

FALL RIVER NEEDS A BALANCED HOUSING STRATEGY

Review of the city's housing policies with proposals for an equitable and inclusive approach



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About the Massachusetts Law Reform Institute

Founded in 1968, the Massachusetts Law Reform Institute (MLRI) is a statewide nonprofit poverty law and policy center. Its mission is to advance economic, racial, and social justice through a multipronged strategy that includes legal action, policy advocacy, coalition building, community engagement, and public awareness campaigns. MLRI specializes in large-scale initiatives and systemic reforms that address institutional policies that harm low-income people, promote economic fairness and opportunity, and create a path to stability and self-sufficiency for low-income individuals and families.

In addition, MLRI serves as the statewide poverty law support center for the Massachusetts civil legal services delivery system, providing substantive expertise to local legal aid programs and to social service, health care and human service providers, and other community-based organizations that serve low-income people. MLRI coordinates two statewide legal information websites: www.masslegalhelp.org (for individuals and social service providers seeking legal information to assist low income clients) and www.masslegalservices.org (for legal aid lawyers and advocates). For more information about MLRI, please visit our website at www.mlri.org or contact Executive Director Georgia D. Katsoulomitis at GKatsoulomitis@mlri.org.

For more information about this report, please contact Judith Liben, housing attorney and Access to Justice Fellow at MLRI (jliben@mlri.org). Judith welcomes all questions, additions, corrections and discussion.

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INTRODUCTION and KEY FINDINGS

Decades of underinvestment in affordable rental housing have resulted in a scarcity of supply in almost every corner of the state. Low-income families and individuals suffer the most as exploding rents put safe and stable homes out of reach and evictions continue to wreak havoc. Renters, including those in the 26 [Gateway Cities](#), face evictions, homelessness, and extreme housing insecurity. As the mayors of Salem and Lynn recently [cautioned](#): “*Our current residents are being pushed from our cities, and we are having a harder and harder time being a welcoming place to new residents.*”

As the affordable housing crisis reached critical levels, the [Massachusetts Law Reform Institute \(MLRI\)](#) heard concerns from groups in Fall River about the city’s housing policies. They reported that Fall River was actively pursuing the development of market-rate housing while simultaneously discouraging rental housing for lower-income residents and overseeing a decrease in its affordable rental stock. While several other Gateway Cities are taking steps to address the increased housing challenges confronting their low income residents, local groups [worry](#) that Fall River appears to be doing the opposite.

To better understand these concerns, MLRI reviewed a broad range of public sources, scrutinized Fall River’s housing strategies, and compared them to those in the neighboring Gateway City of New Bedford. This report, *Fall River Needs a Balanced Housing Policy*, concludes that Fall River’s housing policies are *imbalanced* in favor of higher cost development and urges the city to *rebalance* by adding and preserving mixed income and affordable housing.

Note: In this report, “affordable housing” generally refers to government assisted rental housing such as public housing or privately owned subsidized housing that limits admission to households below a certain income and requires affordable rents. See *APPENDIX II*

Research revealed that Fall River:

- Has ignored the shortage of housing for low income and working-class renters despite an extremely low rental vacancy rate (1.2%), surging rents, high housing cost burdens, and increasing evictions;
- Allowed the city's affordable housing inventory to shrink by about 100 units since 2013 despite access to millions that could be used to preserve and grow the supply;
- Prioritized upscale developments— adding more than 600 market rate and luxury units since 2017 and giving zoning approval to over 2,000 market rate units;
- Allocated only a small share of discretionary federal, state, and local funds that could be used to preserve and grow the supply of affordable housing to that purpose;
- Oversaw a reduction in the public housing inventory and allowed the site of the former Watuppa Heights public housing development to remain vacant and undeveloped for years;
- Has no comprehensive plan to address the affordability crisis in the city.

Neighboring New Bedford proposes a more balanced approach, and while all agree [much more affordability is needed](#), the city's efforts include:

- A new plan to grow the city more equitably for all residents;¹
- Increasing its affordable housing inventory, and its development pipeline includes both market rate and mixed income housing;²
- Investing more of its federal, state, and local resources in affordable and mixed income developments and aggressively pursuing and utilizing every available state and federal dollar for affordable housing;
- Preserving its public housing inventory and establishing a non-profit affiliate to produce new affordable housing.³

The contrast between Fall River and New Bedford’s housing goals and strategies are striking given their similarities in size, demographics, socioeconomics and rents (*see Appendix I*). In both cities, renter incomes are low, there is a scarcity of affordable housing, rents continue to explode, and evictions are on the rise.⁴ Low-income residents and housing advocates in both cities welcome newcomers and the expected changes that will benefit their communities. But they fear that their precarious housing situation will only get worse as both cities gain [South Coast Rail service](#) next year and redevelop downtowns and neighborhoods that will attract higher income households and increase rent pressures. [Ads inviting investors](#) to buy property in Fall River are revealing:

The city's revitalization efforts and the migration of residents from more expensive urban areas are key factors. The luxury market is benefiting from buyers seeking better value, while the affordable housing sector is under pressure due to high demand and limited supply. . . . current rent levels are higher than historical averages, reflecting broader economic trends and increased interest in the area.

Although the mayors in the two cities espouse “balanced development” including market rate and affordable rental projects, Fall River has concentrated only on promoting higher priced developments while New Bedford aims to develop housing for a range of incomes.

Both cities must increase efforts to tackle their affordable housing emergencies but Fall River’s track record and current strategies appear to ignore the urgent need for more lower cost housing and safeguards for vulnerable renters. We hope this review of the city’s housing policies will convince Fall River officials to shift their approach, collaborate with local community organizations and proponents of affordable housing and implement many of the recommendations proposed in this report’s conclusion. Fall River cannot continue to overlook the urgent rental housing needs of its lower income residents.

1. Fall River leaders have claimed that the city has enough affordable housing.

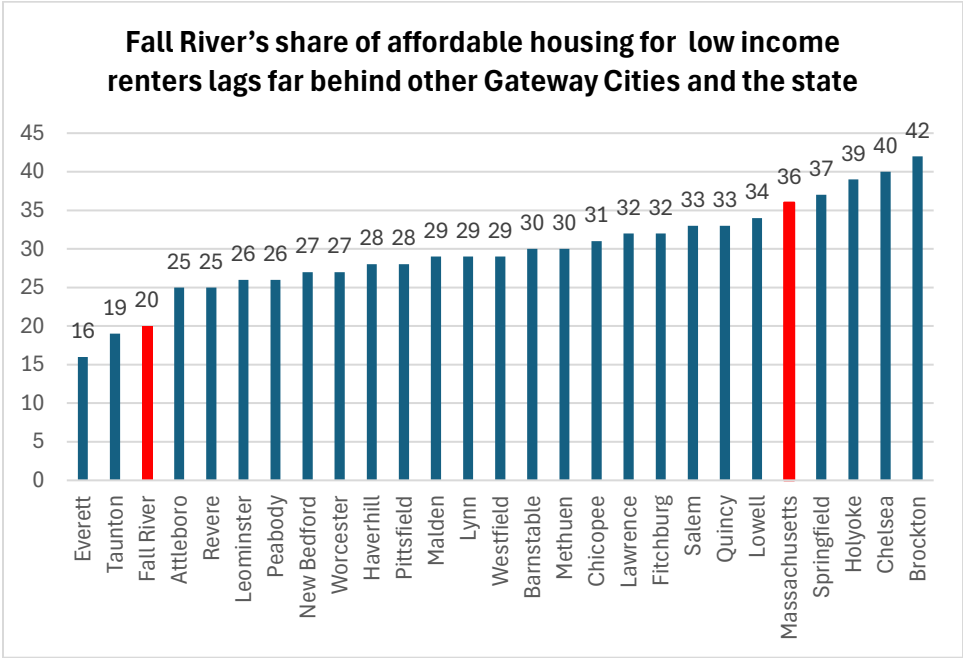
The facts tell a different story.

Several Fall River leaders have argued that there is a sufficient amount of affordable rental housing in the city. A few examples:

- “. . . as a result of Fall River carrying more than its fair share of rental-assisted housing, our city is impacted by a lower socio-economic population . . .to stem the tide on the ever-increasing problem of more subsidized housing, it is essential that the city consider placing a moratorium [with exceptions] on [various affordable housing programs] . . .”⁵
- “. . . [the] increasing number of publicly assisted rental units in Fall River, has justifiably raised concern among all Fall River residents as to whether our city has shouldered more of its share of such units . . .”⁶
- “. . . What happened to our city? Why has there been such an increase in low-income housing in the city? How did this happen? . . .”⁷
- “I believe that the city of Fall River has carried more than its fair share of low-income housing.”⁸
- A well-known and politically connected local development consultant working on many market rate projects in the city urged offsetting the “*abundance* of affordable housing in Fall River with a good mixture that should result in more disposable income” (emphasis supplied).
- [While acknowledging](#) the need for lower cost housing in the city, the current mayor urged siting affordable projects in other communities and not “clumping up” low rent housing in Gateway Cities.

This repeated message —*we don’t need more affordable housing; they should build it somewhere else; we’ve done our part*— is likely how Fall River justifies its support for market rate and luxury housing and its failure to preserve existing affordable units and add new ones. But in

reality, there is a *shortage* of housing available to lower income residents and Fall River does a poorer job of meeting this challenge than most other Gateway city. A recent [Housing Navigator Massachusetts data release](#) documents Fall River’s underperformance. It found that Fall River had 3,863 affordable rental units in 2023 (20 per 100 low-income renter households)—26% below New Bedford’s ratio (27 per 100 low-income renter households) and 44% below the statewide ratio (36 per 100 low income renter households).



Source: [Housing Navigator Massachusetts 2024](#), Ratio of Affordable Rental Units per 100 Low Income Renter Households (incomes below \$75,000)

2. Fall River has serious and growing housing affordability needs.

Over 50% of the city’s renter households struggle with unaffordable housing costs and a very tight housing market.

Low vacancy rates (currently 1.2%) have driven up rents dramatically in Fall River. The median gross rent (rent plus utilities) *for all units* – including subsidized units - increased by 35% between 2017-2022.⁹ Rents for new

leases in the private market have risen much more. HUD estimates of the gross rent by zip code area for new leases on *modest* 2-bedroom apartments (40th percentile rent, non-luxury) in the private market in Fall River rose by *68% to 88% between 2017 and 2024*.¹⁰

- Recent rental listing services report average rents of \$1,933: \$1,575 for a studio (7% annual increase); \$1,718 for a 1 bedroom (3% annual increase) and \$2,215 for a 2 bedroom (18 % annual increase).¹¹
- The Fall River Housing Authority raised the maximum gross rent it will subsidize under the Section 8 voucher program in 2024 to \$1,498 for a one-bedroom apartment and \$1,812 for a two-bedroom apartment to enable voucher holders to find apartments that meet HUD quality standards. Even with these higher subsidies, many voucher holders still are unable to find units.¹²
- Apartments in taxpayer subsidized Housing Development Incentive Program (HDIP) market rate developments are often more expensive. Top rents of \$3,400 at Commonwealth Landing, \$2,900 at Residences at River's Edge and expected rents [as high as \\$2,800](#) at the soon to be developed Sacred Heart Lofts.
- The former world class health clinic that served members of the International Ladies Garment Workers Union is now a 100% market rate development known as the Garment Building. The developer [boasts of the building's working class origins](#): "The Garment Building offers a modern rustic design with dark chestnut cabinetry, bronze finishes, soaring high ceilings, and historic attributes that highlight Fall River's Garment workers past." But, of course, no working class family could afford to live in the Garment Building where [rents for a small studio](#) are as high as \$1,850.

These market rate rents are out of reach for most Fall River renters.¹³ In 2022, the median renter household income was \$38,249, meaning the median renter household could "afford" just \$956 a month for rent and basic utilities. With few units in this range, over half (51%) of Fall River renter

households were “rent-burdened” in 2022 (paying more than 30% of their income for rent), up from 42.5% in 2017 and 45% in 2020.¹⁴

Despite the purported “abundance” of affordable housing, 58% of low and moderate income renter households (10,080 households) were cost burdened in 2020, and 20% of all Fall River renter households (about 5,000 households) paid more than half their income for rent.¹⁵ These numbers are likely higher today given the rise in rents since 2020.

3. Despite the urgent need for affordable rental housing, the city has allowed its affordable inventory to shrink.

The current mayor [recently told](#) United Interfaith Action of Southeast Mass. that the city has stepped up to produce affordable housing. But available data show that Fall River has not made meaningful efforts to address the housing emergencies facing working-class residents. The failure to recognize this crisis occurs even as the city’s plans and reports consistently note the crushing shortage of affordable rental housing, including its recent [plan](#) for federal HOME/ARP dollars. Fall River’s latest [Analysis of the Impediments to Fair Housing](#) cites the lack of affordable housing as a civil rights problem, noting the severe housing cost burdens of low income residents and the “. . . slow progress in the construction of new affordable housing.”

While the city cannot avoid acknowledging the shortage of affordable housing, rising rents, increased evictions, and the surge in market rate projects,¹⁶ it has not only failed to balance development by growing its affordable housing inventory, it has actually allowed a *decrease* in public and subsidized rental housing. The city’s official “subsidized housing” count reported on the state’s Subsidized Housing Inventory (SHI) has fallen by 274 units since 2013.¹⁷ Real losses were actually closer to 300 units, and the **net loss** after counting new additions to the long-term affordable stock, is over 100 units.¹⁸ Dozens of long-term [vacant public housing units](#) not counted as lost by the state exacerbate the problem.

A significant portion of Fall River’s affordable losses since 2013 could have been prevented, including 116 units of public housing demolished or sold, and 100 units in an older mixed income development where affordability restrictions expired. The city and housing authority chose not to preserve or replace the apartments,¹⁹ despite access to millions of dollars that could be used for those purposes. Fall River added only about 190 new affordable rental units since 2013 (100 in an elderly-only development) to help offset the 300 units lost overall. Of those new units, only 27 are affordable without rental assistance to very low-income renter households (with incomes up to 50% of area median) who make up 88% of the city’s cost burdened renter households.²⁰

By contrast, and similar to several other Gateway Cities, New Bedford’s affordable inventory has *increased* by about 80 units since 2013, as over 130 new affordable units helped offset losses due to expiring restrictions outside city control. While we are unaware of any significant affordable rental projects in the pipeline for Fall River,²¹ New Bedford has several developments in its pipeline that together will serve households across the income spectrum. Over 600 housing units have been recently built (300+), are under construction (192), or have completed permitting (143), including about 200 affordable units. Projects with 429 more units are in the pipeline.²² New Bedford plans to build more and has committed to “relentlessly pursue every state and federal dollar possible.”²³

4. Fall River’s failure to preserve and expand its affordable housing supply is not due to a lack of funds.

Fall River has millions in discretionary federal funding that can be used all or in part for affordable housing, including federal ARPA (American Rescue Plan Act) grants and HUD CDBG grants. It also receives federal HOME block grant funds specifically for rental housing and has raised millions in Community Preservation Act (CPA) funds. Despite these resources, it has invested very little in affordable rental development and the Mayor has indicated that the city lacks funds to create an [affordable housing trust](#).

Fall River's use of four key resources illustrates its failure to invest in affordable rental housing preservation and production.

- **ARPA:** The ARPA State and Local Fiscal Recovery Funds (SLRF) program provided millions to states, counties and cities and towns to carry out activities of their choosing within four broad categories of eligible uses, including housing and community development. Fall River has allocated NONE of its \$85.6 million award of in discretionary federal ARPA funds to affordable housing or other housing assistance for low income residents²⁴. New Bedford has allocated over \$11 million of its \$82 million ARPA funds for affordable housing and neighborhood stabilization, including funding for 149 units of mixed income and affordable housing.²⁵
- **CDBG:** Fall River allocated NONE of its \$14.9 million in Community Development Block Grants (CDBG) received from 2020 through 2024 to affordable rental housing rehabilitation or production in its Five Year Plan, while New Bedford's plan allocated \$4 million to rehabilitate 25 rental and 100 owner-occupied units during the same period.²⁶
- **HOME:** Fall River receives about \$1 million a year in new federal HOME block grant funds plus additional "program income" through loan repayments, which can be used for housing production or rehabilitation, first time homebuyer assistance and rental assistance. Despite allocating most of its funds to rental projects, it has set low production goals and produced relatively few rental units.²⁷ Its 5-Year Action Plan (July 1, 2020-June 30, 2025) set a goal of adding just 27 affordable rental units over 5 years.²⁸ New Bedford set a goal of 90 units for the same period, despite receiving slightly less in HOME dollars.²⁹ HUD reports³⁰ indicate that since 2012, Fall River has committed \$13.1 million in HOME funds to 20 rental projects that have or will have 177 affordable units, while New Bedford has committed \$9.4 million to create 227 affordable rental units and preserve 39 more.³¹

Fall River's lower HOME production is the result of primarily funding 1-4 unit rehabilitation projects, rather than larger projects that leverage state and federal funds and tax credits funds³² and create more units that are affordable to very low income households.³³ New Bedford has worked

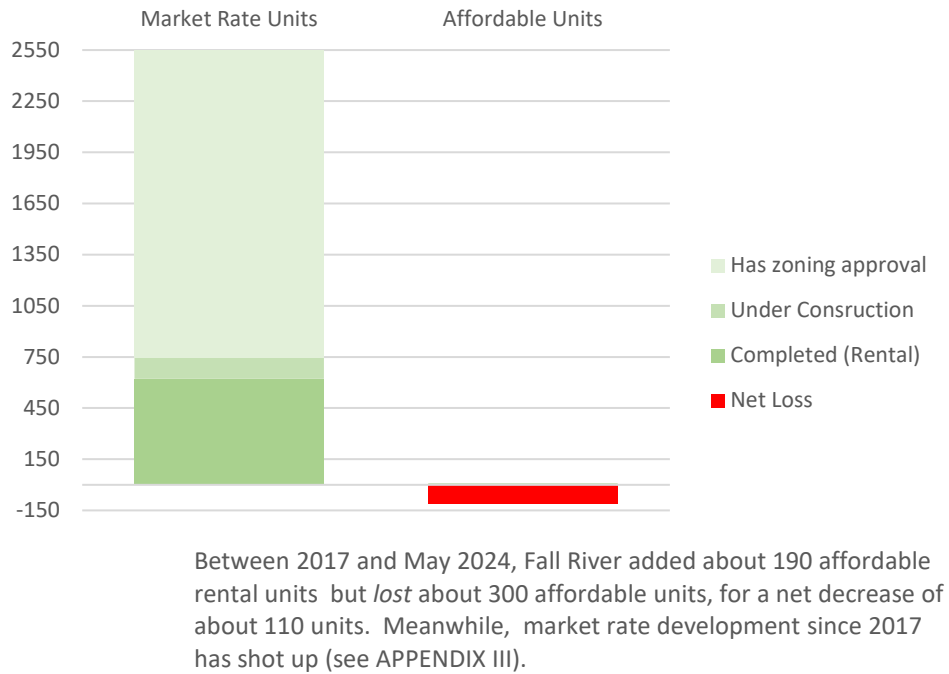
more frequently with developers of larger projects and also has begun using HOME to create affordable units in primarily market rate projects. Fall River also generally requires affordability for 15 years at most, while New Bedford often uses a 30-year term and local advocates urge a much longer or permanent affordability term.³⁴

- **CPA:** Fall River reports allocating only 5% of its \$12.8 million in CPA appropriations through 2023³⁵ to affordable housing—[well below the minimum 10% required](#).³⁶ While many municipalities have used CPA funds to preserve state public housing, Fall River has not. New Bedford, by contrast, has appropriated 12.2% of CPA funds for affordable housing to date and set a goal of raising that to *at least* 20% going forward (local advocates are urging 30%). It allocated 28% of this year's CPA funds to housing.³⁷

5. As Fall River loses affordable housing, it oversees a surge in high end development.³⁸

Since 2017, Fall River has added over 600 market rate rental units and has given zoning approval to projects with over 2,000 more market rate apartments. (*See APPENDIX III*)

Fall River LOST affordable units while ADDING market rate and luxury units



The rush of high end development has been spurred in part by coming waterfront improvements,³⁹ including the opening of the [South Coast Rail](#) stop next year, and the \$135 million redevelopment of one mile of Route 79/Davol St, creating a walkable “street-level boulevard” with bike lanes, open space, and transit-oriented development sites, including 19 new acres of developable land.⁴⁰ One example of the many proposed projects is this [plan](#) for a big waterfront development.

Fall River has encouraged this growth in luxury projects in part through its participation in the Housing Development Incentive Program (HDIP), a multimillion dollar state and local subsidy for market rate housing in Gateway Cities.⁴¹ HDIP allows Gateway municipalities to designate zones where developers of market rate housing (where at least 80% of the residential

units are market rate) automatically qualify for a local tax break and can apply for state tax credits. While some Gateway cities have encouraged HDIP developers to include affordable units, Fall River generally has not. The city has approved several million dollars⁴² in local tax exemptions for nine HDIP projects with a total of 445 market rate units, including over \$2 million in local tax breaks for five completed projects (248 market rate units) which also received \$7.76 million in state tax credits. Another two of the 9 projects (82 units-all market) have recently been approved for a total of \$5 million in HDIP state tax credits. Only one of the nine projects contains affordable units (11 studio apartments with an artist preference).

The city's HDIP Zones include the entire Waterfront Urban Renewal Area (where the rail stop and Route 79 project are located) and much of the Downtown Urban Renewal Area.⁴³ The city, through the Fall River Redevelopment Authority (FRDA), has significant control over development activity in these urban renewal areas as it acquires and decides how to dispose of land parcels. We have been unable to find any current plans for affordable units in either district. The FRDA Director [believes](#) there will be market rate housing in the waterfront area although Fall River's community development director acknowledged in a [recent interview](#) that this flood of market rate housing won't lower rents around the city (in other words, no "downward filtering").

Millions in state and federal funds are being invested in the waterfront district for highway improvements and new commuter rail service. Creating housing that excludes low and moderate income households would violate both the principles of fair housing and equitable transit oriented development. As Lynn and Salem [acknowledge](#): "[W]hile the production of market rate units is part of the solution . . . those units nevertheless remain out of reach for many of our current and future residents who can't afford them."

6. The Fall River Housing Authority has not made full use of available resources to preserve and create affordable housing.

The mayor appoints four of the five Fall River Housing Authority board members and has effective political control over its decisions. Thus, apparently in line with the city's housing strategy, the housing authority has reduced its public housing inventory and many of its state public housing units have remained vacant for years. The New Bedford Housing Authority, like many others in the state, has preserved its inventory and established a non-profit affiliate to produce new affordable housing.

- The Fall River Housing Authority and the city have refused to implement their contractual commitment to develop approximately 50 affordable rental units on the site of the former 100-unit Watuppa Heights state public housing development demolished in 2014. The failure to redevelop the Watuppa Heights property is currently being challenged in court and the city has thus far refused to discuss a settlement to benefit struggling city residents. The 10-acre site has remained an empty eyesore for a decade.⁴⁴
- Because the Fall River Housing Authority has reduced its federal public housing supply over time, it is eligible for HUD funding to develop 156 deeply affordable replacement units with long-term Section 8 project based rental assistance under HUD's Faircloth to RAD program. Project-based rental assistance is attached to the units which can be created through new construction, rehabilitation or acquisition.⁴⁵ The project-based rental assistance program sets rents at 30% of income under long-term contracts with project owners. To our knowledge, Fall River has not pursued this funding opportunity, though several other housing authorities are and the state has offered funds and technical assistance to help housing authorities close funding gaps.⁴⁶
- The Fall River Housing Authority, unlike the New Bedford Housing Authority and many others, has not fully used its Housing Choice Voucher (Section 8) allocation. To make it easier for voucher holders to find apartments in a tight housing market, it could use its authority to

“project-base” 20% or more of its 2,000+ voucher allocation, assigning them to specific units in specific properties. But to date, Fall River has project-based only 8 vouchers (New Bedford has project-based 87). Project-basing is a great tool to support the development of affordable housing.

7. Fall River lacks a comprehensive strategy to address the growing needs of the city’s renters.

Fall River is undoubtedly facing a housing shortage for low-income residents that demands a comprehensive solution. According to Census estimates, the rental vacancy rate in Fall River is extremely low—1.2% in 2022,⁴⁷ down from 3.0% in 2017 and far below a vacancy rate of around 7% deemed sufficient to stabilize rents.⁴⁸ However, simply increasing the high-end housing stock is not the answer. The city requires a diverse mix of housing options that cater to various income levels, ensuring an equitable distribution of affordable rental units for low-income residents. By embracing a balanced approach, Fall River can foster an inclusive community where individuals from all socioeconomic backgrounds have access to suitable housing opportunities.

The shrinking inventory of housing for low-income families and individuals is not accidental; Fall River appears to be keeping its affordable housing production low. Its 2023 application for federal homelessness funds, for example, described its strategy to “increase” its affordable housing supply as follows:

The City of Fall River has been committed to converting buildings and structures not built for housing to apartment units and condominiums. . . . *With some exceptions, most of the housing is not intended for low-income persons*, but it is presumed that the new market rate units will free up units in the city’s older, smaller tenement buildings that tend to be more affordable (emphasis supplied).⁴⁹

The executive vice president of the Bristol County Economic Development Consultants agrees that the best way to create affordability is to build more market rate developments.⁵⁰

This “presumption,” that new high-end development will eventually result in more affordability, is based on a theory known as “downward filtering,” a process where in *some* neighborhoods adding new market rate housing creates market competition that might stabilize or lower rents over time. However, research indicates that downward filtering typically does not occur in areas with severe housing shortages and high home cost appreciation like Fall River. And even where filtering does occur, it is not an affordability strategy for low income renters.⁵¹ In Fall River, New Bedford, and other comparable cities, the fear is the opposite - that large scale market rate development will spur *upward filtering*—rents *rising* as a location becomes more attractive. Another recent study on the limits of filtering concluded that “building our way out of the housing affordability crisis in a way that benefits low- and middle-income urban households will require policies that increase the supply of housing that is financially and geographically accessible to those households.”⁵²

RECOMMENDATIONS AND CONCLUSION

Fall River should shift priorities and implement a truly balanced housing policy. Here are some initial recommendations:

- Partner with community groups like United Interfaith Action of Southeastern Mass. and Coalition for Social Justice, affordable housing developers, and others whose primary interest is development of affordable and mixed income rental housing and protecting low-income tenants from rent increases, eviction and displacement;
- Set and implement affordable housing goals to substantially increase or preserve affordable units in the city and report outcomes annually;

- Hire an affordable housing consultant to develop strategies to expand the supply of affordable and mixed income housing, and to strengthen the City's capacity to partner with affordable housing developers and compete for state and federal affordable housing funds;
- Make maximum use of all available state and federal resources, using local HOME, CPA, ARPA and other funds to leverage state affordable housing resources and get more housing for each dollar of local resources invested;
- Adopt a strong inclusionary zoning ordinance with at least 20% of new units affordable to a range of low-income households, including those with extremely low and very low incomes, and make subsidy funds available if needed for feasibility;
- Make maximum use of all available resources to avoid residents being displaced;
- Amend the city's HDIP Zone plan and Waterfront Master Plan to include affordable development and ensure low-income households will also benefit from the hundreds of millions in public investment to create transit-oriented housing opportunities;
- Adopt a policy to require HDIP projects to include affordable and deeply affordable units including for low-income families with children, ensure there are a sufficient number of two and three bedroom units, require local hiring and local benefits in return for tax exemptions, and work with developers and the Fall River Housing Authority to use and obtain resources to support these efforts;
- Cooperate with the Fall River Housing Authority to settle the Watuppa Heights litigation and develop affordable and mixed-income housing on the site as it promised to do years ago;
- Work with the housing authority to preserve its existing inventory, expedite repairs to vacant units, and encourage it to make project-based vouchers available to support affordable production and preservation;
- Encourage the housing authority to use its "Faircloth to RAD" authority to create 156 deeply affordable units with Section 8 project-based rental

assistance. This tool, though complicated to use, can be used to support mixed income housing;

- Create a city emergency rental fund to prevent evictions; and
- Create a Fall River Affordable Housing Trust Fund for acquisition, rehabilitation, and development costs. Both CPA and ARPA funds can be used to help capitalize such trusts.

Last year in a [debate](#), Fall River's mayor proposed a "balanced" approach to housing development in the city—one-third affordable, one-third "middle class" and one-third high end. MLRI's review of a wide range of public records found that the city is not pursuing balanced development. Instead, it has championed market rate and luxury projects while allowing the affordable inventory to shrink and failing to develop an affordable housing pipeline.

We hope the findings in this report will convince Fall River to change course and address the housing challenges faced by all city residents who want to live, work, and participate in the city's revitalization. The city's path forward demands inclusive housing policies that allow all income groups to reap the benefits of its renaissance.

APPENDIX I

Comparative Statistics - Fall River and New Bedford

	Fall River	New Bedford
Population	93,689	100,676
Total Housing Units	43,951	44,932
Total Households	41,113	41,722
Rental vacancy rate	1.2%	3.3%
Renter Occupied Units	26,358	25,078
Median Household Income	52,734	54,604
Median Renter Household Income	38,249	40,916
Average Household Size – renter occupied unit	2.13	2.22
Poverty Rate	19.7%	18.8%
Fair Market Rent/Payment Standard	\$1,812	\$1,620
<u>Rent Burden (2020)</u>		
% of all renters paying more than 30% of income for housing)	43%	42%
% of all very low-income renters (0-50% AMI) paying >30%	71%	74%
# very low-income renter households paying >30%	10,080	8,280
# very low-income renter households paying more than half their income for housing	4940	5105

Data sources: American Community Survey Five Year Estimates (2018-2022) except for Total Population which used the 2022 One Year Estimate). Rent burden statistics from special HUD tabulations call CHAS data based on 2016-2020 ACS data. Fair Market Rent/Payment standard is the maximum gross rent the Fall River and New Bedford Housing Authorities will subsidize for a two-bedroom apartment under the Housing Choice Voucher program in FY2024. Fall River has set its payment standard at 107% of the HUD FMR. New Bedford's payment standard, last updated in November 2022, is 110-111% of FMR.

APPENDIX II

Affordable Rental Housing Selected Definitions, Income and Price Limits

Affordable Housing and Cost Burden. HUD, for simplicity, defines housing as affordable to low and moderate income households (households with incomes at or below 80% of the HUD Area Median Income (AMI) if their **gross rent** (contract rent plus tenant-paid basic utilities) consumes no more than 30% of household income. HUD calls renter households paying more than 30% of their income for housing “**cost burdened**” and those paying more than 50% of their income for housing “**severely cost burdened.**” It categorizes very low-income households (incomes 0-50% of AMI) that are paying more than half their income toward housing as having “**worst case needs**”.

The income limits for common affordable housing programs are shown below.

- **Affordable Housing.** While every community has some unsubsidized rental housing that is relatively low cost (“naturally occurring affordable housing” or “NOAH”) those units are not necessarily occupied by low or moderate income households. **In this report, “affordable housing” generally refers to government assisted rental housing such as public housing or privately owned subsidized housing subject to a legally binding restriction that limits admission to households below a certain income and requires affordable rents.** Depending on the subsidy used, restrictions may run for as little as five years or in perpetuity.
- **Deeply affordable housing.** Housing affordable to households with incomes at or below 30% (and sometimes 50%) of AMI (see discussion of income limits below) is often referred to as “deeply affordable”; in this report we also apply the term to rental housing affordable to households with incomes up to 50% of AMI. Programs that set gross rents at a fixed percentage (often 30%) of the tenant’s income can be considered deeply affordable because the rents are within reach of households with minimal income, even if the official upper income limit for eligibility is higher (e.g. public housing).

Income Categories. While the terms low income and moderate income are often used without definition, HUD commonly uses these definitions:

- Extremely Low Income – income of 0-30% AMI
- Very Low Income- income at or below 50% of AMI (or 30.01-50% of AMI)
- Low Income – income at or below 60% of AMI (or income 50.1-60% of AMI)
- Moderate Income – income up to 80% of AMI

Income Limits. Most programs use [HUD Income Limits](#) to set the upper income limit for initial eligibility, in part to match the State Subsidized Housing Inventory (SHI) requirements. HUD updates these limits annually based on median family income data and adjusts them by household size. The current limits were effective on April 1, 2024.

HUD 2024 Income Limits (AMIs)

	% AMI	Household size				
		1	2	3	4	5
Fall River	30%	23,600	27,000	30,350	33,700	36,580
	50%	39,350	45,000	50,600	56,200	60,700
	60%	47,220	54,000	60,720	67,440	72,840
	80%	62,950	71,950	80,950	89,900	97,100
New Bedford	30%	23,000	26,300	29,600	32,850	36,580
	50%	38,350	43,800	49,300	54,750	59,150
	60%	46,020	52,560	59,160	65,700	70,980
	80%	61,350	70,100	78,850	87,600	94,650

Subsidized Housing Inventory (SHI). Massachusetts maintains a [Subsidized Housing Inventory](#) which tracks the number of housing units in each municipality that count toward the 10% threshold for subsidized housing established under Chapter 40B. To qualify for inclusion, units or projects must be “subsidized” and have a long-term legally binding restriction (at least 15 years for rehab projects and at least 30 years for new construction

projects) that limits initial occupancy to households at or below HUD's 80% of AMI income limit and caps rents at the levels mandated by the subsidy program being used. Projects must also meet state affirmative marketing requirements. Developers cannot appeal a comprehensive permit denial or conditions in municipalities with a SHI percentage of 10% or more. The Executive Office of Housing and Livable Communities (EOHLC) publishes updated SHI counts about every two years, based on data submitted by municipalities.

While the SHI count is useful, it can often [overcount affordable units](#). Housing units do not need to be affordable to be counted towards a community's SHI. Both affordable and market-rate units inside a development that has some affordable units can count towards a community's SHI stock. In other words, even if a community has a subsidized housing inventory of 10 percent on paper, that does not necessarily mean that 10 percent of its housing stock are affordable units.

A [recent analysis](#) calculating an "alternate SHI" percentage for all cities and towns in Massachusetts found Fall River's percentage of income-restricted units is below 10%.

APPENDIX III

Fall River Market Rate Units added in Recent Years or in Pipeline

The below list of market rate units and developments is the basis for our *estimate* of the number of recently developed market rate units (2017-May 2024) and estimated units in the pipeline. They include both new construction (NC) and adaptive reuse (AR) projects. The list is derived from multiple sources, including newsclips, posted Zoning Board of Appeals and Planning Board decisions, and city assessing data, all of which have their limitations. The count of units in the pipeline is based on the count reported in variance approvals; some projects may not proceed or their unit count may change as they move to construction.

Fall River Market Rate Units added in recent years or in pipeline						
Project	Address	Tenure	Type	Total Units	Mkt Rate Units	Year Completed
Completed Projects						
Rental Projects						
Commonwealth Landing	1082 Davol St	Rent	AR	103	103	2017
Residences at Adams House	1168 Highland Ave	Rent	AR	34	34	2021
30 Third St (Trolley Bldg)	30 Third St	Rent	AR	18	18	2020
Creative Class	64 Durfee	Rent	AR	55	44	2022
Residences at Rivers Edge	697 Davol St	Rent	NC	49	49	2022
Third Street 38 (Garment Building)	38 Third St	Rent	AR	15	15	2023
Cornell Mill Lofts	649 Alden St	Rent	AR	101	101	2018
Four Winds Apts	5500 North Main St- (Bldg 14)	Rent	NC	40	40	2021
Four Winds Apts (replacement building)	5500 North Main St- (Bldg 15)	Rent	NC	40	40	2022
Ashworth Lofts	89 Globe Mills Ave	Rent	AR	80	80	2022
Alden Lofts	507 Alden St	Rent	AR	39	39	2022?
Lofts at Lafayette (Notre Dame de Lourdes)	34 St. Joseph St	Rent	AR	48	48	2024
Purchase St 170	170 Purchase St	Rent	NC	2	2	2023
Pine St 102	102 Pine St	Rent	NC	4	4	2021
John St 147	147 John St	Rent	NC	4	4	2020
Total Market Rate Units Completed				632	621	
Projects in Construction						
Alden St 69R Townhome Apts	69R Alden St	Rent	NC	16	16	not yet
Garside Commons	60 Garside St	HO	NC	10	10	2023-
King Philip Mill	386 Kilburn St	rent	AR	100	100	not yet
St. Louis School condos	403 Division St	HO	AR	[18]	0	not yet
Total in Construction				126	126	
Projects with Zoning Approval						
Sacred Heart Church	160 Linden St	Rent	AR	46	46	not yet
Lincoln School	439 Pine St	Rent	AR	24	24	not yet
Notre Dame Rectory	529 Eastern Ave	Rent	AR	14	14	not yet
Merrill Building	66 Troy St		AR->mixed	36	36	not yet
North Main St	80-84 North Main St		AR-Upper	22	22	not yet
Duro Mills (aka Wyoming Mills)	206 Globe Mills Ave (2 of 4 mill bldgs)		AR	93	93	not yet
Bedford St 295	295 Bedford St		NC	72	72	not yet
Academica Club	627 South Main St		AR	11	11	not yet
285-299 South Main (Braz Bldg)	285-299 South Main St		AR	28	28	not yet
Turner & Davol	577-609 Davol St		NC	56	56	not yet
Fifth St 75	75 Fifth St		AR+2 stor	27	27	not yet
River Trail Condo-Rodman St 644	644 Rodman St		AR	16	16	not yet
Charlton Mill	109 Howe St		NC	40	40	not yet
Alden St 135 (20% 55+)	135 Alden St		AR	405	405	not yet
Grinnell St Townhomes	889+895 Grinnell St		NC	8	8	not yet
Duro Mills (aka Wyoming Mills)	110 Chace St		AR	196	196	not yet
Duro Mills (aka Wyoming Mills)	110 Chace St		AR	204	204	not yet
Flint Mill (20% 55+)	135 Alden St		AR	405	405	not yet
Hope St 394	394 Hope St		NC	6	6	not yet
Rodman St 771	771 Rodman St		NC	14	14	not yet
60 Hartwell (Thomas Alva Edison Bldg)	60 Hartwell St		NC	102	102	not yet
Total with Zoning Approvals				1825	1825	
Potential Future Projects						
Bank Street Armory	72 Bank St		AR	[37]		may not go
Four Winds Apts	5500 North Main St		NC	200		?
Globe Mills Av	? Globe Mills Av		AR?	200		?
Duro Mills (aka Wyoming Mills)	Balance of 203 or 300 u antic		AR	110		
Duro Mills	1 Middle St (fka Algonquin Mill)		AR	*		future
Route 79 18 acres			NC	450		future
Old Bedford St Police Station	158 Bedford St		AR	35	35	may not go
Total Potential Future Projects				995		

ENDNOTES

- 1 The 2024 New Bedford Housing for All report describes the depth of the affordable housing crisis in that city and region and recognizes how much work there is to do: ““Over the 19-month period between January 2022 and July 2023, rents in New Bedford rose 27 percent— the fastest pace among its Gateway Cities peers in Massachusetts. If forced to move, more than two-thirds of New Bedford renters would find the typical asking rent to be unaffordable.”(p. 4). New Bedford’s recent report complements its 2023 report, Building New Bedford, which outlined 22 strategies to address the shortage of housing for lower income households. The City has begun implementing some of these and has over 300 units recently completed, under construction or permitted.
- 2 Ferguson, Grace. 2024. “One Year of Building New Bedford.” The New Bedford Light. April 22, 2024. <https://newbedfordlight.org/one-year-of-building-new-bedford/>
- 3 <https://www.southcoasttoday.com/story/news/politics/county/2019/06/20/nbha-moving-force-behind-union/4864737007/>
- 4 From September 2023 to February 2024 there were more than 1100 eviction filings in Fall River and New Bedford. <https://www.mhp.net/news/2024/housing-stability-monitor>
- 5 [Fall River has more than its fair share of affordable housing](#)
- 6 [editorial-on-housing-in-our-community](#)
- 7 <https://www.heraldnews.com/story/news/2016/02/19/just-how-much-affordable-housing/32501641007/>
- 8 <https://electcarole.com/2014/07/10/economic-development-fall-river-understanding-challenges/>
- 9 According to American Community Survey 5-year estimates (table S2503), the estimated median gross rent for all units in Fall River rose by 34.7%.
- 10 The U.S. Department of Housing and Urban Development (HUD) publishes estimates of “Fair Market Rents” (FMRs) every year which represent the estimated 40th percentile (i.e. below the median) gross rent for a new mover for an apartment in the private market – HUD excludes rents on developments less than two years old from its calculation as well as very low cost units. These FMR estimates reflect regional rents (for Fall River, the region covers Attleboro, North Attleborough, Rehoboth, Seekonk, Somerset, Swansea and Westport) as well as many municipalities in Rhode Island. HUD also publishes “Small Area” FMRs (SAFMRs) which estimate the 40th percentile gross rent by zip code area. The FY2024 SAFMRs for two-bedroom units in the five zip code areas in Fall River range from \$1,340-\$1,590.
- 11 <https://www.rentcafe.com/average-rent-market-trends/us/ma/fall-river/>
<https://www.rent.com/massachusetts/fall-river-apartments/rent-trends>; Other rental listing services show somewhat lower rents but still well beyond the reach of working class residents.

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- 12 Payment standards effective November 1, 2023 as voted by the Fall River Housing Authority 9/11/2023 (see minutes, page 9).
- 13 A few examples of top rents in Fall River market rate developments: Ship’s Watch apartments, \$4,407/month for the market rate units; Lafayette Lofts, \$2395 /month (2 bedroom); South Wind Apartments, \$2,854 – \$5,101 (3 bedroom); Ashworth Lofts, \$2395/month (2 bedroom).
- 14 ACS One Year Estimates 2022, Table DP04
<https://data.census.gov/table/ACSDP1Y2022.DP04?q=fall%20river%20ma%20DP04>
- 15 HUD Consolidated Planning/CHAS data 2016-2020
- 16 Fall-river-real-estate-boom-2000-market-rate-apartment-units-coming/
6.29.2023 [Subsidized Housing Inventory](#)
- 18 The “official” [SHI](#) as posted on the EOHLIC website lists Fall River as having 4,535 “subsidized” units as of June 2023 – a decline of 274 units since 2013 (Watuppa Heights, a 100 unit family public housing development demolished in 2013, was dropped from the SHI in 2013 and so is not reflected in the 274 unit loss). However, the 2023 count erroneously includes 16 public housing units (including 9 family units) that have been sold off without restrictions, plus 10 units lost at Oak Village and 13 units lost at Pleasant View around 2013. Additional losses include 100 units in an older expiring use project (Riverview Towers) that the City chose not to preserve, and at least 86 units in four other projects where use restrictions expired. Affordable rental units added from 2013 forward include a 100 unit elderly-only private development (Knitting Mill), 21 units in two mixed income developments (Ben + Nate Building, and 64 Durkee St) and about 60 units completed from 2013 on using HOME funds only.
- 19 In the case of one development (Riverview Towers) with expiring rent restrictions on 100 apartments, the city and housing authority declined to provide project-based vouchers to income eligible tenants, [Fall River officials debate the best way to help Riverview Towers tenants. Current asking rents](#) are now \$1500-1650 for a one-bedroom apartment and \$1700-1850 for a two-bedroom.
- 20 The approximately 190 affordable rental units added since 2013 include a 100-unit elderly project (Knitting Mills) opened in 2019 (16 units at 30% AMI, 84 @60% AMI), ten units at the “Ben and Nate Building” opened 2020 – 20 units total, 10 affordable (all 1-BR @ 80% AMI), 64 Durfee St (completed 2022)- 55 units, 11 affordable using HOME (all OBR with artist preference – 3@50% AMI, 8@60% AMI).and about 67 units in rental rehab projects developed with city HOME funds (2013 to date), 59@60% AMI, 8@50% AMI. (This data is based on HUD’s [HOME Post HOME Activities Report](#) dated 2/29/2024).
- 21 MassHousing recently approved funding for a condominium project with 18 income restricted units (units at 80% of AMI, 9 at 100% of AMI).
<https://fallriverreporter.com/masshousing-closes-on-5-million-financing-that-will-create-18-new-condominiums-in-fall-river-1/>

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- 22 [“Housing for All”](#), Table 1, page 18 and Ferguson, Grace. 2024. “One Year of Building New Bedford.” The New Bedford Light. April 22, 2024.
<https://newbedfordlight.org/one-year-of-building-new-bedford/>
- 23 [Housing for All](#), page 47.
- 24 The city’s most recent ARPA spending plans are [posted](#) on the city website (undated-accessed June 24, 2024), covering both the \$69.6 million grant directly to the city, <https://www.fallriverma.gov/Document%20Center/Departments/ARPA/City%20ARPA%20Overview%202.20.pdf>) and the \$16 million allocation from Bristol County <https://www.fallriverma.gov/Document%20Center/Departments/ARPA/Bristol%20County%20ARPA%20Overview%2010.12.pdf>. The city provided a small one-time ARPA allocation of about \$153,000 for a homeless drop-in center, but the program ended in April 2024 when that funding ran out (see <https://fallriverreporter.com/fall-river-timao-center-closes-its-day-shelter-drop-in-center-for-homeless/> and <https://fallriverreporter.com/fact-check-your-tax-dollars-at-work-for-fall-river-area-homeless/> and <https://fallriverreporter.com/25-million-braga-bridge-lights-could-have-funded-the-fall-rivers-timao-homeless-shelter-for-100-years/>). The city’s ARPA spending plans show \$3.5 million still uncommitted.
- 25 See [New Bedford’s March 2024 ARPA Expenditure Report](#).
- 26 The one housing activity Fall River funds from its CDBG grant, as noted in its Annual Plans, are the program administration costs for HOME. New Bedford spends 20-25% of its CDBG on housing rehabilitation. [HUD CDBG Performance Profiles](#).
- 27 We relied primarily on [HUD’s Post-2011 HOME Activities reports](#) for our estimate of the number of homeownership and rental units funded, cross-checked where possible with Fall River and New Bedford Annual Action Plans and Consolidated Annual Performance and Evaluation Report (CAPER).
- 28 This discussion of production goals excludes both cities’ spending plans for a one-time allocation of HOME-ARP funds in 2022 (\$3.8 million for Fall River and \$3.17 for New Bedford). Fall River plans to create 15 affordable units with supportive services with this funding. New Bedford’s plan allocates \$900,000 for the development of another 3-10 affordable rental units, and \$1.8 million for the development of non-congregate shelters (\$700,000), rental assistance (\$500,000), supportive services and non-profit supports.
- 29 The amount of the annual HOME and CDBG grants each city receives is formula-based and fluctuates by year depending on the annual federal budget. For the period from 2012-2023, Fall River has received a total of \$14.78 million in new HOME funds, and New Bedford \$12.9 million. There is usually a lag between the receipt of new funding and actual spending. Cities received additional “program income” as loans are repaid that then become available for new HOME activities.
- 30 [HUD Post-2011 HOME Activities Report, March 31, 2024](#)
- 31 These spending and unit counts are adjusted to exclude a shelter funded by Fall River and count only the increase in affordable units in a preservation project in New Bedford which increased its share of affordable units as result of its recapitalization.
- 32 While HUD no longer publishes reports on HOME leveraging performance, the last report published (through September 30, 2019, showed that Fall River ranked dead

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- last in leveraging amount among the 19 jurisdictions in Massachusetts that receive HOME funds. [State and National HOME Rankings 2019](#)
- 33 The [income limit](#) for HOME-assisted units in rental projects is generally 60% of area median income (AMI) but if the project has 5 or more HOME units, at least 20% of the units must be reserved for very low income households (incomes at or below 50% of area median income). Rents for very low income units are about \$300 less per month than rents for units affordable at 60% of AMI. (See APPENDIX III).
- 34 HUD HOME regulations set minimum requirement regarding the term of affordability based on the HOME dollars invested per HOME units: For rental housing acquisition and/or rehabilitation: less than \$15,000 5 years, \$15,000 - \$40,000 10 years, More than \$40,000 15 years. For new construction of rental housing: any amount- 20 years; for refinancing of rental housing, any dollar amount: 15 years. Projects that combine HOME with other state and federal funds and tax credits often have terms for 40-50 years or longer.
- 35 Community Preservation Coalition: Total Number of CPA Projects and Appropriations by Category https://www.communitypreservation.org/cpc-report?report_src=bbzvidkqg%3Fa%3Dq&qid=39 (Note: Fall River report is missing 2022 data.
- 36 In 2017, Representative Carole Fiola sponsored [legislation](#) that would allow use of the Community Preservation Act funds for market rate housing.
- 37 Ferguson, Grace. 2024. "One Year of Building New Bedford." The New Bedford Light. April 22, 2024. <https://newbedfordlight.org/one-year-of-building-new-bedford/>
- 38 [Fall River saw a real estate development boom in 2023. What's on the horizon for 2024?](#)
- 39 [We were thinking ahead](#)
- 40 [Route 79 Improvement project, Mass. DOT Route 79 Improvement project background-information](#), Route 79 Improvement Project Fact Sheet
- 41 In December 2022 MLRI authored a [Report](#) on the Housing Development Incentive Program (HDIP) that highlights the disconnect between the scarcity of affordable housing in communities like Fall River and HDIP's support for thousands of *unaffordable* apartments. Affordable housing advocates have urged HDIP reforms to subsidize both market rate *and* affordable rentals for low income families and individuals.
- 42 Information on the estimated value of the tax breaks is unavailable for four of the nine projects.
- 43 [Map of urban renewal district on page 13](#)
- 44 In addition to finally agreeing to create affordable housing on the Watuppa Heights site, the Fall River Housing Authority could be doing more. For example, it could "project base" a portion of its Section 8 mobile vouchers to provide permanent affordable housing and could develop a Section 8 homeownership program. Both of these efforts would improve the Housing Authority's low Section 8 voucher utilization rate of 79%.

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- 45 [Faircloth to RAD Fact Sheet](#). Available authorization data for Massachusetts as of December 31, 2023 is listed at https://www.hud.gov/sites/dfiles/PIH/documents/Faircloth_List_12312023_FINAL.xls
[x](#)
- 46 See, for example, <https://www.mass.gov/doc/phn-2022-18-state-units-federalization-nofa/download>
- 47 The rental vacancy rate estimate from the [American Community Survey 2022 One Year Estimate](#) is 2.0% (+/- 2%) and the more statistically reliable [2022 Five Year Estimate](#) is 1.2% (+/- 0.5%).
- 48 <https://www.bloomberg.com/news/articles/2018-07-27/the-disturbing-rise-of-housing-vacancy-in-u-s-cities>. Housing economists sometimes refer to a concept called the “natural vacancy rate” defined as the vacancy rate at which supply and demand are in equilibrium and thus rents stabilize. Earlier research estimated the natural vacancy rate for rental housing at 7.4%.
(<https://www.jchs.harvard.edu/sites/default/files/w07-7.pdf> page 4).
- 49 [Fall River Continuum of Care documents](#), pages 43-44.
- 50 <https://www.youtube.com/watch?v=tuMKOQc7D1Q>
- 51 [Has Housing Filtering Stalled? Heterogeneous Outcomes in the American Housing Survey 1985-2021](#).
- 52 See blog dated May 2, 2024 <https://www.jchs.harvard.edu/blog/can-new-suburban-housing-make-urban-areas-more-affordable>