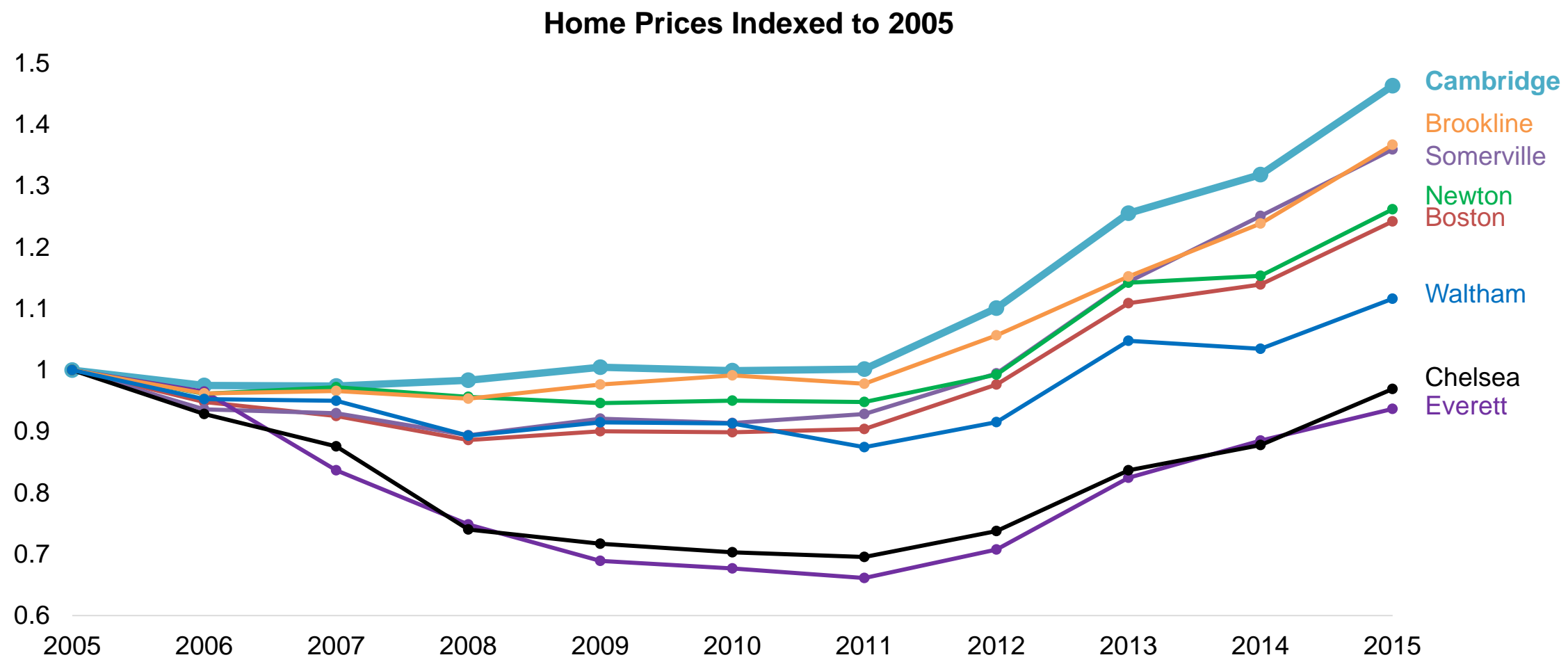
Since 2006, 3-BR condos have experienced the greatest price appreciation, followed by 2-BRs, compared to studios and 1-BRs.

	Growth
1-BR	+39%
2-BR	+46%
3-BR	+58%



Source: City of Cambridge Housing Profile, 2016

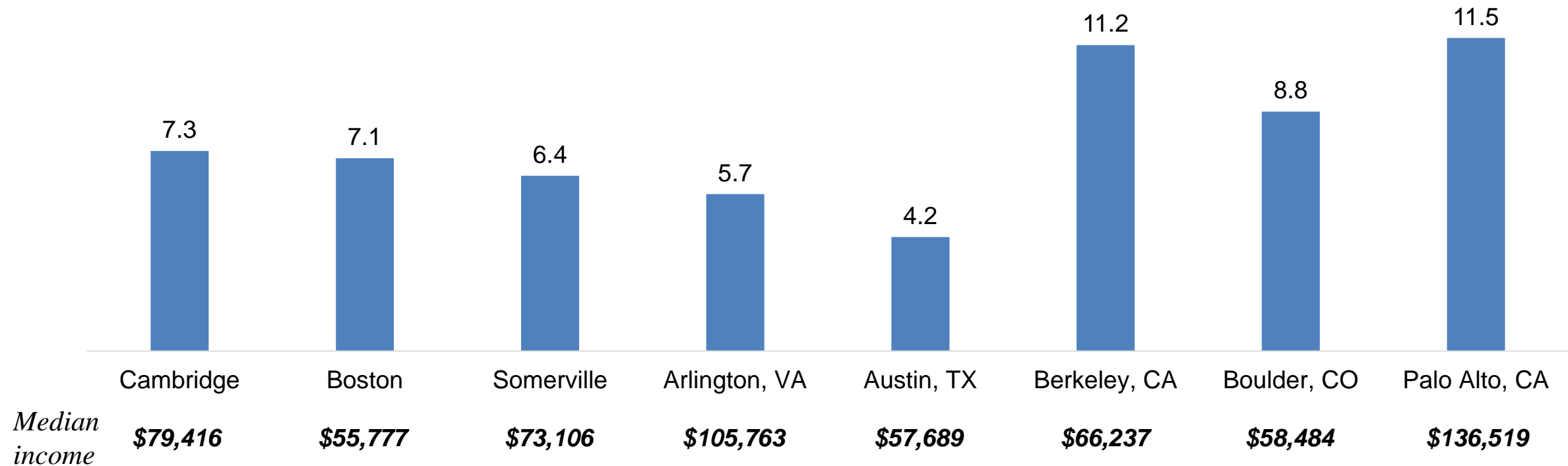
Prices in Cambridge have increased more sharply than in neighboring communities since 2005.



Source Zillow Time Series, December 1996-2015. Includes single-family, condominium, and cooperative.

The average home value relative to income is higher in Cambridge compared to Boston and Somerville, but lower than in West Coast peers.

Average Home Value as a Multiple of Median HH Income



Source: 2011-2015 American Community Survey, 5-Year Estimates.

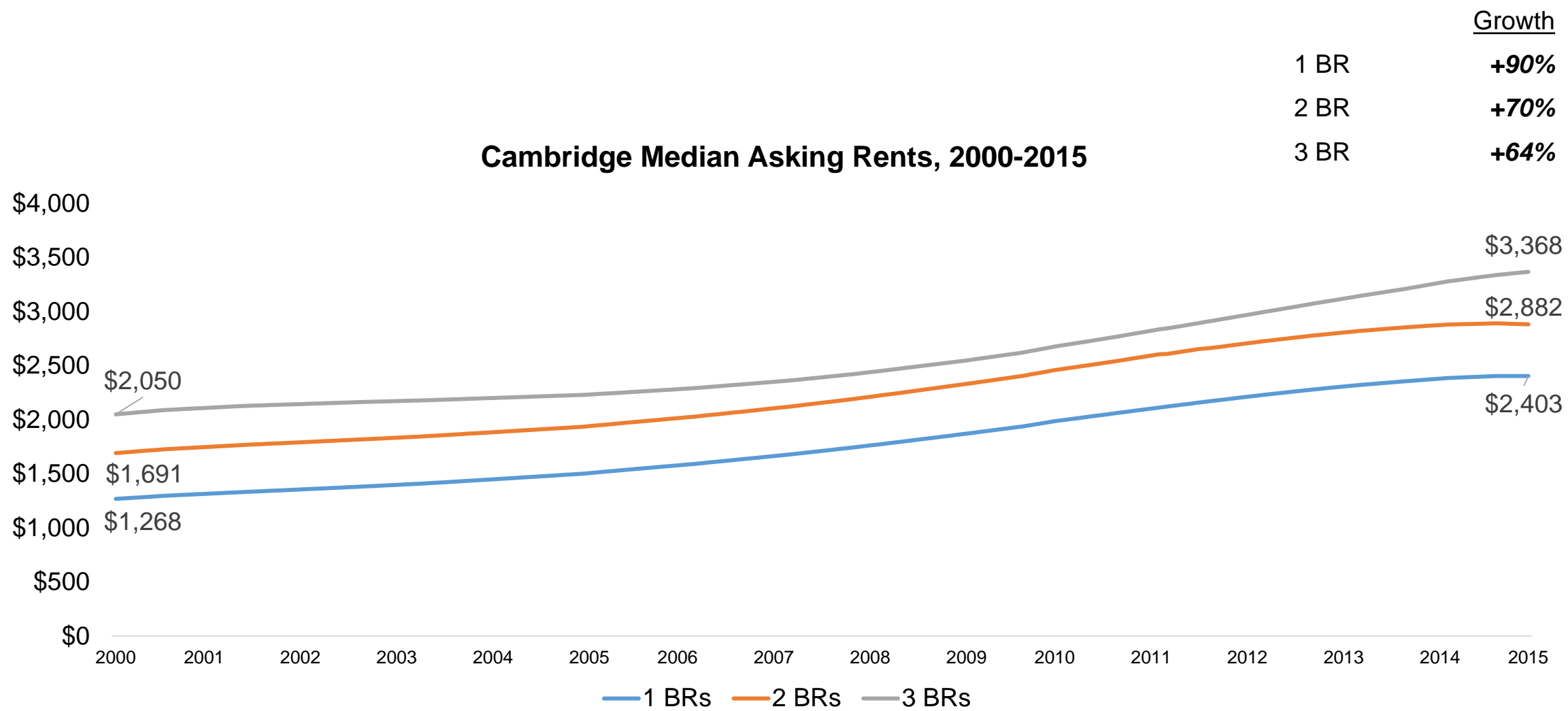
Today, Cambridge is one of the most expensive markets per square foot in the Boston metro area, even ahead of communities such as Brookline and Newton.

Average Housing Price Per Square Foot, 2015



Source: Zillow. Home prices from December of each year.

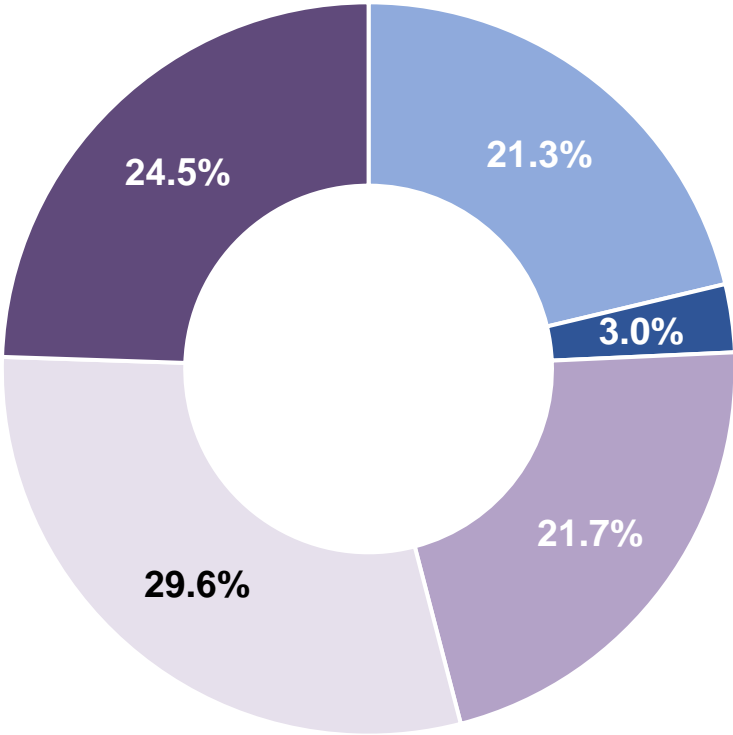
Since 2000, median rents have also increased substantially, placing a greater burden on the approximately two-thirds of Cambridge residents who are renters.



Source: City of Cambridge Housing Profile 2016. Rents for January of each year.

In 2015, the majority of vacant units were held off the market and not available for rent or sale.

Breakdown of Vacant Units in Cambridge, 2015

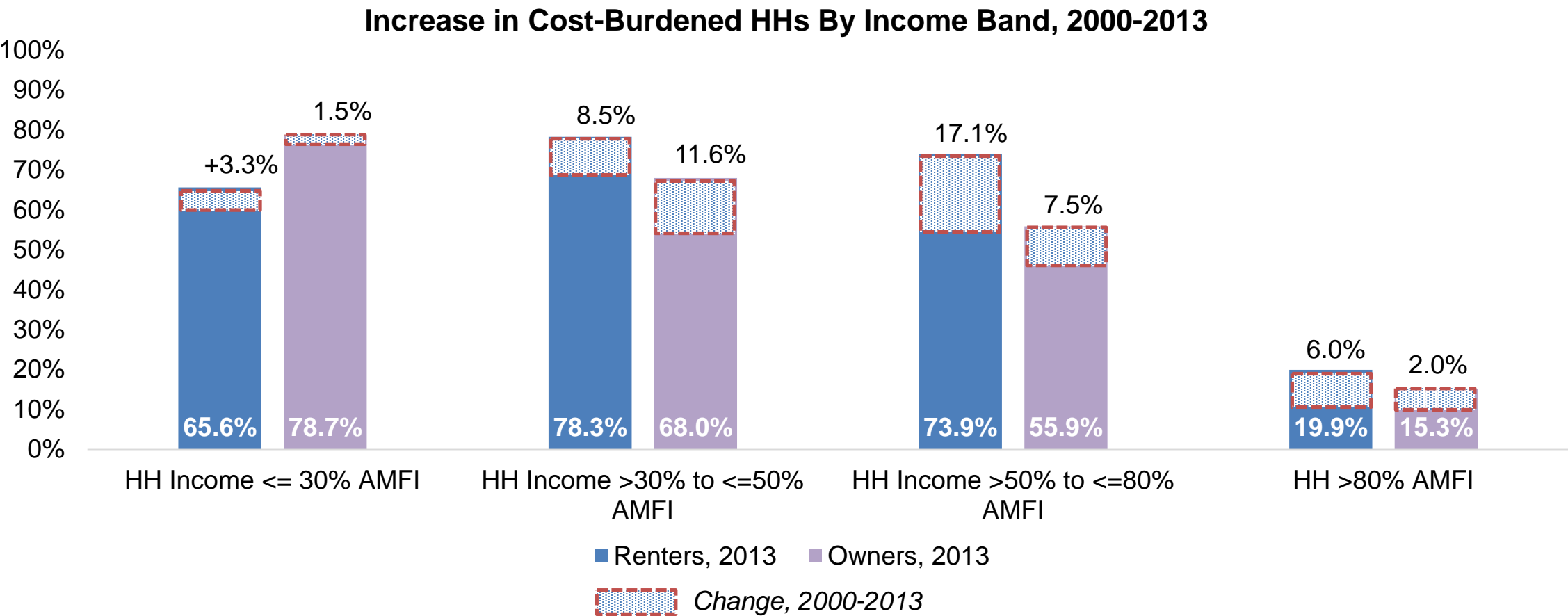


	% Vacant Units	% All Units
On Market		2.3%
For Rent	21.3%	2.0%
For Sale	3.0%	0.3%
Off Market		7.2%
Rented or Sold, Not Occupied	21.7%	2.1%
Seasonal or Other Occasional Use	29.6%	2.8%
Other	24.5%	2.3%
All Vacant	100.0%	9.5%

Source: City of Cambridge Housing Profile, 2016.

Cambridge is experiencing affordability challenges, reflected in the growth in the share of households at each income band who are housing cost-burdened.

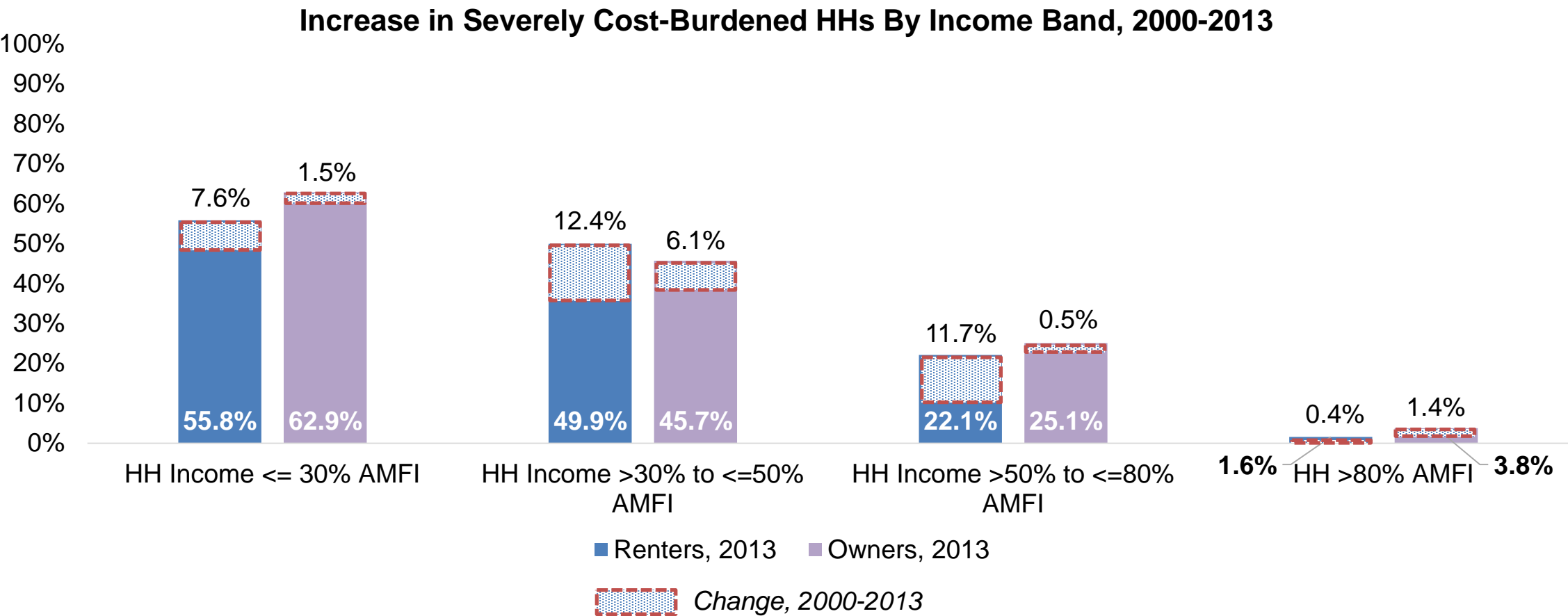
Cost-burdened HHs are defined as those spending 30% or more of their gross income on housing costs.



Source: HUD CHAS data, 2000 and 2009-2013.

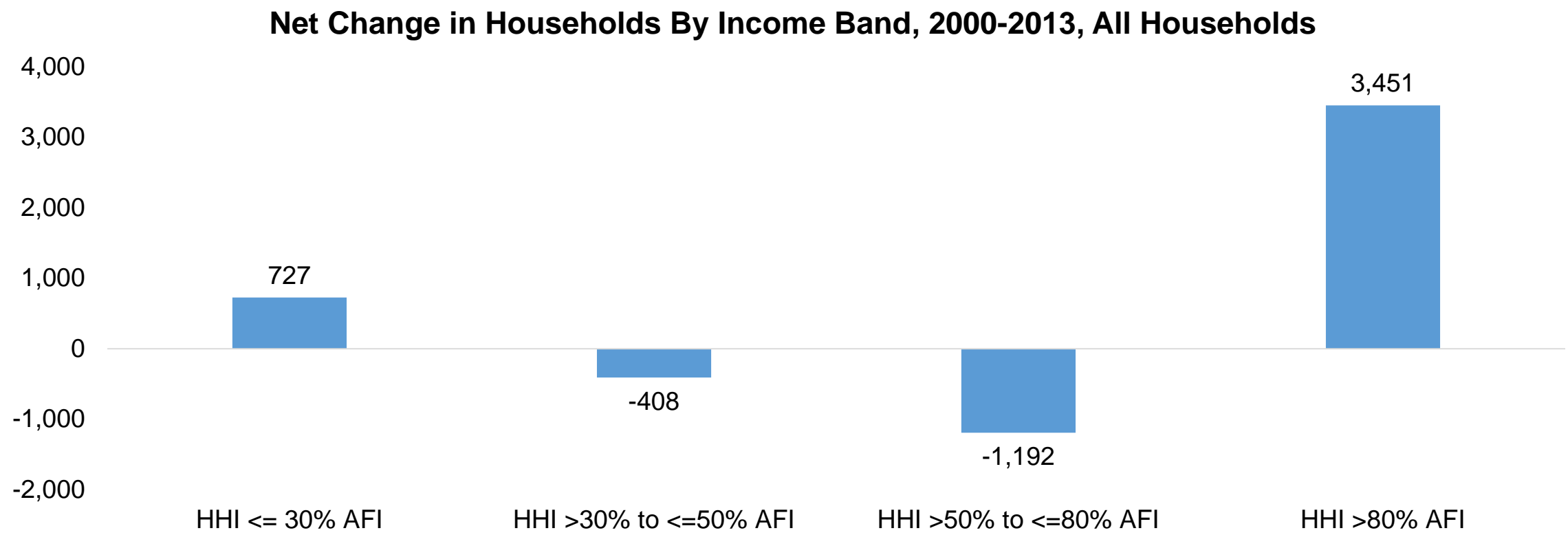
The number of households that are severely cost-burdened has also increased significantly, especially among households at 30-50% and 50-80% AMI.

Severely cost-burdened HHs are defined as those spending 50% or more of their gross income on housing costs.



Source: HUD CHAS data, 2000 and 2009-2013.

Indicating that some households are being “priced out,” Cambridge has experienced a net decline in households earning between 30% to 80% of Area Median Income.



Source: HUD CHAS data, 2000 and 2009-2013.

In 2016, affordable housing units represented 14.7% of the City’s housing stock, with units falling into five major categories within that.

		<u>Percentage of Affordable Housing Stock</u>
Nonprofit Sponsored Affordable Housing	<i>Housing sponsored or owned by nonprofit developers.</i>	36%
Public Housing Units	<i>State- and federally-subsidized public housing properties owned and managed by the Cambridge Housing Authority.</i>	35%
Privately-Owned Affordable Housing	<i>Privately-owned affordable housing properties, excluding Inclusionary Housing.</i>	15%
Inclusionary Housing Units	<i>Units produced under Cambridge’s Inclusionary Housing program or similar zoning-based provisions.</i>	12%
Scattered Site Homeownership	<i>Affordable homes purchased by first-time homebuyers with City support.</i>	2%
		<hr/>
		~7,770 units

Source: City of Cambridge Housing Profile, 2016

Cambridge’s Inclusionary Housing Program focuses on renters at 50-80% of Area Median Income and owners at 80-100%.

The City calculates its own 80% AMI threshold, which is slightly higher than that of HUD, in order to set the income limits moderately higher for the IHP.

	1 person HH	2 person HH	3 person HH	4 person HH
40% of AMI	\$28,960	\$33,120	\$37,240	\$41,360
50% of AMI	\$36,200	\$41,400	\$46,550	\$51,700
60% of AMI	\$43,440	\$49,680	\$55,860	\$62,040
80% of AMI	\$54,750	\$62,550	\$70,350	\$78,150
City 80%***	\$57,920	\$66,240	\$74,480	\$82,720
100% of AMI	\$72,400	\$82,800	\$93,100	\$103,400
120% of AMI	\$86,880	\$99,360	\$111,720	\$124,080

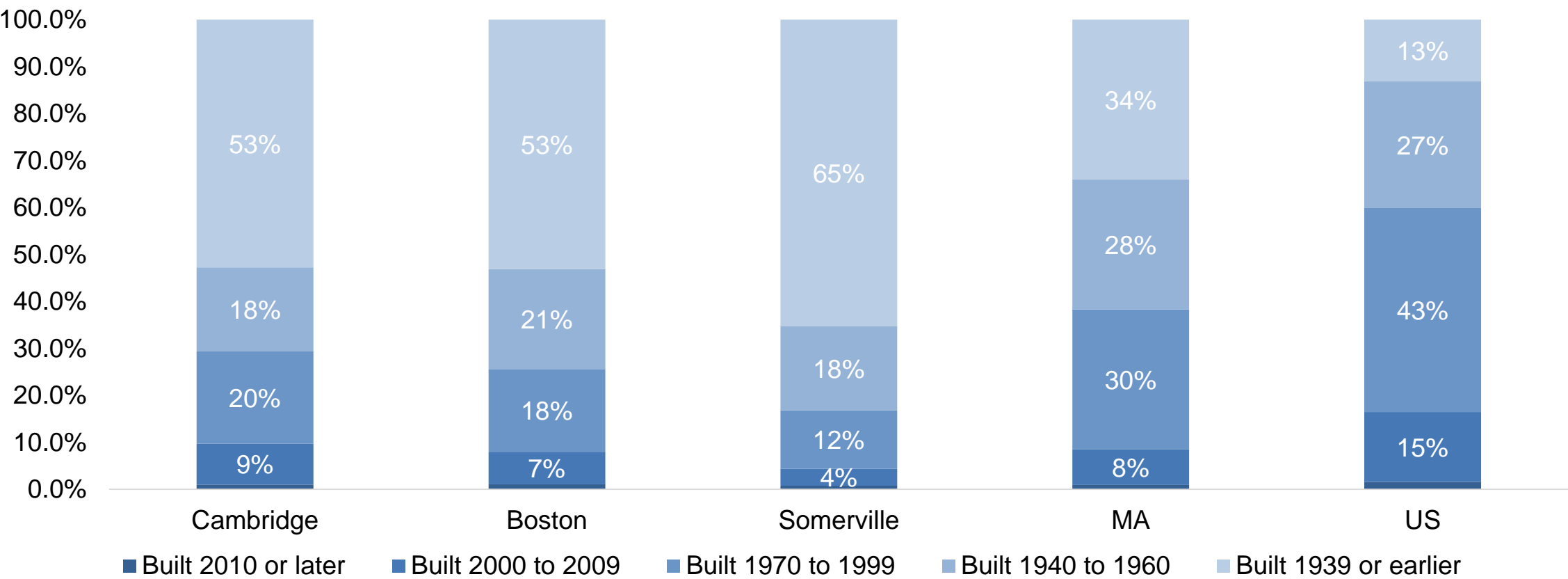
City Inclusionary Housing Program (Renters)

City Inclusionary Housing Program (Owners)

2016 income limits used by the Cambridge Community Development Department and other agencies to determine eligibility for housing assistance programs. Income limits are calculated by HUD for the Boston-Cambridge-Quincy, MA-NH Metro FMR Area.

Cambridge has a relatively old housing stock, with more than half of total units built before 1940.

Unit Age, Cambridge vs. Local Peers, MA, and U.S., 2015*



Source: * 2011-2015 American Community Survey, 5-Year Estimates.

Issues, Goals, & Opportunities



Methodology

To help generate a baseline set of issues, draft goals, and opportunities for the working group to discuss, in addition to drawing on the existing conditions analysis, the team synthesized takeaways from community engagement conducted to date.

Listening Phase (March-June 2016)

Mobile engagement station, 1 online and in-person survey, community workshops, & targeted focus groups.

Community members voiced on opportunities and challenges for Cambridge across multiple topic areas.

Visioning Phase (April-July 2016)

Mobile engagement station, 3 online and in-person surveys, 2 community visioning workshops, & 2 pop-up events.

Community members voiced their opinion on the core values and vision for Cambridge.

Issues

1. *Strong demand, combined with housing supply constraints.*
2. *Growing affordability concerns for low-, moderate-, and middle-income households.*
3. *Limited housing options, both market-rate and affordable, for families.*
4. *Housing insecurity, reflected in cost-burdened households and crisis-driven households, and long-term homelessness.*

Draft Goals

Base Goal

Goal 1. Increase overall housing supply to expand opportunities for both homeowners and renters.

Goal 2. Provide a broad spectrum of housing options for residents of different income levels, life stages, and household types in Cambridge.

Goal 3. Provide affordable rental and homeownership housing to serve low-, moderate-, and middle-income individuals and families and enable Cambridge to thrive as a mixed-income community.

Goal 4. Support healthy, climate-resilient, and energy-efficient housing.

Goal 5. Support equitable access to housing for all Cantabridgians and reduce homelessness.

Goal 6. Connect housing to transit, places of employment, and social services to create communities of opportunity.

For Each Goal:

Does this goal adequately respond to the issues facing Cambridge?
How could it be improved or enhanced?

Do you see this as a goal in and of itself or a means to an end in achieving other goals?

Jointly Revised Draft Goals

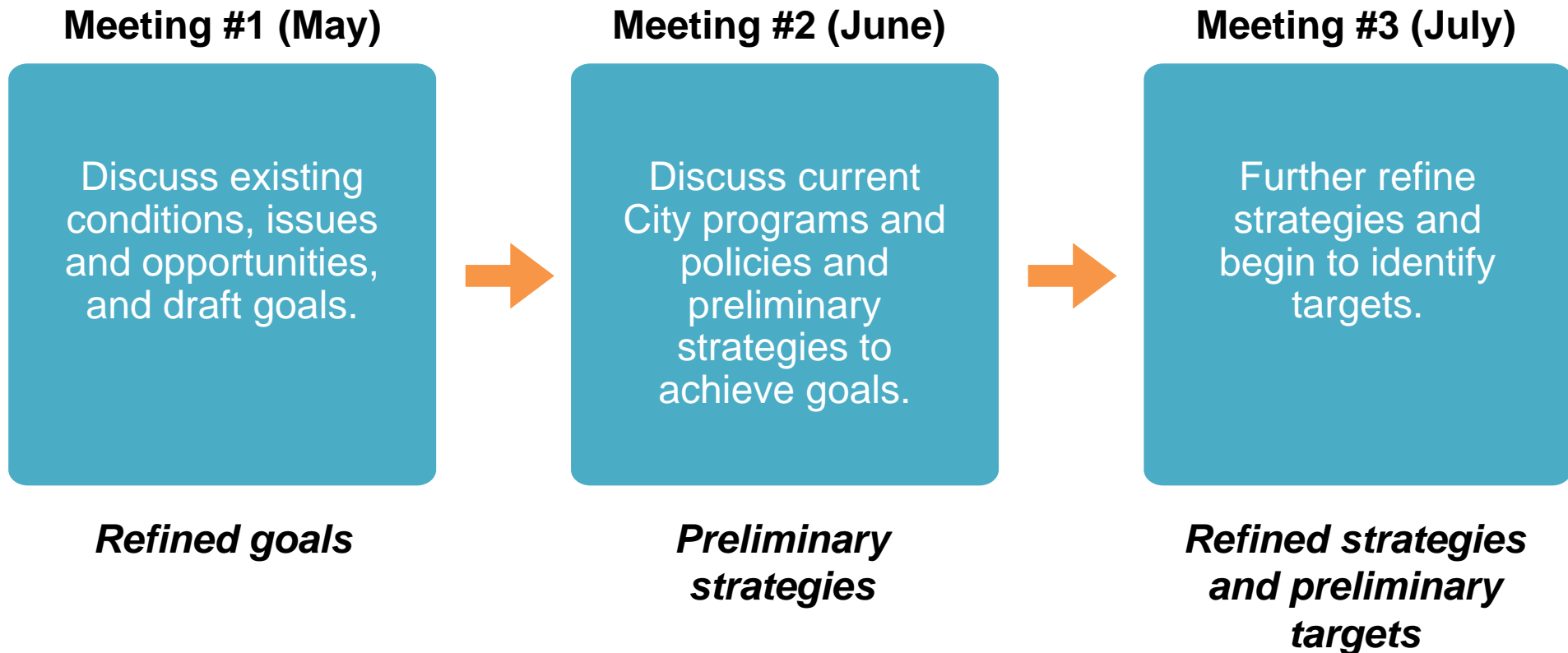
Base Goal	Revised Goal
Goal 1. Increase overall housing supply to expand opportunities for both homeowners and renters.	
Goal 2. Provide a broad spectrum of housing options for residents of different income levels, life stages, and household types in Cambridge.	
Goal 3. Provide affordable rental and homeownership housing to serve low-, moderate-, and middle-income individuals and families and enable Cambridge to thrive as a mixed-income community.	
Goal 4. Support healthy, climate-resilient, and energy-efficient housing.	
Goal 5. Support equitable access to housing for all Cantabridgians and reduce homelessness.	
Goal 6. Connect housing to transit, places of employment, and social services to create communities of opportunity.	

Confirming Goal Alignment with Values

Core Values	Livability	Diversity and Equity	Economic Opportunity	Sustainability & Resilience	Community Health & Wellbeing	Learning
Goal 1. Increased Housing Supply						
Goal 2. Increased Housing Diversity						
Goal 3. Affordability for Individuals and Families						
Goal 4. Healthy and Resilient Housing						
Goal 5. Reduced Income Insecurity						
Goal 6. Mixed-Income Neighborhoods of Opportunity						

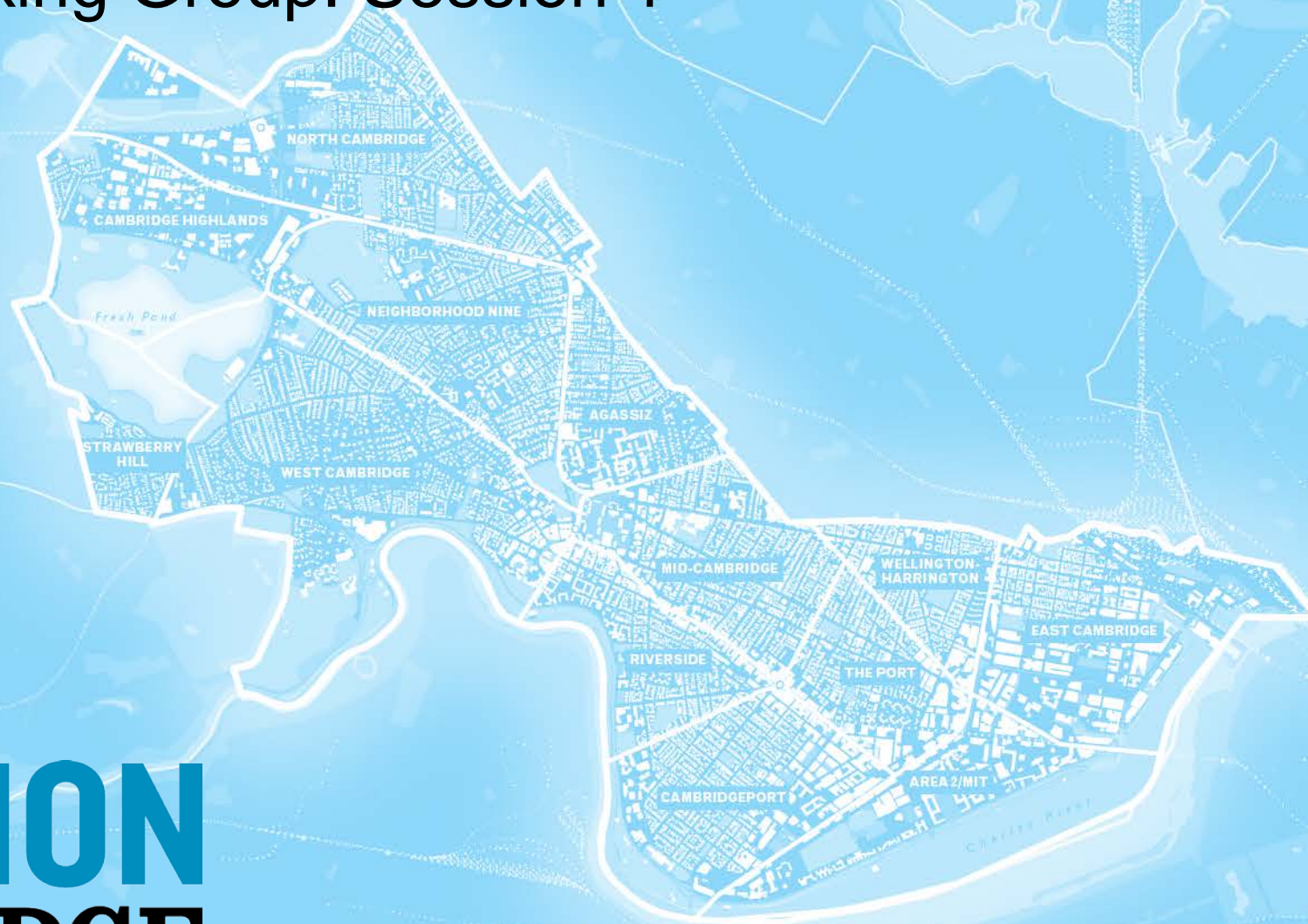
Next Steps: Work Session 2 in June

- Review the City's existing housing **programs and policies** in light of goals.
- Identify **preliminary strategies** to supplement the City's existing tools and advance goals.



Housing Working Group: Session 1

May 18, 2017



ENVISION CAMBRIDGE