

A HOME FOR EVERYONE

*A Comprehensive Housing Plan for Massachusetts
2025 - 2029*



MAURA T. HEALEY
Governor

KIM DRISCOLL
Lieutenant Governor

EDWARD M. AUGUSTUS, JR.
*Secretary, Executive Office of Housing
& Livable Communities*

FEBRUARY 2025



THE OFFICE OF
GOVERNOR MAURA T. HEALEY
LT. GOVERNOR KIMBERLEY DRISCOLL

February 6, 2025

Dear Massachusetts resident,

Massachusetts' greatest asset is our people. Yet, right now, too many people across our state are struggling to find housing they can afford.

Housing is the foundation of strong communities, thriving businesses, and economic opportunity. It shapes our families' well-being, the security of older adults, and the stability of our most vulnerable residents. The housing crisis we find ourselves in did not appear overnight. For decades we have not built or preserved the housing we need to compete and grow. The reality of this touches every corner of our state, affecting our workers, employers, students, and families alike. It holds back our economy, strains municipal resources, and limits opportunities for future generations.

That is why our administration is proud to introduce the most comprehensive statewide housing plan in our Commonwealth's history. This is an expansive, forward-thinking strategy to create, preserve, and expand housing opportunities for everyone. It reflects the collective input of thousands of residents and stakeholders who participated in its development. This plan recognizes that there is no single solution to our housing challenges. Instead, it will take a whole-of-government approach and a broad coalition that includes state and local governments, businesses, developers, nonprofits, and residents to build the future we all deserve. Everyone has a role to play in meeting our housing needs.

When we build more housing, we don't just put roofs over people's heads, we create stronger communities. Affordable, accessible homes help families stay near their jobs and schools. They allow seniors to age with dignity in the neighborhoods they love. They provide stability for individuals facing hardship and enable economic growth that benefits us all. They give our next generation a reason to stay and build thriving lives here.

Now is the time for us to take action. This plan is not just about addressing a crisis. It is about building a better future for Massachusetts, one where everyone has a place to call home. I invite all of you — our cities and towns, our businesses and nonprofits, our neighbors and community leaders — to be part of this effort.

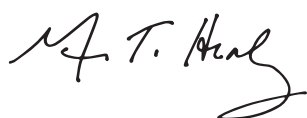
Together, we can ensure that Massachusetts remains a place of opportunity, innovation, and shared prosperity.

Thank you for your partnership and commitment to our Commonwealth's future.

Sincerely,

MAURA T. HEALEY

Governor of Massachusetts



KIM DRISCOLL

Lt. Governor of Massachusetts



CONTENTS

02 ACKNOWLEDGEMENTS

03 PREFACE

05 EXECUTIVE SUMMARY: *UNDERSTANDING AND TACKLING MASSACHUSETTS' HOUSING CHALLENGE*

11 HOUSING NEEDS ASSESSMENT HIGHLIGHTS

- 11 Households
- 12 Supply and Production
- 14 Cost and its Consequences
- 15 Conditions and Risks
- 16 Future Housing Demand

19 NEEDS ASSESSMENT SUMMARY

- 19 A shortage of homes is the root cause of our housing cost crisis, but getting to a more abundant supply won't be easy.
- 20 We are at risk of losing the homes we have, especially the affordable ones.
- 21 A growing share of residents struggle to afford the cost of living in Massachusetts and need support to get by.
- 21 The population with complex housing and medical needs is growing
- 21 The housing crisis affects everyone in Massachusetts, and we all have to work together to solve it.

25 STRATEGIES TO CREATE A COMPETING AND GROWING MASSACHUSETTS

- 26 Achieve a State of Housing Abundance
- 29 Protect Existing Homes and Affordability
- 31 Support Households
- 33 Build a Stronger Safety Net
- 35 Work Together for the Commonwealth

39 APPENDIX: *HOW EOHLC ESTIMATED FUTURE HOUSING DEMAND*

ACKNOWLEDGEMENTS

EOHLC would like to recognize and thank the many people who contributed to the development of this plan, including the thousands of residents and stakeholders who attended a listening session, participated in a focus group, or responded to a survey. A 20-member Housing Advisory Council provided feedback and input across each stage of the process.

HOUSING ADVISORY COUNCIL

<i>NAME</i>	<i>ORGANIZATION</i>
Lieutenant Governor Kim Driscoll (Chair)	Healey-Driscoll Administration
Secretary Edward M. Augustus, Jr. (Vice Chair)	Executive Office of Housing and Livable Communities
Bran Shim	Executive Office of Administration and Finance
Chrystal Kornegay	MassHousing
Joseph Byrne	North Atlantic States Regional Council of Carpenters
Symone Crawford	Massachusetts Affordable Homeownership Alliance
Stephen Davis	The Davis Companies
Keith Fairey	Way Finders
Rachel Heller	Citizens' Housing and Planning Association
Amy Schectman	2Life Communities
Angie Liou	Asian Community Development Corporation
Moddie Turay	Massachusetts Housing Investment Corporation
Kenan Bigby	Trinity Financial
City Manager Eric Batista	City of Worcester
Mayor Jared Nicholson	City of Lynn
Adam Chapdelaine	Mass Municipal Association
Renee Spencer	Wellesley Housing Authority
Brad Gordon	UpSide413
Colin Killick	Disability Policy Consortium
Nicole Obi	Black Economic Council of Massachusetts
Justin Davidson	Massachusetts Association of Realtors
John Yazwinski	Father Bill's & MainSpring

Research partners for this effort were University of Massachusetts Donahue Institute, Metropolitan Area Planning Council, and Dain Research. EOHLC would also like to acknowledge the contributions of Jennifer Kelly, Stephen Costa, and MassHousing for their design and formatting contributions to this plan.

PREFACE

Governor Maura Healey directed the Executive Office of Housing and Livable Communities (EOHLC) to develop this five-year Statewide Housing Plan, the first comprehensive look at the state's housing needs in at least a generation. The Administration's overarching objective is to ensure that safe, affordable, stable, appropriate, well-maintained, and sustainable housing is available to all residents of the Commonwealth. EOHLC organized thirty-four listening sessions, engaged more than three thousand stakeholders, and worked extensively with a Housing Advisory Committee that included representatives from many different sectors. An external research team conducted detailed analysis into critical topics and prepared forecasts of Massachusetts population and housing demand under various possible growth scenarios.

The plan outlines the housing challenges facing Massachusetts; identifies currently unmet and projected housing needs; sets goals for housing production and preservation; and presents new, renewed, and ongoing strategies to reach our goals at the state, regional, and local levels. This document published in February 2025 provides a high-level overview of the findings, forecasts, and strategies developed by EOHLC and its partners. At the same time, EOHLC is publishing the Statewide Housing Needs Assessment as a companion document for those interested in the detailed analysis.

Later in 2025, EOHLC will publish an online plan with expanded versions of the Needs Assessment and Strategies, along with supplementary research papers, data visualizations, and advocacy tools. In a new interactive section of mass.gov, users from all backgrounds can search for different topics, dive deep into issues of concern, and get data about their own regions and communities. EOHLC will also treat the plan as a living document, adding research and recommendations emerging from legislative Commissions and other efforts as they emerge.



EXECUTIVE SUMMARY:

UNDERSTANDING AND TACKLING MASSACHUSETTS' HOUSING CHALLENGE

The housing crisis profoundly affects all of the people who call Massachusetts home. Increasingly high rents and sale prices burden household budgets, undermine the stability of communities, exacerbate homelessness, cause health problems, weaken the economy, and widen gaps between privilege and disadvantage. Safe, appropriate housing is a fundamental human need. The Healey-Driscoll Administration will use every available lever of public policy and persuasion to end this crisis. This plan will show the way.

We all know this: Housing costs are too high. Sales and rent prices are at record levels, having risen faster than incomes and faster than almost any other state. In many communities, homes are selling for well over the asking price and low-cost rentals are vanishing. It is difficult for households at almost any income level to find housing they can afford in the communities where they want to live. Too many households spend more than half of their modest income on housing. The high costs strain many household budgets, depleting funds for other fundamental needs, like food and clothing. Some households are doubling up in crowded living situations. Others are finding themselves in unsafe or inadequate housing settings. Left with no other options, some residents rely on shelters or hotels. Many older adults and individuals with disabilities are staying in home settings that don't meet their needs or are ending up in nursing homes for a lack of suitable community-based alternatives. Despite all that Massachusetts has to offer, young people are leaving the state at an alarming rate, with many reporting that housing costs are the main reason.

All residents of the Commonwealth – even those who are comfortably housed – are affected by the housing crisis. Lack of housing makes it hard for small business owners to find workers and

discourages larger employers from locating or expanding in Massachusetts. When renters are forced to move frequently due to rent hikes and young households can't find a home to purchase, it's hard to build the community cohesion that comes from long-term housing stability. The search for affordable housing pushes people far from their jobs, worsening traffic congestion.

Lack of access to safe and suitable housing undermines people's mental and physical health. Housing instability makes it harder for children to learn in school, affecting all students' educational outcomes and long-term prospects. The housing crisis drives up the cost of healthcare and puts our most vulnerable residents in dangerous living situations. The shortage of homes accessible to individuals with disabilities and homes suitable for older adults means that they often stay in homes that no longer meet their needs. Others end up in institutional settings such as nursing homes, with higher medical costs and generally worse health outcomes than independent living. And almost all these consequences are worse for people of color, female-headed households, and other marginalized populations.

The housing shortage also exacerbates inequality and amplifies disparities in wealth. While rising sale prices produce corresponding gains in wealth for most homeowners, those same rising prices make it hard—if not impossible—for first-generation homebuyers to buy a home. Unaffordable rents also make it harder for renters to save up for education, retirement, or homeownership. All this contributes to the racial wealth gap, as Black and Latino people own homes at a much lower rate than the population as a whole. Lack of affordable homes in many communities perpetuates economic and racial segregation in the region, limiting access to economic and educational opportunity.

The primary factor contributing to the state's housing crisis is that there are not enough homes to meet the needs of people living here. For more than two decades, Massachusetts' growth in housing demand has outpaced additional supply, resulting in low vacancies and intense demand for the homes that are available. Bidding wars often drive sale prices well above asking price and landlords can dictate prices since renters have few options. When not enough new construction exists to meet high-income demand, investors purchase and upgrade "naturally affordable" rentals and starter homes, which then become unavailable to the income levels they formerly served. Aging adults looking to downsize can't find suitable and affordable options in their community, so they stay in place, rather than freeing up their homes for younger families. Young adults who can't find reasonably priced one- or two-bedroom apartments form larger roommate households that can easily outbid families for 3+ bedroom units.

While a shortage of units is the principal cause of our housing crisis, other factors also play a role. Increasing wage polarization and income inequality have swelled the number of households that cannot afford modestly priced housing, even with multiple wage earners. People are working double shifts and still coming up short for rent. Growth in substance use disorder and mental health challenges means that more people need supportive services to remain stably housed. The increasing risk of natural disasters has caused property insurance rates to skyrocket. New algorithms setting rent and sale prices drive up costs as landlords and sellers ask for the maximum amount the market will bear. With online platforms for short-term rentals, owners of homes in seasonal communities who may have previously made unoccupied units available for year-round

rentals now prioritize short-term higher-revenue vacation stays. The age of the housing stock means that many units need significant upgrades to be accessible, energy efficient, and healthy for their occupants. All of these factors drive up the cost of housing, now and in the future.

The coming decade will bring more changes and challenges. The aging of the Baby Boomer generation will bring a dramatic increase in households headed by older adults, often on a fixed income and with limited mobility. A changing climate may put even more homes at risk of loss due to floods, intense storms, fires, and other natural disasters. Escalating construction costs and higher interest rates are already making it hard to finance new construction, whether market-rate or subsidized. The Commonwealth's public housing stock has a massive capital maintenance repair backlog and needs substantial modernization. Massachusetts must attract and retain young workers essential for a strong economy and opportunities for all residents.

The Healey-Driscoll administration believes we can solve these problems through bold, collaborative action with partners in every agency, sector, and community. Massachusetts is a caring, innovative, and forward-looking state with the capacity to overcome any challenge when all the members of our housing ecosystem are aligned in a shared vision. This plan envisions a future in which housing is abundant, affordable, and safe for all Massachusetts residents, from all backgrounds, throughout their life cycles. Whether you're a young person starting out on your own, a couple looking to settle down and raise a family, or an older adult who wants to enjoy your golden years in the community you love, there should be a home for you that you can afford.

This plan seeks to create a future in which the homes of Massachusetts are resilient, energy efficient, and free of hazards so that residents can be healthy and safe in the face of extreme weather conditions and rising energy prices. Low-income residents should have the support and protection they need to avoid eviction, foreclosure, displacement, and homelessness. All residents should be free from discrimination in the housing market. People of color, people with disabilities, immigrants, and disadvantaged groups should have equitable access to stable housing and opportunities to build wealth. Housing development should be well-planned and coordinated with infrastructure investments. Most of all, Massachusetts needs *all* communities across the Commonwealth to do their part to achieve a more equitable, affordable, and accessible housing market.

To make this vision a reality, we need a plan. This housing plan – the first ever comprehensive and statewide plan for housing and livable communities – seeks to outline what is known about the housing challenges facing Massachusetts; identify our needs moving forward; and set bold, achievable goals for housing production, preservation, and resilience. It is intended to provide a shared body of knowledge, an examination of areas of uncertainty and disagreement, and an exploration of our changing demographics and possible futures. It also provides an inventory of concrete, actionable strategies for implementation by EOHLC, other state agencies, cities and towns, the private sector, and individuals.

The plan identifies five broad strategies for achieving a brighter housing future:

- Achieve a state of housing abundance
- Protect existing homes and affordability
- Support households
- Build a stronger safety net
- Work together for the Commonwealth

Within each strategy may be found actions and policies at various levels of specificity. Some are already underway; some can be implemented in the short term with broad support; others will require further study and consensus building to find the best path forward. EOHLC intends to use this plan to guide our policy direction, legislative action, and budgetary and funding decisions in the coming years. This document represents a summary of the plan, but later in 2025 EOHLC will launch a new online plan with additional resources and interactivity. This all-digital format also means that EOHLC can continue to add, refine, and expand this plan as the agency and its partners learn new things, measure progress, and define new actions to take.

One thing is clear: The Healey-Driscoll Administration cannot solve this problem on its own. The Massachusetts housing ecosystem has a wide array of actors and each of them has a role to play. Across the executive branch, EOHLC will work with other state agencies, utilities, and quasi-public offices to align their programs, regulations, and spending to ensure win-win outcomes for our shared priorities. The Healey-Driscoll Administration looks forward to collaborating with the legislature to advance legislation that would unlock production, regulate unfair housing practices, and provide funding for essential programs. Here in the Commonwealth, we value the partnership and shared vision between the State and the 351 cities and towns within it. The entire Administration is committed to finding ways to support municipalities in planning for and investing in the housing they need to support all residents. This crisis shows itself across every single community and EOHLC depends on municipal partners to take seriously their responsibility to all their neighbors when it comes to creating housing opportunities. The development community—developers, lenders, labor, and landlords—must find innovative ways to deliver the homes that Massachusetts needs, even if that doesn't maximize the bottom line.

By working together, Massachusetts can solve its housing crisis. We can build the homes we need today and for the future; we can preserve the homes and neighborhoods that make our communities special; we can support the households struggling to make ends meet; and we can provide a strong safety net so that no one falls through the cracks. It won't be easy, but now we have a plan. Let's put it into action.



HOUSING NEEDS ASSESSMENT HIGHLIGHTS

Over the one-year process to develop this plan EOHLC and its consultant team conducted extensive research, data collection, and forecasting. Results of this work form the basis for a comprehensive Statewide Housing Needs Assessment, which is being published in its current form as a companion piece to this plan. Later in the spring of 2025, EOHLC will publish the full Needs Assessment and additional material in an online interactive report. Highlights of the Needs Assessment are summarized below.

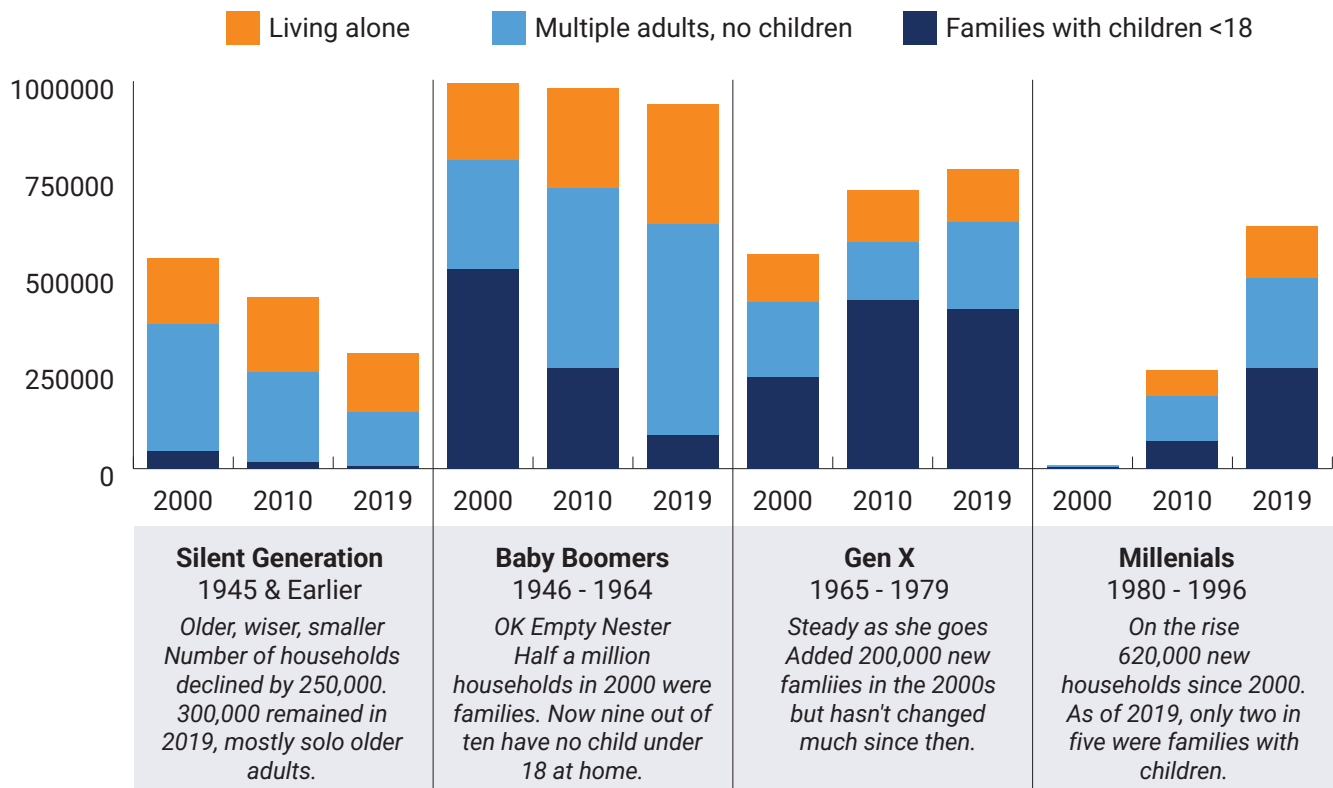
HOUSEHOLDS

Massachusetts is home to 7 million people who have diverse housing needs, preferences, and abilities to pay for housing, all of which change over time. Baby Boomers (born 1945 to 1964) and Millennials (1980 to 1994) make up the state's largest generational groups, so their changing needs are particularly salient for an assessment of statewide housing needs.

Some of the key findings of the assessment of households include the following:

- Massachusetts has seen strong growth in housing demand over the past 15 years. Over 375,000 Millennials – 43% born and raised in Massachusetts – formed new households between 2009 and 2019.
- Baby Boomers now mostly constitute small households, without children. Baby Boomers make up 23% of the population and 36% of the households.
- Since 2010, the overall number of households with children declined by 52,000. Due to declining birth rates and delayed fertility, the Millennial generation makes up fewer households with children than the Baby Boomer generation did 20 years ago.
- Since 1990, the state has seen rapid growth of both low-income and high-income jobs, loss of middle-income occupations, and a decline in middle-income working households. With growing wage disparity comes disparity in purchasing power for housing, with higher income households able to command much higher prices.

HOW EACH GENERATION'S HOUSING NEEDS HAVE CHANGED SINCE 2000



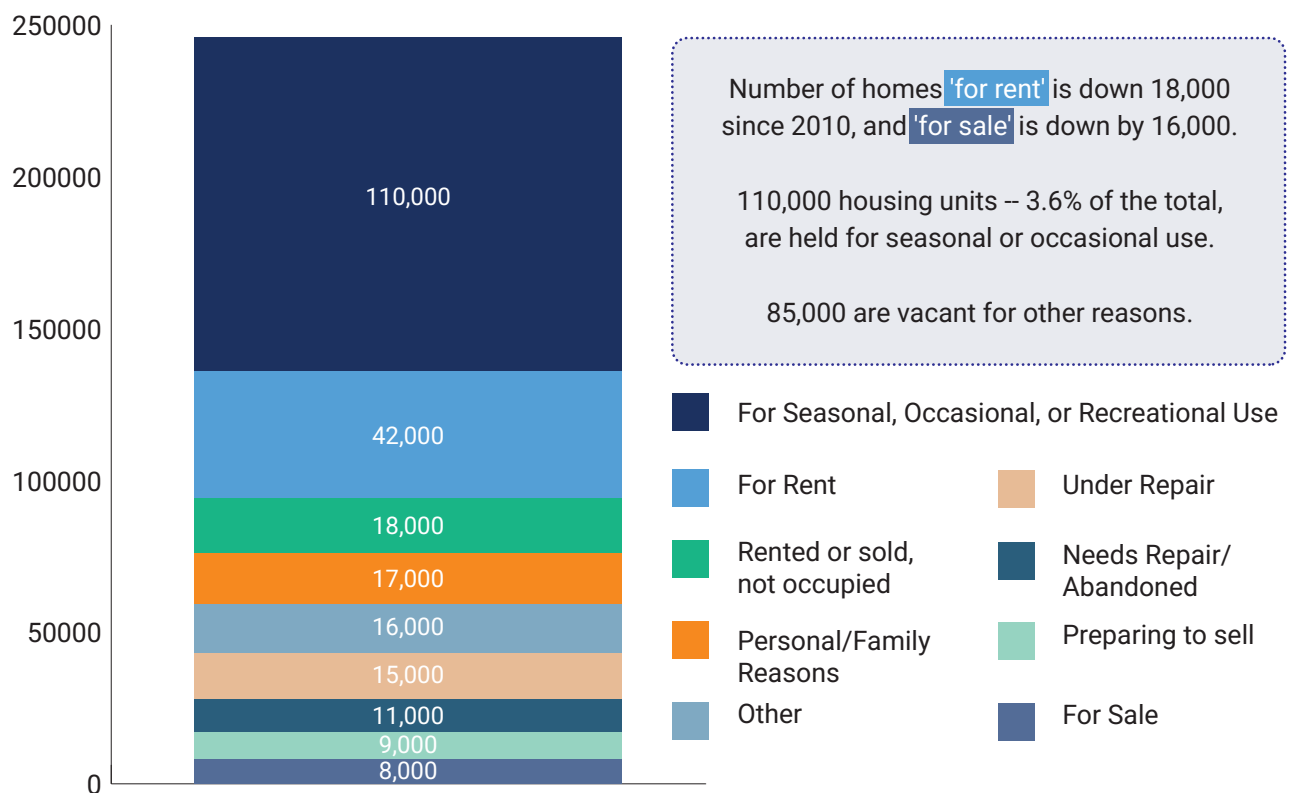
SUPPLY AND PRODUCTION

Current and future residents of the Commonwealth will be housed in existing structures, as well as new construction. The Needs Assessment analyzes current housing stock and production. Extremely low vacancy rates are a strong indicator that housing supply and production is not sufficient. This section explores the barriers to development of the diverse housing that is needed.

- Massachusetts has over 3 million homes, of which about 57% are in single family homes. The remainder is in buildings with two or more units. Nine out of ten single family homes are owner-occupied, while three quarters of multi-family units are renter-occupied.
- The state has a substantial inventory of rental housing reserved for low-income residents: there are approximately 140,000 affordable homes owned by private (non-profit or for-profit) landlords, and over 70,000 homes in federal- or state-supported public housing. Together these constitute about 7% of the total housing stock.
- Housing production over recent decades hasn't kept up with housing demand; as a result, the share of homes available for sale or rent has shrunk to only 1.6%, a historically low vacancy rate. This creates intense competition for the homes that are available.
- Statewide, 3.6% of homes are used as seasonal residences or for short-term rental. On Cape Cod, that figure is 36%; in the Berkshires, 13%; on Nantucket and Martha's Vineyard, 60%. This means that a substantial share of the housing stock in these regions isn't available to year-round residents at any income.

- The state added an average of 19,000 units per year from 2010 to 2020, but only 11,600 homes were issued building permits in 2023. People seeking to build new homes face many challenges such as restrictive zoning, elevated construction and operation costs, high expectations from investors, lack of water and wastewater infrastructure, and increasing demands for sustainability, affordability, and design.
- Supportive housing is affordable housing couple with services for residents, particularly those experiencing chronic and high need homelessness with a disabling condition. It is a proven and cost-effective strategy for enabling housing stability and improving health outcomes. There are an estimated 9,500 units of supportive housing across the state. A coalition of service providers has recommended that the supply needs to double over the next ten years, with an additional 10,000 supportive housing units.

MASSACHUSETTS HAS 3.05 MILLION HOUSING UNITS AND 245,000 VACANT UNITS AT ANY GIVEN TIME. IN 2023, ONLY 50,000 UNITS WERE FOR SALE OR RENT.

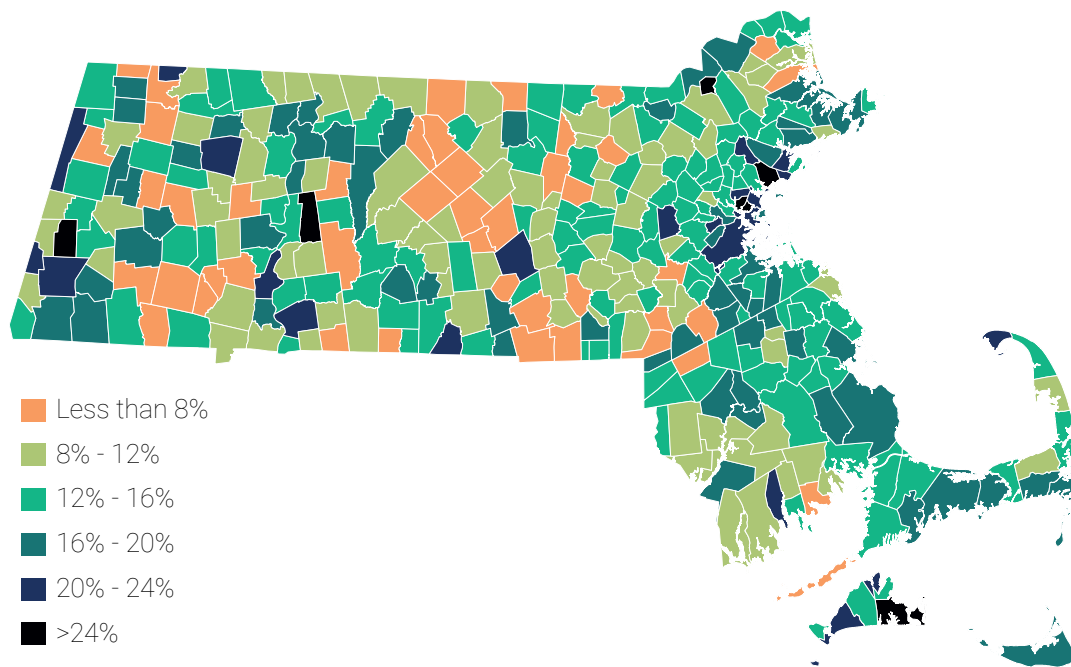


COST AND ITS CONSEQUENCES

It's well known that Massachusetts housing is too expensive. Recent reports have ranked Massachusetts as having the 2nd highest cost of living in the country. While the state also has the second highest median household income of any state, at \$101,000, the astronomical cost of housing burdens households across the income spectrum. The consequences of home price escalation include housing instability, overcrowding, displacement, homelessness, and outmigration, among other things.

- Median home prices rose 73% from 2000 to 2023, after adjusting for inflation, while median household income rose only 4% in real dollar terms over the same period. As a result, fewer than one quarter of home sales from 2010 – 2019 were affordable to low-moderate income households (at or below 70% of AMI). Lower-cost rentals are also vanishing.
- Household budgets are burdened by rising insurance costs (up 40% nationwide since 2017); transportation costs (\$13,000 annually for the average household that owns one or more cars); and utilities such as heat, electricity, and broadband service.
- About 100,000 low-income households receive rental housing vouchers which provide an average benefit exceeding \$1,500 per month at the end of 2024. With rising rents and EOHLC policy changes that allow more flexibility, the cost of each voucher is increasing.
- The number of households paying more than 30% of their income has been rising across all income groups. More than one quarter of middle-income households are cost burdened, and more than three quarters of very low-income households.
- Eviction rates have rebounded since the pandemic moratorium. There were 27,000 eviction filings for nonpayment of rent in 2023, of which 9,000 resulted in an eviction.
- Homelessness of both individuals and families has been on the rise. The trend involves both long-term residents of the state as well as people who have recently arrived. Massachusetts now has the nation's 5th largest homeless population.
- Some people cope with high housing costs by living with parents, roommates or other families; others move out of state. There are an estimated 49,000 overcrowded households (more than two people per bedroom), 108,000 "missing households" that didn't form due to high housing costs, and 400,000 adults living in their parent's household. On net, Massachusetts lost nearly 24,000 prime working age adults to other states in 2022, the most recent year for which these data are available.

PERCENT OF HOUSEHOLDS PAYING MORE THAN 50% OF INCOME FOR HOUSING, 2018 - 2022



CONDITIONS AND RISKS

The number of housing units and their cost doesn't tell the whole story. Size, condition, accessibility, and location of homes also determine whether the housing stock meets the needs of the population. The challenge is not only to have more homes, but to have homes that meet diverse housing needs. Massachusetts must also contend with the growing threat of natural hazards, such as water, wind, and fire damaging or destroying a large number of homes. Other homes may be lost to long-term residents not because they are destroyed, but because they are converted to seasonal homes or short-term rental properties.

- Over half of the homes in the state have three or more bedrooms, making them suitable for larger families who need more room than the average household. However, only 38% of these homes are occupied by families with children. The rest are occupied by groups of adults, couples, or even people living alone (14% of all 3+ bedroom homes.) This situation makes it hard for many families with children to find affordable three-bedroom homes, especially when they are in the rental market.
- There is a profound shortage of homes accessible to people with disabilities, especially low-income households. There are approximately 650,000 households in which at least one member has a disability. Meanwhile, the stock of affordable housing reserved for low-income households only includes an estimated 10,200 accessible homes.

- While the state has identified financially feasible pathways for adoption of high efficiency standards in new construction, it will be more difficult and expensive to retrofit older homes for efficiency, resilience, and electrification. The scale of the problem is substantial: 73% of existing homes still use on-site fossil fuels (gas or oil) for heating.
- The Commonwealth's state-aided public housing portfolio has a \$4+ billion capital maintenance backlog and needs significant investments to remain habitable, healthy, accessible, resilient, and efficient.
- Natural hazards, especially flooding, are damaging homes well outside previously mapped hazard areas. One recent analysis estimated that 193,000 properties in Massachusetts face a substantial risk of coastal flooding. The property damage from inland flooding is projected to rise by 44% over the next 25 years.
- Cape Cod, the Islands, and Western Massachusetts lost an estimated 9,000 year-round homes to seasonal conversion from 2010 to 2020.

FUTURE HOUSING DEMAND

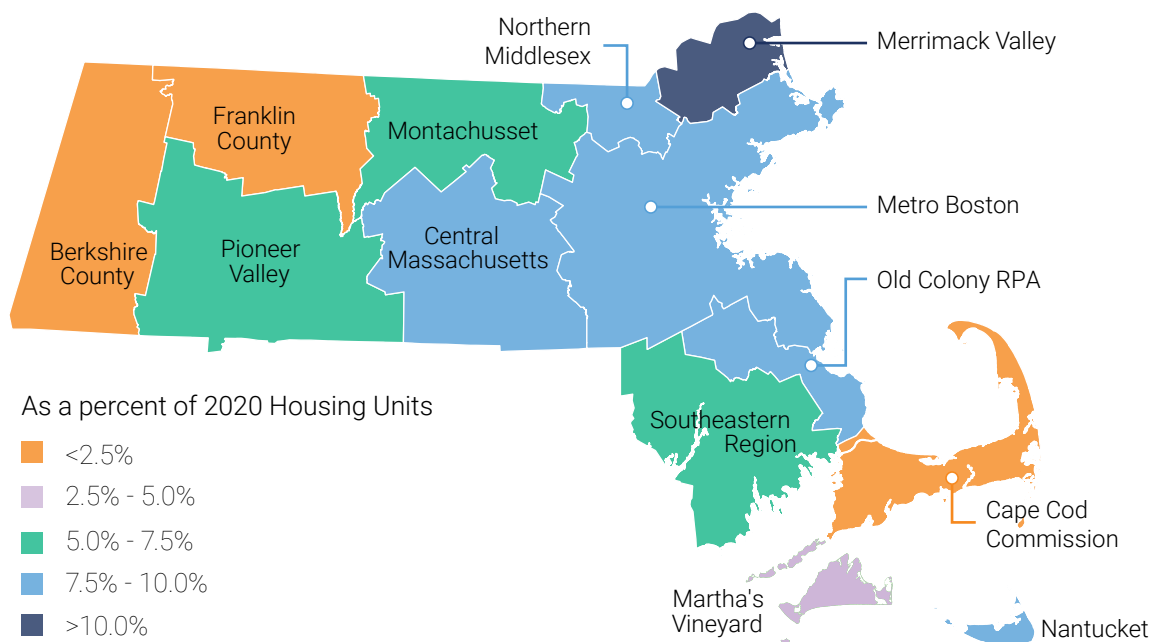
Right now, Massachusetts does not have enough homes, in sizes, condition, accessibility, and locations to meet the needs of all Massachusetts residents. In the coming years, demand for housing will grow. A team of researchers working with EOHLC estimates that Massachusetts will need to produce an additional 222,000 homes to end the housing crisis. Production of new homes is not the only solution to the housing crisis, but it is an essential one.

- "Business as Usual" demographic trends indicate that Massachusetts may see no population growth from 2025 – 2035. Over that time, half a million Millennials and Gen Z residents will be forming households. Not as many homes will be freed up by Baby Boomer and Silent Generation households that are dissolving or moving away. Even with no population growth, Massachusetts needs 73,000 additional homes to accommodate that demographic demand.
- An additional 106,000 homes are needed to accommodate overcrowded & doubled-up families, young adults living with parents or roommates, and families and individuals currently living in shelters; to mitigate the loss of year-round homes to seasonal use; and to achieve a healthy vacancy rate of about 2.6%
- If the state can retain 10% of the young adults moving out of state, it can prevent declines in the resident labor force, but it will need an additional 43,000 homes.
- In total, this analysis indicates that the statewide supply of year-round housing needs to increase by at least 222,000 units from 2025 to 2035, equivalent to 7% of the existing homes. This is the minimum number of additional homes needed to ensure that an absolute shortage of housing is not the main cause of high costs.
- Every region of the Commonwealth will need to add homes to meet this target, and some regions will need to add more than others. The anticipated need for additional year-round housing units in each region is a function of demographics, migration patterns, and current

vacancy rates, among other factors. It is not a measure of existing unaffordability nor an estimate of how many affordable homes are needed to solve the existing lack of affordable housing. Indeed, some regions have already identified an affordable housing shortfall larger in magnitude than the total increase in supply needed to achieve housing abundance. If those affordable housing needs can't be met through acquisition and conversion of existing unrestricted homes, desired production of affordable homes may be higher than overall need for new units. EOHLC supports regional and local affordable housing targets that exceed the overall regional housing production target and will continue engaging with regions and stakeholder to refine housing forecasts so they more accurately reflect regional needs.

- More than half of net household growth is projected to be people living alone, mostly older adults. Driven largely by the substantial growth in low-income older adults, households earning less than \$35,000 comprise fully half of net household growth—over 80,000 households. Meeting the needs of low-income seniors will be of paramount importance over the coming decade.

ADDITIONAL YEAR-ROUND HOUSING UNITS NEEDED, BY REGION, 2025 - 2035





NEEDS ASSESSMENT SUMMARY

The full Needs Assessment demonstrates the breadth and complexity of Massachusetts' housing crisis, and the challenges entailed in solving it. Much of the information is not new, nor even surprising, but for the first time it is set down in one place for all to see and contemplate. Collectively, it tells a powerful and intimidating story about our crisis yet also points the way towards achievable solutions. Reviewing all the information presented here, EOHLC draws five key conclusions:

A.) A SHORTAGE OF HOMES IS THE ROOT CAUSE OF OUR HOUSING COST CRISIS, BUT GETTING TO A MORE ABUNDANT SUPPLY WON'T BE EASY.

For decades, housing supply simply hasn't kept up with demand. Units for sale or rent are at historic lows. Limited options and stiff competition drive up housing prices, which have risen much faster than wages or inflation. Lack of housing supply also prevents people from moving when they want to, makes it harder to exit homelessness, and drives up the cost of vouchers.

Evidence from our own history and across the nation shows that when housing is more abundant, home buyers can shop around, landlords can't ask for top dollar, and people find it easier to move when they need to. Housing abundance won't necessarily cause housing prices to go down, but it can slow the rate of increase so that wages have a chance to catch up.

This plan sets a target of adding 222,000 homes to the available housing stock over ten years, including homes of all types, sizes, and affordability, in all regions of the Commonwealth. That is the number of homes needed to accommodate our current population as it ages, reduce overcrowding and homelessness, and retain a strong labor force.

Making that a reality won't be easy. Local zoning doesn't provide capacity for all the types of homes we need in the places we need them. People building homes face difficult approval processes (state and local) and equally challenging financial conditions. Construction costs and operational expenses are on the rise, while at the same time demands are rising with regard to energy efficiency, accessibility, inclusionary zoning, and design.

No home can be built without capital investments, but securing those investments is hard for both affordable and market rate developers. Federal low-income housing tax credits are limited, and even the record amount of funding authorized by the Affordable Homes Act can't build all the homes we need. For market-rate developers, rising costs and a high interest-rate environment make it difficult for anything but high-end housing to provide the investment returns expected by many capital investors. Without those capital investments, homes affordable to moderate income residents can't get built.

Cities, towns, and regions have few revenue-raising tools to meet localized housing needs. Even homeowners wishing to build an ADU may have trouble accessing the financing for it. Finally, availability of labor and construction firms could be a limiting factor: the residential construction industry has fewer workers than it did almost 20 years ago, and almost one third of those workers are over the age of 55. Massachusetts needs more skilled workers to build 222,000 homes in ten years; but training new workers and growing new firms takes time.

B.) WE ARE AT RISK OF LOSING THE HOMES WE HAVE, ESPECIALLY THE AFFORDABLE ONES.

Thousands of homes are at risk due to increasingly severe coastal and riverine flooding. But a home doesn't have to be flooded to be lost. An estimate 9,000 homes were converted to seasonal homes or short-term rentals between 2010 and 2020 and are no longer available to year-round residents in those communities. The availability of modestly priced homes and apartments is dwindling as they are acquired and upscaled by investors who sell or rent at a much higher price point.

The state can be proud of its public housing portfolio and robust stock of affordable housing, but the usefulness and affordability of these assets must be maintained. The Commonwealth's state-aided public housing system has an estimated \$4B backlog, but the public procurement process is a barrier to efficient delivery of capital improvements. Many homes need investments to protect them from natural hazards or make them suitable for residents with disabilities. Achieving the pace and scale of public housing reinvestment will require new and innovative approaches and partnerships that bring private capital and expertise to the table.

At last count, 6,000 units of privately-owned affordable housing were at risk of being converted to market rate when their deed restrictions expire in or before 2027. Preserving the affordability of these existing homes is generally more cost-effective than building new homes elsewhere, but it's a complicated endeavor.

C.) A GROWING SHARE OF RESIDENTS STRUGGLE TO AFFORD THE COST OF LIVING IN MASSACHUSETTS AND NEED SUPPORT TO GET BY.

Housing prices already exceed what is sustainable for most low-income working households, fixed-income seniors, people with disabilities, and new arrivals. Add on the cost of utilities, transportation, insurance, and home maintenance, and the problem gets worse.

While housing abundance can create more affordable options and slow the growth in housing prices, these residents can't wait that long. Furthermore, many don't have enough income to afford even modest rents or mortgages. Housing vouchers can close the gap between asking rents and what households can afford, but there is a long waiting list and voucher holders have a hard time finding units that meet their need. The current process of applying for a privately-owned affordable housing unit is complicated and time-consuming, adding to the burdens these households face. Heating assistance can help in winter months, but for those with drafty homes and inefficient appliances, this assistance doesn't go very far; nor does it provide any support for cooling during our increasingly hot summers. The growing senior population and the disability community often can't afford a unit that meets their needs or make improvements to the home they're in. Broker fees charged to renters add to the already high cost of leasing a new apartment, discouraging people from moving.

D.) THE POPULATION WITH COMPLEX HOUSING AND MEDICAL NEEDS IS GROWING

Many Massachusetts residents have unique challenges that make it hard for them to use conventional housing, even with financial support. Chronically homeless individuals, people with substance use disorder, individuals with cognitive disabilities or severe medical conditions, and families fleeing unsafe conditions all require special assistance to achieve a stable housing situation.

The need for these services currently exceeds the resources available. Supportive housing is a proven strategy for helping chronically homeless individuals, but there is simply not enough capacity or coordination to serve all those who need it. Stable housing can reverse the spiral of worsening health conditions; but complicated funding requirements make it difficult to provide solutions that can ultimately reduce health care costs. Massachusetts' commitment to shelter for families demonstrates our values, but the EA shelter crisis demonstrated the limitations of the system and the actions needed to make it operationally and fiscally sustainable. More planning and capacity is needed to prepare the EA system for future crises, if and when they occur. The rapidly growing senior population with specialized health needs requires new programs and approaches to help seniors stay housed and reduce the number of premature or unnecessary nursing home admissions.

E.) THE HOUSING CRISIS AFFECTS EVERYONE IN MASSACHUSETTS, AND WE ALL HAVE TO WORK TOGETHER TO SOLVE IT.

The most immediate impacts of the housing crisis affect people who are having trouble finding or staying in affording housing. But no one is immune, including those who are comfortably housed (for now.) The cost of housing is driving away young people, including many born and

raised in Massachusetts, who are the future of our communities and our economy. Without course correction, the resident labor force is projected to go down. Employers will find it harder to hire workers, discouraging them from locating or expanding here; and there will be fewer working taxpayers to support a growing senior population. Remote work might mitigate some of this loss, but remote workers can't change a set of tires or administer an IV. Nor does remote work foster the entrepreneurial energy that drives our economy.

Ratepayers and taxpayers end up shouldering some of the cost of housing instability. Evictions and frequent moves have effects on personal health and childhood wellness, driving up health care costs and educational expenditures. Health care expenditures are also rising due to premature nursing home admissions and high utilization of emergency rooms by those who are homeless.

The housing crisis affects communities. People who can't find homes near work end up with longer commutes, creating more traffic congestion in the cities and towns along the way. Renters who move frequently due to rent increases don't have the opportunity to put down roots in a community. Many city and town centers and commercial districts are struggling economically due to lack of foot traffic and resident customers.

It's well documented that these widespread impacts occur because many communities see housing as a problem and seek to discourage it. Some are concerned about changing community character, worried that denser development and different demographics will degrade what is good about a community. Others are worried about the financial impact on school budgets or property taxes. Many lower-income and Environmental Justice communities posit that new development is the reason rents are going up in existing homes nearby. Environmental stakeholders are concerned that new housing will degrade the natural environment in the surrounding neighborhood and globally.

These are valid concerns, though some are often overstated or not supported by the evidence. For example, research shows no correlation between housing production and school enrollment changes in Massachusetts communities, and many new multifamily developments provide net positive fiscal benefits to their municipality. The best available research shows that the creation of new homes in gentrifying areas is associated with *lower* rent increases nearby relative to citywide.

More importantly, these are all solvable problems! The state can support infrastructure improvements and provide funding to support communities doing more than their fair share or those experiencing disproportionate fiscal impacts. Designers and developers can create buildings and landscapes that enhance the local and global environment by mitigating heat, absorbing water, and facilitating sustainable transportation choices.

Massachusetts won't be able to achieve these win-win solutions unless everyone is working together. Too often progress has been stymied by lack of coordination among various levels and agencies of government, unrepresentative decision-making processes, disputes about the very nature of land use regulatory authority, and disagreement about essential facts. All of this hampers our collective ability to solve the problem. Finding consensus on all these issues won't be easy, but Massachusetts is good at solving hard problems.



STRATEGIES TO CREATE A COMPETING AND GROWING MASSACHUSETTS

The Healey-Driscoll Administration has prioritized meeting the moment with bold and unprecedented action around housing development, preservation, and stability. There is no single solution or responsible party that can accomplish the goal of creating 222,000 new homes to move Massachusetts from the current state of crisis to a future state of housing abundance, affordability, and economic competitiveness. The creation of the Executive Office of Livable Communities was one of the first acts of this Administration putting emphasis and prioritization on these issues. Next, the Administration filed the Affordable Homes Act and collaborated with the legislature to pass 49 new policy items and over five billion dollars of capital spending and tax credits. The full and efficient implementation of this landmark legislation alongside full implementation of the MBTA Communities Act and work of various commissions, is EOHLC's top priority. These are the first steps, but certainly not the last.

In partnership with the Housing Advisory Council, EOHLC is presenting this plan to help define goals, outline the strategies to achieve those goals, and create a framework for measuring progress. The plan before you incorporates perspectives and feedback interactions across Massachusetts. Over 3,000 people engaged with EOHLC in this process, not to define the issues or admire the problem, but to make a plan for action. The identified strategies in this section consider the perspectives from 14 regional listening sessions held in each region of the State, a public online survey, and over 20 targeted stakeholder sessions. These strategies refer to ongoing, renewed and new actions the Administration, municipal partners, and the greater housing ecosystem can take to move toward a brighter housing future.

This plan will be a living document in response to a living problem. As EOHLC works to put strategies into action and consider recommendations by future commission work in unique areas of concern, it also commits to evaluating effectiveness and changing approaches when metrics or conditions dictate. In spring of 2025, EOHLC will launch a digital version of this plan with additional information and resources, more detailed strategies, and progress indicators for EOHLC policy items. In the meantime, the sections below summarize key strategies to achieve a more affordable and secure housing future for Massachusetts.

A.) ACHIEVE A STATE OF HOUSING ABUNDANCE

Lack of supply is the root cause of our housing cost crisis. In order to meet existing needs and anticipated growth in demand, Massachusetts needs to add 222,000 year-round homes to the available housing stock over the next decade. This includes homes of all types, from mid-rise apartments to accessory dwelling units, triple-deckers, senior housing, single family homes, and everything in between. Affordability for low- and moderate-income households should be maximized wherever possible, but this production target is not a measure of the existing affordable housing shortfall, nor an estimate of how many affordable homes are needed. Rather, it is a measure of overall supply needed to reduce intense competition for homes, provide residents with more choice, and stem unsustainable rent and sale price increases. Housing abundance won't solve all our problems, but Massachusetts can't solve any of them without it.

Achieving this level of production won't be easy. EOHLC and its partners will play a key role in funding new affordable housing, and the Affordable Homes Act makes historic investments in this portfolio. Even so, the vast majority of new homes will be built by the private sector, ranging from major corporate housing developers to local entrepreneurs, cooperatives, and even homeowners interested in adding an accessory dwelling unit. Facilitating this private sector investment while also guiding it to the most beneficial housing types and locations will require coordinated effort across all sectors. This strategy to achieve housing abundance includes actions that will open up development opportunities in the right places; drive down the cost and timeline of production; increase availability of capital, labor, and expertise; advance new approaches to housing production; and provide the infrastructure needed to support growth. Existing, new, and potential approaches to all these problems are described below.

1. Increase as-of-right zoning capacity for multifamily housing

EOHLC is working toward full implementation of the MBTA Communities Act, which requires 177 cities and towns to provide as-of-right zoning for multifamily housing. As of January 2025, 117 municipalities have adopted zoning to comply with the law, creating opportunities for thousands of new homes to be built. Even after full adoption of the law, additional capacity will likely be needed in some communities and regions to enable housing abundance. EOHLC will continue working with communities through technical assistance to support the creation of as-of-right zoning districts that provide predictability to communities and developers. EOHLC is committed to a future in which there is enough as-of-right zoning capacity to accommodate all the homes Massachusetts needs.

2. Deploy the resources provided by the Affordable Homes Act to ramp up production and preservation of affordable rental housing

With the passage of the Affordable Homes Act, Massachusetts made a historic commitment to funding through the largest capital authorization budget in State history—a 53% increase in capital funding. Approximately \$1.7 billion of the total was dedicated to affordable rental housing. Combined with Federal low-income housing tax credits and increases in the state low-income housing tax credit program authorized earlier in 2023, this investment is estimated to produce or preserve nearly 15,000 rental homes at full authorization and current construction

costs. Efficient and targeted deployment of these funds by EOHLC's Housing Development Division and its partners at MassHousing, CEDAC, and MHP will help to get more affordable homes built and preserved where they are needed. Programmatic changes may be needed to ensure that developers in all markets and all regions can access funds to develop locally needed housing.

3. Reexamine and refine state and local regulations that drive up the cost of housing

The Unlocking Housing Production Commission, established under Executive Order 622, was charged with finding ways to create more homes faster by reducing barriers that prevent or drive up the costs of housing production and preservation. The Administration will remain fully committed to this work and consider ways to implement these recommendations to help achieve this plan's housing production goals. Partnerships with municipalities, industry, labor unions, and other state agencies will be key to successful implementation of the Commission's recommendations.

4. Repurpose underutilized state-owned land for housing

Executive Order 623 calls on EOHLC and DCAMM to identify surplus and underutilized State-owned land that can be reused for housing. The Affordable Homes Act further created a streamlined process for repurposing state parcels for housing uses. Working across the Administration and with local partners, the initiative evaluated over 12,000 state-owned parcels and developed a short list of approximately 100 sites that could be repurposed for housing. These sites are being further investigated for development feasibility. EOHLC's goal is to identify enough underutilized land to support the development of 9,900 homes on state-owned land over a five-year period.

5. Ensure there are enough firms and workers to build the homes we need

A larger workforce and larger cadre of development and construction firms are needed to build, retrofit, and adapt homes at the scale Massachusetts needs. The Equitable Developers Fund operated by MassHousing and MHIC is one example of a program designed to support growth of developers from nontraditional backgrounds. By providing predevelopment and growth capital, this program expands the number, capacity and diversity of developers available to create new homes. EOHLC will continue and expand partnerships with EOLWD, trade unions, and educational institutions to identify actions to increase the supply of skilled labor.

6. Solve the middle-market development feasibility gap

Currently, it is difficult to build anything but luxury housing in Massachusetts, but the state needs more modestly priced housing. It is imperative to create an environment where it is financially feasible (and favorable) to develop middle market housing in the Commonwealth. This must entail some combination of reduced costs, reduced operating expenses, and more flexible capital. The Momentum Fund, created and catalyzed by a \$50 million investment from the Affordable Homes Act, is designed to create an alternative source of capital to reduce reliance on equity investors as an initial attempt to address the middle-market feasibility gap. However, the problem cannot be solved solely through state subsidy and investment. Changes in zoning, tax policy (including property taxes), construction practices, and other policies will be needed to foster financial feasibility of non-luxury housing across Massachusetts.

7. Explore and advance innovative and nontraditional housing such as cohousing, social housing, office conversions, and accessory dwelling units

EOHLC commits to supporting nontraditional and creative approaches to housing that meet unique needs, enhance communities, and speed delivery of new homes. EOHLC has already made awards for office conversions and the Affordable Homes Act created a new Office Conversion program that will provide additional financial and technical support for these types of projects. AHA also created a Social Housing pilot program to explore the feasibility of this financing model in Massachusetts. EOHLC also plans to accelerate the adoption of detached ADUs through a design contest to create attractive, efficient, and low-cost ADUs. Preapproved plans of the winning designs could enable homeowners to speed through the contracting and permitting process. Given the rapid growth of single person households in the coming years, housing models such as co-housing, microunits, and single room occupancy dwellings may be a solution for meeting diverse needs at lower cost.

8. Support the growth of the offsite construction industry in Massachusetts

In order to make every dollar go further and achieve our production goals sooner, the cost of development needs to come down and the pace of delivery needs to go up. One path towards more affordable and efficient development entails greater use of offsite construction. The Unlocking Housing Production Commission explored barriers to offsite construction in Massachusetts and identified actions that could be taken to enable its growth. Most central to their recommendations is bringing together a working group across all divisions of government that will evaluate how to take a whole of government approach to support this expanding industry.

9. Create new state, regional, and local funding streams for affordable housing

Despite record investments in the Affordable Homes Act, additional sources of revenue are needed to support state and local housing efforts. The Affordable Homes Act proposed one such tool in the form of a local option real estate transfer fee. While this proposal was not adopted by the legislature, EOHLC intends to continue working with localities, housing trusts, and the real estate community to create new revenue options for municipalities and regions.

10. Support infrastructure improvements to enable new growth

Housing development should be focused in areas where key infrastructure already exists so that new growth leverages prior investments, and future households will contribute to maintenance of existing capital systems. Even so, there may be situations in which expansions, extensions, or improvements of water, wastewater, and transportation infrastructure are needed to support housing development. EOHLC provides direct support for infrastructure improvements through HousingWorks and other programs. EOHLC will continue to engage with municipalities, stakeholders, and advocates to ensure that support for infrastructure improvements is adequate, targeted, flexible, and sustainable.

B.) PROTECT EXISTING HOMES AND AFFORDABILITY

Every home lost to natural hazards, seasonal use, short term rental, or disrepair further depletes our supply and worsens the shortage. The loss of existing homes – especially affordable ones – is disruptive to communities. Protecting existing homes and affordability requires acting well in advance of natural disasters, speculative acquisition, rent hikes, expiration of deed restrictions, or demolition by neglect.

Preserving homes will take more than just money. It also requires innovative approaches to resilient retrofits of existing homes, speedier and less expensive pathways for public housing improvements, public private partnerships for refinancing and repositioning our public and affordable housing stock. Difficult decisions about rebuilding and shoreline retreat will have to be made in the not-too-distant future.

1. Repair, rehabilitate, and reposition the State's public housing portfolio

The Affordable Homes Act authorized \$2.2 billion for the repair, rehabilitation and modernization of over 43,000 state-aided public housing units across the Commonwealth, including \$150 million dedicated to the decarbonization of public housing and \$15 million for accessibility upgrades. With the resources made available through this legislation tEOHLC will begin to tackle the existing capital maintenance backlog in Public Housing. Adequate funding is only one piece of the puzzle. Streamlining the design and procurement of capital improvements is needed to make every dollar go further. This includes reviewing the impact of public construction procurement law on the cost of public housing capital contracts. In addition, EOHLC has been advancing major redevelopment projects of public housing where public-private partnerships bring private capital to the table and guarantee long-term affordability.

In addition to the Commonwealth's state-aided public housing portfolio, there are approximately 30,000 federally-funded public housing units in the state. While currently somewhat better-funded than the state portfolio, they face similar challenges with capital needs and public procurement and now face an uncertain funding and regulatory outlook.

2. Provide financial support and technical assistance for decarbonizing affordable housing

EOHLC believes that efficiency, resilience, decarbonization, and affordability can be complementary goals. Technical assistance and financing for affordable housing decarbonization programs are administered through EOHLC, the Massachusetts Community Climate Bank, MHP, CEDAC, and DOER. EOHLC's climate ready housing program, DOER's affordable housing decarbonization program, and EOHLC's public housing sustainability program are key sources of multi-family building energy retrofits when combined with other incentives like the Mass Save Income Eligible programs. In addition, low- or no interest financing products through the Climate Bank, MHP, and Mass Save provide upfront capital to cover the up-front costs of retrofits and incremental costs of building to the highest efficiency standard, Passive House. With Massachusetts' strong energy codes, the commitment to green and sustainable design and construction in the QAP and in public housing design guidelines, affordable housing can lead efforts to help meet the Commonwealth's 2050 goal for net zero green house gas emissions.

3. Build well-informed resiliency considerations into community planning, housing development, and preservation initiatives

Municipalities, regions, and the state must create a clearer pathway to a resilient future by taking into account current and projected hazards and risks due to climate change. Working with EEA, the Resilient Mass and Resilient Coasts initiatives and the Office of Climate Science, EOHLC should work to better communicate risks and hazards and incorporate this information into planning, funding, and policy considerations for housing production and community development investments. This would mean taking into account hazards more intentionally at the local and state level when considering housing or community investments and creating new initiatives that invest in adaptive measures. In addition, the state and municipalities must consider seriously the option of relocation or retreat from the areas of highest vulnerability.

4. Preserve homes with expiring affordability restrictions

EOHLC already leverages its housing development resources to recapitalize and refinance affordable properties at the end of their affordability restrictions. EOHLC and partners in the development and real estate industry should examine additional tools and resources to discourage market rate conversion and incentivize continued affordability.

5. Invest in improving accessibility, availability, and affordability of existing homes

The impact of new housing production is limited if our existing housing remains unaffordable or inaccessible. Within the QAP, EOHLC has prioritized the need to increase the supply of rental units available to very low income and extremely low income households—including those transitioning out of homelessness. Furthermore, the QAP recognizes this must be done in a manner that prioritizes the preservation of existing affordable housing to extend the affordability of these units. EOHLC looks forward to working with the Commissions on Accessible and Extremely Low Income Housing that were created under the Affordable Homes Act to identify other ways to bolster these efforts.

6. Bring more vacant, distressed, and underutilized housing back online

Neighborhood Stabilization Programs funded by HUD and by EOHLC were successful in bringing thousands of vacant and blighted homes up to code and back into the available housing stock. EOHLC will investigate other tools that can support and incentivize efforts to bring unavailable housing back on-line. This may include blighted and distressed properties, as well as habitable properties that are kept vacant for financial, personal, or legal reasons. In partnership with local housing authorities, EOHLC will also continue to make progress in rehabilitating all distressed public housing currently offline.

7. Develop new strategies to preserve naturally occurring affordable housing

Investor acquisition and corporate ownership of naturally occurring multifamily rental properties is associated with rent increases and evictions. In order to slow this process, flexible capital sources and legal tools should be made available to individuals, nonprofits, or municipalities so they can move quickly, compete with cash buyers, and preserve affordability when below-market properties are put up for sale. EOHLC will continue to investigate other strategies such as tenant right of first refusal or a 'flip tax' levied on quick sales, either of which might slow investor acquisition of naturally occurring affordable assets.

C.) SUPPORT HOUSEHOLDS

As efforts are underway to create an abundant and affordable housing supply over the long term, many households need assistance today to get by, much less get ahead. Cost burdened households, especially severely cost-burdened households, are often forced to sacrifice other necessities such as healthy food and healthcare to maintain their housing. Furthermore, these households are one emergency expense from losing their housing, and unsurprisingly, forced to rely on costly emergency systems of care. Even households with multiple wage earners often need assistance and are eligible for support such as housing vouchers, heating assistance, homeownership subsidies, and other housing related assistance.

Additional funding, improved application processes, and a broader suite of supports can make an immediate benefit for households struggling today. With better access to mobile vouchers and improved availability of rental housing, households would have more options to stay in their community or move to a new one for work, school, or other reasons. These actions will facilitate a shift from emergency systems to cost-effective upstream interventions that enable households to remain stably housed:

1. Provide direct subsidies for households struggling to afford rent and heat

Many households find themselves living paycheck-to-paycheck, often one emergency expense away from facing eviction. In many of these cases, households are forced to prioritize expenses and forgo other necessary housing costs (e.g. utility payments), groceries, or medical care. EOHLC provides ongoing assistance to eligible households through mobile rental vouchers (MRVP and others) as well as payment assistance for heating bills through LIHEAP. Both programs have undergone changes to expand the benefit provided to households, though this impacts the average cost and the number of households that can be supported. Expanded funding, especially for rental vouchers, will enable more households to take advantage of these programs and the housing stability they provide.

2. Increase access to homeownership opportunities for first-time homebuyers

The Affordable Homes Act expanded homeownership opportunities for low- and moderate-income individuals. The bill authorized funding for MassDreams to create first-time homebuyer opportunities for households in disproportionately impacted communities and for Commonwealth Builder Program to spur the construction of affordable single-family homes in Gateway Cities and other similar markets. The bill also creates a new Homeownership Tax

Credit for first-time homebuyers. EOHLC will continue to examine ways to equitably and cost-effectively support first-time homebuyers.

3. Make it easier for residents to find and apply for affordable rental housing

EOHLC recognizes the complexity of the affordable housing application process can create added stress on individuals and families when they turn to the state for support. The online CHAMP, RAFT, and LIHEAP applications have lowered the barriers to access for state public housing, state vouchers, emergency rental and utility assistance. In addition, Housing Navigator, the state's online affordable housing search tool has made it easy to find developments with affordable and learn about the status of openings. Even so, households still must apply separately to each development, many of which have distinct application requirements. To solve this problem, EOHLC has begun work on a new Common Application for privately owned and operated affordable housing. This unified application portal will provide a simpler, more transparent process for households to apply for and secure tenancy in any deed-restricted affordable rental housing development statewide.

4. Ensure residents have access to workforce development and training opportunities, affordable broadband internet, and social services

The Healey-Driscoll Administration will continue to invest in successful state funded self-sufficiency and economic mobility programs to residents of public housing and state voucher participants that leverage partnerships with local entities providing job training, educational, financial coaching, and asset building accounts. Future efforts can be informed by evaluation of the Learn to Earn pilot being led by EOWLD that seeks to mitigate cliff effects for adults increasing their earned income while receiving public benefits.

5. Help tenants avoid unreasonable rent hikes and fees

Many stakeholders engaged through the planning process asked the Commonwealth to take bold action to prevent tenants from being subject to sudden and extreme rent increases and fees. Governor Healey has already filed legislation to prohibit the requirement that tenants pay broker fees. EOHLC will continue working with stakeholders to explore policies that provide low-income households in privately operated housing with more predictability about their future rent. In partnership with the Attorney General's Office, EOHLC will also work to ensure that rent and sale price algorithms do not artificially manipulate the housing market.

D.) BUILD A STRONGER SAFETY NET

The current housing crisis is most acutely felt by the growing number of households experiencing cost burden, housing instability, and homelessness. In 2024, Massachusetts saw the third largest increase in homelessness amongst all states and now has the 5th largest homeless population in the country. As evident by the differing congregate and emergency systems mentioned, individuals and families experiencing housing instability or homelessness are not a monolithic population. Massachusetts has an ecosystem of programs and providers serving these residents, but more is needed to meet the scale and urgency of the need.

A strong safety net prioritizes upstream interventions in a manner that efficiently targets state resources to ensure housing stability. Emergency interventions are costly, and unfortunately necessary, for households that lose their housing or find themselves residing in unsafe settings. Households finding themselves in these situations require a safety net in which flexible funding ensures access to varying wrap-around supportive services in a manner reflective of the intensity of the household's underlying need. However, this is not achievable without better data collection that integrates often siloed funding streams, and accompanying data, in a manner that identifies those most at risk, coordinates appropriate supportive services, and ensures the efficient use of government resources and the programs they fund. This is not a one-size-fits all approach, but an approach inclusive of an array of appropriate targeted housing, health, socio-economic, and tenancy supports to maximize limited resources. Creating a safety net that is centered by the need for more affordable housing will require the following strategies:

- 1. Develop new policies and programs for specific populations through Affordable Homes Act Commissions**

Older adults, extremely low-income households, and persons requiring accessible housing have distinct housing needs. Notably, these are populations disproportionately experience housing instability or homelessness and are consumers of multiple services across an ecosystem of agencies and providers. The Affordable Homes Act created commissions to study the needs of these residents and identify actions to expand the availability, affordability, and suitability of homes for these residents. As outlined in statute, these commissions will convene multiple leaders across state agencies, advocacy organizations, and housing and social service providers to evaluate existing funding sources; current as well as future housing demand; recommend future policy and programming to ensure resources can reach more residents in need.

- 2. Expand and coordinate provision of services and supportive housing for those most at risk**

Persons experiencing housing instability or homelessness often rely on assistance programs across multiple state agencies and provided through a varying array of community-based organizations. Government intervention is most successful when state agencies closely partner to ensure housing, health, educational, vocational, and economic assistance programs are appropriately aligned. This includes integrating varying agency data systems to better understand the correlation between housing, health, educational, and socio-economic outcomes; proactively aligning funding and government program that more efficiently address

the varying scale of need across households; and fostering cross-government partnerships to implement new initiatives, such as the supportive housing flex pool, that more effectively targets resources for households that are consumers of services provided across multiple state agencies.

3. Ensure the Emergency Assistance Shelter System is sustainable, scalable, coordinated, and effective

The Emergency Assistance Shelter System has been under tremendous strain over the past two years due to an extraordinary increase in demand. The Special Commission on Emergency Housing Assistance Programs identified numerous steps to improve the operation and outcomes of this program. These include reduced reliance on hotels and motels, adoption of a needs-based model for clients, increased focus on diversion and exit strategies, improved data collection, and expanded staff and provider capacity. EOHLC will work with its partners in state government and service providers to implement these recommendations and establish a truly sustainable and effective EA system.

4. Continue efforts to prevent evictions and foreclosures

Diversion is a key strategy to maintain housing stability, prevent homelessness, and reduce strain on the shelter system. Rental Assistance for Families in Transition (RAFT) is a key tool to help households address rent backlogs and stay housed. Other efforts include legal support services at housing court. By preventing homelessness and the use of emergency services, these programs can reduce overall costs. EOHLC will continue to evaluate their success and will investigate other interventions to support struggling homeowners and intervene when renters are facing catastrophic rent increases, while also recognizing the financial constraints of small landlords.

E.) WORK TOGETHER FOR THE COMMONWEALTH

Tackling our housing crisis isn't just an 'all of government' task—it's 'all of Massachusetts.' Every community, stakeholder, and sector has a role to play. This plan documents the crisis in every dimension and lays out strategies for addressing it. Many of those strategies are underway and have broad support. Others are more complex and controversial, involving many stakeholders with different interests.

A top-down approach will not be successful in achieving the state's need for more housing as it requires collective efforts across municipalities and entities that encompass our housing ecosystem. EOHLC encourages communities to conduct housing production plans and other planning efforts, to better meet the needs of their residents. Until now, Massachusetts has lacked a comprehensive housing plan that reflects the various housing needs across our State. This plan is the first step in ensuring Massachusetts recognizes the specific regional needs and challenges to ensuring adequate housing. The intention of this plan is to set the stage for local, regional, and statewide actions. This requires an aligned housing ecosystem that can coalesce around the following strategies:

- 1. Strengthen partnerships with municipalities to create an environment that welcomes new housing while mitigating local impacts**
The housing crisis affects every corner of the Commonwealth and every individual city and town. EOHLC provides technical assistance for planning for future housing growth and preservation that contributes to regional housing needs. This development will be unlocked through investments in infrastructure and resource development. EOHLC and its partners across state government will also reward and amplify communities that are welcoming housing development and affordable housing preservation. State funding across housing, transportation, climate, infrastructure and other investments should be coordinated and targeted to municipalities taking action to help solve the Commonwealth's housing challenges.
- 2. Conduct joint planning, research, evaluation, and engagement to develop a shared understanding of problems and solutions**
EOHLC is already working to track the impact of the Affordable Homes Act and the MBTA Communities Act and will use this information with stakeholders to evaluate the outcomes of policies and investments. Additional work is needed to fully document basic information such as municipal zoning, development proposals, and the local impacts of new housing. EOHLC looks forward to working together with municipalities, academic partners, and other stakeholders to implement a data and research agenda that provides a more complete picture of the Massachusetts housing market.
- 3. Ensure Massachusetts housing stock and production goals are aligned with state transportation, climate and land use goals**
EOHLC will continue to prioritize smart growth, transit-oriented housing development in areas with sufficient access to existing water and energy resources. Through the full implementation of the MBTA Communities Act, local communities will enable the development of thousands of housing units that have direct access to public transit and livable downtown centers.

4. Coordinate with private sector employers and partners to create a competitive environment for the Massachusetts workforce

Economic competitiveness and strong housing market are woven together and require each other to thrive. Business owners and industry leaders have prioritized housing as a critical focus given the overlap and reliance on housing availability and business growth. EOHLC will continue working to bring business industry voices to the table promoting housing development. Bringing more housing options of different size and type onto the market will create space for employees and their families to stay in the Commonwealth and thrive.

5. Advance Environmental Justice and Fair Housing

This plan advocates for building affordable, healthy and sustainable housing in historically disadvantaged areas while engaging Environmental Justice populations to ensure new housing developments provide relief from historical burdensome environmental and health disparities. EOHLC's new Office of Fair Housing, created through the Affordable Homes Act, will examine key issues related to fair housing and environmental justice; and will work with the Attorney General's office and other stakeholders to eliminate housing discrimination and injustice of all types



APPENDIX:

HOW EOHLC ESTIMATED FUTURE HOUSING DEMAND

EOHLC and a team of researchers from the University of Massachusetts Donahue Institute and the Metropolitan Area Planning Council created three different scenarios of future population growth across Massachusetts. For each population scenario, the team estimated what kinds of households might form and how many homes would be needed. The process forecasted how many homes might be returned to the market as older adults downsize, move away, pass away, or move into nursing homes. EOHLC and the research team estimated how many homes would be needed to address the current shortage manifesting through historically low inventory of homes for-sale and for-rent, doubled-up and overcrowded households, homeless families, young adults reluctantly living with parents or roommates, and conversion of year-round homes to seasonal use.

The first step is estimating how many homes it would take to address the state's current shortage, which expresses itself in a critically low vacancy rate: only 1.6% of all homes are available for sale or rent. This creates stiff competition for the units that are available, driving up prices and fueling displacement. If more units were available for sale or rent, then movers would have more choice, and landlords would have less power to set rents. Of course, vacancy rates that are too high create other issues such as disinvestment. A study by the Joint Center for Housing Studies used historical trends to benchmark a "natural" vacancy rate for rental and ownership of 7.4% and 1.5%, respectively. These values correspond to rates in the mid-1990s before Massachusetts started experiencing extreme price increases. EOHLC estimates the state needs 13,000 additional homes for sale and 38,000 additional homes for rent in order to achieve those target vacancy rates.

Massachusetts also needs additional homes for residents who are not adequately housed at the present time. Most critically, as of the end of 2024 there were 6,800 families in the state's family shelter system. Helping these families exit the system to permanent, stable housing is challenging because, even with a rental voucher and other assistance, there are very few homes available for rent. Creating enough homes for that shelter population is part of the housing target.

One way that households cope with high housing costs is by doubling up with other families, often in overcrowded conditions. EOHLC estimates there are approximately 16,000 doubled up and overcrowded households with children, and an equivalent number of additional units are needed to allow those families to find homes more suitable for their needs.

EOHLC estimates that there is 'latent demand' for approximately 34,000 housing units from young adults currently living with roommates or parents, but who would rather have their own place. If more homes come on the market at more affordable prices, these young adults may form their own households, requiring even more homes to maintain that target vacancy rate.

Another element of the target relates not to demand, but to supply. As noted above, EOHLC estimates that the Cape and Islands and Western Mass collectively lost about 8,800 year-round homes to seasonal uses over the course of a decade. Preserving these homes from conversion or producing enough homes to compensate for their loss is essential to ensuring adequate supply in those regions. EOHLC estimates a need for production or preservation of 9,600 homes to address this loss.

In total, approximately 115,600 homes are needed over the next ten years *just to solve our existing shortage*. This doesn't even account for the changing housing needs that come along with a growing and aging population.

While Massachusetts grew by 7.3% from 2010 to 2020 and has continued to add people in the last couple years, the signs are that the population growth in the state will slow considerably over the next decade. In fact, "business as usual" population projections prepared for this plan indicate that the state's population may decline by 0.4% from 2025 to 2035 due to diminishing international immigration and continued loss of residents to other states. However, this does not mean that housing demand will decline over that period. Baby Boomers and Silent Generation households are projected to decline by about 391,000 as their occupants move away, pass away, or move to other housing situations. Over the same period, Millennial, and Gen Z residents—many Massachusetts born and raised—are projected to form about 493,000 new households. After accounting for the changing needs of Gen X, an additional 73,000 homes are needed to accommodate demographic demand in a no-growth scenario.

There are good reasons to aim higher. Under that demographic forecast, Massachusetts is on track to see a 1% decline in the resident labor force by 2035—a loss of nearly 50,000 workers. This is largely due to the annual net loss of roughly 24,000 working age residents to other states. Labor scarcity makes it difficult for firms to grow and thrive. And while remote work enables *some* firms to retain *some* employees moving out of state, it is not as conducive to the innovation and entrepreneurship essential to a robust economic future for Massachusetts. Furthermore, some regions are facing even steeper declines in the working age population. For all these reasons, it is important to create conditions that attract and retain young workers in Massachusetts. If the state can retain just 10% of the young people who would otherwise move out of state—returning to the net domestic migration patterns of the early 2010s when Massachusetts was more competitive in this regard—it could grow the population and maintain a stable labor force. This is the Competing

and Growing scenario, and it would require an additional 33,000 homes above and beyond what was already described.

Altogether, EOHLC estimates that from 2025 to 2035 the state needs to add at least 222,000 homes to the available year-round housing supply. This is the minimum number of homes needed to address the existing crisis, accommodate unmet housing needs, achieve a healthy vacancy rate, meet the needs of our existing population, and set the stage for long-term economic growth.

THIS PLAN AIMS TO ADD 222,000 ADDITIONAL HOMES TO THE MASSACHUSETTS HOUSING SUPPLY IN THE NEXT TEN YEARS. HERE'S WHAT IT'S FOR:

