Impacts of the Community Preservation Act on Affordable Housing Distribution in Massachusetts

What is the CPA?
The Community Preservation Act (CPA) is a policy that became Massachusetts state law in 2001. Individual towns can choose by ballot initiative whether or not to opt into the program. Once they do, property taxes in that town are increased by up to 3% to raise funds for affordable housing, green space, and historic preservation. The state partially matches CPA funds must be used for affordable housing, green space, and historic preservation. The state partially matches CPA funds, as an incentive to towns to participate. Currently, about half of the towns in Massachusetts have adopted the CPA; these towns are shown in green on the map below.

CPA distribution differs from that of other affordable housing

The Kirwan Institute has developed a technique of opportunity mapping for geographic areas that utilizes nineteen key indicators, divided into three major categories: educational opportunity, economic opportunity, and neighborhood housing quality. When mapped together, these factors can show whether a geographic area offers greater or less opportunity for its residents.

As the map on the top right shows, most federally-funded affordable housing in Massachusetts is located in large cities, which the Kirwan Institute has rated as low or very low opportunity areas according to their indicators. The location of traditional affordable housing therefore fails to provide greater opportunity for its residents.

In contrast, CPA-funded affordable housing initiatives are more evenly distributed throughout the state, including in the very-high-opportunity suburban communities around Boston, as shown on the bottom right. However, it is important to note that the federally-funded affordable housing represents 101,325 units, whereas the CPA-funded housing represents just 8,073 units statewide. Although the CPA has demonstrated some success at providing affordable housing residents with a higher-opportunity environment, it functions on a much smaller scale.

Case Studies: Affordable Housing in Towns that Adopted the CPA Early

High-Opportunity Town: Acton
Moderate-Opportunity Town: Scituate
Low-Opportunity Town: Wareham

Key statistics for CPA towns, compared with Massachusetts as a whole:

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<thead>
<tr>
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<th>CPA Towns (172 towns)</th>
<th>MA Overall (351 towns)</th>
<th>Takeaways</th>
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<tbody>
<tr>
<td>Median Household Income</td>
<td>$81,832</td>
<td>$77,352</td>
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<tr>
<td>Number of Households</td>
<td>8,438</td>
<td>6,802</td>
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<tr>
<td>% of Housing Units that are Affordable</td>
<td>6.2%</td>
<td>5.4%</td>
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<tr>
<td>% of Renters Occupied Housing</td>
<td>21.0%</td>
<td>19.9%</td>
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Within each town, at least 10% of CPA funds must be used for all three priority areas. The remaining 70% can be allocated by the town’s Community Preservation Commission in any way they choose, within the parameters of the three priorities. In CPA towns, housing comprise a varying percentage of funding spent, from 10% to 80%.

Conclusions
Impacts of the CPA on affordable housing are mixed. On the state level, it is clear that CPA-funded affordable housing projects tend to be distributed more diffusely than federally-funded projects, with more CPA projects occurring in high- and very high-opportunity areas. However, at the individual town level, impacts of the CPA on affordable housing availability are more difficult to quantify, due to several key factors:

1. Federally-funded housing projects create many more units of affordable housing than CPA projects. One federally-funded project might create a hundred or more affordable units. The largest CPA projects in any of the three case study towns was twelve units, and most CPA-funded new housing projects in these towns were just 1-4 units.
2. Affordable housing units created with funding that is neither federal nor CPA-based are not shown on these maps. However, they make up a large portion of total affordable housing in each town, based on the total units listed for each. In Massachusetts, much of this housing is created through Chapter 40B of Massachusetts law, which incentivizes development of affordable housing with a goal of 10% affordable units in each municipality.
3. The CPA projects data does not reflect the full impact of the CPA on affordable housing. Projects that are not location-specific, such as improvements to all of a town’s affordable housing stock, do not appear on the maps.
4. Towns’ openness to affordable housing is highly variable, and is impacted by many factors besides the CPA. All three of the case study towns adopted the CPA in 2002, and all have populations in a similar range. However, as the data show, their numbers of CPA-funded and federally-funded affordable housing units vary significantly. Towns with different opportunity indices may have different goals when they adopt the CPA, and their rates of affordable housing reflect this. In addition, other factors, such as political orientation, may also be at play.

Overall, the CPA can be a valuable tool for towns that wish to increase their funding for affordable housing. However, the CPA alone does not guarantee more affordable housing in a town. Town residents and leaders who value affordable housing and economic diversity must continue their advocacy beyond the adoption of the CPA to ensure that CPA funds benefit low-income residents in their communities.

Data sources:
- Community Preservation Coalition
- Department of Housing and Economic Development
- MassGIS
- US Census Bureau

Image sources:
- Community Preservation Coalition (New Bedford image, top left)
- Lowell Sun (Billerica image, middle and bottom right)
- HRBD (Waltham Town image, top right)

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