

Hingham Housing Needs Assessment

Community Housing Forum

May 15, 2019



What is the purpose of the Housing Needs Assessment and forthcoming Housing Plan?

Different objectives of the assessment and plan...

- Obtain updated information on demographic, economic and housing characteristics and trends.
- Better understand the current housing market dynamic.
- Create a roadmap for a proactive housing agenda to address the wide range of local housing needs.
- Identify specific strategies in response to identified needs and goals based on what has worked in Hingham as well as in other comparable communities.
- Provide guidance to strategically invest local resources.
- Engage the community to obtain input into the Plan and ultimately support for local initiatives.
- Provide support for the Town's Master Planning process.

What is affordable housing?

Different definitions of affordable housing...

- HUD definition is spending no more than 30% of income on housing costs.
- 40B definition – “A” affordable units include:
 - *Available to households earning at or below 80% of area median income*
 - *Permanent units subsidized or approved by a subsidizing agency*
 - *Deed restricted*
 - *Affirmatively marketed*

| Household Size (Number of Persons) | 2019 Income Limits | 2018 Income Limits |
|---------------------------------------|-----------------------|-----------------------|
| 1 | \$62,450 | \$56,800 |
| 2 | \$71,400 | \$64,900 |
| 3 | \$80,300 | \$73,000 |
| 4 | \$89,200 | \$81,100 |
| 5 | \$96,350 | \$87,600 |
| 6 | \$103,500 | \$94,100 |

What housing is “Affordable” in Hingham?

Subsidized Housing Inventory (SHI) Details

- 1,005 units or uncontested 11.37% of 8,841 year-round housing units, are currently considered eligible by the state for inclusion on the SHI.
- 349 or 35% of SHI units are actually affordable.
- 121 units over the 10% state affordability goal.
- 30+ units above the 10% level following 2020 census based on projected housing growth.



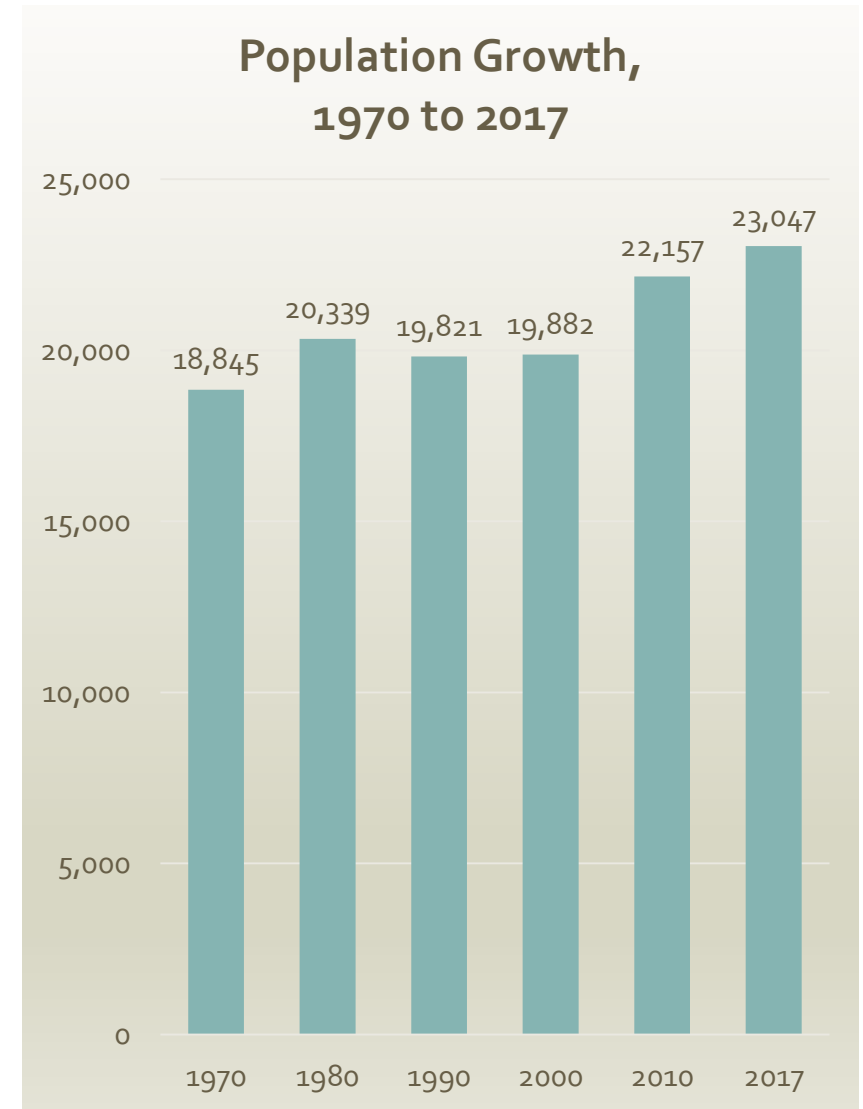
Town focus on wide range of housing needs

- Despite reaching the 10% state affordability goal, there are still unmet and pressing housing needs.
- Identify and address the wide range of housing needs based on income levels and target populations.
- Inclusion of “a” affordable units that do not meet state requirements but still serve critical local housing needs.



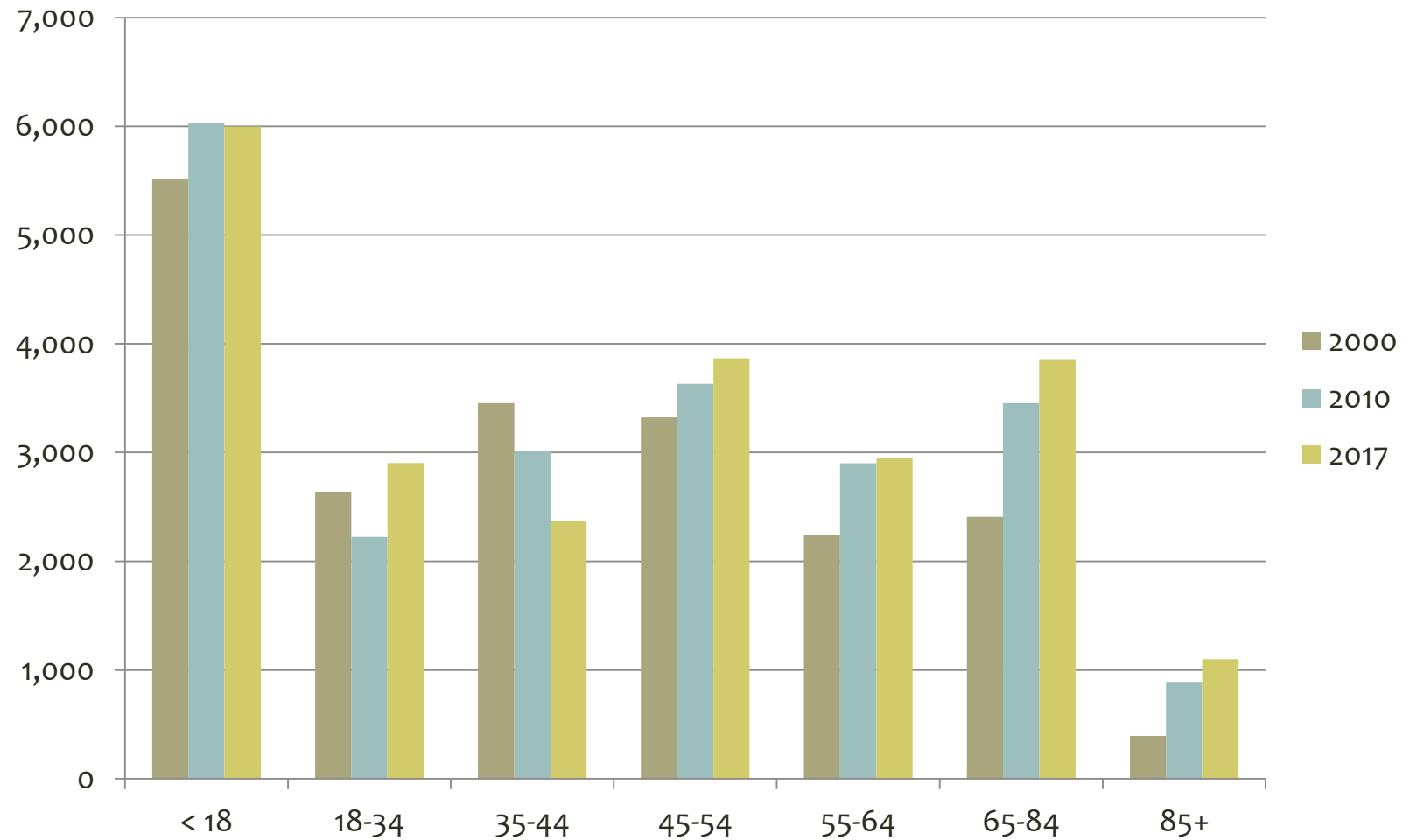
Key Demographic Trends

- Continuing population growth.
- Population projections suggest continuing growth by 5% to 10.6% between 2010 and 2030.
- Relatively high population of children and increasing school enrollments.
- Major increases in older residents – Baby Boomers and Linden Ponds.
- Projected declines in children and middle aged residents.
- Very high projected increases in older residents.
- Growth in smaller households including those living alone.



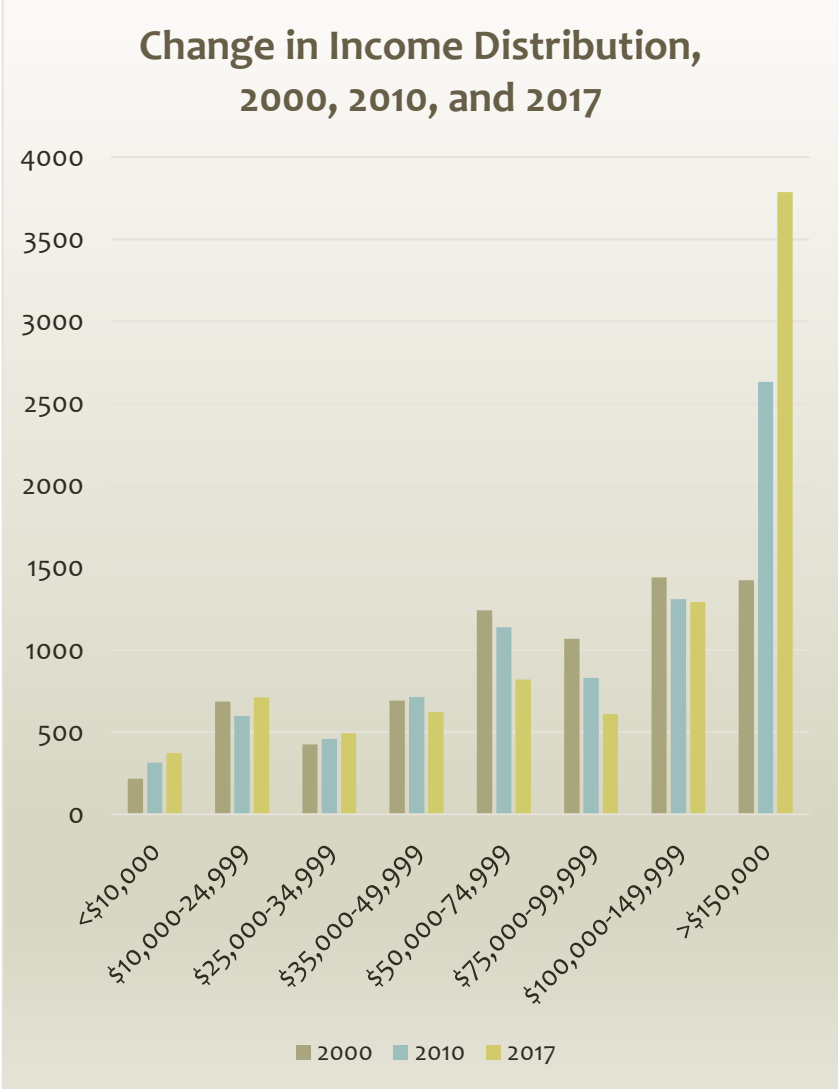
Change in Age Distribution

Change in Age Distribution, 2000 to 2017



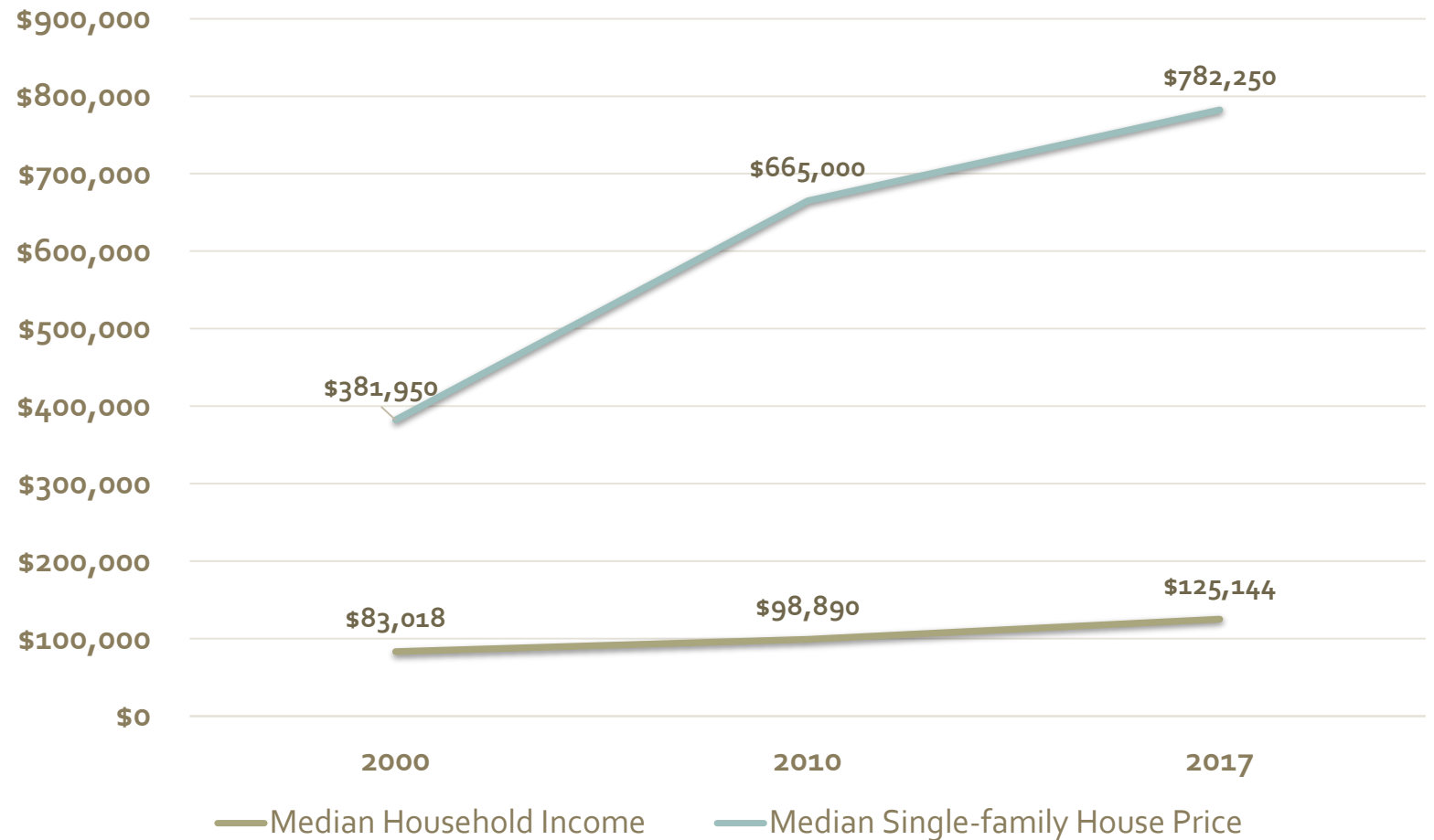
Key Economic Trends, 2000 - 2017

- Relatively high incomes with median of \$125,144, up from \$83,018.
- Growing income disparities.
- Increase in households with incomes below \$15,000 from 412 to 611.
- Poverty low but increasing.
- Increase in households earning above \$200,000 from 882 to 2,681.
- Median income of owners increased by 69% to \$152,674 while median of renters decreased by 3% to \$48,284.



Gaps between Median Household Income and House Values

Changes in Median Household Income and Single-Family House Price, 2000-2017



Key Housing Growth and Occupancy Trends

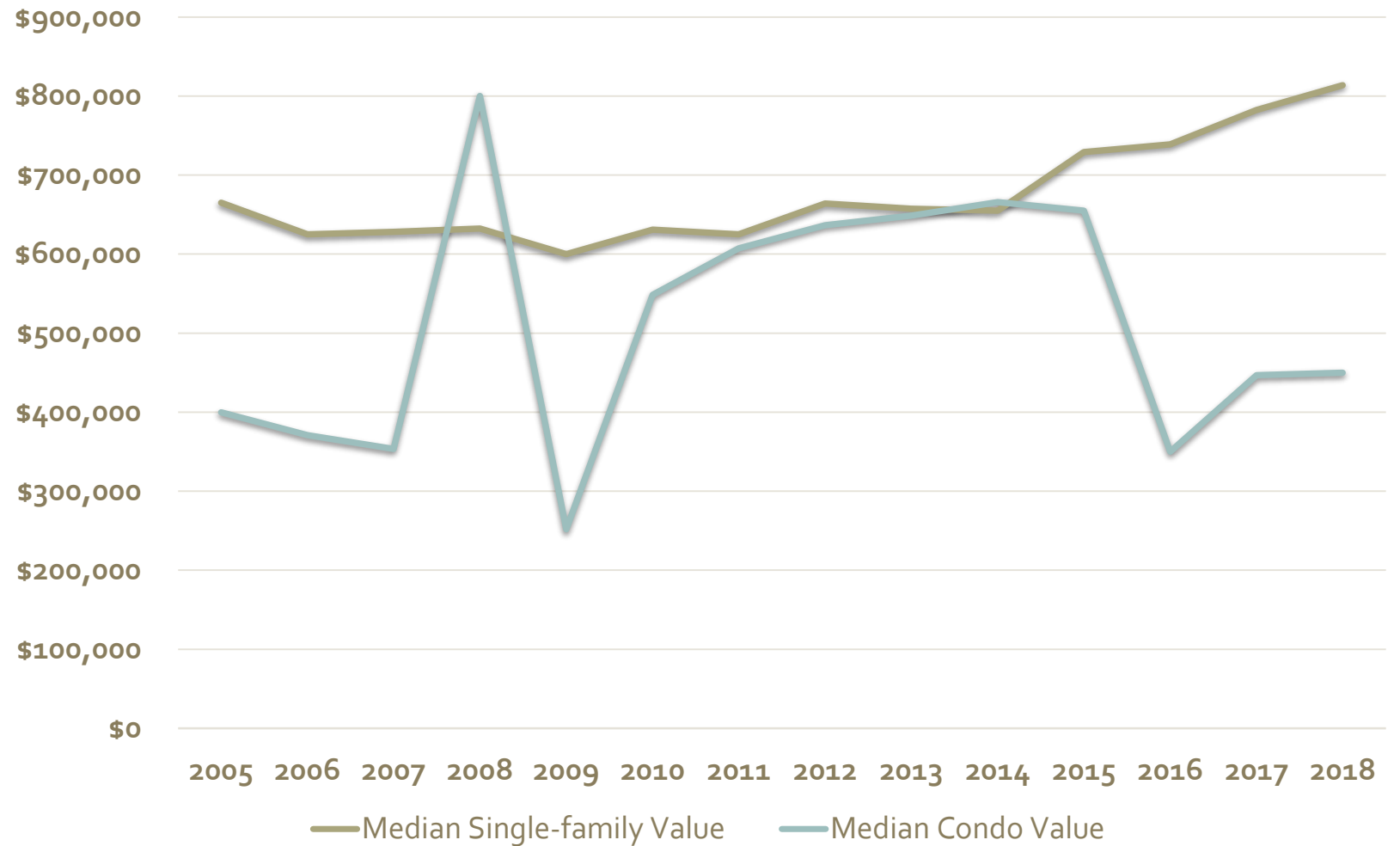
- Housing growth was higher than population growth at 24% and 16%, respectively, between 2000 and 2017, based on census figures.
- Permitting activity suggests somewhat higher housing growth at 34%.
- 918 new units built between 2010 and 2018.
- Substantial demolition/replacement activity at about 40% of new single-family home development between 2010 and 2018.
- Projected housing growth higher than projected population growth.
- Predominance of owner-occupancy at 80% in 2017 but down from 86% in 2000 and with a net gain of 777 units.
- Notable growth in rental housing units, from 14% to 20% between 2000 and 2017 with a net gain of 746 units with more underway, thus increasing housing diversity.
- Increasing numbers of larger units.
- 0% vacancy rate for ownership, 8.6% for rentals.

Key Housing Cost Trends

- Very little affordability remaining in the private housing market.
- Prices remain high - \$813,750 for median single-family home as of the end of 2018, \$450,000 for condos.
- Market rents are also high with a median of \$2,190 and new market rents of over \$3,000.
- High single-family affordability gap of \$270,750 for median income earning household and widening to \$535,750 at the 80% AMI limit.
- Increasing cost burdens as 30% or 2,493 households were spending too much for their housing including 17% or 1,415 with severe cost burdens.
- Two-thirds of those earning at or below 80% AMI were experiencing cost burdens including 1,200 or 51.5% with severe cost burdens.

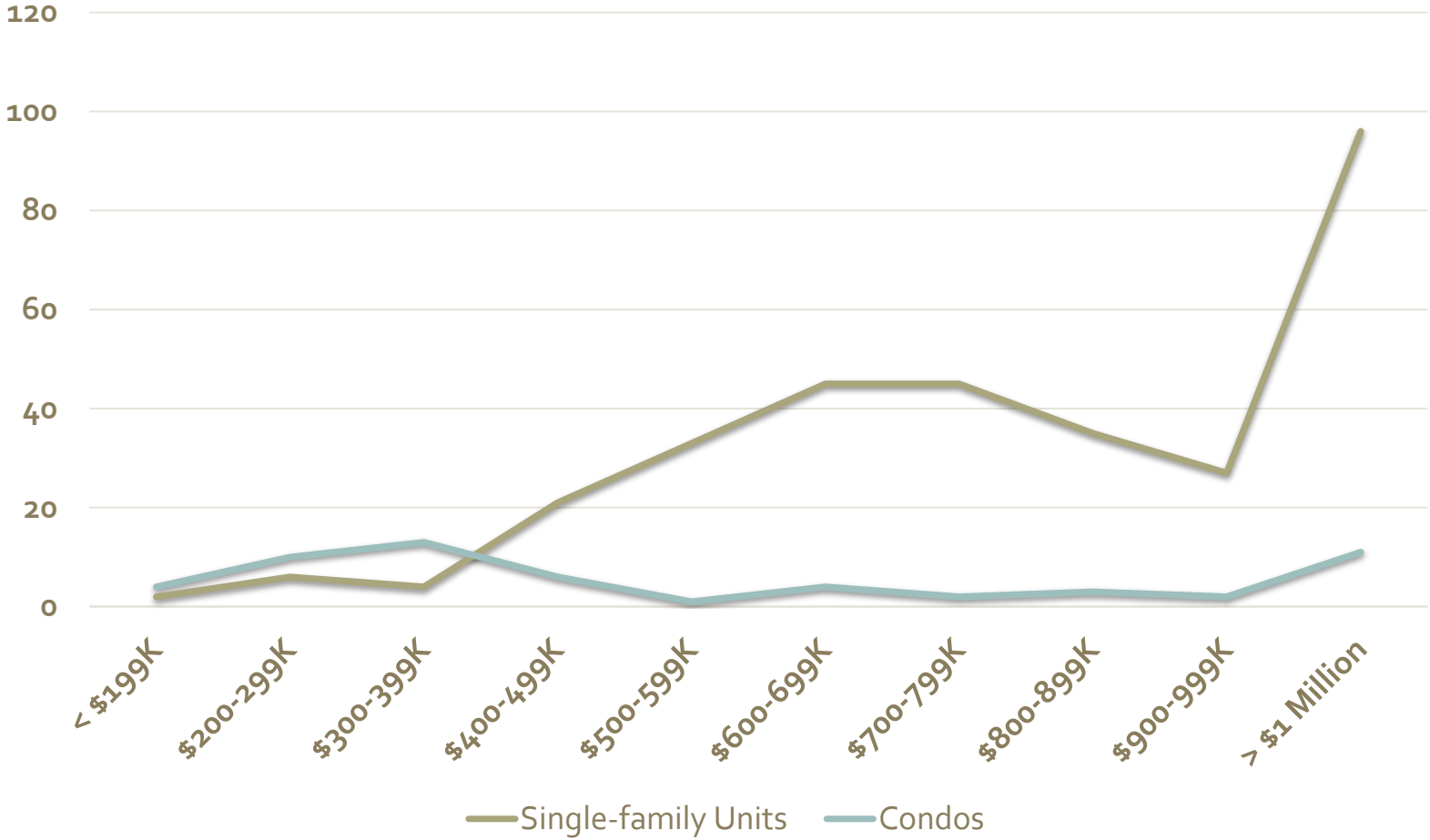
Change in Median Values

Change in Median Values, 2005 to 2018



Distribution of Sales Prices

Distribution of Sales Prices for Single-Family Homes and Condos, March 2018 to February 2019



Priority Housing Needs

- Indicators of need for various income levels and target populations including seniors, families, and those with disabilities.
- The Housing Needs Assessment suggests that the Town focus primarily on rental unit development to:



- Target needs of the most vulnerable residents.
- Continue to promote greater housing diversity.
- Provide more appropriately sized units for increasing numbers of smaller households.
- Offer opportunities for seniors to downsize in less isolated settings.
- Leverage other funds as almost all state and federal funding is directed to rental housing, family rentals in particular.
- Enhance the ability to qualify occupants for housing subsidies as state requirements regarding assets make it very difficult for long-term owners to be eligible for assistance.

Other Priority Housing Needs

- Still need more affordable homeownership units.
 - Starter homes
 - Options for downsizing
- Also need to better integrate handicapped accessibility and supportive services into new development or redevelopment.
- Older housing stock will also require resources to support housing improvement and preservation work.



Questions for Small Group Brainstorming

- What is the Town's greatest challenge related to preserving and producing housing affordability and diversity?
- What should Hingham's long-term affordable housing goal be for addressing unmet housing needs? Both "A" and "a" affordability over 10 years?
- What are the best locations for new housing development?
- What are the most important actions or strategies for the Town to implement to address priority housing needs?

Next Steps

- Obtain comments and input into next sections of the Housing Plan.
- Finalize draft Housing Needs Assessment.
- Prepare next sections of Housing Plan including housing challenges and strategies.
- Conduct another public forum to obtain feedback.
- Finalize Housing Plan.

