

# BANKER & TRADESMAN

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## HOUSING MATTERS

# Early Signs Are Promising For Workforce Housing

## Workforce Housing Initiative Celebrates Its Anniversary As Developments Break Ground

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All of us need housing which is affordable. That means having real housing choices at the right price for individuals and families.

There will always be ample options for high-income families. And the housing supply is growing, albeit very slowly,



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for people of low and moderate income too.

Where there has been very little focus until recently is the missing middle – those who need what is referred to as workforce housing – which is getting shut out.

People with middle incomes – young professionals, teachers, health care workers and researchers – are workers who earn about \$85,000 to \$100,000 a year in this region for a family of three. And between 1990 and 2014, according to the Urban Land Institute, middle-incomers are the only group whose population actually dropped in Greater Boston.

This trend is certainly not unique to our area; retaining middle-income households has become a major concern in communities around the country. Among other things, middle-income families have traditionally served as the backbone of civic life, supporting local business and using and safeguarding public institutions such as schools and libraries and parks for all to enjoy.

“There’s a need,” said Tim Sullivan, ex-

ecutive director at MassHousing, an independent, quasi-public agency that provides financing for affordable housing. “A whole lot of people have incomes that aren’t enough to meet where the market is.” And as a result many middle income residents are leaving their communities in our state and our region, relocating to more affordable places.

### Two Problems, One Program

Clearly, this need is not going away, and there is not a simple solution. However, the state of Massachusetts has taken a bold step in attempting to address this situation which could become a model for other states.

The Workforce Housing Initiative, launched by MassHousing, is celebrating its first anniversary this year. Funding for this special initiative was the largest component of a broader \$160 million Opportunity Fund established by the Baker Administration. The initiative seeks to confront particular housing challenges facing the commonwealth, with about two-thirds, or \$100 million, targeting the need for workforce housing.

So far it has committed \$33.5 million to 14 housing developments in 10 communities, including in Greater Boston and as far as Worcester, Lawrence, Beverly, Franklin and Bourne, for low-interest loans tied to the developers’ commitment to moderating rents.

The commitments to date create 363 limited-rent workforce units out of the total of 1,285 units in those 14 projects. And the list of applicants is growing. Gate-

way Residences on Washington, a 71-unit complex in Lynn currently under construction, was the first to break ground in January.

Bart Mitchell, president of The Community Builders, which is creating the AO Flats in Boston’s Forest Hills with Workforce Housing assistance, said there are two main reasons for the middle-income housing need.

One is that a nurse or pharmacy technician can’t afford the rents in a desirable urban neighborhood with high housing costs like Jamaica Plain. The second is that it’s hard to build housing in a Gateway City like Lawrence, where construction costs are virtually as high as in Boston but the rents are considerably lower.

“Those are problems that are quite different from each other, but the MassHousing program is helping to solve both,” Mitchell said.

The Workforce Housing program supports units for those earning between 60 and 120 percent of the area median income, making possible rents that are at least 10 percent below market. The program provides \$100,000 per workforce unit created, with a \$5 million limit for each development.

The Workforce Housing program promises to be successful, and it serves as a complement to the state’s efforts to create housing to serve those with the lowest incomes – including the homeless. The state’s Opportunity Fund, which seeded the program, also includes funding that targets low income housing.

In Beverly, Barnat Development is

about to break ground and build 67 apartments over retail space next to the MBTA Commuter Rail Station, and 16 of those units will be workforce housing – one of the early success stories of the program. Fourteen of these units will be rented at 80 percent of area median income, and two at 110 percent.

“The Workforce Housing Program was gap financing that made sure this project happened,” said Barnat Development President Sarah Barnat.

Our state has a variety of creative programs to help people secure housing that is affordable. This administration has come up with another one, and the strong

early demand seems to indicate it is a cost-effective way of helping to solve a persistent social problem. ■

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