



Towards an Evidence-Based Housing Policy in Fall River, Massachusetts

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EXECUTIVE SUMMARY

This research seeks to inform an ongoing public discussion that is taking place in Fall River about current housing conditions and relevant policies. The study brings evidence and objective information to bear on this critical conversation and provides community leaders with the information and data they require to inform the development of a new housing policy for the City of Fall River.

This effort was spearheaded by Representative Carole Fiola, who convened a Housing Policy Working Group in the winter of 2015 as a direct result of housing-related concerns voiced by residents. A primary focus of many Working Group members was the concern that Fall River's share of subsidized housing was increasing beyond the City's management capacity, and that households moving into these affordable units were overburdening Fall River's resources, such as public schools and public safety. Working Group members described through personal and resident anecdotes a community that they perceived as having undergone a change in terms of the type of housing provided and the new residents the existing housing stock attracted.

Recognizing that an evidence based approach to these issues was required, the Housing Policy Working Group engaged the Public Policy Center at UMass Dartmouth to examine Fall River's housing stock and how local, state, and federal housing policies affect the city's housing conditions and housing market. The report answers three primary questions developed by the Housing Group in the weeks preceding the launch of our study.

I. WHAT KIND OF HOUSING DOES FALL RIVER HAVE AND HOW HAS IT CHANGED OVER TIME?

Fall River's existing housing stock consists largely of units occupied by renters in multifamily buildings constructed prior to 1940. Research literature suggests that older housing, particularly multifamily housing in low-income neighborhoods, is more likely to be subject to structural deficiencies, which create substandard living conditions for tenants. Interviews with housing stakeholders in Fall River confirmed that these conditions exist in the City's housing stock. For instance, discussions with Fall River's building inspectors revealed that, when inspected, older multifamily properties commonly have common space violations, such as the lack of properly marked fire exits, lighting, and smoke detectors, and in one extreme example, a rope ladder substituting for a fire escape.

Issues related to blight and substandard housing are prevalent in Fall River due to limited and reactive code enforcement and a decline in owner-occupied multifamily housing. Low and declining property values and overall economic conditions do little to incentivize new construction and investment by absentee landlords.

THE CHALLENGES OF AN AGING HOUSING STOCK

Fall River is a city of renters, with 64.2 percent of Fall River's 38,655 housing units occupied by renters. The majority of the city's housing stock is comprised of multifamily properties of two or more units, with most constructed during Fall River's industrial boom in the early 20th century. This left Fall River mostly built out by the middle of the century with little available developable

land for new multifamily construction today. As a result, the city's housing stock is more prone to structural deficiencies common to older housing.

- ¶ The majority (64.2%) of the city's 38,655 occupied housing units are renter-occupied. Homeowners have occupied slightly over one-third (34.5%) of all housing units on average over the past several decades, a lower homeownership rate than similar Gateway Cities.
- ¶ Three-quarters (75.2%) of Fall River's housing units are in multi-unit buildings. The majority of multifamily properties (66.0%) were constructed prior to 1940.
- ¶ Rents are higher for more recently constructed units. The median rent for units built in 2000 or later (1.9% of all rental units) is 49.4 percent higher than units built before 1940 (63.3% of all rental units).
- ¶ Census building permit estimates reveal a decline in new multifamily construction beginning in 2005, which worsened during the Great Recession, and from which Fall River has not recovered.

INCREASES IN ABSENTEE LANDLORDS AND VACANT PROPERTIES CREATE CHALLENGES FOR CODE ENFORCEMENT

Stakeholder interviews revealed that older multifamily units in low-income neighborhoods were perceived to be substandard, and that a lack of code enforcement and low property values provide little incentive for landlords to meet the Commonwealth's minimum housing standards. Many stakeholders attribute increases in absentee landlords to decreases in housing quality. The owner occupancy rate of multifamily properties in Fall River, which has been comparatively low for decades, declined from 2009 to 2014, which confirms stakeholder views.

- ¶ Single-family owner-occupied units increased by 8.6 percent from 2009 to 2014, from 60.1 percent of all owner-occupied to 66.2 percent (see Table I).
- ¶ Multifamily owner-occupied units decreased by 16.6 percent from 2009 to 2014, from 39.9 percent of all owner-occupied units to 33.8 percent (see Table I).
- ¶ Conversely, across the Commonwealth and in similar Gateway Cities, both types of ownership remained stable over this period.
- ¶ Current data from the Fall River Assessor's Office show that 32.5 percent of all residential parcels are not occupied by their owners and 15.4 percent of residential parcels are owned by out-of-towners.

Table I.
Changes in Ownership Among Single and Multifamily Units

Unit Type	2009		2014		Percent Change	Significant Change?
	Estimate	MOE	Estimate	MOE		
Single-family Owner-Occupied	8,439	402	9,162	438	+8.6%	Yes
Multifamily Owner-Occupied	5,596	460	4,670	446	-16.6%	Yes
Single-Family Rental	1,319	330	1,156	233	-12.4%	No
Multifamily Rental	22,676	916	23,616	985	+4.2%	No

Source: 2005-2009 & 2010-2014 American Community Survey, Table B25032: Tenure by Units in Structure

Additionally, while Fall River was not affected as adversely as other Gateway Cities, the foreclosure crisis led to an increase in the number of vacant and abandoned properties in the city.¹ While these properties are monitored and maintained by Fall River's Department of Inspectional Services, the department does not receive the fees generated by the Abandoned Properties Registry, which imposes an annual fee on the owners of abandoned properties based on the length of vacancy. Instead, this revenue goes directly into the city's general fund.

Á In 2014 there were 61 registered properties, the fees for which totaled \$223,500.

Á In 2015 there were 100 registered properties, the fees for which totaled \$273,800.

Stakeholders within Fall River government and within building inspection departments of other Gateway Cities suggested that these fees be used to fund new inspectors, which would enable the department to conduct proactive inspections of multifamily properties. As it stands, while State law mandates the inspection of multifamily properties every five years, budget constraints and staffing limitations have prevented Inspectional Services from completing a full cycle of inspections.

HOME SALES HAVE NOT RECOVERED FROM RECESSION LOWS

While Fall River may not have seen foreclosures at the same rate as elsewhere in the Commonwealth, the effects of the Great Recession are still being felt in Fall River. Home sales in the city have not recovered to pre-recession level in terms of volume or sales price.

¶ Multifamily sale prices were more adversely affected by the housing crisis than single-family prices:

Á The 2015 median sales price for a multifamily home has declined 41.9 percent since 2005. Half of all multifamily homes sold for over \$300,000 in 2005, which decreased to \$180,000 in 2015.

Á The 2015 median price for a single-family home declined by 19.8 percent since 2005. Half of all single-family homes sold for over \$268,000 in 2005, which decreased to \$215,000 in 2015.

¶ The slow recovery of single-family home prices was similar in other Gateway Cities but lagged behind the state and national rates, while multifamily prices in Fall River continue to lag behind peer communities.

FILLING THE GAP – DOUBLING UP OR SHOULDERING THE BURDEN

While rents and home prices in Fall River are relatively affordable, many households in the city still struggle to find affordable housing. In order to secure housing, households can rent above their means, increasing the cost of living burden on low-income households. Households can also “double up” with another family to ease the burden of housing costs.

¶ In 2014, 5.2 percent of Fall River households reported living with a subfamily related or unrelated to householder, compared with 7.2 percent of households statewide.

¹ The foreclosure rate peaked at 9.6 foreclosures per 1,000 homes in 2007. In 2014, the rate was 2.8 per 1,000 homes.

- ¶ Forty-three percent (43.0%) of **all** Fall River households are burdened by housing costs. The housing burden is more severe among rental households, with 51.8 percent of all renters spending 30 percent or more of their income on housing.

FILLING THE GAP – SUBSIDIZED HOUSING OPTIONS

Federal and state housing subsidies assist some low-income Fall River residents in covering housing costs. These subsidies enter the housing market in two major ways – through subsidies provided to developers, and those provided to renters. Table 2 below outlines all subsidized housing in Fall River by type.

Table 2.
Subsidized Housing, Fall River

	Number	Share of Occupied Units	Share of Rental Units
Total Occupied Housing Units	38,655	100.0%	-
Total Rental Units	24,799	64.2%	100.0%
Federal Public Housing, FRHA	2,033	5.3%	8.2%
State Public Housing, FRHA	271	0.7%	1.1%
Federal Vouchers, FRHA	1,932	5.0%	7.8%
State Vouchers, FRHA	64	0.2%	0.3%
Housing Solutions Units²	19	0.1%	0.1%
Federal Vouchers, HS	184	0.5%	0.7%
State Vouchers, HS	61	0.2%	0.3%
RAFT	40	0.1%	0.2%
HomeBASE	424	1.1%	1.7%
Non-FRHA SHI Units³	2,011	5.2%	8.1%
Total Subsidized Units	7,039	18.2%	28.3%

Source: Authors' Calculations of FRHA, DHCD, and Housing Solutions Statistics

I. Subsidies for renters are provided by both state and federal government to help with housing costs:

- ¶ Public housing authorities (PHAs) oversee public housing units, which are entire developments, and housing vouchers, which are mobile subsidies used in the private market that travel with the recipient. The Fall River Housing Authority (FRHA) manages 4,308 active vouchers and public housing units— the majority of which are 2,304 state and federal public housing units. Households living in FRHA units and using FRHA-managed vouchers occupy 17.3 percent of all rental units in the city.
- ¶ Short-term assistance programs, such as HomeBASE and RAFT, are managed by nonprofit agencies and available to families in Massachusetts who have become or risk becoming homeless. Together, HomeBASE and RAFT help households afford 464 units in Fall River, representing 1.9 percent of all rental units in the city
- ¶ In addition to PHAs, regional non-profits administer housing assistance programs on behalf of the Commonwealth. These programs provide housing assistance for 264

² All Housing Solutions counts were provided by the agency in 2016. RAFT and HomeBASE total reflect YTD as of 8/8/16.

³ Supportive Housing and Fall River Housing Authority properties excluded from SHI Count.

households in Fall River, whose housing accounts for 1.1 percent of all rental housing in the city.

2. Subsidies for developers are provided by both state and federal government to incentivize new construction and rehab:

- ¶ The Low Income Housing Tax Credit (LIHTC) provides tax credits depending on number of units reserved for low- and moderate-income households. Income limits are determined by Area Median Income (AMI) and units are typically reserved for households earning 40-60 percent of the AMI.
 - In Fall River, LIHTC has been used to incentivize the production of 620 housing units, which represent 2.5 percent of all rental units in the city.
- ¶ Massachusetts' Chapter 40B regulations can be used to streamline the permitting process in communities where qualified subsidized housing units make up less than 10 percent of the total housing stock, which is measured by the Department of Housing and Community Development (DHCD) via the subsidized housing inventory (SHI).
 - Fall River's current SHI reports that 4,831 units, or 11.3 percent of all housing units in the city receive some form of subsidy, but some vouchers programs such as Section 8 and HomeBASE, are not included.
- ¶ HOME uses federal funds to assist non-profits procure, rehab, rent, or relocate low-income housing through deed restrictions on housing units, which are captured in the SHI.
 - Discounting LIHTC and public housing developments, Fall River has 1,391 SHI units, which represent 5.6 percent of all rental units in the city.
- ¶ The Commonwealth's Housing Development Incentive Program (HDIP) is a new state program for Gateway Cities to incentivize the creation of market rate housing for middle income households with incomes 90-110 percent of the AMI.
 - While Fall River has submitted plans for HDIP projects to the state, no housing units have come online through this program to date.

In total, subsidized housing units account for 28.4 percent of all rental units in Fall River, or 18.2 percent of all housing in the city. The majority (61.1%) are managed by the FRHA. Units with deed restrictions or set asides for low-income households through HOME, LIHTC, or similar programs account for another 28.5 percent of all subsidized units. The remaining 10.4 percent of subsidized units consist of state and federal programs managed by regional nonprofits on behalf of the DHCD.

- ¶ As established earlier, 51.8 percent of Fall River's renter households are burdened by their housing costs, but only 28.3 percent of all rental units in the city receive a subsidy for their housing, meaning that 14.7 percent of renter households may be in need of assistance or more affordable housing.

Comparing Fall River with similar Gateway Cities reveals that the share of subsidized housing is similar in other urban areas of the Commonwealth. For instance, in Brockton, the PHA stock of vouchers and units alone accounts for 26.0 percent of all rental units, nearly equal to Fall River's total subsidized housing units. Also, New Bedford, a city in the same region as Fall River, has a

similar number of housing vouchers managed by regional nonprofit agencies – 448 households in New Bedford use HomeBASE or other programs managed by regional nonprofits compared to Fall River’s 521 (see Table 3).

Table 3.
Housing Assistance Programs Managed by Nonprofits in the South Shore region

	HUD Vouchers	MA Vouchers	HomeBASE	Public Units	Total	Share
Brockton	386	156	227	13	782	21%
Fall River	164	28	310	19	521	14%
New Bedford	257	10	162	19	448	12%
Plymouth	193	14	6	8	221	6%
Taunton	191	80	58	40	369	10%
Remainder of South Shore	819	80	174	314	1,387	37%
South Shore Total	2,010	368	937	413	3,728	100%

Source: Authors’ Calculations of Housing Solutions for Southeastern MA 2015 Program Statistics

HOUSING STABILIZATION: STATE AND FEDERAL PROGRAMS TO PREVENT AND MITIGATE HOMELESSNESS

Many of the housing programs discussed above exist in order to provide subsidies and affordable housing options to households in need of long-term assistance – the majority of these programs are means tested, meaning they provide housing assistance until a household passes an income threshold. However, HomeBASE and RAFT are among some of the short-term assistance programs designed to prevent families from entering homelessness.

In Massachusetts, there has been an increase in the need for homelessness prevention and re-housing programs in Massachusetts, as the state’s homeless population increased 40 percent from 2007 to 2015. As a right-to-shelter state, Massachusetts has a portfolio of programs to serve this purpose for individuals and families. The Commonwealth administers these programs through the same network of regional nonprofits that manage other housing assistance programs.

Additionally, communities like Fall River can directly apply to the federal government through the Department of Housing and Urban Development (HUD) for grants to support emergency shelters, rapid re-housing, transitional housing, and permanent supportive housing. In Fall River, these federal grants are managed by the City’s Community Development Agency (CDA), which then allocates funds to local homeless service providers throughout its Continuum of Care (CoC). HUD’s CoC data reveal that cities across the state serve disproportionate shares of the homeless population compared to their shares of the total state population:

- ¶ Fall River is home to 1.3 percent of the state population, and serves 1.9 percent of homeless residents.
- ¶ New Bedford is home to 1.4 percent of the state population, and serves 2.1 percent of homeless residents.

- ¶ Boston is home to 9.7 percent of the state population, and serves 30.7 percent of homeless residents.

Table 4.
Share of Statewide Homeless and Total Population, by Continuum of Care

	2007		2015	
	Share of Homeless	Share of State Population	Share of Homeless	Share of State Population
Boston CoC	33.7%	9.5%	30.7%	9.7%
Cambridge CoC	2.9%	1.5%	2.2%	1.6%
Fall River CoC	1.0%	1.3%	1.9%	1.3%
Lowell CoC	2.9%	1.5%	3.0%	1.6%
New Bedford CoC	2.6%	1.4%	2.1%	1.4%

Source: Authors' Calculations of 2014 American Community Survey, Table B01003; HUD CoC Point-in-Time Counts

Data from 2015 on the HomeBASE program reveal that Fall River and other cities in the region are home to a large portion of the caseload in the South Shore Region (Bristol and Plymouth Counties).

- ¶ Fall River is home to 8.4 percent of the region's population and housed 33.1 percent of families receiving HomeBASE services (310 families).
- ¶ The other cities in the region (Brockton, New Bedford, and Taunton) housed 47.7 percent of families receiving HomeBASE (447 families).
- ¶ The South Shore's towns housed the remaining 19.2 percent of families receiving HomeBASE (180 families).
- ¶ In 2015, Fall River was home to 12.7 percent of the South Shore region's RAFT applicants (246 families).
- ¶ State data on households eligible for Emergency Assistance (a state shelter program for households entering homelessness) reveal that most families at-risk of homelessness in the South Shore are sheltered in cities within the region. This is not true for the Boston Metro region, which sheltered more families than applicants.

Table 5.
2015 HomeBASE Placements and
RAFT Applications in the South Shore Region

	HomeBASE		RAFT Applications	
Towns Total	161	17.1%	681	35.2%
Attleboro	19	2.0%	40	2.1%
Brockton	227	24.2%	409	21.1%
Fall River	310	33.1%	246	12.7%
New Bedford	162	17.3%	386	19.9%
Taunton	58	6.2%	173	8.9%
South Shore Total	937	100.0%	1935	100.0%

Source: Authors' Calculations of Housing Solutions of Southeastern MA Statistics

2. WHAT ARE THE RELATIONSHIPS BETWEEN THE HOUSING MARKET AND POPULATION, DEMOGRAPHIC, AND ECONOMIC CHANGES?

A component of the PPC's research involved analyzing the economic conditions in Fall River and the utilization of social welfare programs. This examination revealed that, over the last two decades, Fall River residents have been losing ground economically, as manufacturing jobs have been replaced with lower-earning service employment opportunities and wages have stagnated. As a result, more residents depend on social assistance to make ends meet. This includes the housing assistance programs discussed above, which corroborate the existence of housing gap, or lack of affordable housing options, for a large segment of the renter population in Fall River. This housing affordability gap has created stark differences between Fall River's renter and homeowner households.

Additionally, throughout the PPC's research, conversations with local stakeholders yielded claims that increasing housing costs in the Boston Metro Area were causing a migration of low-income and homeless households into Fall River, and that this flow of residents was a major cause of demographic change in the city. While migration data at the local level are limited, available data do not support this claim. These data reveal that the majority of new arrivals to Fall River originate in surrounding communities in Bristol and Plymouth Counties, with some movers coming from nearby Rhode Island towns.

GLOBALIZATION AND DEINDUSTRIALIZATION HAVE HIT THE CITY HARD

Unemployment is not a new problem in Fall River; the average unemployment rate in the city from 1990 to 2015 was 10.8 percent, compared with 5.7 percent statewide and 6.1 percent nationwide. The PPC's analysis found an association between the decline in manufacturing and the rise in unemployment in the city. This deindustrialization has resulted in wage stagnation as opportunities for workers are mostly in the service sector employment, which offers lower wages than traditional manufacturing jobs.

- ¶ Over the last decade and a half, Fall River saw a 57.0 percent decline in manufacturing employment, accounting for 69.0 percent of all job losses, while employment gains were made in service industries, construction, healthcare, and social assistance. Economic woes were accelerated during the Great Recession; Fall River's 4.4 percent unemployment in 2000 increased to 14.2 percent in 2010, and is currently at 6.3 percent (August 2016, not seasonally adjusted).
- ¶ In 2014, 84.0 percent of all employment in Fall River was in service-related industries, where the average weekly wage is 13.0 percent lower than in the manufacturing sector.
- ¶ Comparatively, Massachusetts saw a 5.0 percent increase in overall employment and a 34.0 percent decline in manufacturing employment during the same time period.

Fall River is a labor exporter. In 2014, of the 37,025 jobs that were located in Fall River 65 percent were filled by workers who lived elsewhere. During the same time, Fall River was home to 38,069 employed persons, 66 percent of whom worked elsewhere.

- ¶ More than one-third (37.0%) of all households with no workers have no vehicle, while just 7.0 percent of all households with one or more workers have no vehicle

Poverty is also not a new trend in Fall River, but the negative trends discussed above have contributed to increasing levels of poverty. In 2000, 14.0 percent of families and 16.8 percent of individuals had incomes below the federal poverty threshold, which increased to 19.6 percent of families and 23.3 percent of individuals in 2014. In 2014, Fall River's poverty rates were significantly higher for minorities and the native born; nearly one in ten individuals (9.6%) in Fall River live at less than 50 percent of the federal threshold of \$5,835 per year, compared with 5.3 percent statewide. Poverty has also risen among school children in Fall River, from 19.2 percent in 2000 to 27.8 percent in 2014.

Table 6.
Individual Poverty Rate

Year	Fall River	State	New Bedford	Lawrence	Lowell	Brockton
2014	23.3%	11.6%	24.0%	28.5%	19.1%	17.9%
2000	17.1%	9.3%	20.2%	24.3%	1.8%	14.5%
1990	14.3%	8.9%	16.8%	27.5%	18.0%	13.6%

Source: Authors' calculations of 2010-2014 and 2005-2009 ACS 5-year estimates, and 2000 Census.

HOUSING GAPS CREATE DEMAND FOR MORE AFFORDABLE HOUSING OPTIONS

There are 24,799 renter households in Fall River, 43.0 percent of which earn under \$20,000 a year. These households cannot spend over 30.0 percent of their income on rent and utilities in order to rent housing that is commonly accepted as affordable. Given the prevailing rents in Fall River, this means that these 10,529 households can only afford the rent of 4,993 units, or 21.0 percent of the total rental stock. This creates a "gap" of 22.0 percent or 5,536 affordable units for households earning below \$20,000. The rent for units these households can afford ranges from \$250 to \$500.

However, households earning between \$20,000 and \$49,999 annually (8,854 households) have plenty of housing options. They represent 36.0 percent of all renters, and can afford 95.0 percent of all units (22,915 units) with rents ranging from \$800 to \$125 (see Table 7). For households earning \$50,000 a year or more, there is lack of apartments with rents at the upper limit of what is affordable to them, which is most likely due to lack of demand for luxury apartments with rents near or above \$2,000 in Fall River. These higher income households likely rent well below their means.

Table 7.
Rental Housing Gap

Household Range	Income	Renter Households	Maximum Affordable Rent & Utilities	Rental Units	Rental Gap
Less than \$10,000		3,865 16%	\$250	1,280 5%	-10%
\$10,000 to \$19,999		6,664 27%	\$500	3,713 16%	-11%
\$20,000 to \$34,999		5,472 22%	\$800	10,241 43%	21%
\$35,000 to \$49,999		3,382 14%	\$1,250	7,681 32%	18%
\$50,000 to \$74,999		3,127 13%	\$1,875	882 4%	-9%
\$75,000 or more		2,289 9%	Over \$1,875	146 1%	-9%
Total		24,799 100%	-	23943 100%	-

Source: Authors' Calculations of 2010-2014 ACS Annual Household Income and Gross Rent per Unit,

Similarly, an analysis of home sales reveals that while households earning \$25,000 a year represent 50.0 percent of all renters, these households could only afford 11.0 percent of all homes sold in 2014 (49 homes, assuming 10% downpayment). Compare this with households earning \$35,000 and above, which account for 37.0 percent of all renters, that could afford 62.0 percent of all homes sold in 2014 (267 homes, assuming 10% downpayment).

- ¶ Households that can afford \$900 or more in monthly housing costs have plenty of choices among existing rental units and homes.
- ¶ These housing costs are similar to the rents proposed for new “market-rate” developments in Fall River, meaning the same population targeted by these rents could already afford to purchase the majority of homes sold in Fall River.
- ¶ As noted earlier, new rental construction comes at a premium and lacks the quality issues that affect older rental housing.

HOMEOWNERS DIFFER FROM RENTERS

Unlike similar Gateway Cities, Fall River’s homeownership rate has been stagnant for decades. These long-term homeowners are aging and not being replaced by younger households, who continue to rent – a trend evident in other Gateway Cities, statewide, and nationally. This means Fall River’s homeowners, who currently occupy 35.8 percent of all housing units, are likely to remain in the minority in the city. Across most demographic and socioeconomic indicators, Fall River homeowners differ from their renting counterparts and contrast with the city as a whole.

For example, homeowners are more likely to be:

- ¶ White – 94.6 percent of all homeowners are White (not Hispanic/Latino), compared with 80.3 percent of renters and 81.9 percent of the city as a whole. This is **similar** to other Gateway Cities. In New Bedford, for example, 87.2 percent of all homeowners are White.

- ¶ College-educated – 21.0 percent of all homeowners have a Bachelor’s degree or higher, compared with 11.0 percent of renters and 13.0 percent of the city. This is **similar** to other Gateway Cities. In Lawrence, for example, 23.1 percent of all homeowners have a Bachelor’s or higher, compared with 9.0 percent of renters.
- ¶ Of age 55 or older – 52.1 percent of homeowners fall into this category, compared with 32.6 percent of renters and 27.1 percent of the city. This is **similar** to other Gateway Cities. In New Bedford, for example, 55.4 percent of homeowners are 55 years of age or older.
- ¶ In households earning \$35,000 or more annually – 71.5 percent of homeowners earn this much, compared with 34.5 percent of renters and 48.4 percent of the city as a whole. This is **similar** to other Gateway Cities. In New Bedford, for example, 71.0 percent of homeowners earn \$35,000 or more annually.

MIGRATION PATTERNS REVEAL NEW RESIDENTS ORIGINATE IN SURROUNDING COMMUNITIES

During key informant interviews, service providers and agency officials discussed the factors that contribute to the concentration of subsidized housing and homeless service providers in the Commonwealth’s urban areas, particularly the Gateway Cities. Interviewees noted that the relatively low Fall River apartment rents are advantageous for households receiving short-term subsidies, such as HomeBASE and RAFT, because these limited resources can go further. However, these rents may be unaffordable to recipients once the subsidy expires.

FRHA staff revealed that the waiting lists for public housing and vouchers are four to six years long, during which time, applicants must remain in Fall River to maintain residency preference. To remain eligible for assistance, FRHA applicants must also continue to be burdened by their housing costs – paying more than 30 percent of their income towards housing – while on the waiting list. Additionally, better public transportation in urban areas makes commuting to work feasible for households without a vehicle of their own. These factors, combined with an abundance of rental units in Fall River make the city, and other cities like it, a viable option for households without affordable housing options in the surrounding suburban and rural communities.

While there is no perfect dataset for tracking movers, the best available Census and IRS data supports the claims made by key informants that new arrivals to Fall River appear to be entering the city from surrounding communities rather than from afar. Evidence also indicates that this trend of local moves has increased in recent years.

- ¶ In 2009, 58 percent of all recent movers in Fall River originated in Bristol County, compared to 75 percent of all recent movers in 2014.
- ¶ These movers include people who moved to Fall River from other communities in Bristol County as well as Fall River residents who moved within the city. The five most common origins for movers coming from outside of Fall River were relatively close and include Somerset, New Bedford, Swansea, Brockton (Plymouth County), and Westport.
- ¶ IRS county-to-county migration data reveals that most movers to Bristol County originate in neighboring Plymouth, Norfolk, or Providence (RI) Counties. These data also reveal a slight difference in earnings between movers into and out of the Bristol

County, with departing households earning, on average, slightly over \$1,000 more than new arrivals.

3. WHAT OPTIONS ARE AVAILABLE FOR ADDRESSING ISSUES AND CLOSING ANY GAPS BETWEEN EXISTING HOUSING AND DEMAND?

The PPC's comprehensive analysis of Fall River's housing environment involved engagement with key housing stakeholders, an examination of original and secondary data from local, state, and national sources, and a review of relevant literature. Through this process, the PPC identified a number of implications related to current housing policy. Keeping with the purpose of this report, these implications are presented here to provide the Housing Policy Working Group with a series of actionable insights from which to craft a new housing policy for the City of Fall River. Additionally, the PPC engaged with officials at the state level and with agency administrators in other Gateway Cities to learn how housing challenges have been approached elsewhere. These implications and best practice are outlined below.

POLICY IMPLICATIONS

- I. Poor quality of older housing is exacerbated by staffing limitations in Inspectional Services, which restrict the department to conducting reactive inspections.
 - Á Empowering the department with modern technology and adequate staffing would allow for proactive inspections of multifamily properties and compliance with state law.
 - Á While there is interest in sharing data, city departments lack the staff and technological capacity to collect and share meaningful information internally or between agencies.
2. Interdepartmental efforts to coordinate data collection and sharing would allow the city to target problem properties before conditions reach crisis levels
3. Low rents and property values make market rate development financially infeasible without a developer or tenant subsidy
 - Á Encouraging homeownership among existing moderate-income households could reduce the number of absentee landlords and generate more investments to raise property values
4. Reliable rail service to the Greater Boston area could be expected to increase property values and rents in the immediate vicinity of the station
5. Fall River, like other urban area across the Commonwealth, serves a disproportionate share of the state's homeless residents
 - Á Short-term housing assistance limits recipients to places where the subsidy goes the furthest
 - Á Lack of outcome tracking in state re-housing programs constrains evaluations of their effectiveness

BEST PRACTICES

1. The City of New Bedford created the Mayor's Neighborhood Task Force, which conducts neighborhood-level sweeps on a regular basis to identify code violations. These sweeps are interdepartmental, involving representatives for the Police, Fire, Inspectional Services, and Health departments. The Task Force is funded through revenues generated by the vacant building fund and operates under the auspices of the City Solicitor, giving it the legal authority to pursue housing code violations and impose liens on noncompliant property owners. Interviews with New Bedford officials revealed that the Task Force has been effective at pressuring notoriously troublesome landlord into complying with minimum housing standards or divesting their property. It was also noted that officials from Fall River had recently engaged with the New Bedford Neighborhood Task Force to learn how to develop a similar program in the city.
2. The City of Boston requires multifamily property landlords to pay an annual inspection fee. Revenues generated from this fee fund additional staff for the City's building inspection department. This in turn allows Boston to conduct proactive building inspections, something that Fall River is not able to do current staffing levels.
3. In the cities of Lowell and Chelsea, community development corporations (CDCs) have proved an effective tool in addressing blight and generating new affordable housing using developer subsidies and CDA funding at the block level. While Fall River does not currently have an active CDC, there are a number of nonprofit agencies that act as community housing development organizations (CHDOs), which receive CDA funding for the purpose of maintaining and rehabilitating affordable housing for low-income residents. Expanding the role of CHDOs in the city would increase the number of quality affordable housing options for Fall River's low-income households.
4. Other Gateway Cities spend their Community Development Block Grant (CDBG) funding from HUD differently than Fall River. Because of its status with the federal government Fall River has historically spent approximately 40 percent of CDBG funding on public service activities, while other communities are capped at 15 percent. A realignment of these funds for housing and infrastructure activities could allow the city to have more control over affordable housing through options such as a community land trust.

I INTRODUCTION

This research seeks to inform an ongoing public discussion that is taking place in Fall River about current housing conditions and relevant policies. The study brings evidence and objective information to bear on this critical conversation and provides community leaders with the information and data they require to inform the development of a new housing policy for the City of Fall River.

This effort was spearheaded by Representative Carole Fiola, who convened a Housing Policy Working Group in the winter of 2015 as a direct result of housing-related concerns voiced by residents. A primary focus of many Working Group members was the concern that Fall River's share of subsidized housing was increasing beyond the City's management capacity, and that households moving into these affordable units were overburdening Fall River's resources, such as public schools and public safety. Working Group members described through personal and resident anecdotes a community that they perceived as having undergone a change in terms of the type of housing provided and the new residents the existing housing stock attracted.

Recognizing that an evidence based approach to these issues was required, the Housing Policy Working Group engaged the Public Policy Center at UMass Dartmouth to examine Fall River's housing stock and how local, state, and federal housing policies affect the city's housing conditions and housing market. The report answers three primary questions developed by the Housing Group in the weeks preceding the launch of our study.

1. What kind of housing does Fall River have and how has it changed over time?

In order to understand the changes that have occurred in Fall River's housing environment, the PPC developed a historical profile of Fall River's housing stock, with particular focus on changes in the housing supply and affordability gaps.

- a. An analysis of the housing stock over time—including the mix of units, new construction, rehabilitation, and subsidized development.
- b. An examination of housing affordability, including a profile of residents who are burdened by housing costs and rent or own their housing.
- c. An assessment of historical changes in property values and home prices.
- d. A subsidized housing inventory.
- e. An analysis of housing conditions in Fall River as compared to similar Gateway Cities and the Commonwealth using available secondary data.

2. What are the relationships between the housing market and population, demographic, and economic changes?

In order to understand Fall River's housing market dynamics, the PPC used data on the housing market - such as new residential construction, recent housing sales, and rental rates - in combination with socioeconomic and labor market indicators - to analyze the relationship between housing demand and housing supply in Fall River. This analysis includes:

- a. A comparison of new and incumbent residents, including each group's income distribution, the origins of new arrivals, and the destinations of out-migrants.

- b. An inventory of socioeconomic indicators related to population change—including public safety, land values, educational attainment, employment opportunities, and welfare program utilization.
 - c. Key informant interviews with housing stakeholders—including local officials, advocates, property owners, realtors, and community associations.
- 3. What options are available for addressing issues and closing any gaps between existing housing and demand?**

Understanding that this research will be used to inform a new housing plan for the City, the PPC reviewed existing policy and best practices in order to provide examples, where available, of how comparable cities have addressed similar housing issues. The analysis includes:

- a. An exploration of Community Development Block Grant (CDBG) and other housing related funding uses and the extent to which this is aligned with housing and community development plans.
- b. Interviews with housing stakeholders on the perceived limitations of code and zoning policy, and patterns of emergency service utilization.
- c. A review of best practices in housing policy implemented successfully by comparable municipalities in the areas of planning, code enforcement, and zoning.

I.1 METHODOLOGY

The analysis recognizes the importance of objective information in assisting Fall River's leaders in clarifying critical issues of concern and advocating for evidence based solutions to community housing challenges. The PPC utilized numerous data sources in its research, including data from the City of Fall River and its various departments, the U.S. Census Bureau, the U.S. Department of Housing and Urban Development, state agencies, and nonprofit service providers. In addition, the PPC conducted 17 in-depth key informant interviews with various stakeholders to supplement the quantitative analysis.

The PPC triangulated data in cases where the information was not robust to provide a more accurate analysis of the data. This approach allows the PPC to highlight trends at the local level and test the validity of community assumption and stakeholder anecdotes. Employing multiple data sources to examine the same phenomenon can increase confidence in findings when similar trends are noted across multiple and frequently imperfect data sources. Additionally, incorporating qualitative data and stakeholder interviews were used to inform our interpretation of the aforementioned secondary data sources.

2 SOCIO-DEMOGRAPHIC PROFILE

The socio-demographic background of residents greatly influences the city's housing market. Issues of affordability, housing prices, rent levels, homeownership rates, the prevalence of subsidized housing, homelessness, housing preferences, housing conditions, and related issues are directly impacted by the economic and social profile of Fall River residents.

For instance, homeownership is positively associated with educational attainment.⁴ Low levels of education in Fall River, combined with a lack of well-paying employment for less educated workers could limit housing options for this segment of residents. This effect, which becomes more pronounced as employment opportunities in the manufacturing sector decline, may help explain the increase in the demand for affordable housing options and housing assistance in the city in ways not seen in the past, when manufacturing jobs provided a gateway to the middle class for Fall River households. As the region, state, and nation continue to shift from a manufacturing based to a knowledge based economy, traditional manufacturing hubs like Fall River are challenged to find new ways to increase educational attainment of the population, and provide new economic opportunities for their residents. Furthermore, changes in the racial and ethnic composition of the city's residents can present challenges, as policies that created opportunities for previous generations may not always be effective in addressing the needs of new arrivals.

2.1 POPULATION

Fall River is a medium-sized Gateway City with a population of 88,756 (see Table 2.1). The city once boasted a population of over 120,000, but that figure has steadily declined on a decennial basis since 1920 (see Figure 2.1).

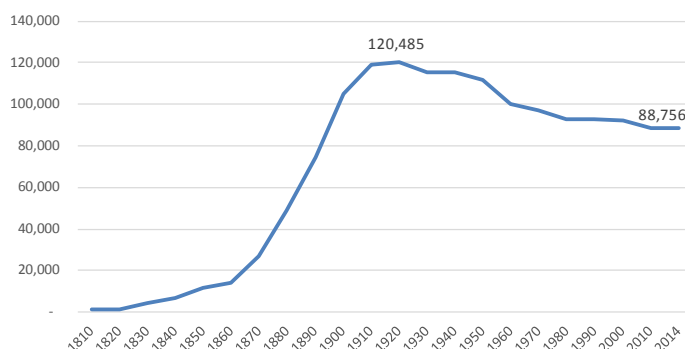
Table 2.1
Massachusetts Gateway
Cities Population, 2010-2014

City	Population
Worcester	183,511
Springfield	153,836
Lowell	108,491
New Bedford	94,873
Brockton	94,267
Fall River	88,756
Lawrence	77,364
Haverhill	61,769
Pittsfield	44,266
Fitchburg	40,419
Holyoke	40,079

Source: 2010-2014 American Community
Survey 5-Year Estimates, Table DP05

⁴ Myers, D., & Lee, H. (2016). "Cohort momentum and future homeownership: The outlook to 2050." *Cityscape*, 18(1), 131-143; Andrews, D., and Sanchez, A.C. (2011). "Drivers of Homeownership Rates in Selected OECD Countries." *OECD Economics Department Working Papers*, No. 849, OECD Publishing, Paris

Figure 2.1
Population of Fall River from 1810 to 2014.



U.S. Census, Table 22. Massachusetts - Race and Hispanic Origin for Selected Large Cities and Other Places: Earliest Census to 1990.

2.2 RACE AND ORIGIN

In racial and ethnic terms, Fall River's population is less diverse than the state as a whole, although the demographic composition of the city's population has been changing. For instance, the proportion of the population identifying as White (not Hispanic or Latino) declined by 9.3 percent from 2000 to 2014. Conversely, the share of the population identifying as Hispanic or Latino (any race) increased by 5.3 percent over this period (see Table 2.2 & Table 2.3). However, when compared to the state average and similar Gateway Cities, Fall River is clearly becoming more racially diverse at a slower pace than its peers (see Table 2.3).

The ethnic makeup in the city is also changing. As early as two decades ago, residents of Portuguese ancestry were Fall River's largest ethnic group, many of whom emigrated from the Azores during the late 1960s and early 1970s. While the Portuguese still comprise a significant portion of the city's population, there has been a more recent influx of other racial and ethnic minorities, particularly Hispanics, Brazilians, and Cambodians, although estimating the precise size of these populations is problematic. While ACS data provide some insight on the origins of new immigrants, the small sample size results in a high margin of error for the estimates.

Table 2.2
Fall River Race/Ethnicity

	2000	2014	% Point Change
White	91.2%	81.9%	-9.3%
Hispanic or Latino	3.3%	8.6%	5.3%
African-American	2.7%	3.4%	0.7%
Asian	2.1%	2.1%	0.0%
Other	3.9%	4.0%	0.1%

Source: 2010-2014 American Community Survey 5-Year Estimates, Table DP05

Table 2.3
Change in State and Gateway City Race/Ethnicity 2000-2014

	Fall River		Brockton		New Bedford		Lawrence		Lowell		Massachusetts	
	2014	% Point Change '00-'14	2014	% Point Change '00-'14	2014	% Point Change '00-'14	2014	% Point Change '00-'14	2014	% Point Change '00-'14	2014	% Point Change '00-'14
White	81.9%	-9.3%	43.4%	-18.4%	67.0%	-12.0%	17.7%	-31.1%	50.3%	-17.9%	75.0%	-9.5%
African-American	3.4%	0.7%	37.3%	19.9%	6.7%	2.2%	2.3%	-1.9%	6.7%	2.5%	6.4%	1.1%
Asian	2.1%	0.0%	1.7%	-0.9%	1.2%	0.5%	3.3%	0.5%	20.8%	4.5%	5.7%	1.9%
Other	4.0%	0.1%	7.6%	-10.5%	7.7%	-8.1%	1.0%	-43.2%	4.0%	-7.4%	2.6%	-3.7%
Hispanic or Latino	8.6%	5.3%	10.0%	2.0%	17.5%	7.3%	75.7%	16.0%	18.2%	4.2%	10.2%	3.4%

Source: ACS 2010-2014 Table B03002, 2000 Census Table QT-P3.

While the city is becoming more diverse (albeit more slowly than its peers), the racial/ethnic profile of the city's school age children is even more diverse. In the 2015-2016 school year, 57.9 percent of students were white (compared to 81.9% of the population as a whole), while 23.5 percent were Hispanic or Latino, 8.8 percent were African-American, 6.5 percent were Asian, and 4.0 percent were other races or ethnicities (see Table 2.4).

Table 2.4
Race/Ethnicity of School-Age Children

	Fall River	State
White	57.9%	62.7%
Hispanic or Latino	23.5%	18.6%
African-American	7.4%	8.8%
Asian	4.3%	6.5%
Other	6.9%	4.0%

Source: Massachusetts Department of Elementary and Secondary Education, 2015-2016 School Year

2.3 AGE

Fall River's age distribution is similar to that of the Commonwealth as a whole. The median age in Fall River is 38.8 years, compared to 39.3 years for Massachusetts.⁵ Like much of our society, the population of Fall River is going through a significant demographic transition and is home to a higher proportion of older adults; the median age was 35.7 in 2000 and 38.8 in 2014, although the state experienced a similar trend (36.5 years in 2000 and 39.3 years in 2014).⁶ Prime working age, which is typically defined as 25 to 54 years of age, currently represents 42.2 percent of the total population of Fall River and 41.4 percent of the Massachusetts population.⁷

2.4 EDUCATIONAL ATTAINMENT

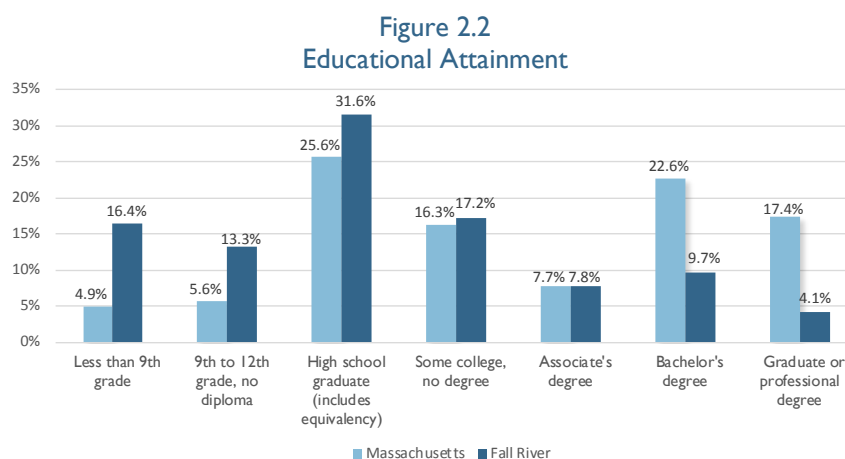
Massachusetts has the second most highly educated population in the country (trailing only the District of Columbia) and one of the most well-educated populations in the world. In contrast, Fall River has one of the lowest levels of educational attainment of any city in Massachusetts, which has a significant and negative effect on local economic outcomes, particularly employment, income, and

⁵ ACS 2010-2014, Table B01002, Median Age by Sex.

⁶ ACS 2010-2014, Table B01002, Median Age by Sex. 2000 Census, Table DPI.

⁷ ACS 2010-2014, Table S2301.

wages. For example, more than a quarter (29.6%) of Fall River residents 25 years of age and older do not have a high school diploma, which is nearly triple the statewide rate (10.4%). Notably, in an economy that increasingly requires higher levels of skills and education, the percentage of SouthCoast residents who have earned a bachelor's degree or higher (13.8%) is well below the state average (40.0%) (see Figure 2.2). Consistent with national trends, Fall River residents with a bachelor's degree earned much more than those with a high school diploma (\$41,053 versus \$27,673), making it clear that low levels of educational incomes are a major part of the explanation for why household incomes in Fall River are so low.



Source: ACS 2010-2014, Table S1501, Residents 25 Years of age and Older

2.5 ECONOMIC PROFILE: FROM DEINDUSTRIALIZATION TO POST INDUSTRIALIZATION

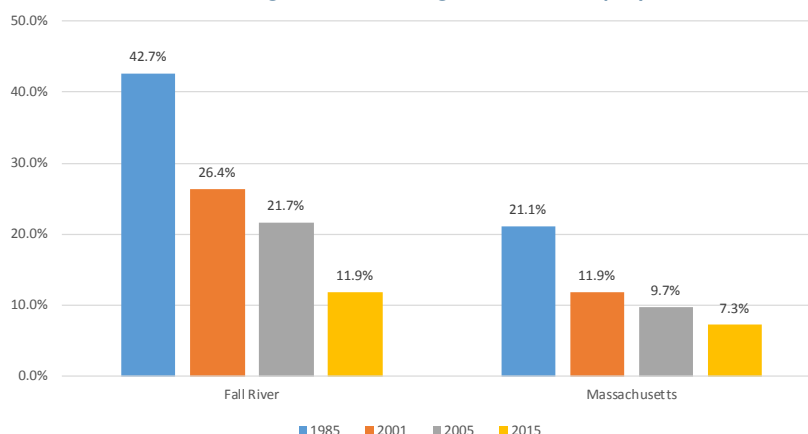
Fall River has a storied industrial history dating back to the early 1800's. In 1811, Colonel Joseph Durfee opened the Globe Manufactory in Fall River, which was the first textile factory in the region. Two decades later, the city had seven textile mills and at its height was home to more than 100 cotton mills and over one million spindles, earning the city its moniker "The Spindle City."

However, manufacturing in Fall River began a long decline in the twentieth century as textile manufacturers relocated to the southeastern United States primarily due to cheaper labor, lower energy and transportation costs, and proximity to raw materials. Many Northeast industry owners failed to invest in new technologies to combat competition from the South, resulting in the loss of thousands of jobs in the textile and apparel industries. This trend continued through the Great Depression and World War II. While other communities in the state were diversifying their economies by attracting firms in new industries such as aerospace, electronics, defense, and medical research, major new industries did not emerge in Fall River. Instead, the City and surrounding region remained dependent on traditional manufacturing, and continued to suffer further job losses to other states, nations, and to technological innovation with predictable negative consequences for the economic health of the City and its residents.

Fall River has struggled for several decades to cope with the structural shocks associated with de-industrialization, globalization, and technological innovation. The failure to modernize workforce skills, production technologies, and product development finally proved devastating to the city's economy as total employment in Fall River declined significantly, with the erosion of the cities'

manufacturing base accounting for a significant portion of the total employment decline. From 1985 to 2015, the percent of local jobs in manufacturing declined from 42.7 percent to 11.9 percent, although the city is still slightly more dependent on manufacturing jobs than the state as a whole (see Figure 2.3).

Figure 2.3
Manufacturing as a Percentage of Total Employment

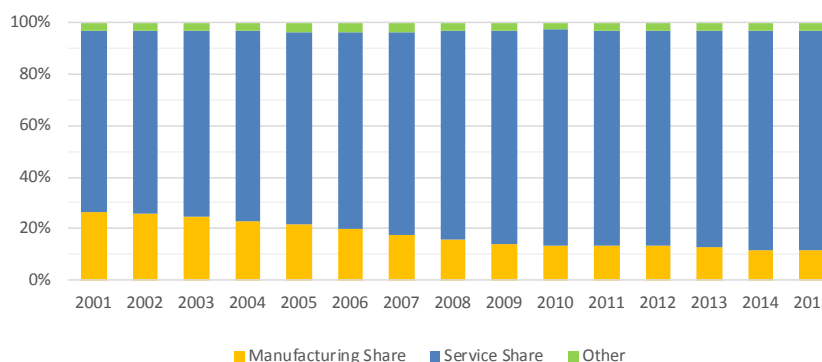


Source: A Massachusetts EOLWD ES-202 Annual Averages 1985-2015

As has been the case across the developed world, Fall River has been transitioning from a blue-collar, production-oriented manufacturing economy to one that is more reliant on service industries; in 2015, 84.8 percent of all jobs in the city were in service-related industries, compared to 70.7 percent in 2001 (see Figure 2.4). Significantly, Fall River has not experienced many of the benefits that have arisen from the Boston metro area's knowledge-based economy, with most of the service-related jobs in the city requiring relatively low levels of skill and paying comparatively low wages as evidenced by Fall River's annual average wage in 2015 being one-third below that of the state (66.9 percent of the statewide average). As can be seen in Figure 3.5, this wage gap has been growing since at least 1990.

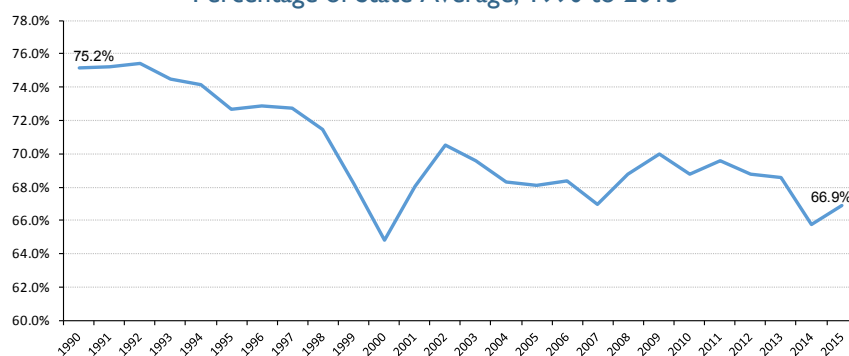
Fall River's annual average wage for all industries is only 66.9 percent of the statewide average and this percentage continues to decline.

Figure 2.4
Manufacturing and Service Sector Employment in Fall River 2001-2015



Source: Authors' Calculations of Massachusetts EOLWD ES-202 Annual Averages 2001-2015

Figure 2.5
Fall River Annual Average Wage as a
Percentage of State Average, 1990 to 2015

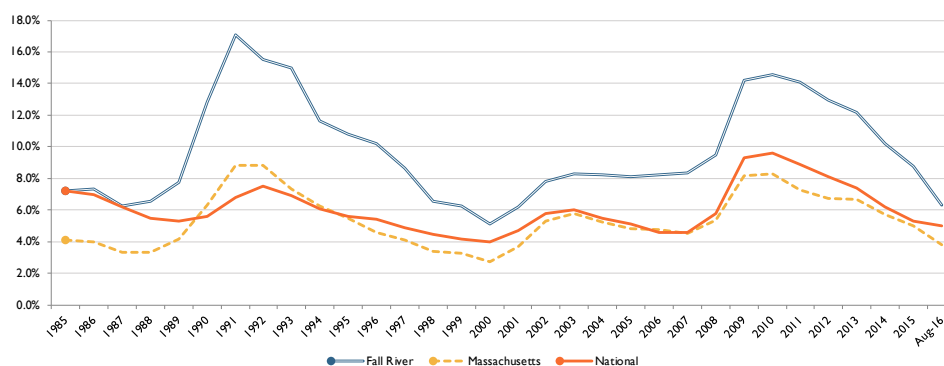


Source: Authors' calculations of Massachusetts Executive Office of Labor & Workforce Development ES202 data.

2.6 UNEMPLOYMENT

For every year for which data are available, average unemployment rates in Fall River have been above the statewide average independent of the business cycle (see Figure 2.6). The August 2016 unemployment rate (seasonally unadjusted) in Fall River was 6.3 percent, compared to 3.8 percent statewide and 5.0 percent nationally.

Figure 2.6
Annual Unemployment Rate



Source: Massachusetts EOLWD & Bureau of Labor Statistics Labor Force and Unemployment Data

2.7 INCOME

Per capita income, adjusted for inflation, rose by 48.4 percent from 1980 to 2000 and then declined by 7.4 percent between 2000 and 2014.⁸ The median household income in Fall River followed a similar trend, increasing 18.5 percent from 1980 to 2000 in real (inflation-adjusted) terms and then declining by 13.8 percent between 2000 and 2014. During the same period, real median household income in some other Gateway cities declined even more precipitously (see Table 2.5).⁹ Fall River's median income in 2014 was less than half (49.8%) of the statewide median that year, highlighting the significant disparity between Fall River (and other Gateway Cities) and the rest of the Commonwealth.

Table 2.5
Median Household Income, Adjusted to 2014 Dollars

Year	Fall River	Massachusetts	New Bedford	Lawrence	Lowell	Brockton
2014	\$33,763	\$67,846	\$39,088	\$26,328	\$38,639	\$32,966
2009	\$39,814	\$71,169	\$40,803	\$26,084	\$41,543	\$35,381
2000	\$39,167	\$69,429	\$38,217	\$37,707	\$53,174	\$53,799
% Change 00-14	-13.8%	-2.3%	2.3%	-30.2%	-27.3%	-38.7%

Source: Authors' calculations of 2010-2014 and 2005-2009 ACS 5-year estimates, and 2000 Census

2.8 POVERTY

In 2014, 23.3 percent of Fall River's residents had incomes below the federal poverty threshold—an increase of 9.0 percent since 2000 (see Table 2.6). The percentage of city residents who live in deep poverty, which is defined as less than 50 percent of the federal poverty threshold, was 9.6 percent in 2014, compared with 5.3 percent of individuals in Massachusetts.^{10 11}

Table 2.6
Individual Poverty Rate

Year	Fall River	Massachusetts	New Bedford	Lawrence	Lowell	Brockton
2014	23.3%	11.6%	24.0%	28.5%	19.1%	17.9%
2000	17.1%	9.3%	20.2%	24.3%	1.8%	14.5%
1990	14.3%	8.9%	16.8%	27.5%	18.0%	13.6%

Source: Authors' calculations of 2010-2014 and 2005-2009 ACS 5-year estimates, and 2000 Census.

The poverty rate in Fall River was significantly higher in 2014 than in 2000 and 1990 for both individuals and families.

⁸ Per capita income in 1980 would be the same as \$10,860 in 2000 dollars, which allows us to examine the change in income not due to inflation. This adjustment for inflation reveals that per capita income rose 48.4 percent from 1980 to 2000, when per capita income was \$16,118. Similarly, adjusting the 2000 per capita income to 2014 dollars results in an estimate of \$22,903, which can be used to demonstrate the decline to the 2014 per capita estimate of \$21,201. Adjusted using: <http://data.bls.gov/cgi-bin/cpicalc.pl>

⁹ 2009 5-Year ACS estimate multiplied by 1.1034264 to adjust it to 2014 dollars. Source:

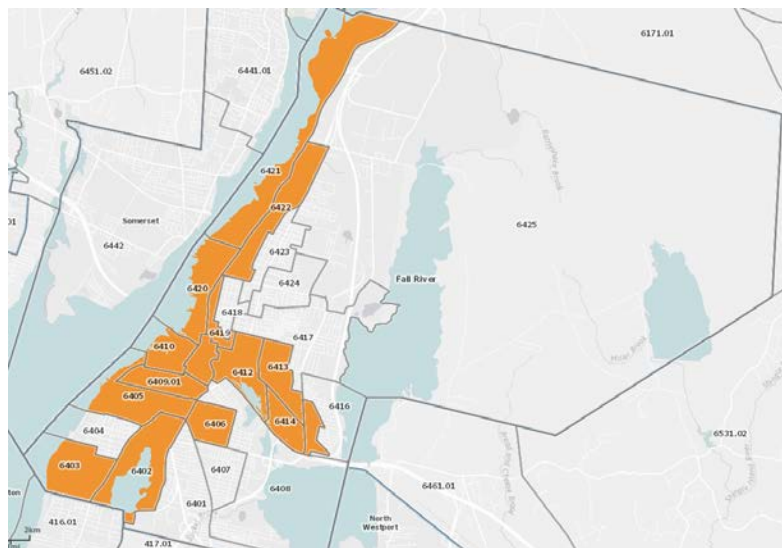
<https://www.census.gov/programs-surveys/acs/guidance/comparing-acs-data/2014/5-year-comparison.html>

¹⁰ ACS Table S1701: Poverty Status in the Past 12 Months

¹¹ This level of poverty was \$5,835 (\$15.97 per day) for an individual and \$11,925 (\$8.17 per person per day) for a family of four in 2014.

A geographic examination of poverty at the Census Tract level shows that high poverty is present in most areas of the city. In 2014, 15 out of Fall River's 25 Census Tracts had poverty rates above 20 percent. This is true of 18 Census Tracts among individuals under age 18 (see Map 2.1).

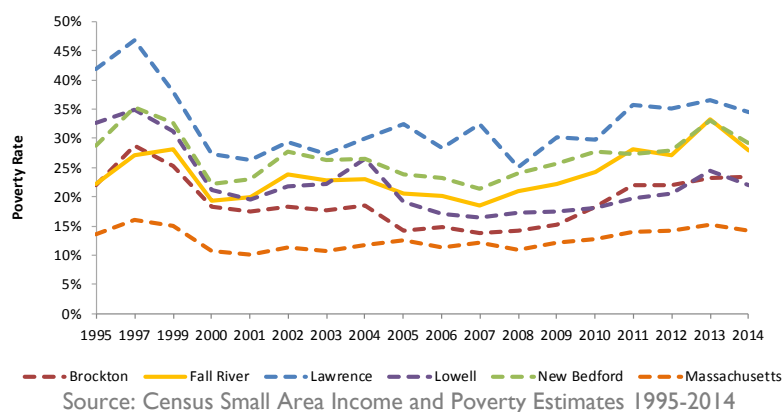
Map 2.1
Census Tracts with Poverty Rates Above 20 Percent



Source: 2010-2014 American Community Survey, Table S1701:
Poverty Status in the Past 12 Months

Alternative approaches to poverty measurement reveal a similar trend. The Small Area Income and Poverty Estimates (SAIPE) is one such method.¹² This program estimates income and poverty by combining model-based county estimates, federal tax information, and multi-year survey data.. The SAIPE poverty rate of Fall River schoolchildren rose from 19.2 percent in 2000 to 27.8 percent in 2014. However, Fall River had a lower school-district poverty rate in 2014 than Boston (32.9%), Lawrence (34.4%), and New Bedford (29.1%) (see Figure 2.7).

Figure 2.7
Poverty Rate, Fall River Public Schools

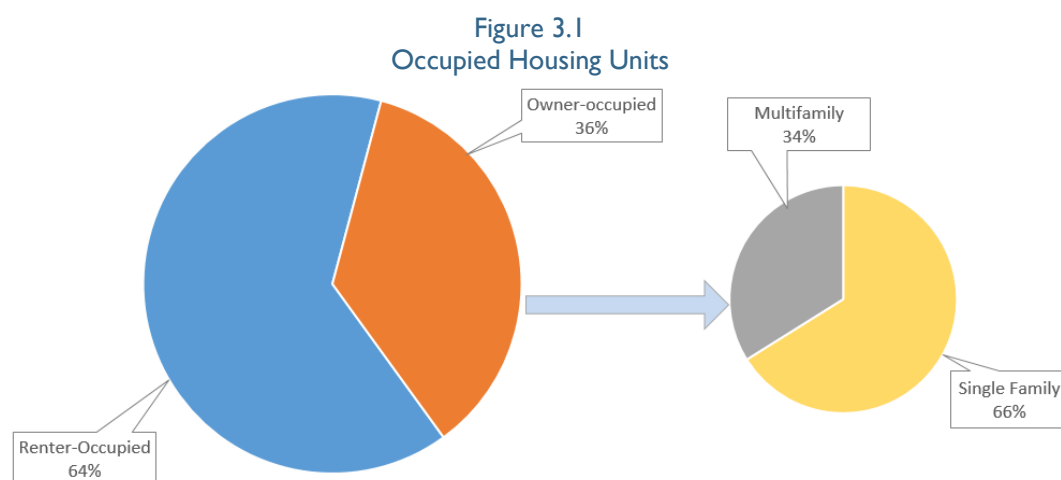


Source: Census Small Area Income and Poverty Estimates 1995-2014

¹² SAIPE estimates were retrieved from: <http://www.census.gov/did/www/saipe/about/index.html>

3 HOUSING PROFILE

At the turn of the 20th century, the bulk of Fall River's employment opportunities were found in textile mills, most of which are no longer in operation. Like many aging industrial cities, much of Fall River's housing consists of tenement-style buildings that were built over a century ago to house Fall River's industrial workforce and their families. The population of the city reached its peak around 1920, at which point most of the city was built out. Much of that housing still remains. As of 2014, the majority (58.9%) of Fall River's 43,965 housing units were constructed before 1940. Though single-family homes are becoming more common in several areas of the city, Fall River is still very much a city of renters. The majority (64.2%) of Fall River's 38,655 occupied housing units are rented (see Figure 3.1). According to the 2010-2014 ACS, the median gross rent of these units is \$722 per month.¹³



Source: 2010-2014 American Community Survey, Table DP04: Selected Housing Characteristics

Three-quarters (75.2%) of housing units in Fall River are in multi-family structures, and just over one-third of those buildings (33.7%) are composed of three or four units. Units in Fall River's multifamily structures have a median size of five rooms with typically two (37.9%) to three bedrooms (36.1%) per multifamily unit.

Compared to most similar Gateway Cities, a larger percentage of Fall River's housing stock is contained in multifamily buildings (see Table 3.1). However, all of the comparison cities have considerably higher shares of multifamily housing than Massachusetts overall, which is unsurprising given the industrial history of these cities and the longstanding resistance to multifamily development in many of the Commonwealth's suburban communities.

¹³ Gross Rent as calculated by the Census includes contract rent and average local utility payments.

Table 3.1
Share of Units by Type of Structure

	Units in Single-Unit Structures	Units in Multi-unit Structures
Fall River	24.8%	75.2%
Brockton	50.0%	50.0%
Lawrence	24.2%	75.8%
Lowell	67.4%	62.6%
Massachusetts	58.3%	41.7%
New Bedford	33.6%	66.4%

Source: 2010-2014 ACS 5-year estimates, Table B25024:
Units in Structure

As noted earlier, during the population boom in the early twentieth century, Fall River's population topped 120,000. By the middle of the century, the majority of the city's multifamily housing stock was in place. In fact, approximately two-thirds (66.0%) of all multifamily housing in Fall River was built before 1940 (see Table 3.2).¹⁴ Comparatively, the construction of existing single-family homes is more evenly distributed over time.

Table 3.2
Year Built by Building Type

Year Structure Built	Multifamily	Single Family	All Buildings
2000 or later	2%	11%	4%
1980 to 1999	9%	24%	12%
1960 to 1979	12%	15%	12%
1940 to 1959	12%	22%	14%
1939 or earlier	66%	28%	58%
Total	100%	100%	100%

Source: 2010-2014 American Community Survey,
Table B25032: Tenure by Units in Structure

In Fall River, the majority (57.3%) of the oldest units are occupied by very-low-income residents, because these units are available for relatively low rent levels.¹⁵ Table 3.3 shows the percent of housing units of different ages that are occupied by renters who are classified by HUD as "very low income."¹⁶ The affordability metrics used by HUD are discussed in more detail in Section 3.8.

¹⁴ Although some multifamily housing may include owner occupied units, such as landlord apartments or condos, most units in multifamily buildings are renter-occupied.

¹⁵ Units built before 1940

¹⁶ Meaning that their household income is at or below 50% of the HUD Area Median Family Income (HAMFI).

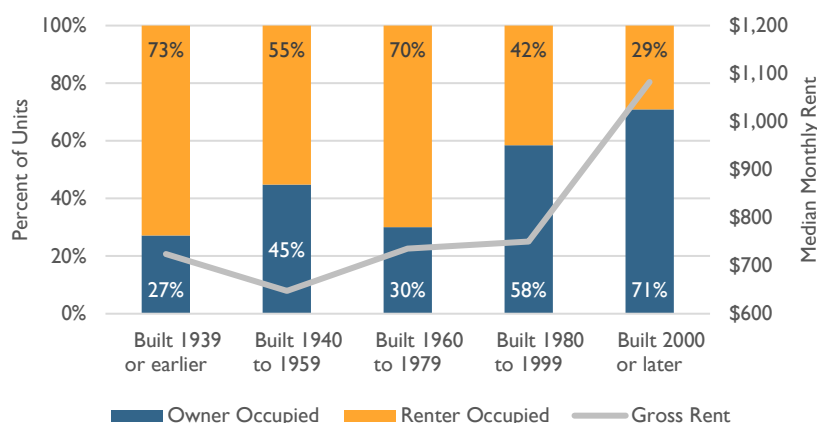
Table 3.3
Very Low Income Renter Households by Age of Structure

City	Built 2000 or Later	Occupied by Very Low Income		Built Before 1939	Occupied by Very Low Income	
Boston	11,265	5,935	52.7%	82,275	38,625	46.9%
Fall River	365	125	34.2%	14,880	8,525	57.3%
Brockton	410	275	67.1%	6,295	3,810	60.5%
Lawrence	850	460	54.1%	9,150	5,695	62.2%
Lowell	950	500	52.6%	9,310	4,825	51.8%
New Bedford	430	230	53.5%	11,705	5,270	45.0%

Source: HUD CHAS 2009-2013 Estimates

Interviews with local multifamily property owners confirm that many older buildings with rents affordable to very-low-income households tend to be of poor quality. Interviewees recalled incidents in 2013, when a number of apartments housing subsidy recipients were condemned for being unfit for human habitation.¹⁷ While this example could be viewed as simply anecdotal, a recent analysis of the 2013 American Housing Survey (AHS) by the Harvard Joint Center for Housing Studies found that, nationally, rental housing is three times more likely than owner-occupied to be considered inadequate due to structural deficiencies and that older rental housing, with a higher probability of inadequacy, is often all that is available for low-income urban renters who are unable to afford the higher rents commanded by more recently constructed units.¹⁸ The disparity between housing demand and affordability is discussed in detail in Section 3.9.

Figure 3.2
Tenure and Gross Rent by Year of Construction



Source: Authors' Calculations of 2010-2014 American Community Survey,
Table B25036: Tenure by Year Structure Built;
Table B25111: Median Rent by Year Structure Built

¹⁷ See: Goode, J. (2013). "4 women at Colville property say HomeBASE agency said breaking leases would nullify aid." *The Herald News*. Nov. 15, 2013. Retrieved from: <http://www.heraldnews.com/x529850475/4-women-at-Colville-property-say-HomeBASE-agency-said-breaking-leases-would-nullify-aid>

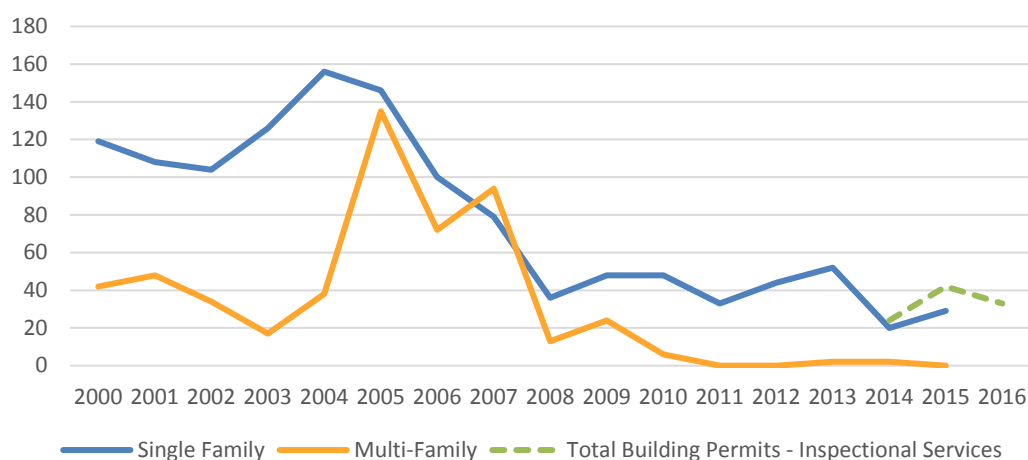
¹⁸ Lew, I. (2016). "Housing Inadequacy Remains a Problem for the Lowest-Income Renters." *Housing Perspectives*. HJCHS. Cambridge.

As can be seen in Figure 3.2, in Fall River, the scarce new rental units demand the highest rents in the city. While this is a demonstration of basic economics, it also makes it clear that new construction is often unaffordable for low-income households. As a result, there is a higher likelihood that housing options for these households are restricted to substandard housing. Moreover, data from the American Community Survey (ACS) indicates that local new multifamily construction has slowed. This is especially true in recent years—the share of structures built within five years of 2014 was significantly lower than those built within five years of 2000.

The aging of the housing stock revealed in ACS data is consistent with building permit survey data provided by the Southeast Regional Planning and Economic Development District (SRPEDD). Figure 3.3 below shows SRPEDD permit data in solid lines. The decline of building permits for single- and multifamily homes began at the start of the recession, with a total of 161 permits being issued in 2000 falling to 22 permits issued in 2014.

However, this data is not consistent with the building permit information from the Fall River Inspectional Services department. Discussions with representatives at SRPEDD revealed that technological and staffing limitations have prevented the City of Fall River from responding to the agency's building permit survey for years. In the absence of reliable data, regional planners have been forced to rely on Census estimates rather than the definitive administrative data on file with local Inspectional Services operations.

Figure 3.3
SRPEDD and Fall River Inspectional Services Totals for Building Permits in Fall River



Source: SRPEDD Fact Book 2000-2015; Fall River Inspectional Services

The dashed line in Figure 3.3 represents permit records obtained from Inspectional Services, which were incomplete since records before the middle of 2013 were unavailable for output due to change in record keeping software. The differences between these sources make it difficult to ascertain the accuracy of the data for the years before 2013. However, the overlapping years do not vary drastically; for instance, in 2014 SRPEDD estimated 22 total permits and there were 24 according to Inspectional Services' records. This provides some confidence that the overall trends shown in Figure 3.3 are generally accurate. Investments in clerical staff and technology modernization would improve both the reliability of the data and the Inspectional Services department's ability to share information with other city and state agencies and could be used to inform local and regional planning efforts.

From discussions with Inspectional Services, the research team learned that staffing levels in the department have never been sufficient to conduct state mandated inspections on multifamily properties.

Interviews with local housing stakeholders confirmed many of the findings of the research literature regarding the conditions for low-income renters in the older multifamily stock. Building and minimum housing inspectors noted that the age of multifamily buildings often meant they lacked certain required features in common areas, such as adequate fire alarm systems, unobstructed exit points, or sufficient emergency exits. In one extreme example, inspectors remarked that they once encountered a rope ladder system in place of a fire escape. Gradual changes over time in state and local housing codes means that there are likely a host of outstanding legacy issues present in Fall River's oldest multifamily housing stock.

However, due to local budget constraints, the Fall River Inspectional Services department does not have enough personnel to conduct proactive multifamily inspections. It was noted that there has never been a complete cycle of inspections done on the City's multifamily properties, despite a state law mandating that they be inspected at least once every five years.¹⁹ In this instance "multifamily" is defined as three or more units, which account for nearly two-thirds (62.8%) of all housing units in the city. It was suggested that an inspection fee could be charged to cover the expenses of hiring additional staff, but discussions with property owners revealed that many landlords would be resistant to any additional municipal fees. One interviewee suggested that this may cause multi-property landlords in the city to divest, with the likely purchasers being real estate investors from out of town.

While the issues identified by housing stakeholders were not limited to multifamily properties, interview subjects claimed that they were more prevalent in these types of structures, since these properties are less likely to be owner-occupied. During interviews, two major factors were identified as having contributed to issues related to housing quality: problem tenants and absentee landlords, with the combination of the two creating an environment that can result in code violations, deteriorating conditions, and ultimately the involvement of one or more city departments that are forced to respond reactively rather than proactively to these issues.

3.1 ABSENTEE LANDLORDS

Using assessment records on the Massachusetts Interactive Property Map, we were able to determine the ownership status of all residential parcels in Fall River.²⁰ The data provided by the Commonwealth, which included 21,734 parcel records across all uses, first had to be cleaned of all non-residential parcels and parcels with no buildings or no building value. For the remaining 17,900 parcels, we determined the status of the property ownership by comparing the parcel address to the address on file for the owner.

Among all residential parcels, 37 percent (8,011 parcels) are owned by Fall River residents who do not live at that property, and 18 percent (3,806 parcels) are owned by non-residents. Absentee ownership was much more common in multifamily properties, with slightly over half (53%) of these properties not being occupied by their owners, compared to 12 percent for single-family properties. It should be noted, however, that property owners may keep the mailing address for a particular property the same as the property address even if they do not reside there.

¹⁹ As required in Massachusetts General Laws 780 CMR Section 110. Retrieved from:

<http://www.mass.gov/eopss/docs/dps/buildingcode/inf4/1-00-embedded-amends-and-constrctn-contrl-v1.pdf>

²⁰ The Interactive Property Map is a state-sponsored tool developed by MassGIS for easy public viewing of seamless property and tax information across the Commonwealth. It can be accessed at:

<http://massgis.maps.arcgis.com/apps/OnePane/basicviewer/index.html?appid=47689963e7bb4007961676ad9fc56ae9>

Consequently, these estimates should be interpreted cautiously and may somewhat understate the extent of non-owner-occupied properties in Fall River.

3.2 HOUSING CODE VIOLATIONS

Minimum housing violations were examined to look for patterns in the types of properties that are not complying with health and safety standards. Citations are issued when a property is found to be in violation of Chapter II of the State Sanitary Code, which establishes standards that all occupants and owners of housing must adhere to in order to ensure the “health, safety, and well-being of Massachusetts citizens.”²¹ While the data that was provided did not sort violations by type, it did indicate whether each violation had been resolved. In total, in 2015-2016, there were 239 properties with open violations. Of these, 137 were owned by an absentee landlord, representing 1.7 percent of all absentee parcels, and 102 were owner-occupied, representing 1.0 percent of all owner-occupied parcels.

From the Field

“If landlord fails to understand their responsibilities, the property is neglected, building decays under lack of investment, foreclosure occurs, neighboring properties suffer, and blight spreads throughout the neighborhood.”

- Key Informant Interview

Table 3.4
Residential Parcels

All Parcels	21,734
Residential parcels with housing units	17,900
Parcels with absentee owner	8,011
Absentee Parcels with open violations	137
Parcels that are owner-occupied	9,899
Owned-occupied Parcels with open violations	102

Source: Massachusetts Interactive Property Map

While these open violations represent only a small portion of the housing units in Fall River, they only capture the violations that have been reported as complaints, and not all properties out of compliance. Since Inspectional Services is understaffed, they can only practice reactive enforcement and are unable to conduct routine inspections. Accordingly, these data primarily cover non-compliant properties that have been brought to the attention of the Department. The issue of substandard housing arose in nearly every interview with housing stakeholders, indicating that it is viewed as a major housing issue in the city. This along with the age of the housing stock strongly suggest that the actual prevalence of violations is likely significantly higher than department records indicate.

One interviewee claimed that one blighted property could lead to further disinvestment in a neighborhood. This point of view is similar to the findings of Hollander (2013), though he did not claim that a single property was in itself sufficient to trigger disinvestment. Hollander noted, while studying changes in neighborhood density in New Bedford, that “absentee landlords are acting in their self-interest and they will be appropriately motivated to only make the most modest of investments in their houses as long as the real estate market continues to be weak in the city (p. 20).”²²

²¹ Galvin, W (2016). “Safe & Sanitary Housing for Massachusetts Residents: Highlights of Chapter II of State Sanitary Code.” Massachusetts Citizen Information Service. Retrieved from: https://www.sec.state.ma.us/cis/cispdf/Safe_and_Sanitary.pdf

²² Hollander, J.B. (2013). Contemporary perceptions of nine decades of depopulation in New Bedford, Massachusetts. *Urban Design International*, 18(1), 6-23.

3.3 “PROBLEM PROPERTIES” ANALYSIS

Group members and stakeholders often claimed that there were public safety issues related to the presence of housing owned by absentee landlords, subsidized housing, and transitional/supportive housing at “scattered sites,” which are rented by social service agencies from private landlords to provide shelter for homeless families. Some interviewees expressed interest in enacting a “problem properties” ordinance, which would impose a fee on property owners whose housing units received a disproportionate number of calls from the Fall River Police Department (FRPD) and other public safety agencies.

In order to investigate how FRPD calls are distributed among types of housing in the city, the FRPD provided PPC with call data for calendar year 2015. There were a total of 93,563 calls in 2015, which included emergency and non-emergency calls to residential properties, commercial properties, areas not connected to a property (e.g. auto accident, issue on a street corner), and general police business (e.g. returning to the FRPD to write a report). PPC edited the list to include only residential properties (including public housing developments) and only calls that the PPC defined as “problem calls,” which are generally non-medical calls or non-nuisance calls that could be directly linked to an address. The final list based on these criteria resulted in 19,961 calls (see Table 3.5).

Table 3.5
Number of FRPD Call by Type, 2015

Call Type	Number	Call Type	Number
Suspicious Condition	4,228	Mal Misc to Residence	154
Domestic Argument	2,880	Mentally Ill- Drug or Alcohol	117
Unwanted Party	1,313	Disperse with Complainant	105
Keep the Peace	1,175	Disperse Disorderly	90
Larceny with Suspect	1,144	A & B Sexual	85
Noise No Complainant	1,036	Fight with Weapons	64
Dog Complaint General	965	Domestic with Lethal Weapon	56
Disturbance with Fight	914	Mal Misc to Business	56
Neighbor Problem	827	Armed Robbery	54
Suspicious Activity Auto	712	A & B in Progress	34
Suspicious Activity Residence	543	Unarmed Robbery Misc	22
Noise with Complainant	522	Mal Misc General	18
Mentally Ill- Violent	503	Drunk with Violence	16
Lethal Weapon	440	Unarmed Robbery Purse	11
Illness- Overdose	415	Unarmed Robbery Past	7
Arrest	304	Stolen Vehicle, I D Suspect	4
Drunk Complaint	287	Suspicious Condition`	2
Mal Misc to Motor Vehicle	282	Dog Complaint General	1
Larceny No Suspect	206	Life Threat to Officer	1
Disperse No Complainant	204	Total:	19,961
Suspicious Activity Business	164		

Source: Fall River Police Department and Public Policy Center

The PPC analyzed all properties that received 10 or more “problem calls,” which resulted in 225 properties, the majority of which are owned by private owners, LLCs, or corporations (see Table 3.6).^{23, 24} Among these properties, 72.0 percent are owned by absentee landlords (i.e. the landlord does not live in the building) and 47.1 percent are absentee landlords who live outside the city.²⁵ Note that some properties owned by private owners or companies likely house residents with subsidies (e.g. mobile vouchers), although this precise information is not available.

Table 3.6
Number of Logged Calls by Housing Type

Type	Number	Percent	Percent of Total FR Housing Units
Private Owners/Companies	182	80.9%	0.47%
Fall River Housing Authority	15	6.7%	0.04%
MA Department of Housing & Community Development (DHCD)	13	5.8%	0.03%
Scattered Sites	7	3.1%	0.02%
MassHousing	5	2.2%	0.01%
Inpatient/Resident Home	3	1.3%	0.01%
Total	225		0.58%

Source: Fall River Police Department and Public Policy Center

3.4 THE HOUSING COURT

The Massachusetts Housing Court Department has jurisdiction over civil and criminal actions related to housing. Throughout the Commonwealth the Housing Court system hears cases related to eviction, small claims, and civil actions such as personal injury, breach of contract and discrimination. Fall River is within the jurisdiction of the Southeast Housing Court, which represents 47 cities and towns and hears cases in communities throughout Plymouth and Bristol Counties. Cases relating to Fall River represented 22.0 percent of the Southeast Housing Court’s total 2015 case load. The majority of these cases regarded eviction.

In addition to trying cases, the Housing Court also provides mediation, during which training housing specialists negotiates with parties to reach a mutually agreed resolution. Housing Court officials estimate that approximately 80.0 percent of all cases are resolved through mediation, and note that this method is preferred, as it empowers parties to control the outcome of a case, rather

²³ The vast majority of properties in the city received less than ten calls. Ten was used as the cutoff since these properties are more apt to be “problem properties.”

²⁴ Note that many of these properties have more than ten units and thus one might expect a higher frequency of calls. However, PPC did not have data on the exact number of units for each property and thus a per unit call rate could not be calculated. For example, a property with ten units and ten calls may not actually be a problem property. Without data on the number of units, these result should be interpreted with caution. Property-by-property conclusions should be made using raw data, which is not included in this analysis. Additionally, the cut-off of ten calls imposed for this analysis may not be as restrictive or may be more restrictive than ordinances enacted in similar communities.

²⁵ FRHA, DHCD, and MassHousing properties were classified as local tenants since they are administered locally by the FRHA or other agencies. Scattered site housing was classified using the address of the property owner, since in most cases, the agency responsible for renting the unit was unclear.

than involving a judge and it is less costly. Cases that cannot be resolved through mediation are heard before a judge, and the Court maintains a database of tenants who have been found at fault during these trials

While one landlord noted that he uses a database maintained by the Housing Court of known problem tenants, he claimed that landlords with units in less desirable areas of the city rent to tenants who “bring” issues like crime, violence, drug use, and unemployment with them. Stakeholders we interviewed consistently reported that failure to thoroughly screen tenants could result in renting to “professional” or “career” tenants who have knowledge of the eviction and court system, and use this knowledge to extend the eviction process in order to gain months of free housing.

Extensions of the eviction process can result in months without rent collections as landlords start the trial or mediation months after the initial eviction notice, which in many cases results from a period of nonpayment. This leaves some with the impression that Housing Court “favors the tenants” and that, after months of missed rent, they would “turn the keys into the bank” before a favorable verdict was handed down.

Stakeholders both inside and outside of the Housing Court often repeated the phrase “the Housing Court is a court of compliance.” This approach has at least partially caused some of the negative perceptions of the court. In the event of eviction, compliance can mean persuading a tenant that it is in their best interest to vacate a unit, but not necessarily compelling them to pay owed rent (which in many cases they do not have the financial wherewithal to do). In the case of code violations, compliance can mean a mandated investment by the property owner, which is often costlier than the fine. To address this issue, some stakeholders suggested a landlord education seminar, in order to help property owners to understand their legal responsibilities and the process for eviction and the resolution of disputes with tenants. Ideally, such a program would also offer municipal departments, such as Inspectional Services and Community Development, an opportunity to educate local landlords on local requirements and procedures.

Text Box 3.1

Landlord Education: “The Missing Link”

Working Group members and key informants discussed the need for landlord education, on the premise that landlords in Fall River are frequently unaware of their legal responsibilities and the laws regulating their business. As noted by representatives of the Housing Court, when you provide housing, “you are involved in an important business” and if landlords fail to understand their responsibilities properties can be neglected, foreclosures can occur, and neighborhoods can suffer from the spread of blight. Additionally, Housing Court representatives discussed how landlords could benefit from education, remarking that without proper knowledge of the legal obligations surrounding eviction notices landlords suffer unnecessary legal fees and lost rent.

Recognizing the need for landlord education, the Housing Court of Southeast Massachusetts has prepared a primer of 18 common scenarios that could be avoided through proper education. It was suggested by stakeholders that courses could be funded by a one-time fee and incentivized through the involvement of lending institutions and insurance companies, who could compel landlords to take the course, get educated, and improve their properties by connecting graduates with low-interest loans for home improvement.

3.5 HOMEOWNERS AND RENTERS

Interviews with housing stakeholders also revealed that some perceive a change in the types of renters seeking housing in Fall River. Some noted a “needier clientele” than in the past, while others spoke an increased sense of danger when entering rental housing. It was mentioned that the City’s Board of Health and building inspectors often require a police presence when conducting inspections and one landlord remarked that he recently acquired a license to carry a firearm for self-protection when collecting rents. There was also a general feeling among a subset of interviewees, some who are multifamily homeowners and others who aren’t, that some landlords are being driven to divest their properties as a result of their difficulties with tenants and the eviction process.

3.5.1 Owner-Occupied Housing Units

There was a statistically significant change in multifamily owner-occupancy rates between 2009 and 2014 (see Table 3.7). Over this period, the number of owner-occupied units in multifamily structures decreased by 16.6 percent while the number of owner-occupied single-family units increased by 8.6 percent. Although not statistically significant, the number of units in multifamily buildings occupied by renters increased slightly (4.2%), which is inconsistent with claims made by some stakeholders (and other data) that multifamily properties are increasingly shifting to absentee ownership.

Table 3.7
Changes in Ownership Among Single and Multifamily Units

Unit Type	2009		2014		Percent Change	Significant Change?
	Estimate	MOE	Estimate	MOE		
Single-family Owner-Occupied	8439	402	9162	438	+8.6%	Yes
Multifamily Owner-Occupied	5,596	460	4,670	446	-16.6%	Yes
Single-Family Rental	1,319	330	1,156	233	-12.4%	No
Multifamily Rental	22,676	916	23,616	985	+4.2%	No

Source: 2005-2009 & 2010-2014 American Community Survey, Table B25032: Tenure by Units in Structure

During the first three quarters of 2016, homeownership rates were at the lowest level in decades, with an owner-occupancy rate of 63.5 percent among U.S. housing units.²⁶ At the peak of the housing bubble, ownership rates hovered around 69 percent. For decades, Fall River’s homeownership rate has been more akin to the national rental rate. The 2014 ACS puts Fall River’s homeownership rate at 35.8 percent, which is similar to the rates the 2000 Census (34.8%), and the 1990 Census (33.0%). This rate is also significantly lower than for the state (62.3%). Moreover, Fall River has a lower rate than all of the comparison communities with the exception of Lawrence. In New Bedford, the homeownership rate is 42.5%, Lowell 44.4%, Lawrence 28.0%, and Brockton 55.9%.

As noted previously, Fall River homeowners are increasingly choosing single-family residences over a unit within a multifamily building that they own. At the same time, there is evidence of some historic, structural barriers to homeownership, which keep the rate in Fall River and other

²⁶ Callis, R.; & Kresin, M. (2016). “Residential Vacancies and Homeownership in the First Quarter 2016.” Washington D.C. U.S. Census Bureau News, Department of Commerce. Retrieved from: <http://www.census.gov/housing/hvs/files/currenthvspress.pdf>

Gateway Cities lower than throughout Massachusetts and nationwide. HUD has researched the causes of low homeownership rates, and found that the factors that contribute to overall differences in homeownership rates are income, age, and household type of the prospective home buyers; and housing market barriers including “limitations on access to mortgage financing needed to purchase homes, and, in some markets, a lack of supply of housing units that are affordable and attractive options to low-income households” (p. viii).²⁷

The differences between renters and owners in Fall River are consistent to what this HUD research has found. For instance, by examining differences in race/ethnicity and educational attainment, which are both highly related to income, we find that White residents are disproportionately represented in owners compared to their share of the overall population, as are owners with a Bachelor’s degree or higher (see Table 3.8). Income differences between owners and renters are explored in more detail in Section 3.8.

Table 3.8
Demographics of Renters and Homeowners in Fall River

	Fall River	Owner-occupied		Renter-occupied	
	Estimate	Estimate	MOE	Estimate	MOE
Race					
White	81.9%	94.6%	±1.4	80.3%	±1.7
Black/African American	3.4%	0.9%	±0.7	4.7%	±1.1
Asian	2.1%	1.2%	±0.5	1.7%	±0.6
Hispanic/Latino	8.6%	2.2%	±0.9	8.8%	±1.3
Age					
Under 35 years	30.9%	10.2%	±1.4	28.8%	±2.1
35 to 44 years	16.3%	15.4%	±2.1	20.4%	±1.8
45 to 54 years	18.4%	21.3%	±1.9	18.2%	±1.6
55 to 64 years	14.2%	21.7%	±2.0	12.6%	±1.3
65 to 74 years	10.4%	15.6%	±1.7	10.8%	±1.2
75 to 84 years	6.4%	11.6%	±1.4	6.0%	±0.9
85 years and over	3.4%	4.2%	±0.9	3.2%	±0.8
Educational Attainment					
Less than high school	28.5%	24.2%	±2.5	31.1%	±2.1
High school	32.4%	30.0%	±2.7	30.9%	±2.1
Some college	26.2%	24.7%	±2.2	27.1%	±1.9
Bachelor’s or higher	13.0%	21.0%	±2.0	11.0%	±1.4
Year moved in					
2010 or later	28.0%	7.6%	±1.4	39.4%	±1.9
2000 to 2009	37.7%	32.2%	±2.7	40.7%	±1.7
1990 to 1999	15.4%	23.9%	±2.4	10.6%	±1.4
1980 to 1989	6.8%	11.5%	±1.6	4.2%	±0.8
1970 to 1979	5.9%	11.5%	±1.9	2.7%	±0.6
1969 or earlier	6.3%	13.3%	±1.8	2.4%	±0.8

Source: 2014-2010 American Community Survey, Table S2502:
Demographic Characteristics for Occupied Housing Units

²⁷ Herbert, C.E.; Haurin, D.R.; Rosenthal, S.S.; & Duda, M. (2005). *Homeownership Gaps Among Low-Income and Minority Borrowers and Neighborhoods*. Cambridge, MA. Abt Associates for HUD. Retrieved from <https://www.huduser.gov/Publications/pdf/HomeownershipGapsAmongLow-IncomeAndMinority.pdf>.

Additionally, households headed by residents 44 years of age or younger are more likely to be renters than older residents. The high percentage of older homeowners is consistent with HUD's findings about the influence that the age of the householder has on homeownership. The Urban Institute expands on this, noting that "people are at their highest mobility in their 20s but over time find long-term jobs, form relationships, and start families, all of which encourage them to look for housing that has greater security of tenure and predictability...[and] homeownership delivers all these benefits more readily than renting does" (pg. 11).²⁸ As is true at the national level, the rate of homeownership in Fall River increases between the ages of 20 and 35, as households and families are formed and people search for more stable housing arrangements. However, over the last few decades, the decline in well-paying employment for workers without a college education in Fall River (see Section 2) has limited the ability of the large segment of the population to purchase a home. This phenomenon is occurring to an extent not seen by previous generations, who had access to jobs that paid well enough to allow households to build the capital (and the credit history) required for homeownership.

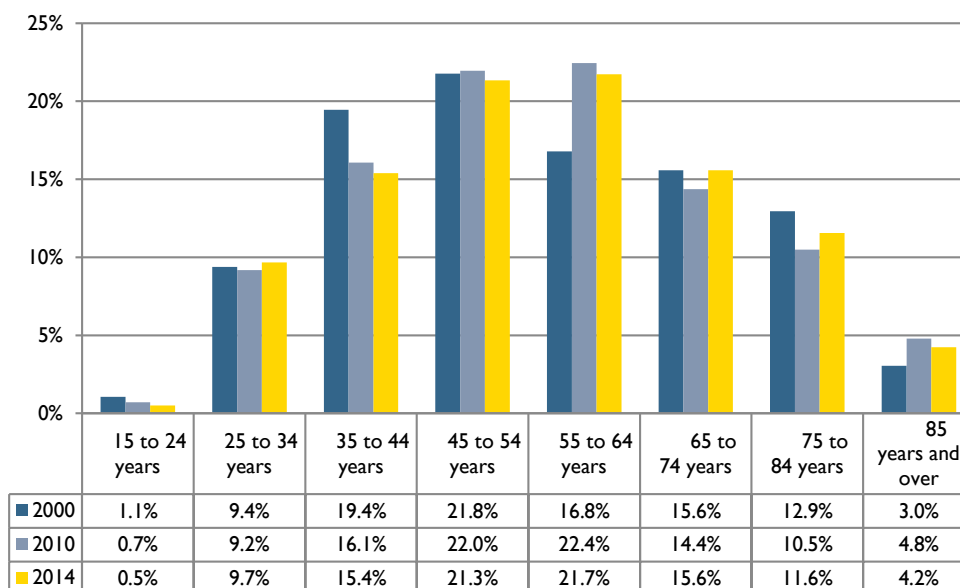
While socioeconomic and demographic factors play a large role in determining rates of homeownership, it is also dependent on access to capital for a mortgage, a down payment, and other associated costs. Macroeconomic conditions such as regional housing prices, availability of jobs in high paying occupations, credit constraints, and access to generational resources can limit the number of households that are able to transition into homeownership (Hebert et al., 2005). Forecasts produced by the Urban Institute suggest that the economic status of parents is inherited by their children, meaning that poverty is increasingly multigenerational. This helps explain the historically low homeownership rates for the current generation of 20 to 35 year olds, with the effect being particularly pronounced nationally for Black households.²⁹ In Fall River, where poverty crosses racial and ethnic boundaries, multigenerational poverty is limiting many younger households, who cannot look to older family members for down payment assistance or other financial support.

The availability of homes is also an important determinant of the number of new homeowners. Much of this process is driven by the "release" of homes from an older generation of homeowners to a younger generation of households transitioning out of the rental market. It has been predicted that by 2035, the nation should see a reduction of homeownership among Baby Boomers and a growth in homeownership among Millennials (Goodman, Pendall, and Zhu, 2015). As of 2014, this process is not in evidence in Fall River. Figure 3.4 below demonstrates how homeownership for 35 to 44 year olds has declined in recent years, while it increased for 55 to 64 year olds.

²⁸ Goodman, L.; Pendall, R.; Zhu, J. (2015). *Headship and Homeownership: What Does the Future Hold?* The Urban Institute. Retrieved from <http://www.urban.org/sites/default/files/2000257-headship-and-homeownership-what-does-the-future-hold.pdf>

²⁹ Ibid.

Figure 3.4
Homeownership by Age 2000-2014³⁰



Source: Authors' Calculations of 2000-2010 Census and 2010-2014 American Community Survey Table S2502: Demographic Characteristics for Occupied Housing Units

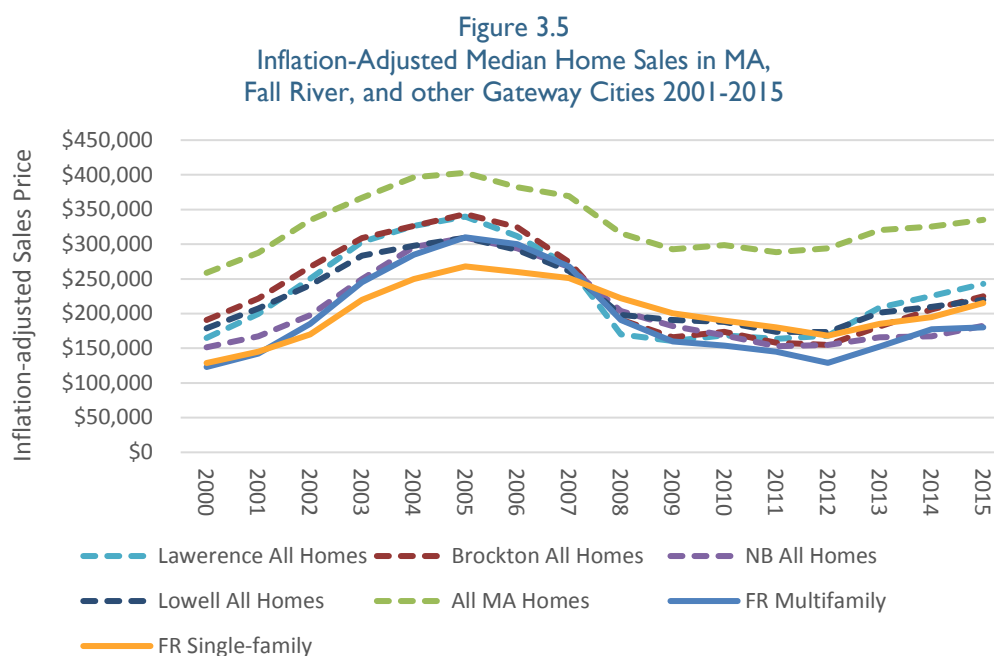
Similar trends have been observed at the state and national level. According to housing market analysts at Fannie Mae, the Baby Boom generation is not vacating single-family homes—and driving the demand for apartments—in ways that previous cohorts have.³¹ While Fall River is not the suburban community typically associated with Boomer homeownership, being in an urban setting with easy access to public transportation, healthcare, and other services may be a disincentive for older homeowners to sell and relocate. Regardless of the cause, this trend limits the supply of available housing and the number of opportunities for new households to create a life for themselves and their families in Fall River.

³⁰ 2000 and 2010 Census Table QT-H2; 2010-2014 ACS Table B25007

³¹ Simmons, P. (2015). "Baby Boomer Downsizing Revisited: Boomers are not Leaving Their Single-Family Homes for Apartments." *Fannie Mae Housing Insights*. Volume 5, Issue 2; (2014). "Are Aging Baby Boomers Abandoning the Single-Family Nest?" *Fannie Mae Housing Insights*. Volume 4, Issue 3

3.5.2 Sales Trends

Home sales in Fall River, much like other Gateway Cities, the state, and the nation, were adversely affected by the mortgage crisis. Figure 3.5 below shows that single-family sales were less affected than multifamily sales, which bottomed out at lower price levels than in other similar markets. The sales price of the multifamily stock has a large impact in Fall River since it accounts for most of the homes in the city. Furthermore, the median sales price of multifamily homes has not recovered its pre-recession level, while single-family homes prices are again approaching median sales prices levels comparable to those seen at the peak of the national housing bubble in late 2005.



Source: 2000-2015 MLS Sales Data for Fall River and Warren Group TownStats

Without substantial increases in local employment opportunities or improved commuting options to job centers in Boston and Providence, there is little evident demand for new multifamily housing in the city. As discussed in Section 2, Fall River has historically struggled with high unemployment. Although a number of factors influence unemployment, the lack of well-paid jobs available to workers with lower levels of formal education and training since the departure of manufacturing is a major driver of this troubling trend. Annually, FreddieMac publishes the Multifamily Outlook, which forecasts how the multifamily housing market should respond to economic conditions throughout the year. A major indicator used to predict increases in multifamily sales price and construction is how close the economy is to achieving full employment.³²

Notwithstanding these challenges, there do appear to be opportunities to promote homeownership in Fall River. With single-family home prices are recovering more quickly to pre-recession levels, programs that make multifamily ownership attractive to local households should be explored. In a review of research on the effects of homeownership, the Harvard Joint Center

³² FreddieMac Multifamily Outlook 2016. Retrieved from:
http://www.freddiemac.com/multifamily/pdf/freddiemac_mf_outlook_2016.pdf

for Housing Studies found that homeownership is positively correlated with neighborhood stability and civic participation.³³ Other studies indicate that owner-occupied homes tend to experience increasing property values.³⁴ Providing more opportunities for local renters to become homeowners could have positive influences on the city as a whole, and some of the City's most challenged neighborhoods, such as the Flint or Corky Row.

3.5.3 Rents

Determining the actual market rent for a geography the size of Fall River is not without its difficulties. Official estimates like the HUD Fair Market Rent (FMR) and the ACS gross rent are based on survey responses, and furthermore the FMR is based on a regional estimate, which for Fall River, includes the Providence, RI rental market. Average rents can also be estimated using apartment listings on Zillow or Craigslist, but a close examination of these data revealed that they are frequently inflated by duplicate listings for relatively higher rent apartment complexes like Four Winds or SouthCoast Landing, which are not representative of the majority of Fall River's rental units. Therefore, in an effort to triangulate rent estimates based on bedroom size, interviews were conducted with landlords and agencies that administer housing subsidies, and official estimates and previous market analyses were reviewed.

Stakeholders with knowledge of the FMR, and its purpose as a benchmark for rents payable through federal housing vouchers, expressed concern that the FMR is higher than the rents typically charged by landlords in Fall River. Further analysis of the Fall River FMR revealed that the inclusion of the Providence Metro Area in the area used to calculate the FMR inflates the rent estimate relative to rents paid in Fall River. However, conversations with Fall River Housing Authority (FRHA) officials revealed that, to better reflect the prices in the city, the regional rents outlined by HUD are frequently adjusted down by 10 percent, since local housing authorities have the discretion to reduce or increase FMR estimates.³⁵ This likely addresses any concerns about the distortion created by including the Providence Metro Area in the calculation of the FMR. It is also unclear if stakeholders who questioned the validity of the FMR were aware that this is a gross rent estimate, which includes the cost of rent **and** utilities, representing the maximum allowable rent for a standard-quality subsidized unit.³⁶

After adjusting the Providence-Fall River Metro Area FMR down by 10 percent, it is clear that the gross rents in the Fall River-New Bedford area are the lowest among similar Gateway Cities—which have all been assigned their own FMR areas—and considerably lower than those in rural areas of the Commonwealth and the Boston Metro Area (see Table 3.9).

³³ Rhoe, W., Boshamer, C., & Lindblad, R. (2013). "Reexamining the Social Benefits of Homeownership after the Housing Crisis." JCHS. Harvard University. Retrieved from: <http://jchs.harvard.edu/sites/jchs.harvard.edu/files/hbtl-04.pdf>

³⁴ Rhoe, W. & Stewart, L. (1996). "Homeownership and Neighborhood Stability" *Housing Policy Debate* Vol. 7, Iss 1, 1996. Retrieved from: <http://www.tandfonline.com/doi/abs/10.1080/10511482.1996.9521213>

³⁵ Refer to this FMR fact-sheet from the National Multifamily Housing Council:

https://www.nmhc.org/uploadedFiles/Advocacy/Issue_Fact_Sheet/Fair%20Market%20Rent%202014-01.pdf

³⁶ FMRs are set to the 40th percentile of rents of an area, meaning 40% of all units are rented below that price. See the FMR calculations here:

https://portal.hud.gov/hudportal/documents/huddoc?id=DOC_8402.pdf

Table 3.9
Fair Market Rent (Contract Rent + Utilities) by Apartment Size

	Fall River ³⁷	New Bedford	Lawrence	Lowell	Brockton	Non-Metro MA	Boston-Cambridge-Quincy
Studio	\$590	\$578	\$776	\$802	\$835	\$940	\$1,056
1-bed	\$721	\$720	\$908	\$960	\$922	\$1,140	\$1,261
2-bed	\$875	\$864	\$1,173	\$1,213	\$1,199	\$1,425	\$1,567
3-bed	\$1,085	\$1,072	\$1,456	\$1,505	\$1,573	\$1,873	\$1,945
4-bed	\$1,283	\$1,184	\$1,608	\$1,678	\$1,643	\$1,954	\$2,148

Source: Authors' Calculations of HUD 2015 Fair Market Rent

The FMRs calculated here for Fall River are consistent with other data sources. According to Housing Solutions, which administers federal housing vouchers on behalf of DHCD in Bristol and Plymouth counties, the median rent for a one-bedroom housing voucher in Fall River was \$736, compared to \$825 for two-bedroom apartments, and \$900 for three- to four-bedroom apartments. Additionally, the median rent for a two-bedroom apartment in Fall River listed on Zillow in 2015 was \$870 (unfortunately, Zillow data was not available for other unit sizes).

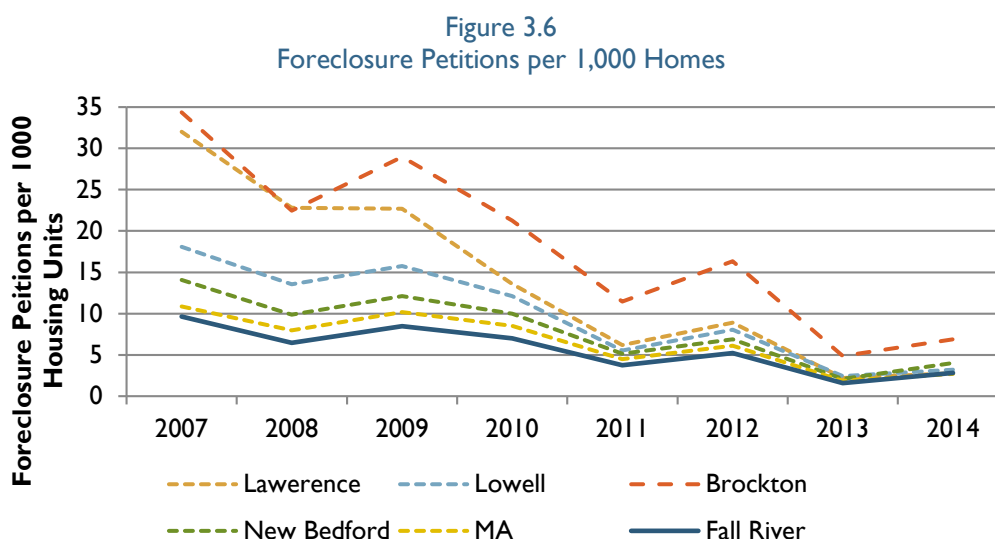
Interviewees and group members had mixed views about the comparatively low rents in Fall River. Some stakeholders regarded affordability as a positive for the city, especially in efforts to attract young professionals working in Providence or Boston who in some cases struggle to afford the rents those cities command, or empty-nesters in surrounding communities looking to downsize. Others claimed the difference in rents between Fall River and the Boston Metro as part of a mechanism that drives households in poverty out of the Boston region to the SouthCoast.

The origins of low-income households that utilize the state's short-term rental assistance programs are not tracked by the administering agencies. Interviews with service providers indicated that compared to communities with higher rents, Fall River or New Bedford can provide subsidy recipients with housing for a longer period of time given the limited size of the subsidy offered by short-term rental assistance programs. In other words, your subsidy dollar stretches further in community with lower rent levels. However, interviewees also noted that for qualifying families, the typical rents in Fall River still represent a significant cost burden once the subsidy expires. Put differently, incomes for many households are so low that even comparatively low rent levels make it difficult to make ends meet.

³⁷ Adjusted to be 90% of the Providence-Warwick FMR

3.6 FORECLOSURES AND VACANCIES

The annual volume of foreclosures in Fall River and Massachusetts has declined substantially since the height of the mortgage crisis (see Figure 3.6). Unfortunately, the foreclosure data were not readily accessible prior to 2007 and so it is difficult to determine whether the current rates are above or below the typical, pre-recession levels.³⁸ However, the data does show Fall River faring better than the Commonwealth and comparable Gateway Cities during 2007-2014 when it comes to foreclosure rates.



Source: 2007-2014 Warren Group Real Estate and Foreclosure Records

While the number of foreclosures in Fall River were low in comparison to other cities, conversations with stakeholders indicated that the mortgage crisis did have a significant impact on the local housing market. For example, stakeholders claimed that the mortgage crisis and the resulting recession drove a number of Fall River homeowners back to renting or cohabitating with family, and prevented renters from entering the for sale housing market.

Interview subjects also told us that the number of vacant buildings had increased in the wake of the Great Recession. Data from the United States Postal Service (USPS) provides the best available vacancy measure.³⁹ These data revealed a citywide vacancy rate of 5.84 percent in 2008 and 6.34 percent in 2015, both of which are slightly below the “natural” vacancy rate for rental housing of 7.4 percent that characterizes a “healthy” market.⁴⁰ Like natural unemployment, the concept of a natural vacancy rate is premised on the idea that a rental housing system requires a high enough vacancy rate to allow tenants to move between units, which would be nearly impossible with a zero percent vacancy rate (pg. 3).⁴¹ In 2015, Census Tract 6419, an area around North Main Street

³⁸ While the Warren Group provides the best available data for foreclosure rates at the local level, it did not track this metric before 2007.

³⁹ The USPS declares a property as vacant when there has been 90 days without mailing being picked up or received at the property

⁴⁰ Belsky, E.S., Drew, R.B., & McCue, D. (2007). *Projecting the underlying demand for new housing units: Inferences from the past, assumptions about the future* (W07-7). Cambridge, MA: Joint Center for Housing Studies, Harvard University. Retrieved from <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w07-7.pdf>

⁴¹ Ibid.

south of Route 6, had the highest vacancy rate at 12.6 percent, and Tracts 6421 (west side of North Main Street from roughly Weaver's Cove to the Fall River Country Club) and 6423 (north of Route 6 and south of St. Patrick's Cemetery, around Madison and Robeson Streets) had the lowest vacancy rates at 1.3 percent. Map 3.1 shows the distribution of vacant buildings throughout the city. Corky Row, being one of the densest neighborhoods in the city, appears to have the highest concentration of vacant buildings.

Payments for the vacant buildings are absorbed by the General Fund, rather than the budget of the Inspectional Services Department, which is responsible for monitoring the buildings and conducting routine maintenance.

Vacant properties pose a clear problem to municipalities hoping to fight blight and encourage neighborhood stability, due to their association with higher crime rates, lower property values, health risks, and municipal upkeep costs.⁴² Fall River maintains a vacant building registry that catalogues abandoned and derelict properties, so that these properties can be properly maintained and monitored. Properties are placed in this list when owners voluntarily register with the city within 45 days of vacancy, as required by city law. Property owners are then charged an annual fee ranging from \$500 for a building that has been vacant for one year or less, to \$3,000 for a building that has been vacant for three or more years. These fees are meant “to cover the administrative cost of the monitoring of such vacant buildings.”⁴³ However, it was brought to our attention during the course of this study that payments for the vacant buildings are absorbed by the General Fund, rather than the budget of the Inspectional Services Department, which is responsible for monitoring the buildings and conducting routine maintenance.

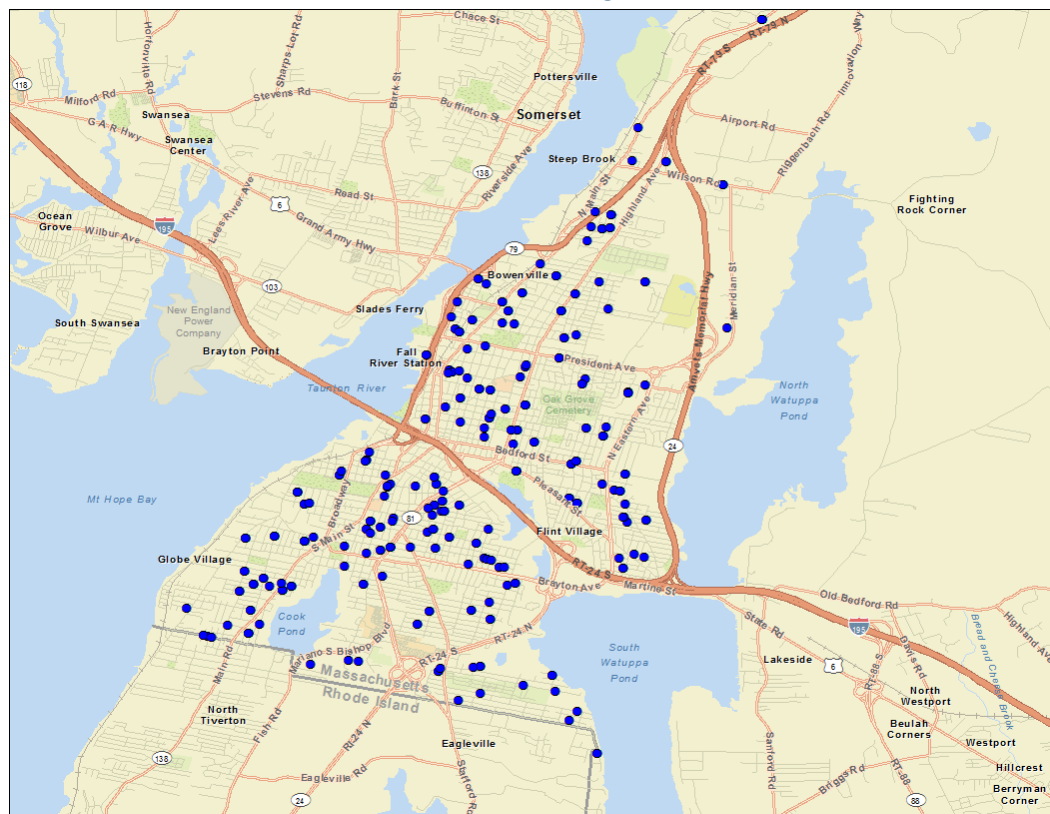
During fiscal year 2015, the 200 properties on the vacant building registry generated \$275,000 for the city.⁴⁴ Inspectional Services must request an appropriation of funds whenever there are outstanding costs for monitoring and maintaining vacant property. This is contrary to how revenue from vacant building fees is used in other Gateway Cities facing similar levels of blight. For example, in New Bedford, revenue generated from the vacant building registry pays for an additional full-time building inspector and a part-time clerk through a revolving fund. Map 3.1 shows the distribution of vacant buildings throughout the city. Corky Row, being one of the densest neighborhoods in the city, appears to have the highest concentration of vacant buildings.

⁴² Accordino, J. & Johnson, G. (2000). “Addressing the Vacant and Abandoned Property Problem,” *Journal of Urban Affairs* 22:3, 302–3.

⁴³ Fall River, Massachusetts, Municipal Code § 10-97

⁴⁴ Each time property changes hands it must be registered (e.g. from homeowner to bank). Therefore, over the course of a year some properties pay more than one fee.

Map 3.1
Vacant Buildings



Source: Fall River Inspectional Services Department

With the help of the Community Development Agency, the City of Fall River has had some success in using the Massachusetts Attorney General's Abandoned Housing Initiative (AHI) to bring some properties into compliance and back on the market.⁴⁵ The initiative uses the legal power of the Attorney General's office to bring derelict properties into compliance with the State Sanitary Code. According to the AHI's program guide, "cooperative owners" agree on a repair plan, which is monitored by municipal representatives, while uncooperative owners face a liens and receivership.⁴⁶ If a property is placed into receivership, an appointed contractor completes the repairs. Following compliance, if the lien and construction cost have not been repaid, then the property is auctioned to the highest bidder.

The AHI does not require income restriction on rehabbed units, unlike the HOME program, which is a federal grant program that is currently used as a source of loan funds for housing rehabilitation.

⁴⁵ In fact, the Fall River CDA coordinates AHI grant funding and projects for Fall River, New Bedford, Taunton, Brockton, and Barnstable County. See: <http://www.mass.gov/ago/about-the-ago/ago-grants/ahi-fund.html>.

⁴⁶ From the program guide: <http://www.mass.gov/ago/doing-business-in-massachusetts/economic-development/abandoned-housing-initiative-ahi/ahi-process.jpg>.

Text Box 3.2 What is a CHDO? ⁴⁷

Community housing development organizations (CHDOs) are established nonprofit organizations that work with a public housing authority to provide alternatives to public housing. CHDOs within a jurisdiction receive 15 percent of federal HOME funds to invest in housing projects. Under the HOME program, rehabilitated units have deed restrictions, limiting the rent or sale to low-income households. A CHDO can act as the owner, sponsor, or developer of a housing project.

Conversations with a local CHDO revealed that they are active in rehabbing homes through the AHL and federally funded projects using HOME funds. However, it was noted that, like most nonprofit organizations, limited staffing and resources means that projects must sometimes be turned down. To increase capacity, the interviewee suggested the development of more CHDOs focused specifically on housing.

3.7 HOMEBUYER ASSISTANCE PROGRAMS

Depending on their household income, Fall River residents who need financial assistance to purchase a home have access to multiple programs – HOME, Buy Cities Now, and ONE Mortgage. All three major mortgage assistance programs are administered through the Fall River CDA. The HOME Investment Partnerships Program uses federal funds allocated through a HUD formula grant (and a 25 percent local municipal match for some activities) to maintain the supply of decent, affordable housing. This is achieved through partnering with nonprofit organizations, such as CHDOs (see Text Box 3.2), to increase the supply of affordable rental housing through rehabilitation. Additionally, HOME funds can be used to provide assistance to first time homebuyers, if they meet income requirements.

Over the past decade, the HOME Program has assisted 112 first-time homebuyers purchase homes in Fall River, who represent 78.3 percent of all HOME first-time homebuyers using the program. This portion of the HOME program represents 8.2 percent of Fall River's total HOME funding over the last ten years. The majority of HOME funding (52.8%) has been used by CHDOs to purchase, rehab, and develop affordable housing.⁴⁸

In order to increase access to mortgages and address obstacles to homeownership faced by low-income and minority households, Massachusetts created the SoftSecond Loan Program, which provided housing loans in a two-mortgage structure. Recently, the program was transformed into the ONE Mortgage Program, which provides a conventional first mortgage covering up to 77 percent of the cost and public subsidized second mortgage covering 20 percent, to increase the purchasing power of low- and moderate-income households by requiring they only put 3 percent down. Eligibility is limited to first-time homebuyers with a total household income at or below 80 percent of the area median, with maximum limits on property values set for each community. Additionally, buyers are expected to pay between 28 and 33 percent of their income on housing costs.⁴⁹

⁴⁷ "Community Housing Development Organization." *The HOME Program*. HUD. Retrieved from: http://portal.hud.gov/hudportal/documents/huddoc?id=19790_CHDO.pdf

⁴⁸ 10-year statistics sourced from Fall River CDA FY16 Grant Programs presentation

⁴⁹ "ONE Mortgage," DHCD Initiatives, <<http://www.mass.gov/hed/economic/eohed/dhcd/fact-sheets/one-mortgage.html>>, accessed 6/13/2016

Table 3.10
SoftSecond/ONE Mortgage Closings

Year	Fall River	New Bedford	Brockton	Lowell	Lawrence
2000	15	9	14	2	19
2001	6	15	22	7	37
2002	9	21	5	4	15
2003	6	10	13	13	16
2004	2	26	13	11	9
2005	1	9	4	15	8
2006	3	14	6	19	15
2007	23	27	23	31	26
2008	27	30	30	66	53
2009	26	24	30	60	50
2010	14	15	15	38	30
2011	7	13	21	25	41
2012	9	5	11	17	30
2013	6	9	11	26	49
2014	5	9	22	32	50
2015	9	7	22	40	62
2016 ⁵⁰	2	2	6	13	14
Total	170	245	268	419	524

Source: Massachusetts Housing Partnership

Fall River residents have not taken advantage of the ONE Mortgage Program at the same rate as comparable Gateway Cities. In Fall River, the program's income limit for a family of four is \$58,250.⁵¹ The median income for a family with children under 18 years is \$31,974, and the median income for a four-person household is \$53,920. Moreover 72 percent of all households in Fall River, regardless of family size, have annual incomes below \$60,000. Low utilization may be due to low awareness of the program among eligible households in Fall River. Increased marketing and accessibility for this program could offer more opportunities for homeownership in Fall River. Local leaders have an opportunity to make a big impact by increasing the number of local households that own their own single or multi-family home. This is particularly true given the historically low homeownership rates, and, as discussed in the following section, affordability gaps that prevent low-income households from transitioning from renters to homeowners without some family or government assistance.

The Buy Cities Now program is a partnership between participating municipalities, lending institutions and MassHousing, a quasi-public agency that provides financing for affordable housing in Massachusetts. Currently, the Buy Cities Now program is available to homebuyers in Fall River with household incomes below \$100,440, who represent approximately 90 percent of the city's households, good credit, and a total monthly debt below 45 percent. Qualifying households have

⁵⁰ Through 5/31/2016

⁵¹ "2016 Income Limits – ONE Mortgage Program" Massachusetts Housing Partnership. April, 2016 <http://www.mhp.net/writable/resources/documents/one_income_limits.pdf> Accessed 6/13/2016

access to a 30-year fixed-rate mortgage of up to \$417,000 for a single-family home. Since 2014, 13 housing units have been purchased using assistance provided through the Buy Fall River Now program. Key informant interviews revealed that there is low awareness of this program in the city, and that CDA staff are exploring options for increasing participation in order to grow the number of homeowners in the city.

3.8 AFFORDABILITY

Unsurprisingly perhaps, renter households tend to have lower income than owner households.⁵² For instance, 56.8 percent of renter households in Fall River have household incomes that are 50 percent of the area median income (AMI) or less, compared to 21.9 percent of homeowners with similar household incomes. Moreover, two-thirds of renter households (66.2%) with incomes at 50 percent of AMI or less are classified as “extremely low income” households, meaning that they earn below 30 percent of the AMI. Comparatively, 45.7 percent of owner households earning 50 percent of AMI or less are considered extremely low income. We suspect many of these households contain elderly persons living on fixed incomes.

Renters in Fall River are also more burdened by housing costs, which include rent and utilities.⁵² As noted previously, households are considered burdened by housing costs if they spend more than 30 percent of their monthly household income on rent and utilities. Just under 50 percent (49.8%) of renter households pay more than 30 percent of their monthly incomes in housing costs and are therefore considered housing cost burdened. Strikingly, over 1 in 4 (26.4 percent) of Fall River’s renter households pay more than 50 percent of their income in housing costs. Thus, while rents in Fall River are lower than in other areas of the Commonwealth, the residents of Fall River still struggle mightily when it comes to housing affordability. Unsurprisingly, households at lower income levels are more likely to be housing burdened.

Table 3.11
Household Income as Percentage of Median Family Income, Fall River⁵³

Household Income	Owner Households		Renter Households		Total
30% of HAMFI or below	1,440	10.0%	8,985	37.6%	10,425
31% to 50% of HAMFI	1,715	11.9%	4,580	19.2%	6,295
51% to 80% of HAMFI	2,690	18.7%	4,635	19.4%	7,325
81% to 100% of HAMFI	1,495	10.4%	1,730	7.2%	3,225
Above 100% of HAMFI	7,025	48.9%	3,970	16.6%	10,995
Total	14,365	100.0%	23,895	100.0%	38,260

Source: HUD 2009-2013 CHAS

⁵² Data on housing affordability were obtained from the HUD Comprehensive Housing Affordability Strategy (CHAS) database. CHAS data are custom tables of American Community Survey (ACS) and HUD data. The latest available data use the 2009 to 2013 5-Year ACS and the HUD Area Median Family Income (HAMFI). ACS microdata are used to match each household with the appropriate HAMFI (by family size) and classify them by specific HAMFI thresholds. Thus, family size is accounted for.

⁵³ HAMFIs available here: <https://www.huduser.gov/portal/datasets/il/il16/index.html>.

Table 3.12
Housing Cost Burden (Including Rent and Utilities) as Percentage of Income, Fall River

Housing Cost Burden	Owner Households		Renter Households		Total
30% or less	9,200	64.0%	11,995	50.2%	21,195
31% to 50%	2,725	19.0%	4,955	20.7%	7,680
Greater than 50%	2,350	16.4%	6,305	26.4%	8,655
N/A⁵⁴	90	0.6%	640	2.7%	730
Total	14,365	100.0%	23,895	100.0%	38,260

Source: HUD 2009-2013 CHAS

Among Fall River's renters, White households are less likely to be burdened by housing costs than their neighbors. As noted earlier, a household is typically considered housing cost burdened if their housing costs exceed 30 percent of their income. Hispanic renter households are much more likely than Black and White renter households to be burdened by housing costs at more than 50 percent of their monthly income. Black renter households are more likely to be housing cost burdened at 30 to 50 percent of their monthly income than both White and Hispanic renter households.

Table 3.13
Renter Housing Cost Burden by Race in Fall River

Race	Total	Below 30%	30% to 50%	Above 50%
White	19,250	51.8%	20.1%	25.1%
Black	905	42.0%	30.9%	23.8%
Hispanic	2,005	38.7%	23.2%	37.4%

Source: HUD 2009-2013 CHAS

Table 3.14
Owner Housing Cost Burden by Race in Fall River

Race	Total	Below 30%	30% to 50%	Above 50%
White	13,750	65.1%	18.3%	16.1%
Black	50	20.0%	30.0%	50.0%
Hispanic	240	20.8%	41.7%	31.3%

Source: HUD 2009-2013 CHAS

⁵⁴ HUD notes that some households are not available when considering housing cost burdens, these can include households that do not pay a rent

3.9 OVERCROWDING AND SUBFAMILIES

Interviews and working group meetings with stakeholders often included anecdotes about new Fall River residents who come to stay with a family member or friend after becoming homeless elsewhere. There is no system for tracing the origins of homeless families and individuals in Massachusetts (for more discussion see Sections 4.1.1, and 4.5). However, there are two indicators that can be used to estimate the scale of these issues – the presence of overcrowding and subfamilies.

Overcrowding occurs when housing units are recorded as having more than one occupant per bedroom. It is difficult to precisely determine the number of households that are faced with overcrowding. Few programs track this data, and underreporting is likely an issue. Nonetheless, the American Community Survey (ACS) is the largest representative survey of American cities and towns and is therefore the best available data for this purpose. In 2014, 98.7 percent of **renter** households in Fall River had between 0 and 1 occupants per room, meaning these units were not overcrowded. Compared to similar Gateway Cities and Boston, overcrowding appears to be less likely to occur in Fall River. This does not mean that overcrowding is not an issue for households that experience it, but it does indicate that the vast majority of renter households in Fall River have housing units that are large enough to accommodate their occupants.

Table 3.15
Number of People Per Room, Renters

Area	All Renter Households	0 to 1 People	1.1 to 1.5 People	More than 1.5 People
Boston	164,275	96.8%	1.8%	1.4%
Brockton	14,030	97.3%	2.0%	0.7%
Fall River	23,895	98.7%	0.9%	0.4%
Lawrence	18,665	94.0%	3.9%	2.0%
Lowell	21,440	95.2%	3.0%	1.8%
New Bedford	22,355	97.7%	1.9%	0.4%

Source: 2010-2014 American Community Survey, Table B25014: Tenure by Occupants per Room

The Census Bureau defines a subfamily as “a married couple or parent/child group that does not include the householder.” Subfamilies may be related to the householder or unrelated. Table 3.16 below shows the percentage of total households reporting the presence of a subfamily in the latest ACS. In 2014, just over 1 in 20 (5.3 percent) households in Fall River reported the presence of a subfamily, compared to 7.2 percent at the state level. However, it should be noted that the margins of error for these estimates are large. Even after accounting for the margins of error, Fall River has a comparably lower share of families cohabitating with other households than the state average and similar Gateway Cities.

Table 3.16
Subfamilies, by Type, Fall River

Area	Total	Share of all households	In married-couple subfamilies	In mother-child subfamilies	In father-child subfamilies
Massachusetts	183,507	7.2%	76,084	87,791	19,632
Massachusetts, MOE	5,177	-	3,126	3,559	1,668
Fall River	2,043	5.3%	918	935	190
Fall River, MOE	505	-	340	335	119
New Bedford	2,715	6.9%	778	1,488	449
New Bedford, MOE	548	-	319	395	225
Brockton	5,241	15.9%	1,674	2,660	907
Brockton, MOE	917		497	645	382
Lawrence	4,084	15.5%	874	2,752	458
Lawrence, MOE	567	-	261	454	268
Lowell	4,471	11.6%	1,887	1,768	816
Lowell, MOE	740	-	493	459	367

Source: 2010-2014 American Community Survey, Table B11014: Population in Subfamilies by Type

3.10 HOUSING GAPS

In order to understand why homeownership has failed to increase in Fall River over the last 25 years, it is helpful to determine where there are housing market gaps. A housing market gap exists when there is an inefficient allocation of housing units to households that can afford them. For example, a gap occurs when there are not enough units available for households with low incomes to rent or purchase at an affordable rate, typical 30 percent or less of their income.

This analysis is based on four major assumptions. First, as referenced above, housing is considered to be affordable if households spend 30 percent or less of their income on costs associated with housing, including rent, mortgage payments, utilities, insurance, and taxes. Second, since households are sorted by their income ranges, the maximum affordable housing cost is based on the income at the top end of each range. Consequently, the maximum affordable costs are optimistic estimates and reflect the best possible scenario for each household. Third, the gap analysis focuses on rental households, under the assumption that this is the segment of the population that would transition into homeownership and that existing owner households can use current home equity to leverage the purchase of a new home if desired. Finally, it is assumed that households can and do rent below their income limits. For example, in Fall River there are fewer apartments renting for the maximum rent affordable to rental households making \$50,000 or more annually than there are households, so it is likely that these households occupy some of the surplus housing with lower rents than they could afford.

3.10.1 Rental Gap

Rental gaps exist when there are more households in an income range than affordable apartments. In Fall River, a rental gap exists for low-income households with annual incomes below \$20,000. These households represent 43.0 percent of all Fall River households, but they can only afford 21 percent of rental units. This creates a rental gap of 22.0 percent, meaning that an estimated 5,536 new rental units would need to be created with rents affordable to these households in order to close the gap.⁵⁵

Table 3.17
Rental Housing Gap

Household Income Range	Renter Households		Maximum Affordable Rent & Utilities	Rental Units		Rental Gap
Less than \$10,000	3,865	16%	\$250	1280	5%	-10%
\$10,000 to \$19,999	6,664	27%	\$500	3713	16%	-11%
\$20,000 to \$34,999	5,472	22%	\$800	10241	43%	21%
\$35,000 to \$49,999	3,382	14%	\$1250	7681	32%	18%
\$50,000 to \$74,999	3,127	13%	\$1875	882	4%	-9%
\$75,000 or more	2,289	9%	Over \$1875	146	1%	-9%
Total	24,799	100%	-	23943	100%	-

Source: Authors' Calculations of 2010-2014 ACS Annual Household Income and Gross Rent per Unit,

Section 4.4 outlines the number of low-income households that have access to subsidized housing. These households may be able to use subsidies to fill the gap between their maximum affordable rent and access available units with market rents between \$800 and \$1250. Fall River has an estimated 9,068 more units in this price range than households that have the income required to rent them without being cost burdened.

A rental surplus exists for households making between \$20,000 and \$50,000. The rents these households can afford are comparable to the market rents proposed for new rental units being constructed in waterfront developments like Commonwealth Landing. Renters in this bracket have many more housing choices than those in lower income brackets, and so the addition of new units in this price range with greater amenities may have a filtering effect on the rental market in Fall River. Filtering occurs when new housing comes on line and is affordable to higher income households, who then vacate their outdated units, which in turn may be rented at a lower rate than they previously were, making more housing available to lower income households (and reducing the income stream for their landlords).

However, lower-income households may already be renting these surplus units. As noted in Section 3.8, nearly half (49.8%) of all households in Fall River spend more than 30 percent of their income on housing costs. The analysis presented above assumes that households only select

⁵⁵ The percentages in the table were rounded after they were calculated.

housing that is affordable to them. Without enough affordable units available, it is clear that the rental gap is filled by these households by spending more than they can afford on housing costs.

3.10.2 Homeownership Gap

Like with rentals, the homeownership gap in Fall River is pronounced for low-income households. Households that earn less than \$25,000 annually account for 39 percent of all households, but only 19 percent of the homes that sold in 2014 were affordable to them, even if one assumes a 20 percent down payment. The average home prices in Fall River for 2014 were \$195,134 for single family homes and \$187,148 for multi-family, and these prices make the average monthly mortgage payment unaffordable for low-income renters. Additionally, as with rental housing, there is a limited supply of more “luxury” units (those selling for more than \$400,000) in the local market.

Table 3.18
For-Sale Home Gap with 10 and 20 Percent Down Payments

10% Down Payment								20% Down Payment			
Annual Household Income	Renter Households		Max. Mortgage Payment	Max. Home Price	Homes Sold	Market Gap		Maximum Home Price	Homes Sold	Market Gap	
Less than \$5,000	1,415	6%	\$125	\$19,698	0	0%	-6%	\$23,226	0	0%	-6%
\$5,000 to \$9,999	2,450	10%	\$250	\$39,494	2	0%	-10%	\$46,648	3	1%	-9%
\$10,000 to \$14,999	4,062	16%	\$375	\$59,290	6	1%	-15%	\$66,738	11	3%	-13%
\$15,000 to \$19,999	2,602	10%	\$500	\$79,184	20	5%	-5%	\$93,296	31	8%	-2%
\$20,000 to \$24,999	1,959	8%	\$625	\$98,980	21	5%	-3%	\$116,620	28	7%	-1%
\$25,000 to \$34,999	3,513	14%	\$875	\$138,572	48	12%	-2%	\$163,366	85	21%	7%
\$35,000 to \$49,999	3,382	14%	\$1,250	\$198,058	133	32%	18%	\$233,436	159	39%	25%
\$50,000 to \$74,999	3,127	13%	\$1,875	\$297,136	155	38%	25%	\$334,278	83	20%	7%
\$75,000 to \$99,999	1,461	6%	\$2,500	\$396,214	22	5%	-1%	\$466,774	8	2%	-4%
\$100,000 to \$149,999	649	3%	\$3,750	\$594,370	4	1%	-2%	\$668,654	4	1%	-2%
\$150,000 or more	179	1%	Over \$3,750	Over \$594,370	1	0%	-1%	Over \$668,654	0	0%	-1%
Total	24,799	100%	-	-	412	100%	-	-	412	100%	-

Source: 2010-2014 ACS, 2014 Multiple Listing Service Single and Multi-Family Home Sales, authors' calculations

Both the homeownership and the rental gap analyses reveal a large surplus of rental units and homes available for renter households who can afford between \$800 and \$1,900 in monthly housing costs. This segment of the renter population not only has access to more options, but can afford to purchase 82 percent of all homes sold in the City in 2014. This is twice their share of the total renter population (41%).⁵⁶ Moreover, most of the homes sold in 2014 did so at prices that would generate a monthly mortgage payment comparable to the highest rents charged in the city, meaning that the cost of renting a high-end apartment in Fall River is comparable to the cost of purchasing a home in the City.

Despite the fact that there is a home-ownership affordability gap, the vacancy rate is low. For single-family homes, we use the same approach we used for the rental gap analysis—that housing is unaffordable if it requires more than 30 percent of their income to cover home purchasing and utility expenses. As demonstrated in Table 3.10, slightly more than one-third (35.4%) of all owner

⁵⁶ Citywide, 29.0% of all households have incomes in this range.

households spend more than 30 percent of their household income on housing costs and are therefore considered to be cost burdened.

The decline in multifamily owner-occupancy and stakeholder interviews strongly indicate that, increasingly in recent years, multifamily properties are being purchased by absentee landlords and real estate investors. However, since multifamily properties have a lower average sales price than single family homes, encouraging local low-income households to purchase them through mortgage assistance and first time homebuyer programs, such as Buy Fall River Now, may be a useful tool for increasing owner-occupancy and homeownership rates among low-income families. Given that the most affordable properties are located in neighborhoods that are in desperate need of attention and improvement, increasing homeownership in these areas would also help to improve real estate conditions in some of Fall River's most challenging areas.

From the Field

*"She might work retail, he could be a mechanic, but they're not saving to buy a house.
They can't."*

- Key Informant Interview

4 HOUSING ASSISTANCE: GENERAL DISCUSSION

Examining public policy with regard to housing is no small task. There are many different government programs related to housing, each with their own funding sources, eligibility criteria, and target constituency. Public programs are present in nearly every corner of the housing market and serve groups as diverse as homeowners and the homeless. Public programs provide housing assistance in two major ways: 1) subsidies are provided to housing developers to incentivize the production of affordable units in the form of tax credits, tax increment financing, and financial assistance; and 2) subsidies are provided to tenants to offset housing burdens through mobile or place-based vouchers. From the perspective of service providers and subsidy recipients, housing programs address homelessness prevention and mitigation, and the retention of stable housing. From a housing stock standpoint, programs address various issues including housing construction, preservation, rehabilitation, and supply constraints.

4.1 HOUSING ASSISTANCE: RETAINING STABLE, AFFORDABLE HOUSING

There are a number of housing programs that are specifically geared towards housing retention. That is, programs focused on providing assistance to households struggling to maintain stable and affordable housing. These programs provide clients with assistance in maintaining a stable housing situation in the medium- to long-term. Federal support of housing retention for the general population mainly takes the form of tax deductions for mortgage interest payments and property taxes. For low-income households, it comes in the form of the Housing Choice Voucher Program (HCVP), the project-based rental assistance (PBRA) program, public housing units, and development under the Low Income Housing Tax Credit (LIHTC). Through these and smaller programs targeting specific low-income subpopulations such as people with HIV/AIDS or Veterans, the federal government provided \$50 billion for low-income housing assistance nationwide in 2014, compared to \$130 billion in support for the general population.⁵⁷

On top of federal programs, some state and local governments commit additional resources to affordable housing. In Massachusetts, there are a number of subsidies for housing that are provided directly to eligible households. These include state funded public housing units, which are managed by public housing authorities, the Massachusetts Rental Voucher Program (MRVP), the Alternative Housing Voucher Program (AHVP), and the Department of Mental Health (DMH) voucher program. Voucher programs are managed by both public housing authorities and regional non-profits. Massachusetts also helps individuals who are homeless or at risk of homelessness to maintain stable housing arrangements by providing funds through the HomeBASE and RAFT programs. These are discussed in more detail in Section 4.5.3. Additionally, refer to Appendix B for a diagram of how housing programs enter Fall River.

4.1.1 Program Differences

Through stakeholder interviews and working group discussions, it became clear that there was a need to outline the difference between the variety of subsidized housing programs that exist in Fall River. One of the major differences between state and federal and short-term and long-term

⁵⁷ Congressional Budget Office. (2015, September). Federal housing assistance for low-income households (Publication 50782). Washington, DC. Retrieved from <https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/50782-LowIncomeHousing.pdf>

housing assistance was the level of oversight exercised over each program. Importantly, the depth of oversight an administering agency has over a program dictates how thoroughly subsidy recipients can be screened. Inspection standards were also an area of concern when stakeholders were discussing voucher programs, and accordingly, with each program comes differing standards, varying from scrupulous pre-move-in inspections to none at all. Additionally, in order for program effectiveness to be properly gauged, there must be some level of outcome tracking. For federal housing assistance programs, for instance, tenant incomes are tracked throughout their participation period with the ultimate goal of transitioning to self-sufficiency once a household has crossed the threshold set by HUD's income limits.

The Fall River Housing Authority (FRHA) operates under more oversight than other housing providers due to its direct ties to the federal government. The federal government mandates data collection and management from FRHA through its program requirements. Consequently, federal programs (Section 8 vouchers, federal public housing) seem to be associated with the best data collection and management and the most stringent entrance requirements out of all the programs designed to assist tenants in maintaining stable housing we examined.

For example, the housing authority screens applicants' criminal histories. The FRHA runs both CORI (state) and FBI (national) criminal background checks on all applicants to federal housing, but only CORI for state public housing. Also, at least one member of each household in federal public housing must be a citizen or legal immigrant. This is verified by checking a United States Citizenship and Immigration Services (USCIS) database. Furthermore, apartments selected for federal housing voucher participation are inspected before move-in and bi-annually. The same is recently true for Department of Mental Health (DMH) state vouchers. State MRVP and AHVP only have a Board of Health inspection before move-in but not again after that. The HomeBASE program, which is state-run through regional non-profit administering agencies, does not require inspections—a feature that was identified as problematic by multiple interview subjects.

Data suggest that nearly one-third of all units do not meet HUD or Board of Health standards. HUD standards are extensive and often exceed those set by minimum housing regulations.⁵⁸ Documentation provided by the FRHA revealed that, in the last year 1012 units were inspected, and of these 31 percent (314 units) failed their inspection. Of the failures, 26 percent (263 units) passed upon re-inspection. An FRHA staff member we interviewed noted that having the number of mobile vouchers that the city does benefits Fall River because, "at least we are doing inspections of rental units."

In order to prioritize high-need applicants for subsidized housing, the Fall River Housing Authority assigns points to applicants based on a system of "preferences." These preferences ensure that those with emergency housing needs (e.g. domestic violence or housing condemnation), clients with disabilities, and local residents get priority assignment. In addition to national standards, HUD allows local housing authorities to implement their own applicant criteria, pending the approval of the resident and executive boards. For instance, HUD allows housing authorities to prioritize local residents, and the FRHA has elected to do so. Data provided by FRHA show that, across all types of public housing units, 92.8 percent of all FRHA wait list applicants have local preference, which is determined by FRHA staff by reviewing official mailing addresses. Among FRHA applicants, applications for federal mixed population housing have the highest percentage of local preference, at 99.0 percent. The type with the lowest is federal family housing, with 84.0 percent of applicants

⁵⁸ Refer to HUD's Housing Quality Standards here:
<http://www.hud.gov/offices/adm/hudclips/guidebooks/7420.10G/7420g10GUID.pdf>

on the wait list being current Fall River residents. All of the FRHA's guidelines are described in detail in their Admissions and Continued Occupancy Policy (ACOP), which assigns applicants points based on the highest category they qualify for (see Text Box 4.1).⁵⁹

Text Box 4.1
Fall River Housing Authority ACOP Applicant Weights

1. **65 points** – Displaced by fire, federally-declared natural disaster, housing condemnation, housing demolition due to urban renewal project, presence of lead paint in a home with a child age six years or younger, or witness relocation by law enforcement agency.
 - a. Local residents are assigned two additional points
2. **50 points** – Current residency in Fall River, at least one adult household member working or hired to work in Fall River, or at least one adult household member attending an educational or training program full-time in Fall River
 - a. Applications **are not eligible** if a household member currently lives or has with in the previous six months lived in a low-income or subsidized housing unit
 - b. Eligible residents must provide a current utility with address and applicant name; enrollment letter from school or training program to verify status; statement from an employer indicating date of hire, location in Fall River, and hours; a recent paystub; and any other supporting documents requested to verify residency
3. **40 points** – At least one adult household member employed 32 hours weekly and for at least three months, at least one adult household member in a full-time educational or job training program, or head of household and spouse are 62 years or older, receiving social security disability, receiving SSI, receiving disability benefits, or any other payments based on inability to work
4. **30 points** – Applicant is the victim of domestic violence, dating violence, sexual assault, or stalking

Additionally, the FRHA assigns three more points to anyone with veteran status. In order to prove residency in the city, applicants must provide the FRHA with multiple forms of documentation to prove residency in Fall River. Moreover, the FRHA confirmed in interviews that homelessness is not factored into applicant eligibility unless it due to one of the events outlined in the first category of Text Box 4.1. However, through a state-run housing assistance program, the Massachusetts Local Housing Authority Transition Housing Program (MLHATH), the FRHA does provide 10 family units for households referred by local homeless shelters.

⁵⁹ Fall River Housing Authority (2016). *Admissions & Continued Occupancy Policy FY 2016*. Retrieved from: <http://www.fallriverha.org/Admissions%20and%20Continued%20Occuopancy%20Policy.pdf>

Text Box 4.2

Increasing and Maintaining the Stock of Affordable Housing

Housing affordability has been a perennial problem in Massachusetts, where for a variety of reasons new housing production has been chronically insufficient to close the affordability gap. To address housing affordability problems, the public sector uses both direct (public housing units) and indirect service provision (publicly-funded vouchers). The public sector also incentivizes development of affordable housing through tax credits and permitting and zoning requirements. Major programs of these latter types include the federal Low-Income Housing Tax Credit (LIHTC), the federal HOME program,¹ and the state's Chapter 40B statute.

The federal Low-Income Housing Tax Credit (LIHTC) program offers tax credits to developers that construct or rehabilitate housing for lower income households. To qualify for the credit, at least 20 percent of units within a development must be affordable to households with incomes at or below 50 percent of the area median income. Alternatively, developers can choose to make 40 percent of the units affordable to households with incomes at or below 60 percent of the area median income. If a LIHTC is used, then the affordable units must remain at these affordability levels for at least 30 years.

The HUD-administered HOME program allows participating jurisdictions to engage in a broad range of activities, including offering financial assistance for home purchase or rehabilitation, construction or rehabilitation of housing for rent or ownership, site acquisition or improvement, demolition, and funding the relocation of affordable units. Localities receiving HOME funds must ensure that 15 percent of funds allocated to the community are provided to CHDOs. HOME-assisted units must remain affordable for 20 years for rental housing and 5 to 15 years for homeownership housing.

Massachusetts' Chapter 40B program requires local authorities to approve new housing developments that include some affordable units when the subsidized housing inventory (SHI) is below 10 percent, meaning that less than one in ten housing units in a community are affordable to low-income households. Fall River has been above the 10 percent threshold for decades, so developers cannot use the regulation's mechanism to compel the city to allow the construction of developments that include at least 20 to 25 percent affordable units, which is defined as being affordable to households with incomes no greater than 80 percent of area median income.

The city's SHI includes 585 units that received LIHTC funding. However, HUD data suggests higher LIHTC participation, at 620 units. The SHI includes 92 units specifically identified as HOME rehabilitation properties. In addition, Community Development Agency (CDA) data show that 21 units were assisted using HOME funds between July 1, 2014 and June 30, 2015.

4.2 FALL RIVER PUBLIC HOUSING: RESIDENT PROFILE

The Fall River Housing Authority (FRHA) manages a portfolio of 2,304 state and federally funded housing units in the city, compared with 3,791 units in Brockton, 3,257 units in Lowell, and 4,537 units in New Bedford. Statewide there are 75,503 public housing units managed by local housing authorities, with 53.4 percent (40,434 units) funded by DHCD and 46.6 percent (35,160 units) funded through HUD. Fall River's public housing units account for 3.0 percent of the statewide stock. The majority of Fall River's units (51.9%, 1,196 units) are reserved for families, nearly a third (32.7%, 753 units) are reserved for the elderly, and the remaining 15.4 percent (355 units) are set aside for elderly residents or disabled residents of any age, which are limited to the Cardinal Medeiros and Barresi Heights developments.

Table 4.1
Fall River Housing Authority Federal Portfolio

Development	Residents	Dwelling Units	Address
Sunset Hill	Family	354	351 Charles St.
Heritage Heights	Family	127	100 Green St.
Father Diaferio	Family	223	220 Johnson St.
Bennie Costa Plaza	Family	60	300 Amity St.
Fordney Apartments	Family	36	Fordney St.
North Roccliffe Apts.	Family	35	54 No. Roccliffe St.
George E. Riley Plaza	Family	25	227 Stevens St.
Oak Village	Elderly Only	30	1177 Locust St.
Raymond Holmes Apts	Elderly Only	100	140 Essex St.
O'Brien Apartments	Elderly Only	100	34 Whipple St.
Mitchell Heights	Elderly Only	103	2100 So. Main St.
Cottell Heights	Elderly Only	71	1685 Pleasant St.
Oliveira Apartments	Elderly Only	84	170 William St.
Cardinal Medeiros	Elderly/Disabled	208	1197 Robeson St.
Barresi Heights	Elderly/Disabled	147	1863 Pleasant St.
Doolan Apts.	Elderly Only	150	34 Mitchell St.
Pleasant View	Family	119	Herman St.
Bates & Tower	Elderly Only	61	54 Bates St.
Total Federal	-	2,033	-

Source: Fall River Housing Authority Resident Statistics

Table 4.2
Fall River Housing Authority State Portfolio

Development	Residents	# Units	Address
Maple Gardens	Veteran/Family	193	Aetna St.
Corky Row	Family	24	271 Morgan/252 Fifth St.
Chorbishop Eid	Elderly/Disabled	54	33 Quequechan St.
Total State		271	

Source: Fall River Housing Authority Resident Statistics

During some interviews and group discussions, stakeholders expressed concern that residents occupying FRHA units are different from residents in the rest of the city, thereby increasing the concentration of people in poverty or at risk of homelessness in Fall River. Currently the FRHA has a waitlist of 6,253 applicant households for public housing. A significant majority of these households (88.4%) have demonstrated residency and qualify for a local preference, as noted in Table 4.3. Additionally, the FHRA provided preference history for admissions between 2010 and 2015. These data reveal that 85 percent of all applicants admitted to the FRHA public housing program during this period had been verified as Fall River residents (residency verification is discussed in Text Box 4.1). The admission of local residents was higher among family applicants (97.0%) than among the elderly (77.0%) and mixed population (disabled/elderly, 70.0%). According to the director of the FRHA, applicants from outside of Fall River are typically living in surrounding communities and are unable to afford the costs of housing there, although in some cases, applicants do originate from other Gateway Cities.

Table 4.3
Characteristics of Waitlist Applicants

	Number	Share
Total Households	6253	100.0%
Male	1389	22.2%
Female	4864	77.8%
Elderly	325	5.2%
Disabled	1494	23.9%
White	2802	44.8%
African American	892	14.3%
American Indian	57	0.9%
Asian	82	1.3%
Other Race	120	1.9%
Average Income	\$8,396	-
Federal Preference	53	0.8%
Local Preference	5529	88.4%
Applicants for State Units	3525	56.4%
Applicants for Federal Units	2728	43.6%

Source: Fall River Housing Authority Tenant Statistical Report

As one would expect, when compared to the city as a whole, residents of Fall River who are tenants of FRHA public housing units have lower incomes and are more likely to be nonwhite, since the public housing system exists to assist households in poverty and the prevalence of poverty among racial/ethnic minority populations. Table 4.4 below compares characteristics of public housing tenants in Fall River to the population as whole. The 4,349 public housing tenants account for 4.9 percent of Fall River's total population. Public housing tenants are more likely to be female, non-white, and in a household with children than the general population. They are also slightly more likely to be American citizens (94.7% to 92.8% citywide), since federal housing policy requires all heads of household to be U.S. citizens. In the event that one of the household members is a non-citizen, FRHA has a lengthy verification process to ensure that the household is still eligible.

Table 4.4
Characteristics of FRHA Public Housing Population, 2016 and Fall River, 2014

	FRHA		Fall River	
Total	4,349	4.9% ⁶⁰	88,756	100%
Male	1,677	38.6%	41,538	46.8%
Female	2,672	61.4%	47,218	53.2%
Living in Family Unit	3,227	74.2%	67,341	75.9%
Elderly⁶¹	867	19.9%	24,053	18.7%
Disabled	1,210	27.8%	18,284	20.6%
White	3,574	82.2%	76,632	86.3%
African American	467	10.7%	3,499	3.9%
Asian	260	6.0%	1,895	2.1%
Other Race	240	5.5%	6,465	7.3%
Hispanic/Latino	1,782	41.0%	7,619	8.6%
Citizen	4,119	94.7%	82,366	92.8%
Noncitizen	179	4.1%	6,411	7.2%
Ineligible Noncitizen⁶²	36	0.8%	n/a	n/a
Pending Verification	13	0.3%	n/a	n/a
Households	2,188	5.7% ⁶³	38,655	100.0%
Families w/Children	781	35.7%	10,090	26.1%
Average Family Size	2.03	-	2.97	-
Average Household Size	1.99	-	2.26	-
Average Annual Income	\$14,648	-	\$47,005	-

Source: Author's Calculations of Fall River Housing Authority Tenant Statistical Report; 2010-2014 American Community Survey, Table S0501: Selected Characteristics of the Native and Foreign-Born Populations

9,006 households may also be eligible for public housing—a greater number than the 5.7 percent of Fall River households represented by current FRHA tenants.

FRHA public housing tenants have an average annual household income far below the city average. However, 23.3 percent of all Fall River households have incomes similar to or below the FRHA household average, meaning that these 9,006 households may also be eligible for public housing—a much greater number than the 5.7 percent of Fall River households represented by current FRHA tenants. Only the average household income could be obtained, but the median income would be more illustrative, as it represents the midpoint of the income distribution. For instance, the average household income for the city is approximately \$13,250 higher than median, meaning that it is skewed by the presence of a small number of relatively higher income earners. While it may not be surprising that households in need of housing assistance earn 68.8 percent less than the average Fall River household, nearly a quarter of all households have comparable income levels.

⁶⁰ Of Fall River's total population

⁶¹ 62 years of age or over

⁶² "Ineligible noncitizens" refers to non-head of household family members who are illegal immigrants or lack proof of immigration status or citizenship

⁶³ Of Fall River total households

4.2.1 Discussion of Public Housing Challenges

Interviews revealed a substantial amount of overlap between the challenges felt by FRHA and those felt by private market landlords. Both private and public landlords in Fall River expressed frustration with the Housing Court of Southeastern Massachusetts, which is believed to be too lenient on tenants. However, the FRHA is better resourced than private landlords, who often forgo an attorney and represent themselves in Housing Court cases. In addition to a half-time attorney already on staff, the FRHA recently added a full-time attorney to address a backlog of Housing Court cases. Before the addition of a full-time attorney, officials said the FRHA typically did not have a thorough case for tenant evictions to present before the Housing Court, because most rental violations involved “infringing on the peaceful enjoyment of others” (nuisance complaints). Since adding more staff, they report seeing more satisfactory outcomes.

Both private landlords and FRHA must deal with challenges related to property upkeep. It was noted that the majority of capital funding goes towards the upkeep and rehabilitation of existing properties. However, unlike a private landlord, the housing authority is not a for-profit operation, and must apply for competitive federal grants to make improvements to its facilities. For instance, modernizing the security system, a long-term goal of the FRHA, is, according to FRHA staff, mostly dependent on obtaining federal grants. It was revealed during a discussion with FRHA staff that the housing authority was recently denied a grant in the recent round of funding for this project, and would have to reapply next year.

A challenge that was unique to the FRHA involves the management of Massachusetts’ public housing and project-based vouchers. In the past, FRHA requests for funding from DHCD for property upkeep were approved but never allocated. In order to gain access to federal funding for improving and maintaining properties, many of the state public housing units have been converted to federal projects over time.⁶⁴ Additionally, this gives the housing authority more control over the application process, since Massachusetts’s centralized public housing waiting list is reportedly “not as sophisticated” as HUD’s in terms of screening criteria. For example, there is no requirement that the legal residency status of state applicants be verified.⁶⁵

4.3 FALL RIVER PUBLIC HOUSING: TENANT-BASED VOUCHERS

The FRHA also provides housing assistance in the form of tenant-based vouchers. The housing authority is authorized by HUD to issue 2,431 HCVP vouchers (colloquially referred to as “Section 8”), but in 2015, had only 2,124 active vouchers due to budgetary restrictions. Additionally, 90 of these vouchers are utilized outside of the FRHA’s service area, which includes Westport, Somerset, and Swansea, and 102 are managed for tenants renting apartments outside of Massachusetts, with the remaining 1,932 HCVP vouchers currently in use in Fall River. Among the vouchers used in Fall River, seven are “project-based”, meaning that they are tied to specific units in the city that have been rehabilitated at least in part using federal funds. Additionally, the FRHA

⁶⁴ Refer to the *Independent State Auditor’s Report on the Physical Condition of State-Aided Public Housing Units and Resources Allocated for the Operation and Upkeep of the Fall River Housing Authority July 1, 2003 to June 30, 2005* (retrieved from: <http://www.mass.gov/auditor/docs/audits/2008/200606523a.pdf>) which found the FRHA did not receive sufficient funding from DHCD for capital modernization projects.

⁶⁵ Refer to the “Regulation Governing the Massachusetts Rental Voucher Program” (760 CMR 49) here: <http://www.mass.gov/hed/economic/eohed/dhcd/legal/regs/760-cmr-49.html>

manages 18 MRVP, 16 ARVP, and 30 DMH vouchers for a total of 64 mobile vouchers issued through state programs. In total, the FRHA manages 2,188 vouchers.

Head of household demographics provided by FRHA show that voucher households account for 5.7 percent of all households in the city (see Table 4.5). Like the city as a whole, voucher recipients are predominantly white. However, voucher holders are almost three times as likely to be African American when compared to Fall River as whole.

Table 4.5
FRHA Voucher Householder Demographics, 2016
and Fall River Population 16 Years of Age and Older, 2014

	FRHA Households		Fall River	
Total	2,188	5.7% ⁶⁶	72,165	100%
Male	437	20.0%	33,435	46.3%
Female	1,755	80.0%	38,730	53.7%
Elderly⁶⁷	655	29.9%	24,053	33.3%
Disabled	1,353	61.8%	9,969	13.8%
White	1,942	88.8%	61,917	85.9%
African American	209	9.6%	2,150	3.0%
Asian	34	1.6%	1,479	2.1%
Other Race	15	0.7%	4,454	6.2%
Hispanic/Latino	191	8.7%	4,688	6.5%
Citizen	2,119	96.8%	65,905	91.3%
Noncitizen	71	3.2%	6,260	8.7%
Ineligible Noncitizen⁶⁸	2	0.0%	n/a	n/a
Families w/Children	784	35.8%	10,090	26.1%
Average Family Size	1.96	-	2.97	-
Average Household Size	1.96	-	2.26	-
Average Annual Household Income	\$13,047	-	\$47,005	-

Source: Author's Calculations of Fall River Housing Authority Tenant Statistical Report; 2010-2014 American Community Survey, Table S0501: Selected Characteristics of the Native and Foreign-Born Populations

When compared to the city and even to public housing residents, FRHA voucher holders in Fall River are much more likely to be disabled. Incidence of disability were considerably higher among state voucher recipients, but this is not surprising when considering that 44 percent of state voucher have been issued through the Department of Mental Health (DMH). Additionally, FRHA voucher holders are more likely to be U.S. citizens than all city residents over age 16, and conversations with FRHA staff revealed that federal guidelines for voucher admission are very

⁶⁶ Of Fall River's households

⁶⁷ 62 years of age or over

⁶⁸ "Ineligible noncitizens" refers to non-head of household family members who are undocumented immigrants or lack proof of immigration status or citizenship.

From the Field

“[Voucher holders] are working hard, they’re having a difficult time, they just need help.”

- Key Informant Interview

strict when it comes to citizenship status, which accounts for the low rate of noncitizen head of households in the voucher receiving population.

Further information provided by the FRHA demonstrates that all current voucher recipients were residents of Fall River upon having their application accepted. Since, like the ACOP for public housing units, the voucher program assigns a preference to Fall River residents, applicants are incentivized to remain in the city while on the waiting list. Interviews with FRHA staff involved in managing the mobile voucher programs revealed that residency is recorded at the time of application, and that applicants are required to report any changes in residency while they are on the waiting list. Additionally, applicants must remain eligible for the program in order stay on the waitlist, meaning that their housings costs must be greater than 30 percent of their income for the waiting period.

According to FRHA staff, applicants typically wait three to five years before receiving a voucher. During this time period, applicants are referred to nonprofit organizations such as the Salvation Army, Catholic Social Services, Justice Resource Institute, and Housing Solutions if they are struggling to maintain a stable housing arrangement. Following the acceptance of their application, voucher recipients wait, on average, six months for an investigation of their criminal background, citizenship, and income status. Once verification is complete, the household has 90 days to find a suitable unit, and the FRHA must ensure that all units rented to HCVP voucher recipients meet minimum quality standards set by HUD and the FRHA.

4.4 SUMMARY OF HOUSING ASSISTANCE PROGRAMS IN FALL RIVER AND A COMPARISON TO PUBLIC HOUSING IN PEER COMMUNITIES

Even though 43.0 percent of renter households are paying more on housing than they can technically afford (refer to Section 3.7), housing affordability programs cover 28.3 percent of all occupied rental units in Fall River. This means that 14.7 percent of eligible cost-burdened renter households in Fall River are not receiving a subsidy to offset their housing costs. Table 4.6 below summarizes all of the subsidies in Fall River that create affordable housing opportunities for low-income households.⁶⁹

Table 4.6
Subsidized Housing, Fall River

	Number	Share of Occupied Units	Share of Rental Units
Total Occupied Housing Units	38,655	100.0%	-
Total Rental Units	24,799	64.2%	100.0%
Federal Public Housing, FRHA	2,033	5.3%	8.2%
State Public Housing, FRHA	271	0.7%	1.1%
Federal Vouchers, FRHA	1,932	5.0%	7.8%
State Vouchers, FRHA	64	0.2%	0.3%
Housing Solutions Units⁷⁰	19	0.1%	0.1%
Federal Vouchers, HS	184	0.5%	0.7%
State Vouchers, HS	61	0.2%	0.3%
RAFT	40	0.1%	0.2%
HomeBASE	424	1.1%	1.7%
Non-FRHA SHI Units⁷¹	2,011	5.2%	8.1%
Total Subsidized Units	7,039	18.2%	28.3%

Source: Authors' Calculations of FRHA, DHCD, and Housing Solutions Statistics

Approximately 13.9 percent of cost-burdened renter households in Fall River are not receiving a subsidy to offset their housing costs.

Interviews with service providers corroborate the existence of an affordability gap. Notably, interviews with FRHA staff revealed that the waitlist for Housing Authority vouchers and public housing units is four to six years long. It was suggested that during their time on the waitlist, many applicants must live in tenuous arrangements within the city in order to maintain residency status, or they are diverted to homelessness prevention and reaction programs. However, this problem is not unique or limited to Fall River. National research conducted by HUD demonstrates that applicants typically wait years to gain access to federal housing assistance programs through public housing authorities, and that during their time on the waitlist, households can experience homelessness, overcrowding, or reside in substandard housing.⁷² For applicants waiting for assistance from the FRHA, it may be beneficial that there is a network of homeless care agencies

⁶⁹ These programs include public housing units, rent subsidies to tenants and for specific units (i.e., "place-based" vouchers), tax credits with associated restrictions on rent/sales price (e.g., LIHTC), construction and rehab monies (e.g., HOME program), and homelessness prevention (e.g., HomeBASE and RAFT).

⁷⁰ All Housing Solutions counts were provided by the agency in 2016. RAFT and HomeBASE total reflect YTD as of 8/8/16

⁷¹ Supportive Housing and Fall River Housing Authority properties excluded from SHI Count

⁷² Leopold, J. (2012). "The Housing Needs of Rental Assistance Applicants." *Cityscape: Journal of Policy Development and Research*. Volume 14 Number 2. HUD Office of Policy Development and Research. Retrieved from:

https://www.huduser.gov/portal/periodicals/cityscpe/vol14num2/Cityscape_July2012_housing_needs.pdf

and short-term assistance programs available in the region and the Commonwealth, given their likelihood of needing their support during the interim.

Compared to similar Gateway Cities, Fall River has a similar number of public housing units and vouchers. It has fewer housing-authority-managed units as a percentage of all rental units than New Bedford and Brockton, and a slightly higher percentage than Lowell. Including vouchers administered by Housing Solutions, public housing and other vouchers account for 18.0 percent of all rental units in Fall River, compared to 15.0 percent in Lowell, 31.0 percent in Brockton, and 22.0 percent in New Bedford.

Table 4.7
Current Public Housing/Public Vouchers Across Gateway Cities

	Fall River	Brockton	Lowell	New Bedford
Total Occupied Housing Units	38,655	32,966	38,639	39,088
Total Rental Units	24,799	14,554	21,497	22,472
Federal Public Housing, Housing Authority	2,033	1,626	1,698	1,750
State Public Housing, Housing Authority	271	374	198	733
Federal Vouchers, Housing Authority	1,932	1,494	1,246	1,899
State Vouchers, Housing Authority	64	297	65	155
Local Government Voucher	N/A	N/A	50	N/A
Total Housing Authority Stock	4,308	3,791	3,257	4,537
Regional Non-Profit State Vouchers	61	224	Unknown	17
Regional Non-Profit Federal Vouchers	184	439	Unknown	287
Total Public Units and Vouchers	4,545	4,454	3,257	4,841
Share of Rental Units	18.0%	31.0%	15.0%	22.0%
Housing Authority Stock, Share of Rental Units	17.0%	26.0%	15.0%	20.0%

Source: Authors' Calculations of Fall River, Brockton, Lowell, and New Bedford Housing Authorities' Statistics; Housing Solutions for Southeastern MA Statistics; 2010-2014 American Community Survey, Table DP04: Selected Housing Characteristics

With the exception of transitional housing and short-term subsidies like HomeBASE or RAFT, data on subsidized housing is captured by the Commonwealth's Subsidized Housing Inventory (SHI), which is used for determining a developer's eligibility for a Chapter 40B comprehensive permit. Communities with an SHI that is less than 10.0 percent of their total housing can be compelled to allow 40B development with units set aside that are affordable to low and moderate income households. Fall River and the comparative Gateway Cities have long exceeded the 10% requirement. These units are associated with various types of housing assistance, including tax incentives (e.g., LIHTC), rehabilitation money (e.g., HUD HOME program), and comprehensive permitting (e.g., Chapter 40B). While the list of programs eligible for the inventory is considerable, mobile vouchers such as HCVP and MRVP are not used when calculating the SHI for each community.

Discounting housing authority properties and supportive housing, Fall River has 2,011 units listed on its SHI, which is 8 percent of its total rental housing stock. Notably, Fall River is home to less

of this type of housing than Brockton and New Bedford. Brockton currently has 2,288 units on its SHI list (16 percent of rental housing stock) and New Bedford has 2,483 units (11 percent of rental housing stock). The Department of Developmental Services and Department of Mental Health arrange for the provision of housing to their respective clients. According to the Subsidized Housing Inventory, Fall River has slightly more of these units (163) than New Bedford (158), but less than Brockton (187).

4.5 HOUSING ASSISTANCE: PREVENTING AND RESPONDING TO HOMELESSNESS

In a recent report by the U.S. Conference of Mayors, city officials surveyed across the nation noted an increase in homelessness.⁷³ Unfortunately, this trend is evident locally as well. The Commonwealth has experienced a 40 percent increase in homelessness since 2007. Fall River and other urban areas of state have seen similarly large increases in the homeless populations, as Massachusetts' cities are central service locations for households experiencing homelessness in the surrounding region. In Fall River, HUD point-in-time (PIT) survey data shows that the homeless count grew from 153 individuals in 2007 to 406 in 2015.⁷⁴ The PIT count is a survey conducted in shelters in January and is widely considered the best source for information on the size of the homeless population.

In order to address homelessness, Fall River, like most communities in the state, employs a mix of federal and state programs. Federal programs are funded through HUD grants, which are allocated by the Fall River Community Development Agency (CDA) to non-profit organizations in the city. These funds support programs like homelessness prevention and housing stabilization efforts, such as temporary rental assistance, emergency shelters, transitional housing, and supportive services. The majority of federal homeless assistance in Fall River is used to maintain a supply of permanent support housing units, which offer independent community-based housing for homeless individuals and families who are still in need of some supportive services. The CDA is also responsible for managing the annual PIT count and administering other federal funds that can be used for housing-related programs, such as the Community Development Block Grant program (See Text Box 4.4).

In addition to funding shelters in Fall River, state-funded programs focus on interventions in the form of "front door diversions," which assist households at risk of homelessness. These programs include short-term subsidies such as HomeBASE (Building Alternatives to Shelter) and Rental Assistance for Families in Transition (RAFT) for families experiencing or at risk of homelessness. The state also supports temporary shelters, transitional housing, and permanent supportive housing through a network of non-profit agencies. These programs typically follow a linear service model, through which individuals move from congregate shelters or single room occupancy, to transitional group housing, then to permanent support housing in apartments, and finally to stable independent housing in the community. The following section outlines the distribution of the homeless population in Massachusetts, and the programs in place to serve and rehouse homeless households.

⁷³ Johnson K. et al. (2014). "Hunger and Homelessness Survey: Status Report on Hunger and Homelessness in America's Cities" The United States Conference of Mayors. Retrieved from: <http://usmayors.org/pressreleases/uploads/2014/1211-report-hh.pdf>

⁷⁴ Point-in-Time survey, HUD. <https://www.hudexchange.info/resource/4832/2015-ahar-part-1-pit-estimates-of-homelessness/>

4.5.1 Federal Homelessness Assistance Funding

The administrative program area for federal homelessness funding is called a Continuum of Care (CoC). Fall River, as a HUD entitlement community, applies directly to HUD for funding, while smaller communities receive funding through the Massachusetts balance-of-state CoC, which consists of towns and some cities that have chosen to apply through the state rather than directly through HUD. Funding is determined by a “need formula” calculated by HUD, which takes into consideration the CoC’s population, poverty rate, housing conditions, and the needs of the homeless population as outlined in the CoC’s Consolidated Plan.⁷⁵ A local CoC is also the boundary for the PIT count, which is how service providers and government agencies determine the size of the homeless population across the country.

A comparison of Fall River’s share of the total state population to its share of the Commonwealth’s homeless population reveals that the city serves a disproportionate share of homeless residents. Out of all homeless individuals in Massachusetts, 1.9 percent were residing in Fall River during the 2015 PIT count, compared with 1.3 percent of the state population living in Fall River. As demonstrated in Table 4.8, this phenomenon is not unique to Fall River; most similar urban areas in the state and in greater Boston serve a disproportionate share of homeless individuals when compared to their share of the overall population. New Bedford, for instance, serves 2.1 percent of the statewide homeless population and is home to 1.4 percent of the total population. The City of Boston has the greatest disproportionate share of the homeless population, serving 30.7 percent of the statewide homeless population despite being home to just 9.6 percent of the Commonwealth’s total population. Homeless care providers and regional officials concluded that this may result from the location of service agencies in urban areas, as well as better access to public transportation and affordable rental housing options in cities compared to rural and suburban communities.

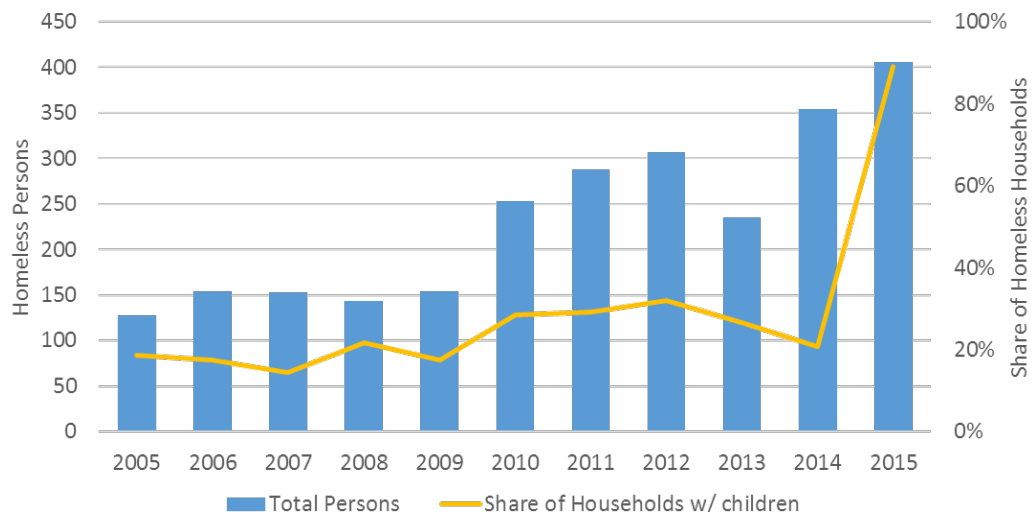
Table 4.8
Share of Statewide Homeless and Total Population, by Continuum of Care

	2007		2015	
	Share of Homeless	Share of State Population	Share of Homeless	Share of State Population
Boston CoC	33.7%	9.5%	30.7%	9.7%
Cambridge CoC	2.9%	1.5%	2.2%	1.6%
Fall River CoC	1.0%	1.3%	1.9%	1.3%
Lowell CoC	2.9%	1.5%	3.0%	1.6%
New Bedford CoC	2.6%	1.4%	2.1%	1.4%

Source: Authors’ Calculations of 2014 American Community Survey, Table B01003; HUD CoC Point-in-Time Counts

⁷⁵ The Consolidated Plan is an outline of community needs that can be addressed through HUD funding. The Plan is driven by data and community input from local officials, nonprofit service providers, and public comments. The Plan’s actions are further outlined in Annual Action Plans and evaluated through the Consolidated Annual Performance and Evaluation Report (CAPER) both prepared by the CDA. For more information, visit: <https://www.hudexchange.info/programs/consolidated-plan/consolidated-plan-process-grant-programs-and-related-hud-programs/>.

Figure 4.1 Total Homeless Person and Share of Homeless Households with Children in Fall River, 2005-2015



Source: 2005-2014 HUD Point-in-Time Counts, Fall River CoC

Unfortunately, determining the share of all the homeless population served by all the cities in the Commonwealth is difficult due to the nature of the CoC system. HUD allows multiple communities to combine homelessness prevention and care efforts, recognizing that homelessness is not an issue that stops at a city or town's border. Fall River, New Bedford, Boston, Cambridge, Lowell, Lynn, and Somerville are the only single-community CoCs in the state.⁷⁶ Some cities in southeastern Massachusetts, like Attleboro and Taunton, have combined CoCs that incorporate surrounding towns. Other cities, such as Lawrence have been absorbed into the balance-of-state CoC. Conversations with community development leadership in Lawrence revealed that partnering with DHCD to apply for HUD homelessness grants was beneficial, as it gave Lawrence access to DHCD's "excellent administrative structure and understanding of the HUD rules," as well as economies of scale in programming, and technical assistance and staff training.⁷⁷ HUD provides guidance to communities considering combining with or joining another CoC, which can assist community leaders in weighing this decision and provide a model for public input in the process.

Shelter bed data allow for comparison of shelter capacity across cities. The Fall River CoC had fewer year-round shelter beds (410) than the New Bedford CoC (453 year-round beds). Fall River is home to 1.3 percent of the state's total population, but had 2.3 percent of all year-round beds in Massachusetts, 7.8 percent of statewide seasonal beds, and 0.06 percent of statewide "overflow/voucher" beds in 2015. New Bedford is home to 2.1 percent of the statewide population, but had 2.6 percent of statewide year-round beds. Boston is home to 9.6 percent of the statewide population, but 35.9 percent of all year-round shelter beds in the Commonwealth (17,707 beds).

One area in which Fall River has less than its proportional capacity is Permanent Supportive Housing (PSH), community-based housing that promotes independent living for disabled homeless

⁷⁶ Continuum of Care map: <http://www.mass.gov/hed/docs/dhcd/hs/coc/s-111-cocmap.pdf>

⁷⁷ Email interview with James Barnes, Lawrence Community Development Director, 4/5/2016

individuals and families with a disabled household member with the help of supportive services.⁷⁸ As of 2015, the Fall River CoC had 165 PSH beds, which is considerably fewer than New Bedford (308) and more than Lowell (106).⁷⁹ The same year, Fall River was home to 1.3 percent of the state's total population, but had just 1.1 percent of all PSH beds in Massachusetts, compared with New Bedford, which is home to 2.1 percent of the statewide population and 2.0 percent of statewide PSH beds. Nearly half (42.6%) of all PSH beds are in Boston, which is home to 9.6 percent of the statewide population. Peer-reviewed research at the CoC level shows that the addition of PSH beds is associated with greater declines in chronic homelessness over time than other approaches to homeless care and re-housing.⁸⁰

Moreover, research has found that people living in PSH tend to experience lower overall health care costs than those who rely solely on emergency shelters or transitional housing.⁸¹ Indeed, PSH models like Housing First are becoming the focus of federal homeless re-housing programs.

Fall River and New Bedford appear to be in line with this trend, with both spending the majority of their CoC allocations to support PSH programs. Fall River spent 81 percent of its \$1.7 million in CoC funding on PSH programs in 2015, compared with 95 percent of New Bedford's \$1.6 million and 60 percent of Lowell's \$809,000.⁸² Much of the current funding in Fall River is renewal funding, meaning that the CoC grants are being used to maintain programs, rather than to bring new programs online or to expand the portfolio of existing service providers. While the combined CoCs make comparisons difficult, the Massachusetts Balance-of-State CoC (of which Lawrence, Malden, Everett, and Chelsea are a part) and the Brockton/Plymouth County CoC both allocated more than 80 percent of their funds to PSH programs in 2015.

Text Box 4.3 Emergency Solutions Grants⁸³

The Emergency Solutions Grants (ESG) program is another funding source for homeless outreach and service provision. ESG funding is considerably less than CoC funding—\$233,759 in 2015 compared \$1.7 million in CoC funding that same year. Like CoC funding, ESG funds are administered locally through the CDA to non-profit organizations that work to prevent and address homelessness, and all funds must be spent in accordance with the goals of the CoC. A review of the 2015 HUD Action Plan reveals that ESG funding in Fall River is spent to support emergency shelter services (54%), and rapid re-housing and tenant-based rental assistance (39%), through Steppingstone Inc., Our Sisters' Place, and Catholic Social Services. Additionally, a small share of ESG funds are used to cover administrative costs in these organizations (8%).

⁷⁸ Refer to HUD's "Continuum of Care Program Eligibility Requirements" here:

<https://www.hudexchange.info/programs/coc/coc-program-eligibility-requirements/>

⁷⁹ CoC 2015 Dashboard Reports Retrieved from: <https://www.hudexchange.info/programs/coc/coc-dashboard-reports/>

⁸⁰ Byrne, T., Fargo, J.D., Montgomery, A.E., Munley, E., & Culhane, D.P. (2014). The relationship between community investment in Permanent Supportive Housing and chronic homelessness. *Social Service Review*, 88(2), 234-263. doi: 10.1086/676142

⁸¹ Wright, B.J., Vartanian, K.B., Li, H., Royal, N., & Matson, J.K. (2016). Formerly homeless people had lower overall health care expenditures after moving into supportive housing. *Health Affairs*, 35(1), 20-27.

⁸² CoC Dashboard reports on funding are available here: <https://www.hudexchange.info/programs/coc/coc-dashboard-reports/>

⁸³ Annual Action Plans, CAPERs, and Consolidate Plans can be found here: <https://www.hudexchange.info/consolidated-plan/con-plans-aaps-capers/>

Some interviewees and Housing Policy Working Group members expressed concern that historic funding trends in the city have allowed a service infrastructure to develop beyond the needs of community. Service providers we interviewed noted that the origins of homeless households are difficult to ascertain, with some noting that even if a household enters homelessness in a smaller community, they are likely to only find shelter and supportive services in one of the region's cities. This is especially true when considering the region's centralized CALL individual homelessness shelter hotline and DHCD's centralized emergency assistance placement system, both of which place people entering homelessness in the first available shelter regardless of their residency.

Moreover, while some interviewees and group members recommended the City reducing or using less CoC funding, interviews with HUD regional officials revealed that existing programs would likely continue to receive renewal funding through the balance-of-state or other homelessness prevention and care programs administered by the Commonwealth in the event Fall River declines to allocate the resources it currently receives. Furthermore, reducing funding at the local level would mean refusing to distribute the pre-allocated funds, determined by HUD for entitlement communities based upon the higher of a "need formula" and the renewal demand of existing programs.⁸⁴ If local stakeholders determine that the current system is not suitable to Fall River's current needs, there are alternative CoC funding mechanisms available for cities, like Fall River, that operate independent CoCs. These include creating combined Continuums with neighboring communities, or opting into balance-of-state funding. Another option would be for stakeholders to increase attendance at the public comment hearings that are required as part of CoC planning, and that have had low-levels of participation according to Fall River's CDA Director. Any new policy options should be explored with input from the community, particularly the service providers who are dependent on CoC grants to maintain homelessness prevention and re-housing programming.

4.5.2 Community Development Agency Funding and Service Providers⁸⁵

Fall River is a recognized by HUD as an entitlement community. Along with additional reporting requirements, this designation means that Fall River can develop its own programs and funding priorities, but no less than 70 percent of all Community Development Block Grant (CDBG) funding must be spent on activities that benefit low and moderate-income households. CDBG funds are applied for and managed by the Fall River CDA, which develops its funding priorities informed by input from public hearings and the Fall River City Council. These funds can be used to make infrastructure improvements, for neighborhood revitalization projects, to construct or improve public facilities, and for economic development. Currently, only 5 percent of CDBG funding in Fall River is spent directly on housing-related programs, compared with 12 percent on economic development and 14 percent on loan repayment. Fall River's largest expenditure is on CDBG activities related to public service, which includes programs addressing:

- ¶ Child care
- ¶ Health care
- ¶ Job training
- ¶ Recreation and education

⁸⁴ Refer HUD guidance on CoC program funding found here:

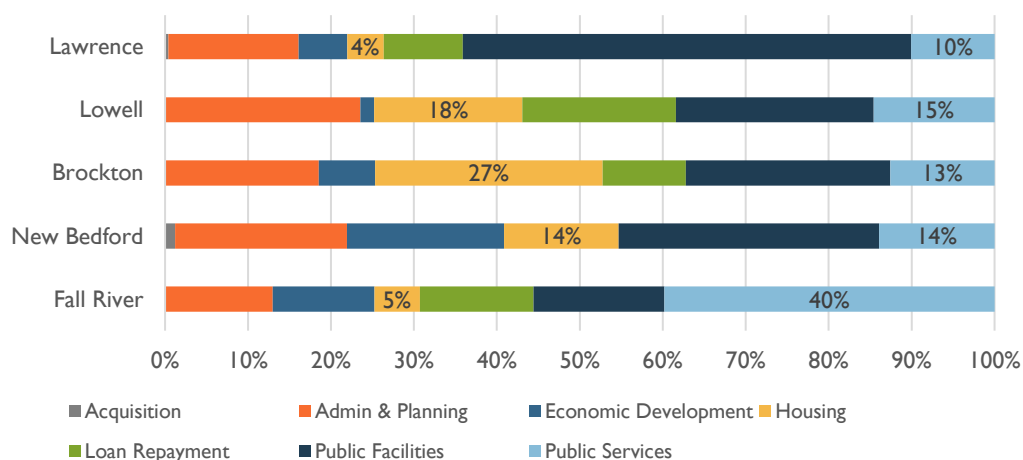
https://www.hudexchange.info/resources/documents/CoCProgramInterimRule_FormattedVersion.pdf

⁸⁵ Sourced from interviews with Fall River CDA staff and from HUD guide on CDBG programs and eligible activities, retrieved from: https://portal.hud.gov/hudportal/documents/huddoc?id=DOC_17133.pdf

- ¶ Public safety
- ¶ Fair housing programs
- ¶ Services for seniors
- ¶ Services for the homeless
- ¶ Drug abuse counseling and treatment
- ¶ Energy conservation activities
- ¶ Homebuyer downpayment assistance
- ¶ General social welfare

Nationally, these public service activities are capped at no more than 15.0 percent of a grantee's CDBG allocation. However, because Fall River received approval from HUD to exceed this cap in the early 1980s, the city is allowed to spend in excess of 15.0 percent. Currently, 40.0 percent of Fall River's CDBG allocation is spent on these services. Interviews with CDA staff revealed that public service expenditures have been this high for a decade or more. As demonstrated in Figure 4.2 below, Fall River spends considerably more on public service activities than similar Gateway Cities and less on housing than the comparative cities with the exception of Lawrence.

Figure 4.2 CDBG Expenditures by Type, FY2014



Source: HUD CDBG Grantee Expenditure Reports FY2014

4.5.3 State-Funded Homeless Assistance

The Emergency Assistance (EA) program provides shelter for homeless *families* with incomes less than 115 percent of the federal poverty threshold.⁸⁶ EA shelters can be state contracted congregate homeless shelters, rented scattered site apartments, or hotel/motel rooms. These EA shelter options are included in the total bed counts reported earlier. EA eligibility is determined by gross income, which is total income before taxes and deductions, and is administered at the state-level by the Department of Housing and Community Development (DHCD), which divides the

⁸⁶Refer to a reference sheet on the Final EA Guidelines here: <https://www.masslegalhelp.org/income-benefits/advocacy/ea/part-I-eligibility.pdf>

Commonwealth into regions.⁸⁷ EA placement is determined through a centralized statewide system, which places EA-eligible families in the first available shelter.

An analysis of monthly EA reports available from DHCD revealed that the Boston region (roughly all of the Boston metro area) provides shelter for a greater share of households than the region's share of applicants, while the opposite is true for the South Shore region where Fall River, Brockton, and New Bedford are located (see Table 4.9). As of June 2016, 20.0 percent of all EA applications originated in the Boston region, but the region received 37.8 percent of all shelter/motel placements. In the same period, 17.5 percent of all applications for EA originated in the South Shore region, but 16.5 percent of all eligible households were placed in shelters here. This means that the Boston region imports homeless families in the EA program from other regions while South Shore region is a net exporter.

Table 4.9
Family Emergency Assistance Applications and
Placements by Region, 2016 YTD

Region	Applications		Placements	
Boston Metro	350	20.0%	287	37.8%
Central Mass	174	9.9%	59	7.7%
North Shore	578	33.0%	146	19.1%
South Shore	307	17.5%	125	16.5%
Western Mass	342	19.5%	141	18.6%
Total	1751	100%	758	100%

Source: Authors' Calculations of 2015-2016 DHCD
Quarterly EA Legislative Reports

HomeBASE and RAFT are state programs designed to prevent families from entering homelessness. Both programs provide set amounts of financial assistance in order to help families maintain housing, secure new housing, and cover certain costs related to moving. HomeBASE, which provides up to \$8,000 in household assistance over 12 months, is limited to EA-eligible families whose incomes are below 115% of the federal poverty level or approximately \$28,000 for a family of four.⁸⁸ At least 50 percent of RAFT assistance must be direct to families with incomes at or below 30 percent of the area median income (AMI), with no more than the remaining 50 percent of funds to be spent on families earning between 30 and 50 percent of AMI. RAFT families can receive up to \$4,000 to prevent homelessness over a 12-month period. Families applying for RAFT cannot be living in an EA shelter and must pass through a tiered application process, which confirms that the housing assistance they receive will allow them to stabilize their current housing situation or secure new housing.

RAFT and HomeBASE cannot be used in tandem, but are used in succession in order to assist newly re-housed families with housing stabilization. Both HomeBASE and RAFT are administered regionally at through Housing Consumer Education Centers (HCECs): a group of nine non-profit agencies that oversee numerous housing assistance programs on behalf of DHCD. Fall River is a

⁸⁷ DHCD's EA primer is available here: <http://www.mass.gov/hed/housing/stabilization/emergency-assistance.html>

⁸⁸ Based on 2016 Federal Poverty Guidelines retrieved from: <http://www.mass.gov/eohhs/docs/masshealth/deskguides/fpl-deskguide.pdf>

part of the South Shore region, which is administered by Housing Solutions for Southeastern Massachusetts.⁸⁹

In 2015, Housing Solutions assisted 937 families via HomeBASE and handled 1,935 RAFT applications throughout the South Shore region. During the same period, Fall River had the largest HomeBASE caseload in the region, with Housing Solutions assisting 310 families in the city (33.1% of regional total). Additionally, 246 Fall River families applied for RAFT (12.7% of regional total). Fall River and other cities in the region, with the exception of Attleboro, are home to outsized shares of the region's HomeBASE and RAFT clients compared to their shares of the region's population. That is, 8.4 percent of the population of Bristol and Plymouth Counties lives in Fall River, but the city is home to 33.1 percent of the regional HomeBASE caseload and 12.7 percent of RAFT applicants. Unfortunately, comparisons to the Boston region and the state are not possible for these programs because DHCD does not produce statewide annual totals for HomeBASE and RAFT enrollment, and efforts to obtain these figures were not successful, reportedly due to staffing constraints within the agency.

Table 4.10
2015 HomeBASE Placements and RAFT Applications
in the South Shore Region

	HomeBASE		RAFT Applications	
Towns Total	161	17.1%	681	35.2%
Attleboro	19	2.0%	40	2.1%
Brockton	227	24.2%	409	21.1%
Fall River	310	33.1%	246	12.7%
New Bedford	162	17.3%	386	19.9%
Taunton	58	6.2%	173	8.9%
South Shore Total	937	100.0%	1935	100.0%

Source: Authors' Calculations of Housing Solutions of Southeastern MA Statistics

4.5.4 Discussion of Homelessness Programs

Homelessness rose 40 percent in the Commonwealth between 2007 and 2015. PIT count data indicates that this increase occurred mainly in the state's urban areas, where service agencies tend to be clustered and more public transit options exist for people who lack their own means of transportation. Indeed, while Fall River does serve a share of the state's homeless population that is larger than the city's share of the total statewide population, this is also the case in other cities. Of note, available data suggest that the situation is especially acute in the City of Boston, where Boston's share of the homeless population is about *three times* Boston's share of the total statewide population (see Table 4.7). Although HomeBASE and RAFT placement data are not readily available for the Boston metro region, the Boston metro is the only region in the state that has a larger share of EA shelter placements than applicants.

For areas challenged by the rise in homelessness, one solution could be to increase the amount of affordable housing units. An insufficient supply of affordable housing was determined to be a leading

⁸⁹ The South Shore Region consists of the cities and towns in Bristol and Plymouth Counties

cause of family homelessness by the U.S. Conference of Mayors.⁹⁰ Peer-reviewed research reveals that rent predicts homelessness at the level of metropolitan areas. That is, a \$100 increase in median rent is associated with a 6.3 percent increase in homelessness.⁹¹ The proportion of single-person households and the proportion of households that recently moved also predict greater homelessness. The homeownership rate however is associated with decreased homelessness.⁹²

There are concerns among Fall River stakeholders we spoke with that state homeless assistance programs are not effective at eliminating homelessness, as indicated by repeated program reuse by former participants. Some interviewees also worried that the centralized placement system for shelters make it more likely that cities like Fall River will be inundated with homeless households and individuals from elsewhere. Both service providers and local officials noted that the short-term nature of the assistance and lack of outcome tracking make it difficult to assess validity of these concerns.

Unfortunately, DCHD does not require regional nonprofit administrators to track how many times participants in the program reuse its services or the origin community of families on HomeBASE and RAFT. Conversations with DHCD representatives revealed that the agency lacks the internal capacity to do an analysis of these programs, with one Housing Specialist noting that “due to limited staffing capacity we typically need a consultant to conduct detailed data reporting/analysis.”⁹³ Given these limitations it is unlikely that the agency would be able to track data on reuse in a meaningful way, not to mention place of origin in the absence of additional resources.

Stakeholders based their assumptions about importation of homeless families on the centralized placement system. At the state and local level, some aspects of the centralization of the homelessness prevention and assistance systems—such as the CALL Hotline coordinated for the greater Fall River area by Catholic Social Services—have been driven by a realignment of federal policy regarding homelessness prevention and rehousing. In 2009, HUD began piloting centralized homelessness intervention and rapid rehousing systems in 23 communities across the country to inform best practices for centralizing homelessness prevention systems nationwide.

Over the course the HUD study, 10 percent of all families returned to homelessness within one year of exiting a rapid rehousing program. A larger analysis revealed that family characteristics have little bearing on returns to homelessness; the only major predictors are the type of subsidy received and the availability of affordable housing units. HUD noted that “permanent or very long-term rental assistance is likely needed to prevent subsequent homelessness for many formerly homeless, especially those families in high-cost rental markets” (pg. XVI).⁹⁴ As Massachusetts begins to reevaluate the effectiveness of short-term assistance programs such as HomeBASE, it will be crucial that state policymakers learn from this national experiment.

⁹⁰ Johnson, K. et al. (2014). “Hunger and Homelessness Survey: A Status Report on Hunger and Homelessness in America’s Cities.” *U.S. Conference of Mayors’ Task Force on Hunger and Homelessness*. Retrieved from: <https://www.usmayors.org/pressreleases/uploads/2014/12/11-report-hh.pdf>

⁹¹ Byrne, T., Munley, E., Fargo, J., Montgomery, A., & Culhane, D. (2013). “New Perspectives on Community-Level Determinants of Homelessness.” *Journal of Urban Affairs*, 35(5), 607-625.

⁹² Ibid.

⁹³ Email correspondence with DCDH Counsel March 15, 2016

⁹⁴ Culhane D. et al. (2016). “Rapid Re-Housing for Homeless Families Demonstration Programs Evaluation Report Part II: Demonstration of Findings-Outcomes Evaluation.” HUD. Washington D.C.

Text Box 4.4
Feasibility of Mandatory HomeBASE Inspections

Some interviewees and Working Group members noted incidents involving HomeBASE recipients living in substandard housing as evidence that the program should require pre-move-in inspections. To determine the feasibility of mandatory inspections, the PPC reviewed Massachusetts' minimum housing standards, and spoke with service providers who administer the HomeBASE program and state and federal housing vouchers, which at a minimum, require pre-move-in inspections.

Interviewees noted that requiring inspections could significantly raise the cost to state. In order to enforce housing codes, inspections would need to be conducted by a representative of the Board of Health, a Minimum Housing Inspector, or a contracted agent. In Fall River, which currently has an understaffed Inspectional Services division, these inspections would almost certainly have to be conducted by a contracted inspector. Funds for contracted inspections would have to be added into the budget of the program at the start of the fiscal year.

It was also noted that inspections would increase the length of time families spend in the already overburdened shelter system by requiring them to wait until a unit is inspected prior to moving in. For example, Sections 8 inspections conducted by the FRHA typically occur one to two weeks after a landlord has agreed to accept a tenant.

Furthermore, inspections may lower the number of units available to HomeBASE recipients in Fall River and elsewhere. Landlords could avoid participation in the program in order to avoid scrutiny of their units, and if an inspected unit failed inspection, recipients would have to either wait until repairs were completed or restart their housing search.

While inspections are not currently a feature of the program, service providers, through their case managers, encourage clients to obtain a statement of conditions, signed by both the prospective tenant and the landlords.

5 CONCLUSION

The PPC's comprehensive analysis of Fall River's housing environment involved engagement with key housing stakeholders, an examination of original and secondary data from local, state, and national sources, and a review of relevant literature. Additionally, the PPC engaged with officials at the state level and with agency administrators in other Gateway Cities to learn how housing challenges have been approached elsewhere. Through this process, the PPC identified a number of implications related to current housing policy. Keeping with the purpose of this report, these implications are presented here to provide the Housing Policy Working Group with a series of actionable items from which to craft a new housing policy for the City of Fall River.

5.1 POLICY IMPLICATIONS

Fall River's housing stakeholders and policymakers face some challenges in crafting an overall housing policy for the City, but there are also opportunities for the City to address these challenges and to refocus city agencies around a common goal. **First**, the deteriorating stock of older housing is exacerbated by staffing limitations in the Fall River Inspectional Services department, which restricts the department to conducting reactive inspections. Stakeholders within and outside of City government acknowledged the lack of adequate staffing and modern technology as a major obstacle to achieving the goals of a unified housing policy. Empowering the department with modern technology and adequate staffing would allow for the proactive inspections of multifamily properties, as required by state law.

During interviews and Working Group meetings, stakeholders proposed that the Inspectional Services department fund staff expansions and technology upgrades by levying mandatory inspection fees. As noted in a forthcoming report from the Fall River Corporation Counsel on ordinances related to housing, the City of Boston currently has a fee schedule for multifamily inspections based on the number of units in the building and the landlord's history of violations. Some Working Group members voiced concerns that adopting a similar ordinance would cause major divestments from large property owners in Fall River. Therefore, any new ordinance should be crafted with the input from local stakeholders, so that both the concerns of the real estate community and Fall River as a whole can inform the drafting of an ordinance.

Second, City departments will be unable to use data to drive new housing policy in Fall River without adequate technology and an accompanying culture of data sharing. While there is interest in sharing data, the City lacks the staff and technological capacity to collect and share meaningful information internally or between agencies. Throughout the course of this research, the PPC encountered challenges related to accessing housing data collected by the City of Fall River. In some cases, departmental staff did not have knowledge of how to share the requested data, and in others, technological limitations prevented data output.

Importantly, these difficulties were not unique to this research. Indeed, key informant interviews revealed that, on a regular basis, the lack of modern technology and of a standard data management platform create challenges for sharing information within and across departments. Some stakeholders acknowledged that the existence of a system for cross referencing housing-related complaints, violations, and public safety incidents could have led to earlier intervention at problem properties where tenants lived in substandard conditions. Interdepartmental efforts to coordinate data collection and sharing around the common goal of improving housing quality and maximizing

code enforcement efforts would allow the City to target problem properties before conditions reach crisis levels.

Third, Fall River's low rents and property values have contributed to an environment in which market rate development is financially infeasible without a developer or tenant subsidy. This is evident in past mill conversions such as the Curtain Lofts, which utilized the LIHTC program, and ongoing development such as Commonwealth Landing, which is leveraging funding through historic tax credits. Without an increase in property values, it is unlikely that the type of market-rate, unsubsidized development desired by some stakeholders will be possible.

One practical approach to raising property values could be to encourage homeownership among existing moderate-income households. Rather than focusing on programs to attract higher income households to the city, increasing homeownership assistance for Fall River's moderate income renters could reduce the number of absentee landlords and generate more investments to raise property values. Also, reliable rail service to the Greater Boston area could be expected to increase property values and rents in the immediate vicinity of the station, but the SouthCoast Rail project has yet to leave the planning stage as of the writing of this report.

Finally, it is evident that Fall River, like urban area across the Commonwealth, serves a disproportionate share of the state's homeless residents, and that stakeholders are concerned about the impacts of this on the City's resources, particularly public safety and schools. While the impact of homelessness and the lack of affordable housing is felt throughout the state, conversations with stakeholders revealed frustration with how state-level housing policy is perceived to affect the city. Stakeholders with views on both sides of the issue recognized that short-term housing assistance programs like HomeBASE and RAFT limit recipients' housing options to places where the subsidy goes the furthest – often Gateway Cities.

However, the lack of outcome tracking and data on the origins of participants in state re-housing programs constrains the evaluation of their effectiveness. Key informant interviews with service providers at administering agencies revealed that non-required data is rarely tracked for internal purposes, and therefore is not available for analysis. While many stakeholders felt that modifications are needed to the Commonwealth's short-term housing assistance programs, these data constraints make it unclear what changes, if any, would lead to improved outcomes for Massachusetts households who struggle to find stable, affordable housing.

5.2 BEST PRACTICES

The City of New Bedford created the Mayor's Neighborhood Task Force, which conducts neighborhood-level sweeps on a regular basis to identify code violations. These sweeps are interdepartmental, involving representatives for the Police, Fire, Inspectional Services, and Health departments. The Task Force is funded through revenues generated by the vacant building fund and operates under the auspices of the City Solicitor, giving it the legal authority to pursue housing code violations and impose liens on noncompliant property owners. Interviews with New Bedford officials revealed that the Task Force has been effective at pressuring notoriously troublesome landlords into complying with minimum housing standards or divesting their property. It was also noted that officials from Fall River had recently engaged with the New Bedford Neighborhood Task Force to learn how to develop a similar program in the city.

The City of Boston requires multifamily property landlords to pay an annual inspection fee. Revenues generated from this fee fund additional staff for the city's building inspection department.

This, in turn, allows Boston to conduct proactive building inspections, something that Fall River is not able to do at current staffing levels.

In the cities of Lowell and Chelsea, community development corporations (CDCs) have proved an effective tool in addressing blight and generating new affordable housing using at the block level. While Fall River does not currently have an active CDC, there are number of nonprofit agencies that act as community housing development organizations (CHDOs), which receive CDA funding for the purpose of maintaining and rehabilitating affordable housing for low-income residents. Expanding the role of CHDOs in the city would increase the number of quality affordable housing options for Fall River's low-income households.

In other Gateway Cities spend their Community Development Block Grant (CDBG) funding from HUD differently than Fall River. Fall River has historically spent approximately 40 percent of CDBG funding on public service activities because of its special status with the federal government, while other communities are capped at 15 percent. A realignment of these funds for housing and infrastructure activities could allow the city to have more control over affordable housing through options such as a community land trust.

APPENDIX A: MOBILITY AND THE SOCIAL SAFETY NET

Both Working Group members and stakeholders discussed a perceived increase in new arrivals to Fall River and households reliant on social welfare programs. Some interviewees claimed that these trends were linked, with high costs of living elsewhere in the Commonwealth and the country being the cause for relocation to the City, which offered more affordable options and service providers. The following sections in this appendix explore the best available data sources on movers and social assistance in order to provide context for the claims made by stakeholders regarding new arrivals and program utilization.

MOBILITY: MOVERS AND THEIR ORIGINS

Early in the study period Working Group members expressed interest in learning the origins of new arrivals to Fall River, and many key informants echoed this interest during interviews. In particular, stakeholders wished to validate the assumption that new arrivals to Fall River were predominantly low-income, had an acute need for public assistance in the form of housing subsidies and other forms of public assistance, and were from outside of the region, with many stakeholders hypothesizing that increasing housing costs in the Boston area were forcing residents elsewhere in search of affordable housing. In terms of short-term housing assistance and homelessness mitigation programs, it is difficult to determine the origins of household receiving assistance, due to lack tracking requirements and centralized placement systems. However, regional-level data do suggest that most placements in the South Shore are households that originate within the South Shore region.

In an effort to address the concerns of stakeholders, the PPC explored a number of data sources in order to better understand the characteristics of households that have recently moved into Fall River. The ACS tracks movers through survey questions regarding recent moves, and the IRS provides substantial data on the movement of taxpayers at the county level. The trends revealed by these data sources, as well as their inherent limitations, are discussed in the following section.

National Mobility Trends

For the past several years, the annual number of people who relocate in the U.S. has remained at approximately 12 percent.⁹⁵ Additionally, nearly one in five people who desired to move in 2010 did so.⁹⁶ The reasons people move are related to a variety of social and economic factors, while the choice of location is often related to the reason for moving and neighborhood attributes. For instance, long distance moves, either outside of the region or country of origin, are typically related to employment opportunities.

In most cases, when people move for housing-related reasons—such as transitioning from renting to owning, eviction/foreclosure, or searching for cheaper housing—they tend to stay within the same county. Also, at the national level, housing-related reasons have accounted for nearly 50 percent of all reasons for moving since 1999, while job-related accounted for just over 20

⁹⁵ Ihrke, D. (2014). Reason for Moving: 2012 to 2013. *Current Population Reports*. P20-574. U.S. Census Bureau, Washington, DC; Schachter, Jason. 2001. Why People Move: Exploring the March 1999 to March 2000 Current Population Survey. *Current Population Reports*. P22-204. U.S. Census Bureau, Washington, DC.

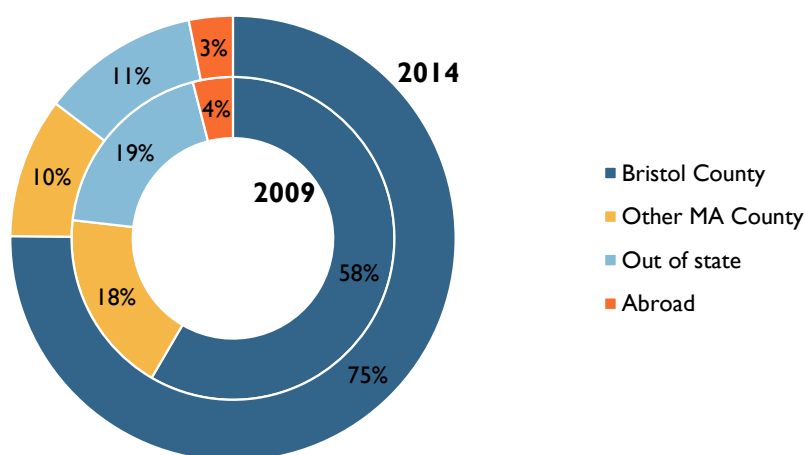
⁹⁶ Mateyka, P. (2015). "Desire to Move and Residential Mobility: 2010–2011," *Current Population Reports*, P70-140, U.S. Census Bureau, Washington, DC

percent.⁹⁷ Therefore, based on national trends, we would expect the majority of relocations to occur within the same county. While data is limited at the city level, the available evidence supports this conclusion.

Relocations to Fall River and Bristol County

From 2009 to 2014, the number of people in Fall River living in a new housing unit remained relatively stable, with approximately 14,000 people in each cohort reporting that they had lived at a different address five years prior.^{98, 99} In 2014, 75 percent of all people moving into Fall River moved from within Bristol County (approximately 10,710 people). This is an increase from 2009, when 58% of all movers came from within Bristol County (approximately 8,586 people). Since Fall River is part of Bristol County, this represents movers entering from the surrounding communities as well as people moving *within* the city.

Figure A.1
Origins of Movers Arriving in Fall River, 2009 and 2014



Source: 2005-2009 & 2010-2014 American Community Survey, Table S0701: Geographic Mobility

However, from 2009 to 2014, Fall River experienced a reduction in the share of new arrivals from outside of the county, state, and country. In 2009, 42 percent of all movers (6,217 people) came from outside Bristol County, while in 2014, 25 percent of all movers (3,570 people) had similar origins. It is clear from these data that Fall River has seen an increase in movers originating from communities in Bristol County, including from within the city itself.

This trend is corroborated by the Census minor civil division migration data. While high margins of error mean that conclusions should be drawn with caution from this particular source, an

⁹⁷ Ibid.

⁹⁸ An estimated 14,803 people in 2009 and an estimated 14,280 people in 2014.

⁹⁹ Since the 2005-2009 American Community Survey, the Census Bureau has produced county-to-county migration flows. As part of the ACS, respondents are asked where they lived one year ago, and if it is different than current address, this information is recorded. Unfortunately, these indicators are not repeated in every dataset, making socioeconomic and demographic comparisons between cohorts of movers impossible.

analysis based on low-end estimate (i.e. subtracting the margin of error) suggested that the majority of movers coming to and leaving Fall River have origins and destinations in Bristol County, Plymouth County, and nearby Rhode Island communities. This data also shows a net loss of residents, consistent with the decline in population Fall River has seen since 1930.

IRS County-to-County Migrations

The IRS also provides migration data at the county level.¹⁰⁰ These data show that 8,922 households (tax returns are roughly equivalent to households) moved to Bristol County from 2013 to 2014 and that the average Adjusted Gross Income (AGI) of these households was \$53,129. The greatest single sources of in-migrants were: Plymouth County, MA (20% of total in-migrants); Norfolk County, MA (17%); and Providence County, RI (11.8%). The average household AGI for households arriving from these three counties was \$47,051, \$59,263, and \$55,697, respectively. Note that the average household income for Fall River is currently \$47,005 ($\pm$ \$1,708).¹⁰¹ In total, 54.9 percent of in-migrants to Bristol County from 2013 to 2014 originated in other counties in Massachusetts and 18.6 percent originated from Rhode Island. The average AGI of those moving to Bristol County was \$52,622 for people coming from other areas in Massachusetts and \$55,556 for those moving from Rhode Island.

The IRS migration data also reveal that a total of 8,685 households left Bristol County from 2013-2014. Thus, the net migration for Bristol County in 2013-2014 was 237 households (8,922 inflows - 8,685 outflows). 48.6 percent of households moving out of Bristol County moved elsewhere in Massachusetts. The average household AGI of out-migrants to any location was \$55,044.

THE FALLOUT: INCREASED RELIANCE ON THE SOCIAL SAFETY NET

As would be expected with higher unemployment, falling incomes, and rising poverty, Fall River residents increasingly utilize public safety net programs in order to make ends meet (see Section 2.5). Non-housing safety net programs include the Supplemental Nutrition Assistance Program (SNAP; formerly “food stamps”), cash public assistance (officially known as Temporary Assistance for Needy Families, or TANF), social security and disability insurance, unemployment insurance, and the Earned Income Tax Credit.

Supplemental Nutrition Assistance Program (SNAP; formerly “food stamps”) participation among Fall River households was significantly higher in 2014 (28.8%) than in 2009 (17.1%). Unfortunately, the Census Bureau did not ask about SNAP participation in the 2000 Census. However, program data are available from the Census SAIPE program, which works with the U.S. Department of Agriculture (USDA) to analyze program data at the county level. Participation in SNAP rose drastically from 2000 to 2014 in both Massachusetts and Bristol County, with the participate rate in Bristol County growing from 5.4 percent of the population in 2000 to 16.9 percent of the population in 2013. This increase in SNAP enrollment corresponds to a statistically significant

¹⁰⁰ Retrieved from: <https://www.irs.gov/pub/irs-soi/1314inpublicmigdoc.pdf> Note that county-to-county flows with less than 10 returns were re-categorized into “other flows” variables by the IRS. Tax returns were excluded if it did not have a ZIP code, had with a ZIP code that did not match the state shown on the return, or the dependency status of the filer changed between the two years. The most important caveat to this data is that the address listed on the tax return is the filer’s mailing address, which means it may not be their actual residence. Nonetheless, the IRS data help us to triangulate trends in migration to Bristol County.

¹⁰¹ 2014 5-year ACS

increase in the individual poverty rate in Bristol County between 2000 and 2014.¹⁰² This is unsurprising given that SNAP is designed to help low-income individuals and households afford to put food on the table.

Cash public assistance, or what is known as Temporary Assistance for Needy Families (TANF), is the main national cash transfer program directly aimed at helping those in poverty. Census data show that public cash assistance participation among Fall River households was significantly lower in 2014 (5.2%) than in 2000 (6.5%). This is counterintuitive given the rise in poverty, and the reasons for this are not clear from the available data. However, one reason for this trend may be the move from AFDC to TANF in 1996 (commonly referred to as “welfare reform”). This change has been associated with increasing disconnection from assistance in the context of a difficult labor market the low-income and less well educated populations.¹⁰³ Rising need and declining participation make it clear that TANF and other programs are failing to reach a substantial portion of the eligible population.¹⁰⁴

The programs administered by the Social Security Administration (SSA) are also key parts of the social safety net. Eligibility criteria for these programs are fairly stringent and include a work duration requirement and medical reviews if applying for disability benefits.¹⁰⁵ According to Census Bureau data, both Social Security and SSI participation rates were statistically significantly higher in 2014 than in 2000.¹⁰⁶ Rising Social Security participation makes sense given that the Fall River median age has been rising. Available Census Bureau data estimates a participation rate in all social security programs (Social Security + SSDI) of 48.1 percent ($\pm 1.9\%$) in 2014. The SSA data also show that Brockton, Fall River, Lawrence, Lowell, and New Bedford all had participation rates in 2013 that were higher than the state and national averages. Moreover, these cities had a lower proportion of retired worker recipients and higher proportion of disabled recipients than the state and national averages.

Data on unemployment insurance claimants are available from June 2016 to September 2016 from the Executive Office of Labor and Workforce Development (EOLWD).¹⁰⁷ These data show that an average of 4,694 workers claimed unemployment benefits between June and September within the Bristol County Workforce Investment Board (WIB). Detailed characteristics of claimants are available monthly, but only at the level of the WIB. In September 2016, 69.9 percent were of prime working age (between 25 and 54 years of age). Of all September claimants, 38.2 percent had only a high school education, and 14.2 percent were previously employed in manufacturing.

The Earned Income Tax Credit (EITC) provides a tax credit to eligible low-income households and is an important income supplement for the working poor. Zip Code level data from the IRS¹⁰⁸ reveal an increase in EITC utilization from 2004 to 2013. These data estimate that 40.7 percent of households with Adjusted Gross Incomes (AGIs) under \$25,000 utilized the EITC in 2013, compared to 37 percent in 2009 and 30 percent in 2004. This data also revealed that 82.7 percent

¹⁰² 2014: 2014 5 Year ACS, Table DP03; 2000: Table DP3, Summary File 4

¹⁰³ Hetling, A., Kwon, J., & Saunders, C. (2015). The Relationship between State Welfare Rules and Economic Disconnection among Low-Income Single Mothers. *Social Service Review*, 89(4), 653-685.

¹⁰⁴ Fusaro, V. (2015). Who's Left Out: Characteristics of Households in Economic Need Not Receiving Public Support. *Journal of Sociology Social Welfare* 42(3), 65-86.

¹⁰⁵ See the following publication for more detailed information: <https://www.ssa.gov/pubs/EN-05-10029.pdf>

¹⁰⁶ 2014: ACS Table DP03; 2000: Census Table DP3, Summary File 4

¹⁰⁷ Retrieved from: <http://lmi2.detma.org/lmi/claimant/201609BristolCountyWDAClaimant.pdf>

¹⁰⁸ IRS, Statistics of Income Division, Individual Master File System, August 2015.

<https://www.irs.gov/uac/soi-tax-stats-individual-income-tax-statistics-zip-code-data-soi>

of households under an AGI of \$25,000 had income from wages in 2013, compared to 84.5 percent in 2004.

Table A.I below shows the 10 Census Tracts with the highest unemployment rate, poverty rate, and SNAP participation rate as well as the 10 Tracts with the lowest median family income. This ranking shows the difficulty of triangulating concentrations of disadvantage without using individual-level data (e.g., addresses). For instance, consider that there is less overlap than one may expect across the unemployment and poverty columns. Unemployment is often associated with poverty, but one can work while still earning an income that fails to breach the poverty threshold.

Table A.I
Rank of Census Tracts, Fall River

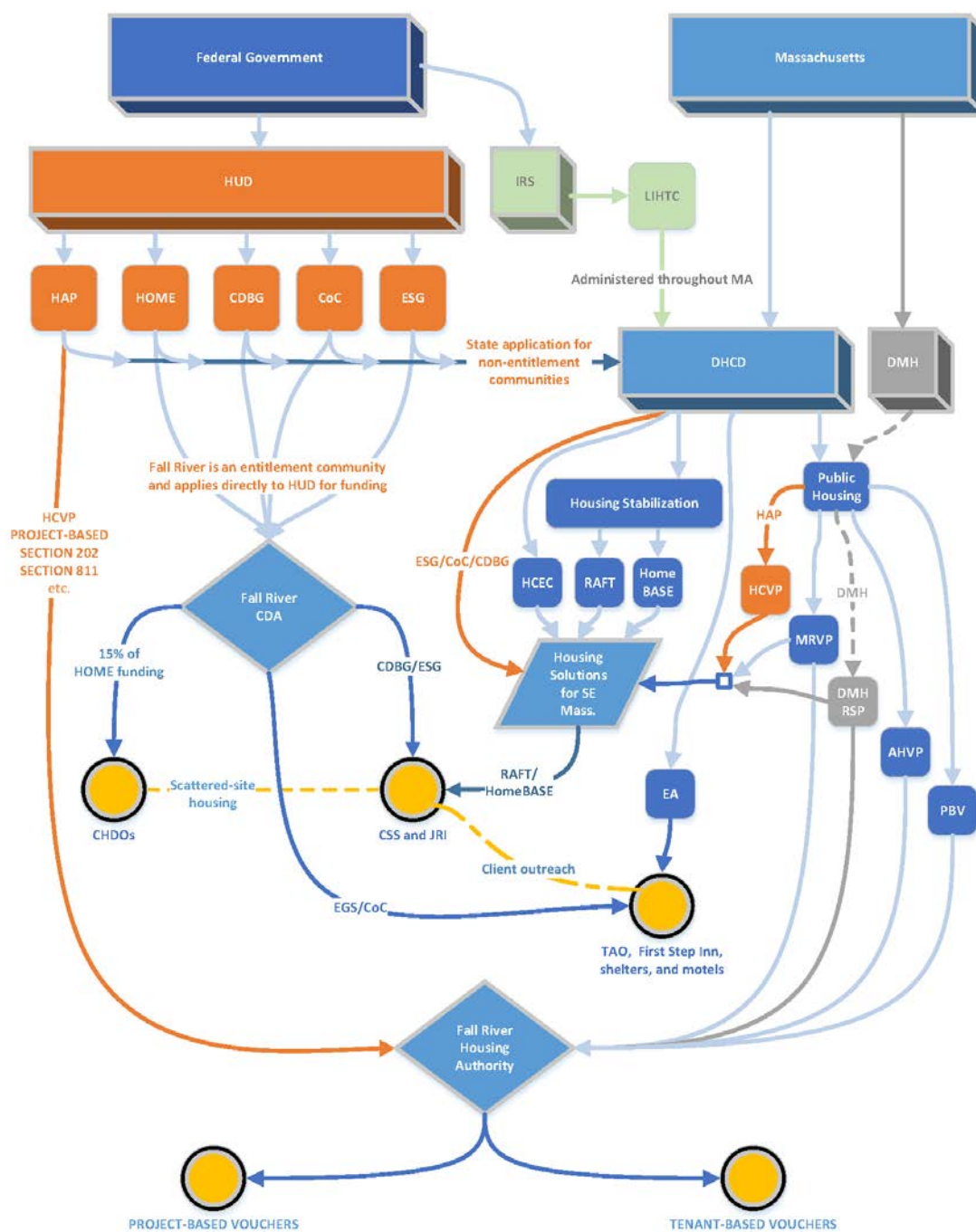
Rank	Unemployment	Lowest Median Income	Poverty Rate	SNAP Participation
1	6419	6411.01	6411.01	6413
2	6414	6410	6410	6411.01
3	6411.01	6413	6413	6403
4	6413	6402	6409.01	6415
5	6405	6409.01	6412	6409.01
6	6412	6414	6402	6402
7	6402	6412	6405	6420
8	6404	6420	6420	6412
9	6410	6419	6414	6410
10	6407	6415	6406	6414

Source: 2010-2014 American Community Survey, Table DP03:
Selected Economic Characteristics

In sum, deteriorating economic conditions have been associated with Fall River residents increasingly relying on public social safety net programs in order to make ends meet. However, this seems related to the increase in poverty and unemployment associated with a secular decline in the City's economic fortunes that began decades ago. The most recent economic downturn (The Great Recession) exacerbated these trends further decreasing employment opportunities, particularly in the traditional manufacturing sectors.

APPENDIX B: HOW SUBSIDIES ENTER THE HOUSING MARKET

Housing Agencies and Organizations



APPENDIX C: KEY INFORMANT AND STAKEHOLDER INTERVIEWS

The following people and organizations provided the research team with the data and contextual information used in producing this report. Additionally, the members of the Housing Policy Working Group informed the direction of this research and provided qualitative and quantitative data.

The Lawrence Housing Authority
The New Bedford Housing Authority
Nancy Lawson - Catholic Social Services
Kevin Forsley - Lowell Housing Authority
Joe Biszko - Fall River Inspectional Services
Kathleen Schedler Clark - Steppingstone Inc.
Pascual Ruiz - Lawrence Inspectional Services
Kristina DaFonseca - SouthCoast Fair Housing
Thomas Thibeault - Brockton Housing Authority
Anne Lewis - Massachusetts Housing Partnership
John Flor - New Bedford Neighborhood Taskforce
Captain Joseph Cabral - Fall River Police Department
Joe Rodrigues - Community Housing Resource Board
Jim Barnes - Lawrence Community Development Agency
Mark Jeffries - Southeastern Massachusetts Housing Court
Barbara Allard and Brian Mikolazyk - Fall River Public Schools
Bonnie Paiva and Susan Mazarella - Justice Resource Institute
Adam Ploetz - US Department of Housing and Urban Development
Carl Nagy-Koechlin - Housing Solutions for Southeastern Massachusetts
Mike Dion, Mary Camara, and Anthony Robinson - Fall River Community Development Agency
Andrew Wadleigh, Margaux LeClair, Rebecca Wachtel - Mass. Department of Housing and Community Development
David Sullivan, Dan McDonald, Timothy Barrow, Deb Saba, and Kathleen Povar - Fall River Housing Authority