



## Regional Housing Services Office

September 2023 Newsletter

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### **TOWNS GET STRONGER VOICE ON AFFORDABLE RENTS**

For Local Initiative Program (LIP) properties, the property owners are required to get approval from their municipality and DHCD (now EOHLC) for annual rental increases. This is usually done annually in the spring when HUD releases the new income limits, which drive the calculations of the rents. The exact formula for the rent determination is found in the property regulatory agreement. (see [RHSOHousing.org](https://www.rhsohousing.org) for those documents in your municipality's housing inventory)

Prior to COVID, the state and town approved rent increases to the maximum guidelines. However, during COVID, the state put a moratorium on all rent increases as part of the Emergency Order. The moratorium ended in June 2021, and was replaced by Limited Increase Rent guidance, allowing a 5% increase on existing tenant leases, but new tenant rents could be set at the 2022 HUD maximum. While necessary during the pandemic, this 2 year disruption set most Massachusetts affordable rental rates at lower than normal rates. When the HUD income limits (and rents) were released in April 2023, no specific guidance was issued and landlords began requesting rent rates at the maximum allowable. The 2 year jump has proven burdensome for many tenants who have lived at the properties for several years. While some landlords do not charge the maximum rent, some, especially newer properties, have implemented the highest rates and tenants have seen a significant increase in their monthly rent. The RHSO is working with towns and landlords to determine reasonable levels of increase. EOHLC has been receptive when municipalities push back on affordable housing owners' proposals if the rent increase would be a significant burden.

### **RHSO'S BUSY SUMMER OF AFFORDABLE UNIT SALES AND REALES**

The real estate sales part of our practice is busy this summer! Just in August, we confirmed eligible buyers for new construction units in multiple towns – 3 units in Medford (and working on a 4th), 3 units in Bedford (and working on a 4th), and 2 units in Concord. These new construction units are being sold as a result of the Sudbury Housing Trust's lottery agent work. We are also very busy with resale units. Whenever an existing affordable unit is going to be listed for sale, RHSO visits the property to evaluate its condition and recommend work that may need to happen before listing. After consulting the deed rider formula and considering the condition of the unit, RHSO assists in determining the price and then starts two weeks of marketing, including town outreach. Many of the resales generate a small fee for towns. This summer's work included 1 resale unit in Bedford, 2 in Concord, 2 in Lincoln, and 1 in Sudbury. One of the resale units closed in August, and the remaining resales and the new construction units in Medford, Concord, and Bedford are scheduled to close this fall. For September, we are starting to market lotteries for new construction units in Holliston, Harvard, and Ipswich that are also part of the Sudbury Housing Trust's lottery agent work.

**STATE RELEASES NEW SHI CALCULATIONS**

After a very long wait, the detailed 2020 Census numbers finally were released. Once DHCD (now EOHLC) has the year-round housing numbers, they can recalculate each municipality's affordable housing rate. Congratulations to our member towns for collectively adding 1,360 units to the subsidized housing list over the past ten years! There was a lot more volatility in that column of increases than is apparent in the chart. Quite a few developments have been approved and added to towns' SHI lists only to come off again either permanently or temporarily if permitting and construction do not meet the state's timeframe. For the next ten years, as affordable units are added in your towns, the state will continue to use the 2020 Census numbers to calculate the affordability rate. Then municipalities' rates will reset again with the release of 2030 Census housing data.

	SHI Units			Sept. 2023
	2013	2023	Increase	% Affordable
Acton	552	738	186	8.06%
Bedford	900	989	89	18.23%
Concord	707	715	8	9.97%
Lexington	1,334	1,341	7	10.95%
Lincoln	236	298	62	12.83%
Maynard	363	425	62	8.99%
Natick	1,417	1,545	128	9.93%
Sudbury	343	775	432	11.88%
Wayland	161	538	377	10.29%
Weston	142	151	9	3.78%
Total	6,155	7,515	1,360	

**STATE TWEAKS MBTA MULTI-FAMILY ZONING LAW**

The state issued additional guidance in August on implementing the MBTA Communities Act. First, the state has added criteria for allowing mixed-use zoning as part of denser multi-family districts after many communities expressed concern about initial guidance that did not allow for ground-floor commercial space in MBTA multi-family districts. Second, the state has instructed administrators of an additional 13 discretionary grant programs to consider compliance with the MBTA regulations when reviewing applications. The grants list is available on page 15 of the [new guidance](#).



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