

CITY OF NEWTON ASSESSMENT OF AFFORDABLE HOUSING LOCAL PREFERENCE POLICY



STATUS REPORT & DISCUSSION
NEWTON ZONING & PLANNING COMMITTEE
APRIL 12, 2021

OVERVIEW



Our scope



Data analysis



Discussion of
policy rationale



Next steps



PROJECT PURPOSE & SCOPE

The purpose of this project is to evaluate the effectiveness of and need for the City's existing "local preference" policy, i.e., the policy that gives priority to Newton residents for access to affordable housing units; and to assess the potential barriers created by the policy.

Tasks summary:

- Review AFHMP, if available
- Review lottery data for selected developments, for size and makeup of local preference and general pools
- Review lease-up data for the same developments and compare with lottery results
- Consult with developers, lottery agents to understand differences (if any) in makeup of lottery v. lease-up groups
- Consider available data in light of City's established local preference policy



DATA SELECTION

- Data collection and reporting from lottery to lease-up is inconsistent over time, between lottery agents, and in developments with different numbers of available affordable units
- The case studies include TRIO/Washington Place, Austin Street, and Hancock Estates.
- Each of these developments had more than 10 affordable units, as well as demographic data for both lottery and lease-up



FINDINGS

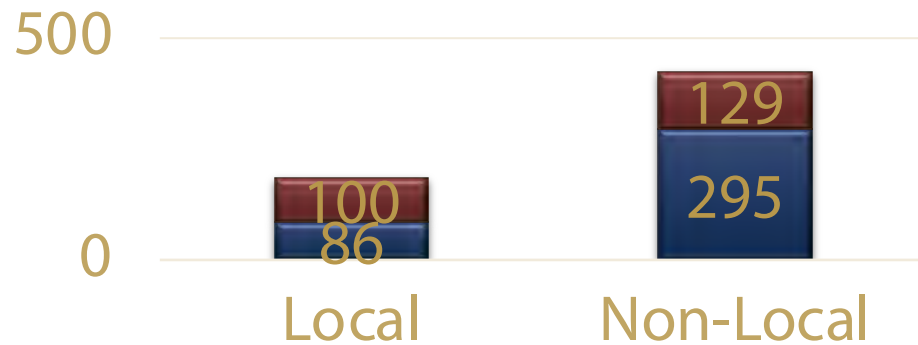
- The community that benefits the most from Newton's local preference policy is White, non-Hispanic local households.
- Selection rates were higher for White applicants in each development than for minority applicants overall
 - When split into local and non-local households, selection rates among local households favored White applicants over minority applicants, and among non-local households, selection rates were higher for minority applicants (specifically highest for Asian households in each case)
- The effect of local preference on households requiring accessibility features in their units is unclear.



CASE STUDIES OF NEWTON'S LOCAL PREFERENCE POLICY: TRIO/WASHINGTON PLACE

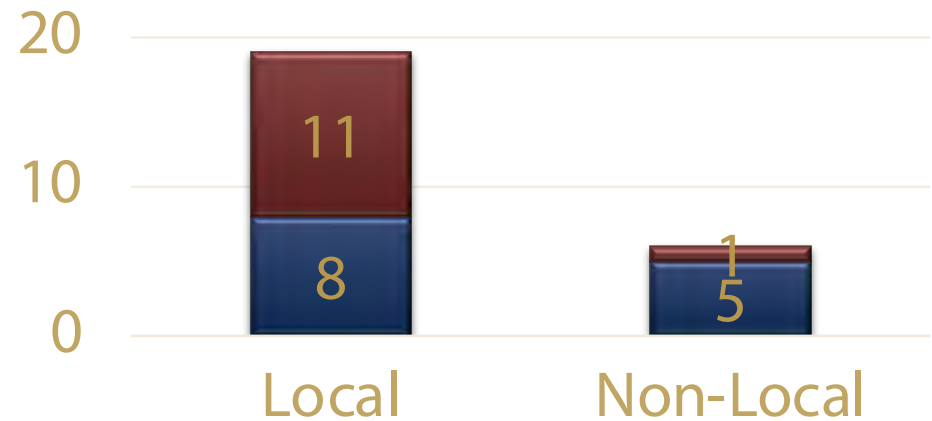
Total applicants: 610 | Total units: 25 leased through lottery

TRIO/Washington Place Applicants



- White, Non-Hispanic
- racial/ethnic minority

TRIO Initial Lease-Up



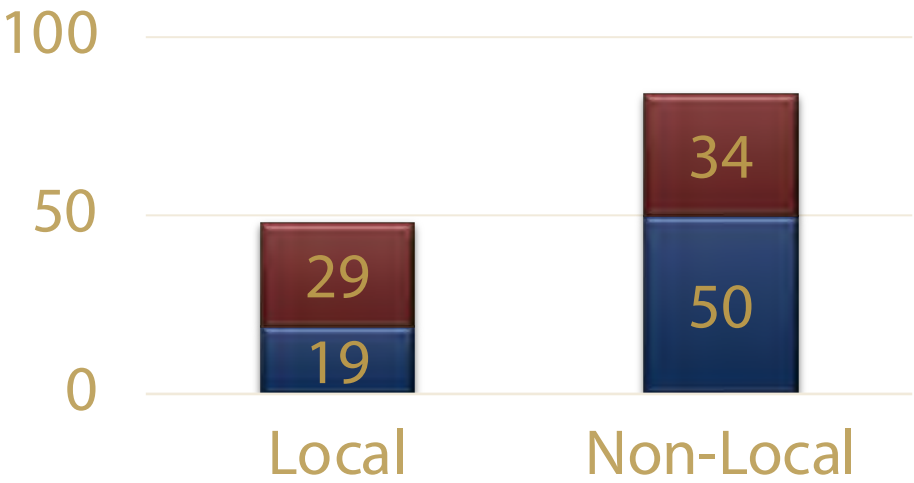
- White, Non-Hispanic
- racial/ethnic minority



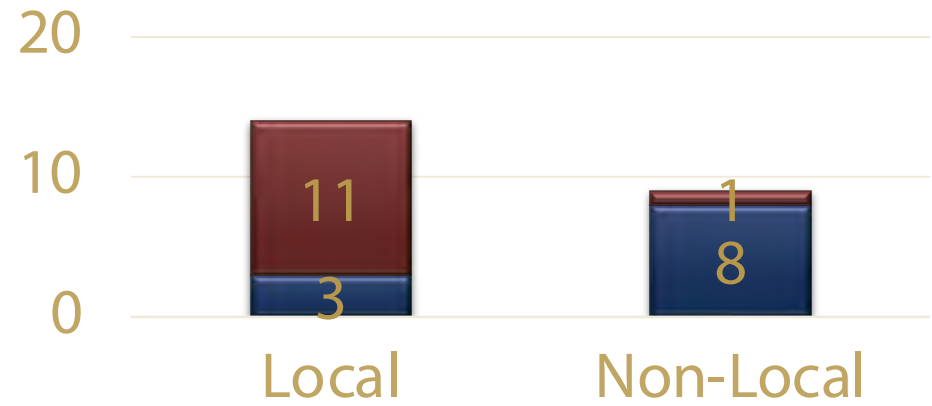
CASE STUDIES OF NEWTON'S LOCAL PREFERENCE POLICY: AUSTIN STREET

Total applicants: 132 | Total affordable units: 23

Austin Street Applicants



Austin Street Initial Lease-Up



■ White, Non-Hispanic
■ racial/ethnic minority

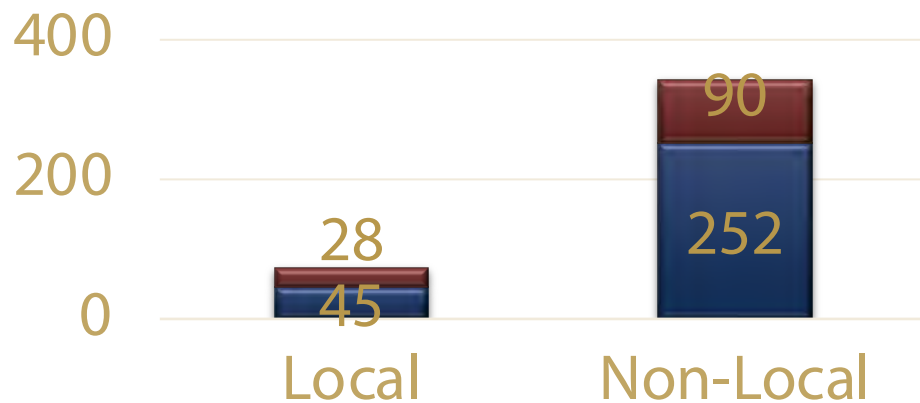
■ White, Non-Hispanic
■ racial/ethnic minority



CASE STUDIES OF NEWTON'S LOCAL PREFERENCE: HANCOCK ESTATES

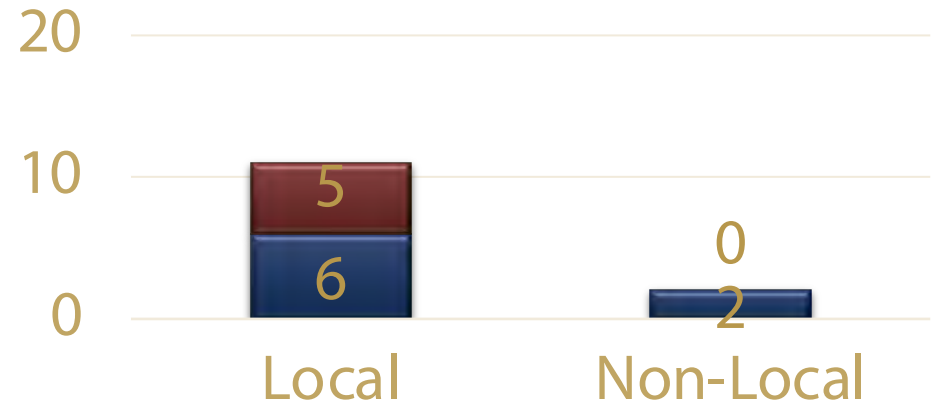
Total applicants: 415 | Total affordable units: 13

Hancock Estates Applicants



■ White, Non-Hispanic
■ racial/ethnic minority

Hancock Estates Initial Lease-Up



■ White, Non-Hispanic
■ racial/ethnic minority



LOTTERY	TRIO	AUSTIN	HANCOCK	TRIO	AUSTIN	HANCOCK
Local White	100	29	28	16.4%	22.0%	6.7%
Local Minority	<u>86</u>	<u>19</u>	<u>45</u>	14.1%	14.4%	10.8%
Subtotal	186	48	73	30.5%	36.4%	17.6%
Non-Local White	129	34	90	21.1%	25.8%	21.7%
Non-Local Minority	<u>295</u>	<u>50</u>	<u>252</u>	48.4%	37.9%	60.7%
Subtotal	424	84	342	69.5%	63.6%	82.4%
TOTAL	610	132	415	100.0%	100.0%	100.0%

LEASES	TRIO	AUSTIN	HANCOCK	TRIO	AUSTIN	HANCOCK
Local White	11	11	5	44.0%	47.8%	38.5%
Local Minority	<u>8</u>	<u>3</u>	<u>6</u>	32.0%	13.0%	46.2%
Subtotal	19	14	11	76.0%	60.9%	84.6%
Non-Local White	1	1	0	4.0%	4.3%	0.0%
Non-Local Minority	5	8	2	20.0%	34.8%	15.4%
Subtotal	6	9	2	24.0%	39.1%	15.4%
TOTAL	25	23	13	100.0%	100.0%	100.0%



TAKEAWAYS: APPLICATIONS

- Newton's affordable housing lotteries receive considerably more applications than the number of available units. In these three case studies, the City received 1,157 applicants for 61 units: 307 local applicants (27 percent) and 850 non-local applicants (73 percent)
- Because the local preference pools included a proportion of racial/ethnic minority applicants that matches or exceeds that of the MSA, preliminary balancing was not necessary. In the case studies we examined, about 49 percent of local applications were from racial/ethnic minority applicants, and rebalancing would be necessary at 27 percent or less
- The non-local pools included a proportion of racial/ethnic minority applicants more than 20 percent greater than that of the local pools



TAKEAWAYS: LEASE-UP

- The factors that contribute to the gap in lottery-selected applicants successfully moving into a unit (or not) are varied and difficult to quantify
 - In these three case-study developments, 14 percent of local applicants and 2 percent of non-local applicants moved into a unit
 - The proportion of local White, non-Hispanic lessees in each of these developments is considerably greater (by a factor of between 2 and more than 5) than this population's share of the applicant pools
- Of 61 units, 48 percent went to White households, while White households were 35 percent of applicants. Asian and non-local Hispanic households also saw selection rates that exceeded their application rates.
 - 29 went to White households, of whom 27 were local
 - 11 went to Hispanic/Latinx households, of whom 7 were local
 - 11 went to Black households, of whom 6 were local
 - 8 went to Asian households, of whom 3 were local
 - 2 went to households indicating a race of "other," of whom one was local



TAKEAWAYS: LEASE-UP

There is little data that demonstrate the effect of local preference on applicants requiring disability-accessible units. Of 9 accessible units, 4 went to applicants with disabilities (2 local, 2 non-local).

Accessible Units		Lottery Applicants Requiring Disability Accommodations			Tenants				
	Units	General Pool	Local	Non-Local	Local with disability	Non-Local with disability	Local without disability	Non-Local without disability	Non-lottery lease
TRIO	5	25	16	9	2		2		1
Austin Street	2	9	4	5		2			
Hancock Estates	2	13	3	10			2		



CITY POLICY QUESTIONS

- What does Newton want the local preference policy to accomplish?
- Do you think that overall, the policy meets the City's expectations?
- What advantages do you see in keeping the policy substantially as-is?
- What are the down sides? Unintended consequences?
- Like any public policy, local preference involves costs and benefits. What are the costs? The benefits? Do the benefits outweigh the costs?

