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**ASSESSMENT OF
IMPEDIMENTS TO FAIR
HOUSING CHOICES**

An Update of the 2005 Assessment Report

**CITY OF SOMERVILLE, MA
12/1/2009**

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INTRODUCTION AND SUMMARY

The City of Somerville continues to explore new ways to affirmatively further fair housing choices to its citizens. This 2009 Assessment to Impediments to Fair Housing report is the City's fourth report on identifying impediments its residents face as they seek housing in the City. This report includes discussion on the City's progress since 2005, new fair housing impediments and makes recommendations to address the identified impediments. Discussion on the effects of the economic downturn and the mortgage foreclosure crisis on the provision of fair housing in Somerville is also included in this report. Data and information in this report were obtained through a review of the City's 2005 assessment of impediments to fair housing report, other relevant city documents and reports, and other sources of information beyond the city. Interviews were conducted with the major social service providers and advocacy agencies of the protected classes under the Civil Rights Act in the City.

An increased attention to affirmatively furthering fair housing in the City in the last five years has led to the formulation of new policies, creation of new programs, and adaptation of funding mechanisms. The Inclusionary Zoning ordinance, the Homeowner Rehabilitation Program, the Lead Hazard Abatement Program, the Somerville Affordable Housing Trust Funds and the celebration of April as a fair housing month in Somerville are all efforts to overcome impediments of fair housing in the City.

While many of the structural impediments facing Somerville remain unchanged, the current economic downturn and the mortgage foreclosure crisis

have compounded the effects of the structural impediments. The immense changes in the City's population composition have resulted in many minorities seeking housing for the first time. The influx of many foreign-born into Somerville in 1990s has resulted in new impediments that render traditional solutions less effective. The age of the housing stock continues to present a challenge to the City's efforts of provision of accessible housing units and compliance to ADA requirements. The lack of an ample supply of family-size units and the presence of lead-base paint hazards in the private rental properties limit the housing choices of the families with children in Somerville. In spite of the educational campaigns of the under-resourced Fair Housing Commission, awareness of fair housing remains basic.

As recommendations, a city facing new impediments to fair housing in the midst of diminishing resources, Somerville needs to prioritize and focus its efforts towards overcoming impediments to fair housing. With the existence of basic awareness of fair housing issues in the City, the focus of future educational campaigns should shift from awareness creation to empowerment. The Fair Housing Commission can remain a volunteer-run commission to carry out its mandate, but financial resources need to be allocated to its future educational campaign. The commission needs to deepen its collaboration with Somerville service providers to overcome the impediments to fair housing facing the residents of Somerville.

JURISDICTIONAL BACKGROUND DATA

The City of Somerville with a total landmass of 4.1 square miles, located north of Boston in Middlesex County, Massachusetts, is home to 75,621¹ residents, making the City the most dense and one of the most diverse communities in the New England region. Between 1990 and 2000, Somerville saw immense changes in its population, due to the increase in number of people of color, Hispanics, and foreign-born residents. In 2000, 23 percent of Somerville's residents were considered minorities, nearly 9 percent Hispanic and an overwhelming 29 percent of them foreign born. Today, two-thirds of new households being formed are either racial or ethnic minorities or immigrants, and these populations are now looking for housing opportunities for the first time in the City. As Somerville becomes more diverse, the goal of affirmatively furthering fair housing becomes more challenging. Increasingly, individuals with disabilities are also rightfully seeking greater access to housing opportunities in the City. Equal opportunity in housing offers this population the chance to live, work and interact in a richly diverse community, opening doors to other opportunities like education, health care and employment. It is essential that affordable housing development in Somerville address the needs of this population.

Access to fair housing opportunities in the City is primarily influenced by the changes in population composition, income levels and the City's housing stock. Changes in the population composition results in different housing needs, while income levels determine ability to access housing, and the condition of the housing stock and the supply of new units determine the capacity of the City to meet the housing needs of its residents. These factors are discussed in detail in this section.

¹ Source: US Census Bureau, 2008 Population Estimates

- **Population and Population Forecasts²**

With a population of 75,621 residents in 2008, Somerville has been gaining population during the last decade, however its growth rate (+1,268 persons, or +1.7%) is significantly less than that of the Greater Boston metropolitan core (+3.1%) or that of the state (+5.5%). Except for Medford, the large neighboring cities of Boston and Cambridge also experienced greater population growth than Somerville. According to the Metropolitan Area Planning Council's (MAPC) population forecast published in 2006, Somerville will continue to experience modest population growth through the next several decades, totaling roughly 2,400 new residents by 2030. Although the City of Somerville questions this figure and projects a higher growth rate, the point is Somerville's population is projected to grow. Somerville's median age is lower than those of the region and state, and the difference has become more pronounced during the last decade. The U.S. Census 2000 recorded 31.1 years for Somerville; lower than the median age of MAPC Inner Core (33.2) and the state as a whole (36.5).

- **Population Density and Residential Turnover Rate**

Somerville remains one of the densest municipalities in the urban core. With its relatively large population and its small area (4.1 sq miles or 2,624 acres), Somerville's population density is the highest among New England municipalities (18,879 persons/sq mile, or 29.5 persons/acre). Among its immediate neighbors, only Cambridge approaches Somerville's population density. During the last two decades, Somerville's rate of residential turnover has been higher than regional or state averages. The percentage of residents who reported living in the same house five years prior to the 2000 census (44%) was noticeably lower than the regional – 52 percent and state - 58 percent. The 2000 Census and 2008 American community survey show similar trends. This trend can be attributed in part to largely transient student populations like neighboring college towns of Boston and Cambridge. However, Somerville appears to consistently attract a significantly higher percentage of new residents from out-of-state and outside the United States than the region or state average. In 2000, 17 percent of Somerville residents reported living in

² Source: City of Somerville Comprehensive Plan, Population Trend April 2009

another US state in 1995, compared to 11% of MAPC Inner Core residents and 8% of Massachusetts' residents. For the same period, 10% of Somerville residents reported living outside the US prior to 1995, compared to 6% on MAPC Inner Core residents and 4% of Massachusetts residents. However, Massachusetts' residents who relocated within the state did not appear to choose Somerville more frequently than other cities in the state.

- **Race and Ethnicity**

All three major Somerville racial/ethnic minority groups have continued to record growth in their population since the 1980's. The Hispanic population experience growth rate roughly 2 to 8 percent of the total population, the Black population increased from 3 to 6 percent, and the Asian population increased from less than 1 to nearly 4 percent of Somerville's population. The growth in the minority group has continued in the 1990's, resembling national and state trends. Somerville's Asian community experienced the highest growth rate of over 80 percent (2,217 individuals), followed by the Hispanic community with 44 percent (+ 2,070 individuals), the Black community with 18 percent (+755 individuals) in their population, while the white community experienced a decrease of 12 percent (7,989 residents) at the same time.

Somerville's racial composition in 2000 was more diverse than the state as a whole, but less diverse than the MAPC Inner Core region or the neighboring cities of Boston and Cambridge as illustrated in the table 1 below. Almost one of every two residents in Boston and Chelsea, one of three in Cambridge and almost one of five in Somerville is a racial minority.

Table [1] Racial Distribution, 2000					
	White	Minorities	Black	Hispanic	Asian
Massachusetts	84.5%	15.5%	5.4%	6.8%	3.8%
MAPC Inner Core	66.9%	33.1%	12.0%	9.9%	7.6%
Somerville	77.0%	23.0%	6.5%	8.8%	6.4%

Boston	54.5%	45.5%	25.3%	14.4%	7.5%
Cambridge	68.1%	31.9%	11.9%	7.4%	11.9%
Medford	86.5%	13.5%	6.1%	2.6%	3.9%
Chelsea	58.0%	42.0%	7.3%	48.4%	4.6%

Source: US Census 2000

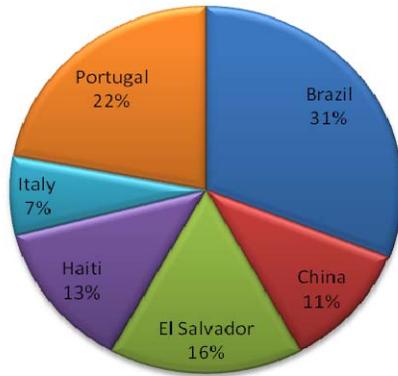
In general, Somerville’s racial and ethnic minority population is concentrated in East Somerville. The largest single concentration of the minority population in the year 2000 (62% minority) occurred in the East Somerville Block Group bordered by Broadway to the north, Cross Street to the west, Franklin Street to the east and Pearl Street to the south. The City’s least diverse area in the year 2000 (1% minority) was the West Somerville Block Group bordered by North Street to the east and Sterling Street/Alewife Brook Parkway to the west.

- **Immigrant Population**

With 28% of its residents foreign-born³, Somerville is a magnet for immigrants more than the state (12%) and national (11%). Among the neighboring cities, only Chelsea (36%) has a higher percentage of foreign-born residents than Somerville. Boston has 25.8% and Cambridge has 25.9 percent of their residents as foreign-born. Somerville’s foreign-born population is heavily weighted toward recent immigrants. Roughly, 75 percent of the City’s immigrant population arrived in the U.S. after 1980, and over one-third arrived after 1995. Somerville’s recent immigrant population is primarily composed of Brazilians, Portuguese, Salvadoran, Haitian and Chinese. In the chart below, Brazilians comprises 31 percent of 22,727 of all Somerville’s foreign-born residents, followed by Portuguese (22%), El Salvadorian (16%), Haitian (13%), Chinese (11%) and Italian (7%) as shown in the Chart below

³ Source: American Community Survey

Chart [1] Major Foreign Born in Somerville, 2000



Source: US Census 2000 File 3 (SF-3)

- **Senior Population**

Since 1970, the number of Somerville residents aged 61 and older has been declining steadily. In 1970, the City was home to approximately 11,000 residents aged 65 and older, whereas the 2000 census recorded only 8,100 seniors. The 2008 American Community Survey recorded even a lower population of 6,604 seniors. The decrease in Somerville's senior population, although in contradiction with State and national trends, but shares similar trends with the other core urban cities like Boston, Cambridge and Chelsea, which are all experiencing a decline in senior population. However, unless the population group relocates in large numbers, there is an increase in residents aged 45-54 between 1990 and 2000, which indicates a significant potential increase in Somerville senior population in the coming years.

Only a small percentage of Somerville seniors lived in group facilities in 2000, while a majority lived alone. Fewer than 5 percent of Somerville's senior population (288 persons) reported living in group quarters. Somerville's senior population living in household situations tend to live in 2-, 3- and 4-family dwellings contrary to single-family residences or larger apartment buildings than seniors in neighboring cities, or in the state as a whole. Somerville has 5,426 households headed by seniors in 2000, with 59 percent of them in

buildings with 2-4 units. Seniors living alone can be vulnerable if they lack access to a support network of family, neighbors, or service providers. According to the 2000 Census, nearly 2,800 Somerville seniors lived alone in household situations. Besides Cambridge and the state, the neighboring cities also experienced a decrease in the number of seniors living alone, although Somerville experienced sharper decline. On the national and state levels, a decrease in the percentage of seniors in poverty has been observed since 1980, while Somerville on the contrary experienced an increase in the percentage of seniors in poverty (1980 = 1,016; 1990 = 978; 2000= 1,063). Neighboring cities such as Boston and Cambridge are also experiencing increases in this condition. If one assumes that some out-migration of seniors is occurring, the seniors who are leaving are likely to be wealthier than those who remain, which would have adverse implications on the economy and access to decent housing in Somerville.

In 2000, Somerville’s percentage of disabled seniors was higher than the state and national averages, but comparable to the regional average. As illustrated in the table below, nearly 46 percent of Somerville residents aged 65 and older had a disability, compared with 38 percent in Massachusetts and 42 percent in the U.S. Compared to neighboring cities, Chelsea has the highest percentage of 57 percent, followed by Boston – 45.8 percent, Cambridge – 41 percent, Medford – 39 percent, as shown in table 2 below.

Table [2] Percentage of Seniors with a Disability	
	Percentage of Residents Aged 65 and Older
United States	41.9%
Massachusetts	37.8%
Somerville	45.8%
MAPC urban core	41.0%
Chelsea	57.0%
Boston	45.8%
Cambridge	41.0%
Medford	39.0%

Source: U.S. Census. 2000

- **Persons with Disability Population**

According to the 2008 American Community Survey, 15,234 individuals or 20.15 percent of Somerville residents of the civilian non-institutionalized population has some form of disability status, comprising mental, visual and physical disabilities. The age and gender breakdown of this population is indicated in the table 3.

Table [3] Individuals with Disabled Status (Civilian Non-Institutionalized Population) in 2008						
Age	Total # of Males	# of Males with Disability	% of Male with Disability	Total # of Females	# of Females with Disability	% of Female with Disability
5 - 12	3,222	864	11%	3,357	103	1%
16-20	2,358	383	5%	2,561	294	4%
21-64	27,163	5,165	67%	27,248	4,836	64%
65+	3,001	1,240	17%	4,836	2,349	31%
Total	35,744	7,652	100%	38,002	7,582	100%

Source: American Community Survey 2008

From the table above, most of the people with some form of disability in the City are in the age group of 21-64 years with Six-five percent of this population, followed by age group of 64 and above with 23 percent. Much of the people with disability in the City are in the age group of 65 and above, with 21 percent of males in that age group having one or more forms of disabilities while female counterparts have 20 percent. These figures confirm the normal expectation, as at the age range most individuals have reached retirement and common ailments associated with aging have set in. The 11 percent of males within the age range of 5-12 year with one or more forms of disabilities is exceptionally higher than their counterpart female with only 3 percent. The total percentage of people with disabilities across all age groups appears high,

and this is due to how the Census Bureau determines disability⁴. The Census Bureau's definition of disability encompasses a wide range of disabilities, of which some, in varying degree, are able to gain access to buildings or opportunities for employment.

The City of Somerville Commission for Persons with Disabilities recommends that housing for persons with disabilities should be both integrated and accessible. Given that much of Somerville's housing stock was built prior to 1940, and prior to the federal laws requiring accessibility, very few units in Somerville are truly accessible and significant modifications are needed in most buildings to comply with ADA requirements. Since the provision of accessible units depends on new construction, the city of Somerville's capacity to provide these units is very limited as there is very little developable land in the City and most particularly, during this housing market downturn, a fewer housing development is occurring in the City. According to the 2009 subsidized housing inventory list for Somerville, 226 total subsidized units are designated and set aside for special needs populations and 731 units for elderly/disabled population. These units can only be occupied by someone identified as having either a physical or mental disability, and often each unit is suited to a particular type of disability.

- **Income data**

Annual Income level is the major determining factor of residents' ability to access affordable and fair housing in the City. Household income level determines a household's ability to pay for its housing needs. The City's residents traditionally have modest incomes and this dictates the types of housing that are affordable and accessible to the community. From 2001 to 2005, nominal household median income in the Greater Boston area rose by 5.80 percent from \$59,011 in 2001 to \$62,462 in 2005, and rose by 9.30 percent in 2007 to \$68,319, as shown in the table 4.

⁴ The Census Bureau considers the following people "disabled. (1) They are 5 years old and over and have sensory, physical, mental or self-care disability; (2) They are 16 year old and over and have a disability which makes it difficult to go outside the home; or (3) they were 16 to 64 year old and have disability that makes it difficult to perform certain job.

Table [4] Somerville Inflation-Adjusted Median Income 1999 - 2004					
Income (1990 dollars)	2001	2005	2007	% Change 2001 - 2005	% Change 2005 - 2007
Household Median	\$ 59,011	\$ 62,462	\$ 68,319	5.80%	9.30%

Source: 2000 Census, Greater Boston Housing Report Card, 2004

- **Poverty in Somerville**

Table [5] Poverty in Somerville - 1999 and 2008						
	1999	2008	1999 Poverty Rate	2008 Poverty Rate	Change	% Change
Total Population	75,199	75,621				
Total persons below poverty	9,395	11,631	12%	15%	2,236	24%
Persons age 17 and below	1,669	1,666	2%	2%	-3	-0.20%
Persons 18 -64	6,663	9,185	9%	12%	2,522	38%
Persons 65 and older	1,063	780	1%	1%	-283	-27%

Source: Census 2000 and American Community Survey 2008

The table above is the population of Somerville residents who reported their income as lower than the poverty rate in 1999 and 2008. In 2008, 15 percent of the City's population (11, 631 individuals) reported an income less than the poverty rate, as compared to 12 percent in 1999. In spite of the overall uptick in poverty levels in the City, the level of poverty among persons under the age of 17 and above 64 has declined, especially among the senior population. More

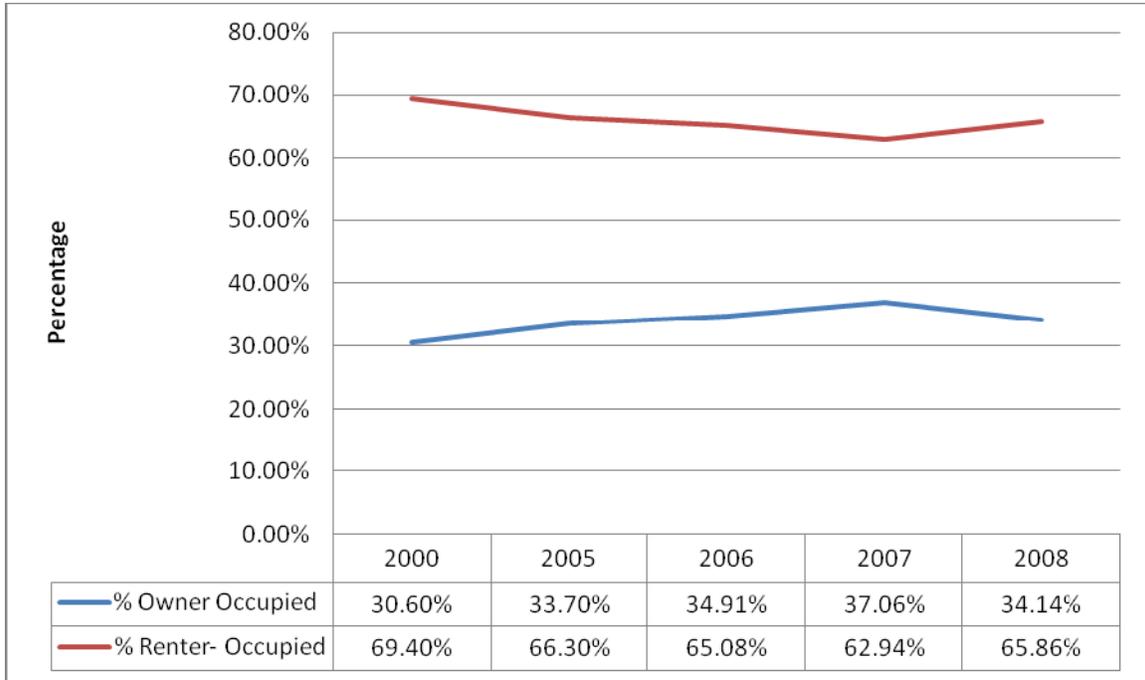
Somerville residents in the age group 18 – 64 years are now earning below the poverty level, and this increase can be attributed to lower income levels of immigrants and eroding of earnings due to the economic downturn.

- **Housing Age, Bedrooms and Tenure**

The City of Somerville has approximately 31,555 occupied housing units, mostly built prior to 1945. New construction has been infrequent due to the high cost of land and high construction costs. In general, Somerville's housing units are well distributed by the number of bedrooms; a fairly equal amount of units have one, two and three bedrooms, 25 percent, 37 percent and 21 percent respectively. 9 percent of the housing stock is 4 bedrooms and 5 percent are five or more bedrooms and only 3 percent are studios. However, when the units are broken down by tenure type, it becomes clear that more of the larger units are available for ownership than for rent. The majority of owner-occupied units have two to four bedrooms, while the majority of renter-occupied units have one to two bedrooms. This implies that larger households that do not have the means to buy a home have fewer options renting a house in Somerville. It also implies that small households hoping to own a house have fewer options. Studios are often the most affordable option for single-person households and its limited supply in Somerville's housing stock limits the single-person households' ability to live in Somerville.

Housing prices, both in the rental and ownership markets, are costly, making it, particularly difficult for renters to transition into homeownership. An estimated 65.86 percent of all units are renter-occupied, while the remaining 34.14 percent are owner-occupied. The number of renter-households in Somerville has continued to decline since the last update of this report due to the large number of condominium conversions.

Table [2] Somerville’s Owner Occupied and Renter Occupied



Source: U.S. Census 2000, American Community Survey 2005, 2006, 2007, 2008

From the chart above the percentage of renters declined from 69.4 percent in the year 2000 to 62.9 percent in 2007, while the percentage of owners increased from 30.6 percent in 2000 to 37 percent in 2007. However, in 2008 this trend was reversed, which is probably due to the mortgage and the foreclosure crisis in that year. The percentage of renters in the City gained additional 2.9 percent resulting in 1,732 renters in real numbers, while the percentage of owners lost 2.9 percent points or 421 owners.

- **Supply of Housing**

New construction has been very sparse due to lack of developable land and high construction costs. As illustrated in table 6 , between the years 2002 and 2004 there was a net gain of 64 new residential units constructed in the City. Between 2005 and October 2009 an additional net gain of 202 units has been added to the City’s total housing stock. The City’s capacity to construct new

housing units significantly determines its ability to reduce the structural barriers to fair housing. In this regard, Somerville is severely impeded by its structural barriers, since there is little room for construction of new housing units in the city.

Table [6] Number of constructed units in the Somerville 2002 - 2008

Year	# of Residential Units Demolished	# of New Residential Units Constructed	Net Gain/Loss Units
2002-2004	28	92	64
2005	26	82	56
2006	13	91	76
2007	5	14	9
2008	11	65	54
Jan – Oct 2009	-	5	5

Source: City of Somerville Inspectional Services Department

The City’s plan to redevelop the Assembly Square area and to encourage infill development in industrial neighborhoods has led to a slight increase in new housing unit production in recent years. Funds from the City’s Office of Strategic Planning and Community Development have also allowed non-profit developers to purchase abandoned buildings from the Archdiocese of Boston to create new housing units. Twenty four (24) have recently been constructed with another twenty-nine (29) affordable rental units in the pipeline. Funds from the City’s HOME Program are assisting the Clarendon Hill Towers modernization of 501 units of affordable housing, the new construction of 99 units of elderly and disabled housing in the Capen Court project and recently a 95 unit assisted living facility as part of a continuum of care model.

- **Condominium Conversions**

The market for condo conversions typically occurs when the price of single-family homes increases beyond the reach of the first time buyer. Since the late 1980’s, the number of condos in Somerville has increased by 500 percent,

increasing from 409 units in 1989 to 2,866 in September of 2009. Condominium conversion has become a critical source of supply of owner-occupied housing units in the City. As a city with estimated 65 percent renters, condo conversion in Somerville has emerged as a first-time homeownership option and has increased the total number of ownership units in the City. Moreover, condo conversion offers a more updated and better maintained housing option in Somerville, a city with older and deteriorating housing stock. The full effect of these conversions is not clear, but initial observations reveal that the conversions have increased affordability for moderate-income households while decreasing available affordable rental units for low-income households. Since July 2005 to September 2009, 1,047 rental units have been removed from the market for condo conversion. It is also important to note that it is not likely that all rental units being converted to condominiums were affordable prior to the conversion. These conversions may not have an impact on low-income households.

Somerville's Housing Market

This section explores both rental and ownership housing cost in Somerville. Although home prices vary depending on unit size and condition, location, seller and the time of year, the numbers presented in this section are estimates of what it cost to live in Somerville.

- **Rental**

There is no comprehensive source for housing cost, but analysis of various reliable sources like advertised rents and housing agents' figures gives a broader view of housing cost in Somerville. A survey of Craigslist; one, two and three apartment lists in Somerville reveal average rents being asked by property owners for new movers as October 15, 2009. Another source of rent information is HUD rent figures published every August. The Somerville Housing Authority is another source of rent information.

Table [7] Average Rent By Bedroom for New Movers 2005			
	1 bedroom	2 Bedroom	3 Bedroom
Craig list ⁵	1,019	1,386	1,931
Somerville Housing Authority	1,234	1,448	1,731
HUD Fair Market Rate (2009)	1,158	1,357	1623

Source: Craig list.com, Somerville Housing Authority, and HUD

It becomes obvious from the above table that, Somerville rents are not affordable, as renters are paying more than the published HUD fair market rates. Besides the average asking rate for average one bedroom apartment on Craig's list, both Craig's list and Somerville Housing Authority sources indicate higher rent rates than HUD fair market rates. Data from the Greater Housing Report Card of 2008 suggests that rent prices in the Greater Boston region, which stabilized in 2005 has begun to rise again. More individuals and families, who might earlier have taken advantage of subprime loans to become homeowners, have instead decided to rent. Homeowners facing foreclosure have been forced to find rental housing, pushing demand over the supply of rental units, and causing the cost of renting to rise in Greater Boston including Somerville. This has resulted in a 4 percent rise in rents between 2006 and 2007 as illustrated in table 8 below.

Table 8 - Median Advertised Rent for 2-Bedroom Apartment in Somerville 200-2007				
2005	2006	2007	% Change 2001-2007	% Change 2006 -2007
1200	1250	1300	-7.1%	4.0%

Source: Greater Boston Housing Report Card 2008

⁵ Asking rent by property owners published on Craig list as October 20, 2009

- **Homeownership**

According to the same report, despite softening home prices, homeownership affordability continues to be a critical challenge in the Greater Boston housing market including Somerville. The average price for single-family homes began to fall in 2008 while the average price for condos continues to rises making condos less affordable, and reversing the trend over the last 4 years. In Somerville, with the exception of 2004 when fewer new condos were built, Warren Group data also revealed that while the number of single-family housing sales has fluctuated over the past 6 years, condominium sales have continued to increase. From 2000 to 2007, the number of sales per annum grew from 176 to an estimated 570, an increase of over 200 percent.

Table [9] Housing Sales in Somerville				
Year	1-Family	% Change	Condo	% Change
2000	129		176	
2004	145	11%	282	37%
2005	127	-12%	518	82%
2006	98	-2%	605	18%
2007 Projected	112	14%	570	6%
Change 2000 – 2007	-17	-13%	394	224%

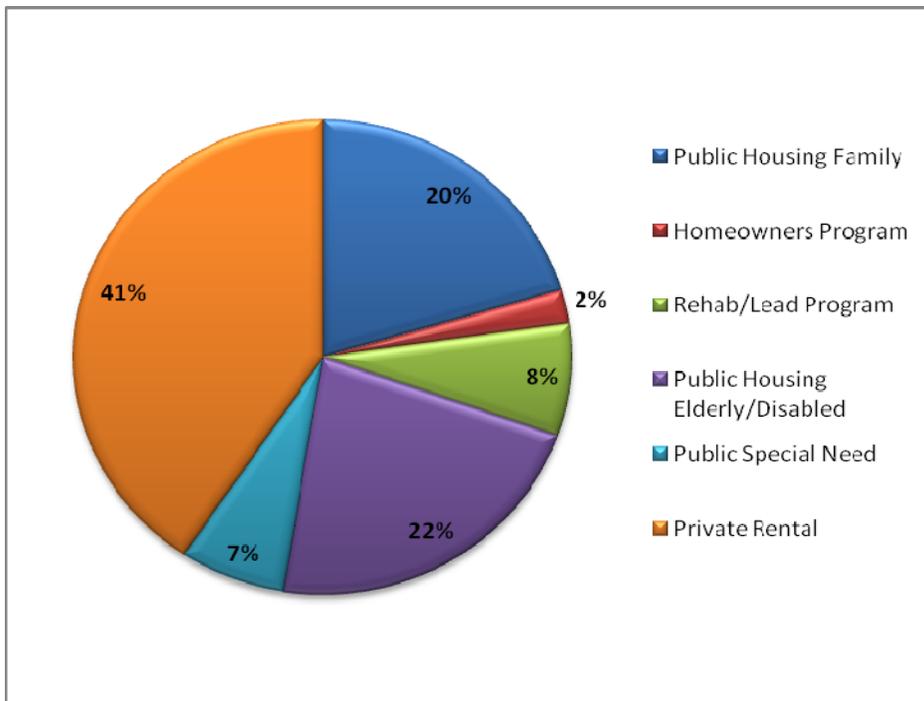
Source: The Warren Group Real Estate and Financial Information, August 2007

The increase in condo sales reflects the declining family size in the City; smaller condo units may be more attractive to a buyer than larger single-family homes. Homeownership affordability in Somerville has improved since the peak in 2005, with an 8 percent decrease in the median sales price in the first half of 2006, but homeownership is still well out of reach of a median income household in Somerville.

- **Subsidized Housing**

Somerville currently has approximately 3,075 units of subsidized housing units. As illustrated in figure 3, nearly 505 of these units are part of the Somerville Housing Authority’s public housing system. Private developments account for 40 percent of the subsidized units which translate to over 1,300 units of subsidized units. The remaining 10 percent of subsidized units are provided through various programs administered by the City and its partners, including homeownership, rehabilitation, lead paint hazard abatement, and inclusionary zoning programs.

Figure 3: Somerville Subsidized Housing Inventory 2009



Source: City of Somerville

In general, subsidized housing in Somerville is concentrated in the eastern sector of the City. The Gilman Square, East Somerville, Union Square, and Winter Hill neighborhoods have the highest absolute counts of subsidized units. It is worth noting that besides large affordable housing developments concentrated in the eastern part of the City, a large number of subsidized units created through the City programs also tend to be concentrated in East Somerville, with the other located in Central Somerville.

In summary, Somerville's population has experienced growth in the past five years, and it is projected for additional growth. The influx of immigrants, especially foreign-born is the main force behind the future growth of the City. In the past five years, the senior population has declined but with an increase in the numbers of residents between the age group of 34 – 55 years, it is an indicator of potential growth in the senior population in the near future. While the median income level for the City has increased, more residents now report earning income below the poverty level. New immigrants tend to earn low incomes and the economic downturn has eroded personal earnings, and this may explain the increase in the number of earning below the poverty level. As the whole country continues to experience a housing market and financial crisis, the escalating home values and prices have softened in the past two years, but homeownership is still beyond many Somerville's residents. Large family renters have fewer options renting a house, while small families hoping to own a home in Somerville have fewer options. Condominium conversion continues to be the main source of homeownership as there are fewer developable land in the City. Due to the current economic crisis, the current increase in rate of homeownership has been declining while there is a renewed demand for rental units.

SUMMARY OF HOUSING IMPEDIMENTS IDENTIFIED UNDER THE 2005 ASSESSMENT OF IMPEDIMENT TO FAIR HOUSING REPORT

The 2005 Assessment of Impediments to Fair Housing report identified a scarcity of developable land in the Somerville as the greatest constraint in the City efforts to expand housing options to its residents. The scarcity of land in the City has resulted in high land cost, which coupled with the high construction cost have rendered development of affordable housing in the City financially infeasible without grants and subsidies. Due to the age of the City's housing stock, a substantial portion of the City's housing was either in poor or fair condition and lacking sufficient kitchen and bathroom facilities. With most of the housing built before 1945, lead-based paint in housing units has been a

major impediment to families with children. Due to high rent rates and low vacancy rates in tenant housing, overcrowding and rent burden were also identified as impediments under the 2005 report.

ASSESSMENT OF CURRENT PUBLIC AND PRIVATE FAIR HOUSING PROGRAMS AND ACTIVITIES

- **Lead Paint loans and grants**

In 2007, the city received HUD grants for Lead-based paint hazard abatement in houses in Somerville. The Somerville Lead Abatement program has offered forgivable loans to homeowners to remove lead-based paint hazard in 240 housing units in Somerville, and required that these housing units be rented at an affordable rate. With income eligibility requirements of 80 percent of the area median income, this program serves units for low and low-moderate income earners in the City. Making these loans to homeowners of low-income households, the program has helped to reduce discrimination against households with children, especially young children whose tenancy would have triggered a lead-based paint hazard abatement obligation. However, considering the age of the Somerville's housing stock, there is much more abatement work needed in the housing stock to eliminate lead paint discrimination than is the capacity of the lead abatement program to address. Secondly, the affordable units being created under the Lead Hazard Abatement program are temporary and expire in three years. Thus, although the Lead Hazard Abatement program helps to reduce the lead paint related discrimination; its efficiency in removing the high rent barrier to housing opportunities is temporary.

- **Inclusionary Zoning:**

To overcome the short-term solutions provided under the Lead-Paint Hazard Abatement and the Homeowner Rehabilitation programs, and to provide access to permanent affordable housing opportunities, the City adopted the Inclusionary Housing Zoning Ordinance and established the Somerville Affordable Housing Trust Fund. The Inclusionary Zoning Ordinance, successfully in operation since 1989, is a testament to the City's long-standing

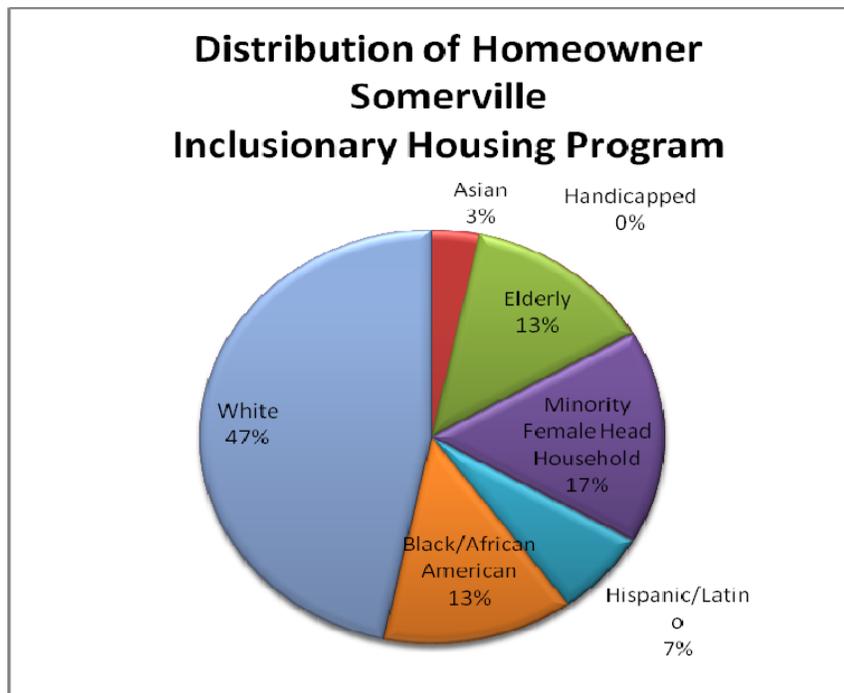
commitment to affordable housing. The Inclusionary Zoning Ordinance requires developers of market-rate housing projects with eight or more units to provide 12.5 percent of the total number of units in the development as affordable housing units in perpetuity. This Ordinance extends to developments of both rental and homeownership units.

In rental properties, the affordable units must be made affordable to individuals and /or households with incomes at or below fifty to eighty percent of the area median income (“AMI”). In the homeownership projects the affordable units are made available to individuals and/or households with incomes at eighty percent and up to 110 percent of the AMI. Since 1989, the City has gained over seventy-two units of affordable housing and this figure will continue to grow in the upcoming years, as developers of Assembly Square have proposed the construction of 2,100 units of rental and condominium housing as part of a mixed income, mixed use urban village. In addition, the City recently passed new zoning for Union Square, which should increase the potential for new affordable housing development.

Since these affordable housing units created under the Inclusionary Housing program are integrated in market-rate housing projects, this program provides high quality fair housing opportunities to low and moderate income people who live or work full time in Somerville. However, the capacity of the City’s Inclusionary Housing program to produce more affordable units in Somerville is severely limited by the lack of developable land in Somerville. Furthermore, the supply of affordable housing units under this program is relatively small in comparison to the affordable housing needs that exist in the City. In most instances, applicants for the affordable units created under the Inclusionary Housing program outnumber the available units. The Inclusionary Housing program is most effective in a strong, vibrant housing market, and it is not surprising that under the current economic downturn and mortgage market crisis, the supply of affordable units under this program has diminished. Moreover, analysis of the backgrounds of the winners shows a low percentage of individuals and families under the protected class in the fair housing law. While the selection of the winner for these inclusionary units is randomized

through the lottery system, and therefore the low percentage of protected class individuals and families becoming owners of these units may be indicative of the low number of applications from these groups.

In the chart below, almost half of the affordable units created under the Inclusionary Housing program are owned by white households, followed by the African American family by 13 percent, Hispanic - 7 percent, while only three percent of these housing units are owned by an Asian household. 13 percent of these housing units are owned by an elderly household, 17 percent by Minority Female Head of Household and none of the units have been owned by a person with disabilities.



- **Chapter 40B Comprehensive Permitting**

Under current Massachusetts State law-chapter 40B, developers of projects where at least 25 percent of the units will be affordable to individuals and households with income at or below 80 percent of the area median income (AMI) or at least 20 percent affordable to households with income less than 50

percent of AMI, may request a waiver of any local requirements, including zoning, needed to make the project financially feasible. Since the last assessment of impediments to fair housing report in 2005, the City of Somerville continues to permit projects under this state law as an effort to overcome the structural impediments to the development of affordable housing in the City. Temple Street Condominiums by Somerville Community Corporation and the Visiting Nursing Association's Conwell Capen Assisted Living projects are recent housing projects that were permitted under the State's Chapter 40B Zoning comprehensive permit law. Most of the projects permitted with Chapter 40B have been considered "friendly" without little or no neighborhood opposition.

- **Linkage Ordinance and Somerville Affordable Housing Trust Funds (SAHTF):**

In 1989, the City established the Affordable Housing Trust Fund to provide for the preservation and creation of affordable housing for low and moderate income households. Somerville requires commercial developers contribute \$3.91 per square foot for substantially renovated or new construction projects over 30,000 square feet to the Somerville Affordable Housing Trust Fund under a Linkage Ordinance enacted in 1989. To date, the Trust has received over \$2.5 million in linkage payments and seed money from the City to fund affordable housing projects and related programs. The Trust Fund has financed major construction projects like St. Polycarp Village, Phase I (24 affordable units), Mary's Trust (RESPOND – 8 bedrooms shelter for women and children who have experienced domestic violence). Other projects that have been funded through the SAHTF include Just-A-Start Transition House, and 109 Gilman, with the intention of expanded housing opportunities for marginalized groups in the City.

The Down Payment Assistance and Closing Cost Assistance programs, which is funded by the Somerville Affordable Housing Trust Fund and the federal HOME Program, offers financial assistance to eligible Somerville first time homebuyers, with the goal of encouraging homeownership in Somerville. The Down Payment Assistance program 80 offers financial assistance of up to 15

percent of the acquisition cost to Somerville residents who are income eligible and first time home buyers purchasing homes in Somerville. Income eligibility is based on households earning up to 80 percent of Area Median Income (AMI). The Closing Cost/Down Payment Assistance Program 110 offers \$5,000, 0% interest, and a five year forgivable loan to Somerville households earning up to 110 percent of the AMI. Since 2007, forty-eight of these loans have been issued to eligible Somerville home buyers with the goal of removing the prohibitive initial cost in home purchase. As the result of the national economic downturn, applications for the Closing Cost Assistance have arisen sharply. In 2009, sixteen loans or about one-third of the total loans of both programs since 2007 were issued to first time home buyers to enable them to acquire homes. The Somerville Affordable Trust Fund has also supported a tenant stabilization and eviction prevention programs to prevent homelessness in the City.

- **Somerville Housing Authority and Section 8 Vouchers:**

The City and the Somerville Housing Authority (SHA) have been collaborating to take advantage of the option to utilize client-holding vouchers since the inception of the client-holding voucher program. Eighteen vouchers were in use at Linden Street rental project by Somerville Community Corporation, three vouchers in Just-A-Start' Next Step Transitional Housing project on Medford Street, seventy-two vouchers in Capen Court elderly project in West Somerville, and eight vouchers to tenants in an expiring use project at 111 Walnut Street. The SHA has recently been awarded 100 Designated Housing Choice Voucher and 50 Family Unification Program Vouchers. SHA continues to provide project based vouchers to expand fair housing opportunities for elderly and people with disabilities. Under its 2010 annual plan, SHA has designated the following housing units to these groups in its various housing complex as shown in the table 10.

Table 10

Building	Bedroom	Total Units	Designated Elderly	Designated Disabled	Mixed Use ⁶
Highland Gardens	1	42	31	8	3
Brady Towers	1	84	63	16	5
Weston Manor	1	80	61	15	4

- **The Fair Housing Commission⁷**

The fair housing commission was a sub-recipient of the Lead Hazard Demonstration Grant in 2007, and received \$10,000 over the course of three years to embark on a fair housing educational campaign to address discrimination against families with children. Educational materials were published in multiple languages for families with children to educate them on lead paint hazards related housing discrimination and resources available to seek recourse. As part of the education campaign, the Commission conducted a series of workshops for realtors and homeowners on lead paint hazards related housing discrimination and the available resources to enable homeowners to comply with the lead law. The Commission continues to undertake activities each April to celebrate and promote Fair Housing Month. The Commission with limited staffing and resource capacity strives to assist households who feel they have been discriminated against. In 2006 – 2007 alone, the Commission assisted 5 households in the housing discrimination complaint, either by assisting them in filling or referring them to another resource. The Commission often refers cases to the Fair Housing Center of Greater Boston for testing and additional resources. Besides referring cases to the Fair Housing Center of Greater Boston, The Commission has begun to advocate for Fair Housing through its attention to and support of state legislation that will improve fair housing for Massachusetts’ residents. In an effort to collaborate with community groups that work with racial and ethnical minorities, the fair

⁶ Designated Mixed Use means Unit is available to both Elderly and personal with disability

⁷ Information on activities of the Fair Housing Commission was obtain from the city of Somerville’s five year consolidated plan 2008-2013

housing commission conducted workshops for community social service and advocacy agencies in 2006 and has worked to ensure information on the fair housing and housing assistance program be made widely available. Current Commissions include liaisons to the Human Rights Commission, the Multicultural Commission and Somerville Affordable Housing Coalition. The City also works with a number of other municipal fair housing and human rights commissions in neighboring communities to share information and undertake joint activities. For instance, the Fair Housing Commission, with the support of the Lead Hazard Demonstration Grant collaborated with the Fair Housing Center of Greater Boston to conduct a Fair Housing Survey to determine the prevalence of and nature of housing discrimination in Somerville.

EVALUATION OF JURISDICTION'S CURRENT FAIR HOUSING LEGAL STATUS

There is presently no discrimination suit at Massachusetts Commission against Discrimination (MCAD) originating from Somerville. Likewise, there is no suit filed by Cambridge Somerville Legal Services on behalf of Somerville residents, a local organization which provides legal aid services to low income families in Somerville. However, there have been ADA comments and complaints brought to the City's attention which the ADA coordinator has addressed. In spite of the lack of a formal discrimination suit filed at the MCAD originating from Somerville, there have been various inquiries to the Greater Boston Fair Commission from Somerville. Interviews conducted for this report also revealed other impediments to fair housing in the City. These impediments are discussed the next section of the report.

DISCUSSION OF OTHER FAIR HOUSING CONCERNS OR IMPEDIMENTS

- **Structural Impediments**

In the last five years, Somerville has focused on the development of affordable housing as a means of affirmatively furthering fair housing choices for its residents through the various adopted policies, funding mechanisms, programs and changes in its zoning laws. However, structural impediments continue to be the primary impediment to affirmatively furthering fair housing in the City. The lack of ample developable lands limits the number of affordable units that can be produced in the City. Applications to the existing affordable housing units continue to exceed the available affordable units. The Somerville Housing Authority's wait list for its affordable units has a four year backlog. The long wait list has been cited by some seniors as a reason they decide to relocate from the City when they want to downsize their homes. The composition of the housing stock presents another structural impediment in the City. Most of the large units are owner-occupied and the smaller units are in the rental market. This situation presents challenges to small families who are seeking to own a house, and to large families who seek to rent in Somerville. High home prices in Greater Boston estate market which includes Somerville real estate market, has placed homeownership out of reach of many Somerville renters, and high rent rates provide no relief to renters. With the extension of the MBTA Green Line Train in Somerville, many current residents are anticipating increased demand for houses, which will drive up home prices even further.

The current economic downturn and foreclosure crisis are having adverse impacts on housing in Somerville. Compared to other neighboring cities, Somerville has experienced a lower rate of home foreclosure, but as the foreclosure homeowners turn to the rental market, demand for rental housing units in the Somerville has increased. Such increase in demand is pushing rent rates higher and above the means of low and moderate income earners in Somerville. The rate of new housing development and condo conversion has slowed down in the past year, reducing the capacity of the City's Inclusionary

Housing Program to produce additional affordable housing units. The reduction in federal, state funding and City-revenues is having an adverse impact on the City's capacity to fund affordable housing projects. To affirmatively further housing choices for its residents in the future, the City needs to find innovative solutions to overcome its structural impediments.

- **Basic Awareness and lack of in-depth knowledge on Fair Housing laws**

Most Somerville residents are aware of fair housing discrimination due to educational campaigns initiated by the Fair Housing Commission; however, the level of awareness is basic and general. When renting out housing units often homeowners who were unfamiliar with fair housing laws did not properly explain the rights of tenants. In some cases, basic services and amenities that should have been included in the rent were neglected. A low level of awareness on the part of tenants leads to a failure to defend their rights or report discriminations. In interviews with a social service provider for this report, she explained how her clients were ignoring discriminatory practices because they felt they were normal practices. Some of her clients did not report incidents because they were either unaware of the means of redress or unable to pursue such a course. Although most organizations interviewed for this report favorably rated resources within the City to address fair housing issues, most of the protected populations under the fair housing law are not aware or unable to access these resources. The Housing division has also produced a "Tenant/Landlord Manual-Do Your Know Your Rights" which is now available in paper form and also on the city's web page. Although the Fair Housing Commission continues to create awareness of fair housing issues in the City through April fair housing celebrations, there is the need for extensive educational campaign to raise the fair housing awareness levels in the City.

- **Limited Capacity and Resource of the Fair Housing Commission**

The Somerville Fair Housing Commission is responsible for creating awareness and advocating for fair housing issues in the City. The Commission's one-time education campaign for public housing managers, realtors and its annual celebration of a fair housing month in April has created some level of

awareness of fair housing issues in the City. However, awareness on fair housing issues remains basic and general. The Commission is under-resourced in terms of staffing and funding to sustain the needed extensive educational campaign. The Commission is comprised of four volunteer members from various organizations in the City, and no funding allocation. It received a one-time grant to initiate an educational campaign. Some of the organizations within the City which serves the protected classes have expressed interest in working with the Commission on fair housing issues, but the Commission is under-resourced to sustain such operation. Not only is the Commission under resourced, it does not have any legal mandate to enforce housing discrimination law. Some residents who have experienced housing discrimination have cited a lack of enforcement as a reason for their failure to file a complaint.

- **Immigrants and Linguistic barriers**

While Somerville is a magnet for foreign-born immigrants - Brazilians, Portuguese, Salvadoran, Haitian and Chinese, unfortunately there are many complaints about housing discrimination among these new residents. Recent immigrants from Africa and Latin America are more likely to be discriminated against based on their accent. One organization interviewed for this report has a record of a case where an immigrant got a different answer from a homeowner than an American-born inquirer. Recent immigrants with limited English proficiency have minimum understanding on leasing policies and terms. Such lack of understanding affects their ability to appreciate the implications of the leasing terms and their rights as tenants. The fact that most information on an application for housing on the internet is only in English is an impediment since there are very large populations of Haitian-Creole, Portuguese and Spanish speakers in the City. The lack of interpretation services to new immigrants in the private rental market, which is the largest source of rental units in the City, also constitutes another impediment to the new immigrants' access to housing. Lack of established credit history has been identified as a factor that impairs new immigrants' ability to rent in the City. Many of these discriminations against new immigrants are not reported or formal complaints are not filed, because the new immigrants are unfamiliar

with the system and language is sometimes a barrier. While the fair housing commission continues to address these impediments as they come to its attention, the continuous influx of foreign-born into the City, overwhelms the efforts of the Commission.

- **Families with Children and Section 8 discriminations**

The lack of an ample supply of three or more bedroom housing units known as family-size units in rental markets continues to present significant challenges to families with children in Somerville. The search for these family-size units is arduous and high rental rates continue to place severe rent-burdens on low and moderate income families in the City. The presence of lead-based paint hazards in some of these family-size units limits the housing choices of families with children under the age of six in the City. The City in the last five years has funded housing developments that contain rental family-size units to make more of such units available to residents. Through its Lead Hazard Abatement program, the City has been able to eliminate lead-based paint hazards in many houses to make these units available to families. However, the continuous presence of lead-based paint in the Somerville's housing stock restricts the ability of families with children under six in accessing housing units of their choice. Some social service providers interviewed for this report also shared incidents where individuals and families with rent vouchers are discriminated. Landlords cited the rental review requirements associated with renting to voucher holders for their reluctance to rent to them. However, with the current slowdown in activities in the estate real market, landlords are more willing to rent to voucher holders as the voucher program provides a guaranteed and higher rent income.

- **Persons with Disabilities and Reasonable Accommodation**

With most houses built before 1940 and the enactment of the American Disability Act in 1990, persons with disabilities do encounter impediments as they seek accessible housing units in the City. There are not enough accessible units in the City, but public housing agencies in the City have strived to make much more of their housing units accessible in the last five years. The public

housing agencies continue to make reasonable accommodations in their policies and programs to serve individuals with disabilities in the City. The City's ADA coordinator has been working to ensure that various public and infrastructure improvement projects are brought into compliance to the current ADA requirements. However, the prohibitive cost of structural changes to bring older municipal buildings and public places to current ADA compliance continues to limit the degree of compliance in the City.

RECOMMENDATIONS

Foremost, as the challenge of affirmatively furthering fair housing intensifies due to changing housing needs and diminishing resources to address these needs, the City's goal is to prioritize and intensify its fair housing efforts. Priority can be based on impediments affecting most of City residents, or it can be based on the most efficient allocation of the City's available resources to affirmatively furthering fair housing choice in the City.

Besides prioritizing, it is recommended that the City's efforts toward fair housing should be focused toward addressing specific fair housing impediments. Financing and development of affordable housing in the City should be targeted at addressing the needs of the City residents with the most need of subsidized or designated housing. Targeted marketing efforts on available affordable units toward the population groups who are either linguistically isolated or unable to access the traditional means of communication in the City are recommended. Housing needs assessment for protected classes under the ADA law is also recommended.

Awareness creation and educational campaign on fair housing issues need to shift from informing to empowerment. With the basic awareness on fair housing issues existing in the City, the Fair Housing Commission needs to focus on its educational campaigns to address impediments and the affected populations in the City. The Commission needs to work with various service providers and advocacy agencies, especially those who provide English classes to new immigrants, to address peculiar impediments affecting these population groups. Workshops and trainings to empower the affected populations to identify impediments and to seek redress are recommended. Finally, with appreciable levels of awareness of fair housing issues among public housing agencies in the City, mailings to private rental owners on fair housing issues is encouraged.

Finally, the Fair Housing Commission should continue to be a volunteer staffing commission, but financial resources needs to be earmarked to further its educational campaigns.

Signature Page

Chief Elected Official