

City of Cambridge
Community Development Department

Affordable Homeownership Program Review – Current Homeowner Survey Results

September 22, 2022



Goals of the Homeowner Survey



Better understand perspectives on current program



Gather information on priorities



Introduce some of the questions to consider for potential policy changes



Highlight any areas with notable similarities or differences in opinions



Provide additional channel for current owners to provide input into the review process



Survey Outreach and Response

- Current owners were sent a letter with survey invitation
- Emails with survey link also sent where available
- Second letter sent to owners with no email
- Second email sent to owners with email

TOTAL RESPONSES:

536 OWNERS CONTACTED

195 RESPONSES 36% of all current owners

177 COMPLETE 33% of all current owners



Respondent Overview

- **Length of Tenure**
 - 64% owned 11 years or more
 - 20% owned 5 years or fewer
- **Distribution by unit size reflects stock:**
 - 25% studio or 1 BR
 - 47% 2 BR
 - 28% 3 or more BR



Respondent Overview Continued

- 22% did not respond to race question
- Respondents could select multiple options
- Race and ethnicity of owners who did respond closely reflects estimated owner demographics:
 - 48% White
 - 24% Black or African American
 - 12% Asian or Asian American
 - 20% Other race(s)
 - 8% Hispanic

Income and Assets after Purchase

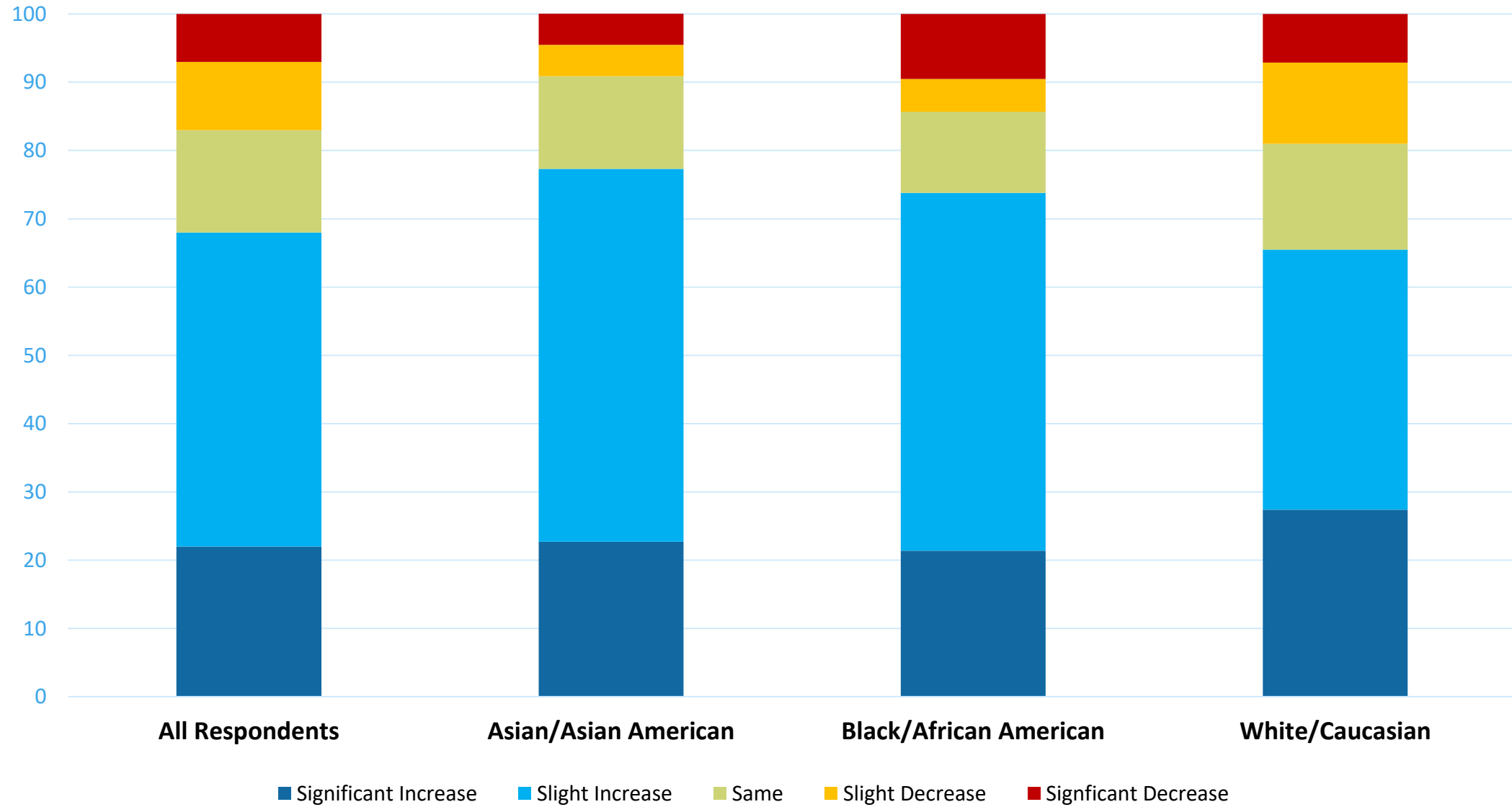
Change in Income since purchase:

- 69% report increase
- 10% report slight decrease in income
- 7% report large decrease in income
- 44% of respondents over 65 report decrease in income

Change in assets since purchase:

- 54% report increase
- 16% report a decrease
- Similar percentages across age, race, unit size
- Largest difference is newest owners (<1 year) – 50% some decrease

Income Change Since Purchase by Race



Household Size After Purchase

Most respondent households same or smaller:

- 61% stayed the same
- 17% decreased
- 22% increased
- Similar across length of ownership

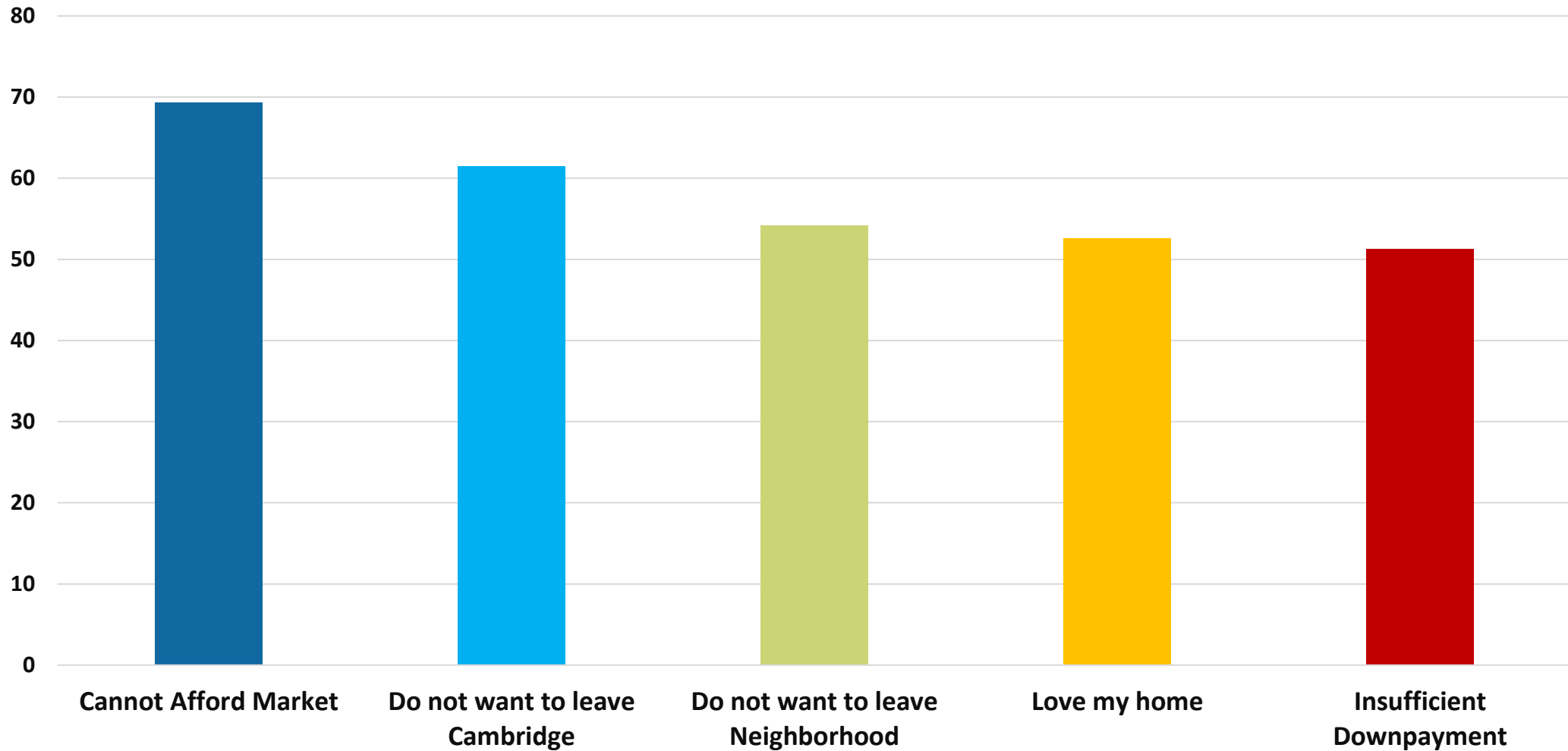
Variation by Unit Size:

- Studio/1 – 80% stayed the same, 19% increase
- 2 BR – 51% stayed the same, 32% increase
- 3+ BR – 62% stayed the same, 10% increase

Views on Impact of Current City Program

Why do owners stay in their home?

Most common reasons cited (multiple answers allowed)



Owner Quotes

- *Can never afford another place in Cambridge with the money from the affordable unit*
- *Way too complicated to sell or do repairs*
- *Was told no equity in current home because bought through the City*
- *Program doesn't allow enough/fair equity increasement for resale.*
- *Monthly costs low combined with no appreciation in home value*
- *Cambridge now unreasonably expensive*
- *I have no ability to afford moving as I'm strapped financially due to losing the rest of my savings due to having to pay for several major broken essential appliances*

Most Selected Benefits

81% selected:

Stable and affordable

63% selected:

Costs do not increase much

58% selected:

Part of payment is equity

Least Selected Benefits

31% selected:

Price does not decrease

29% selected:

**Participate in decision making for
building**

11% selected:

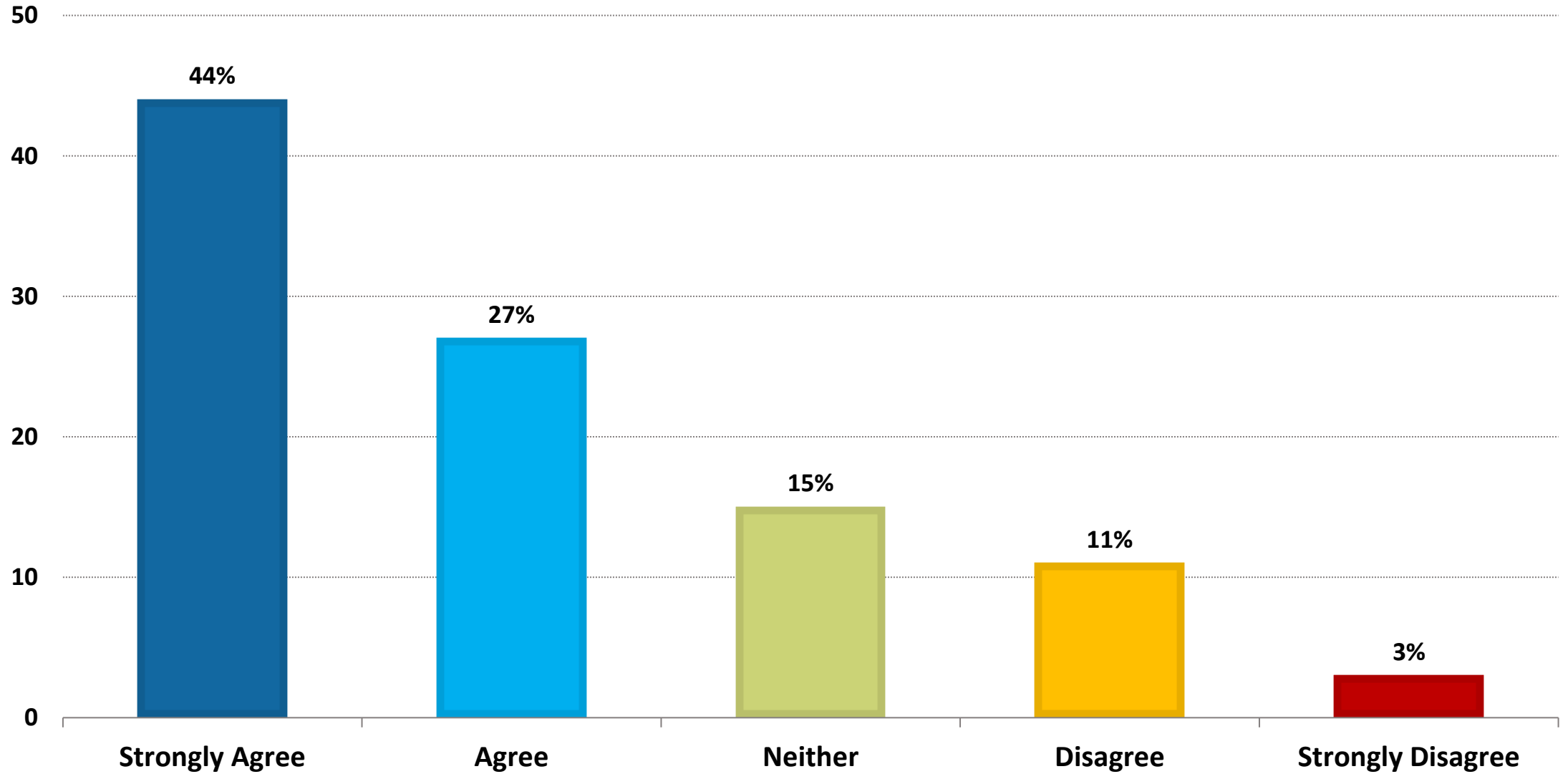
Can take out equity

Owner Quotes

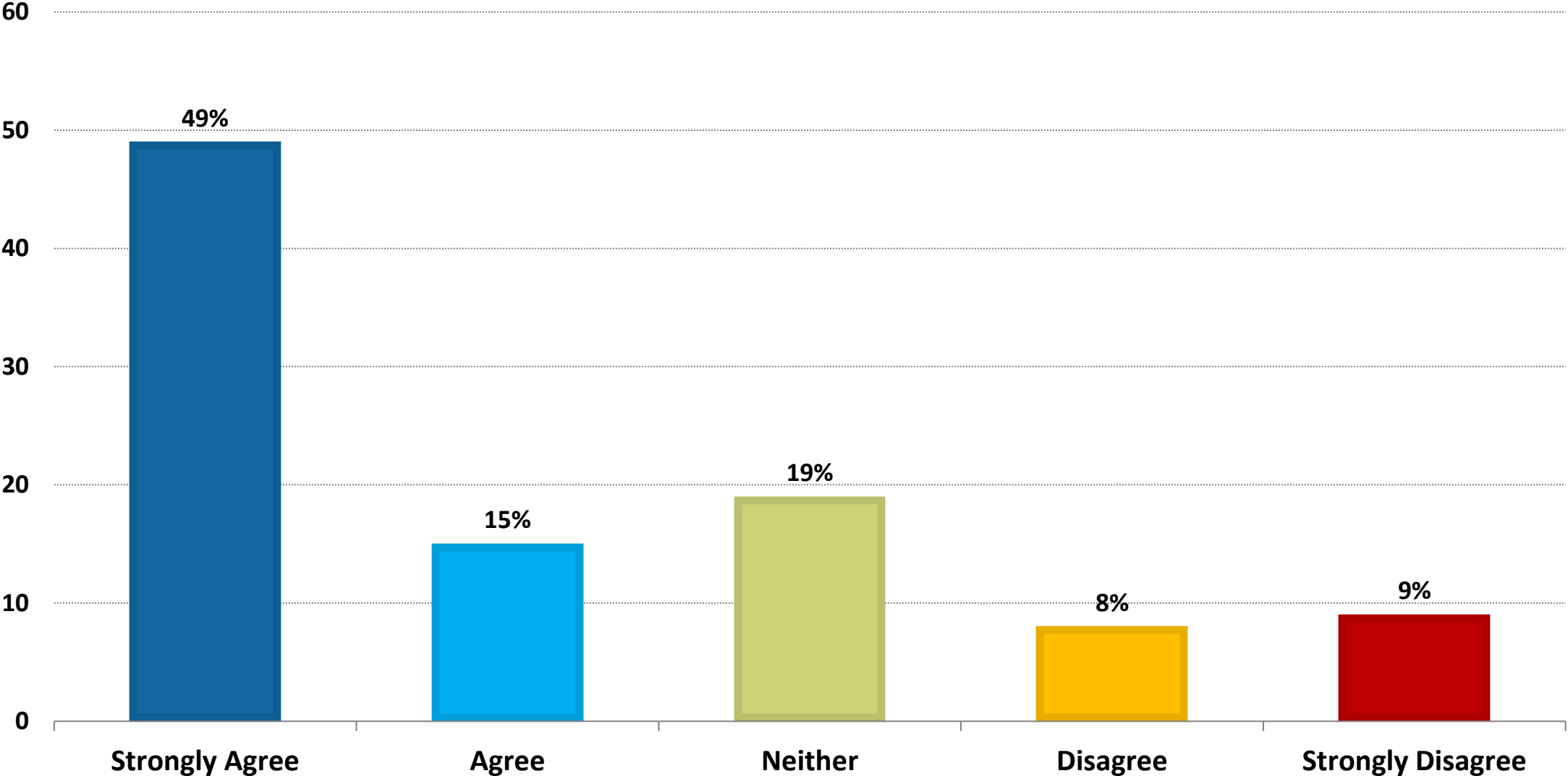
- *I would never have been able to afford a condo in Cambridge without this program. I love my home and feel lucky to live in it!*
- *The current affordable homeownership program is not actually affordable, it's just less expensive and more stable than market.*
- *I have transitioned into retirement, and the low overhead is key to my continued residence.*
- *It allowed me to access better employment and increase my family's income*
- *Low taxes on home; could afford to stay in Cambridge for the past 19 years!*
- *I have a place which I can call my HOME*

Views on Affordable Housing Programs

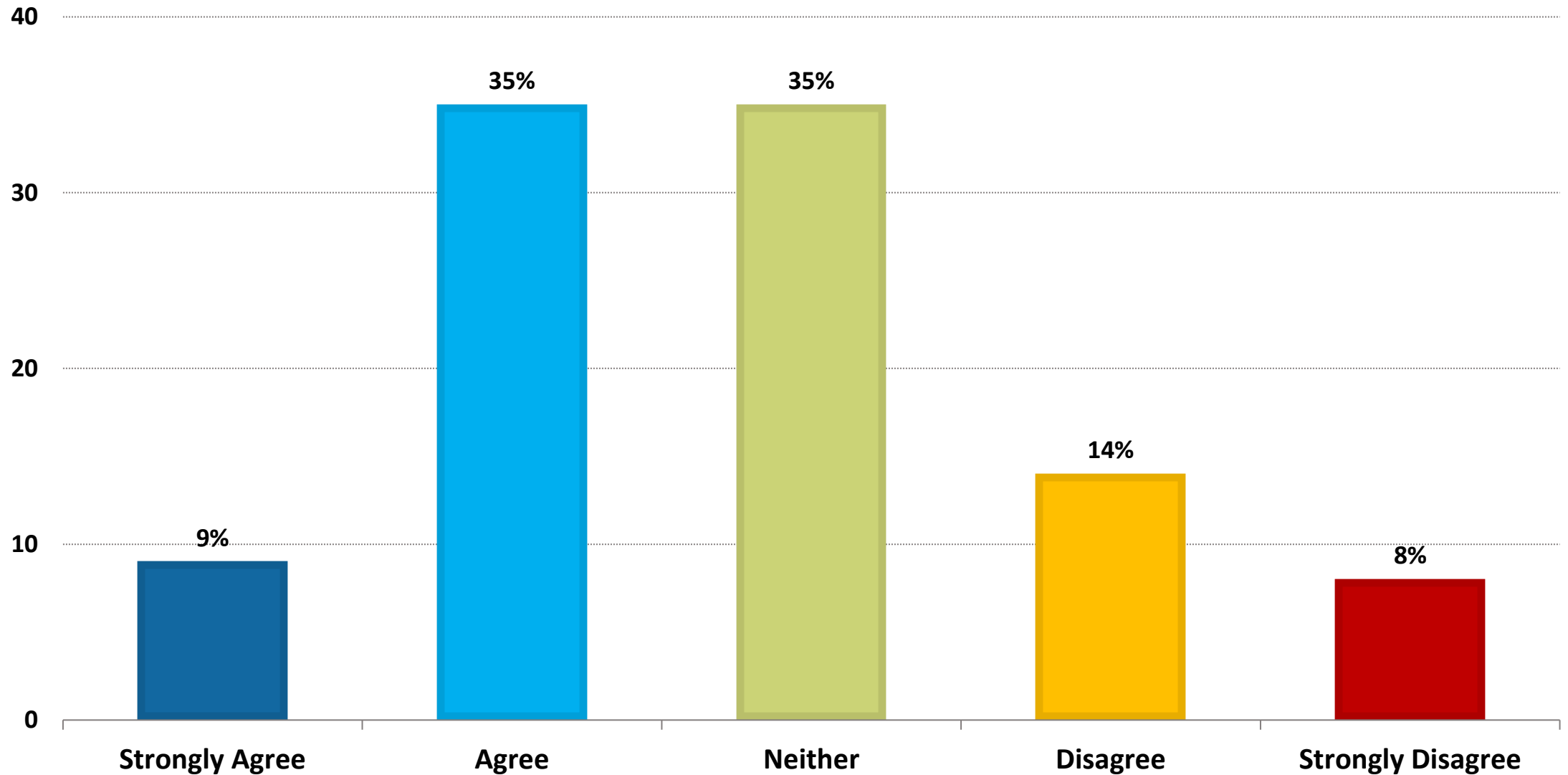
Affordable homes should appreciate at the same rate as market homes



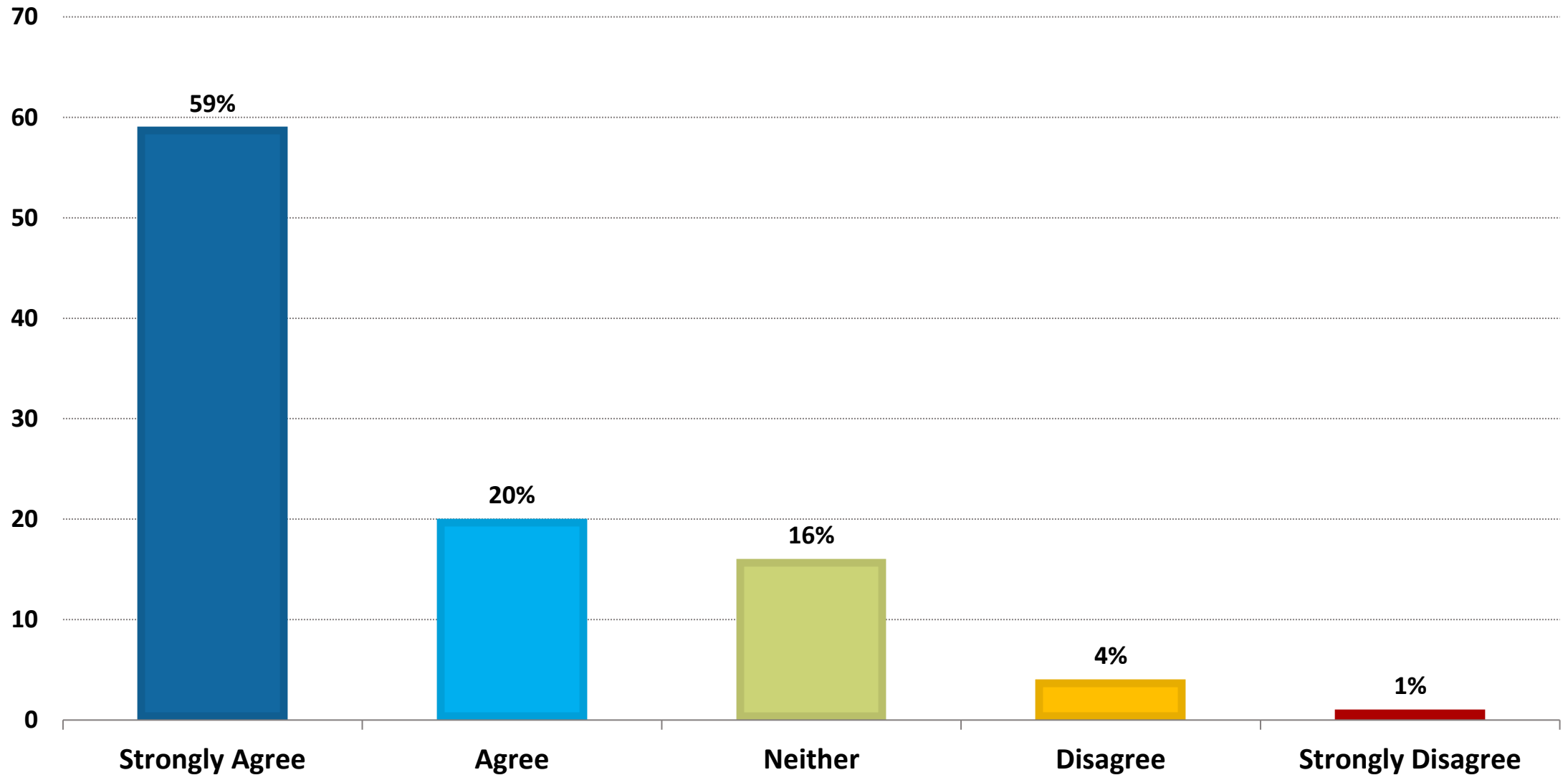
Affordable housing restrictions should go away after a period of time



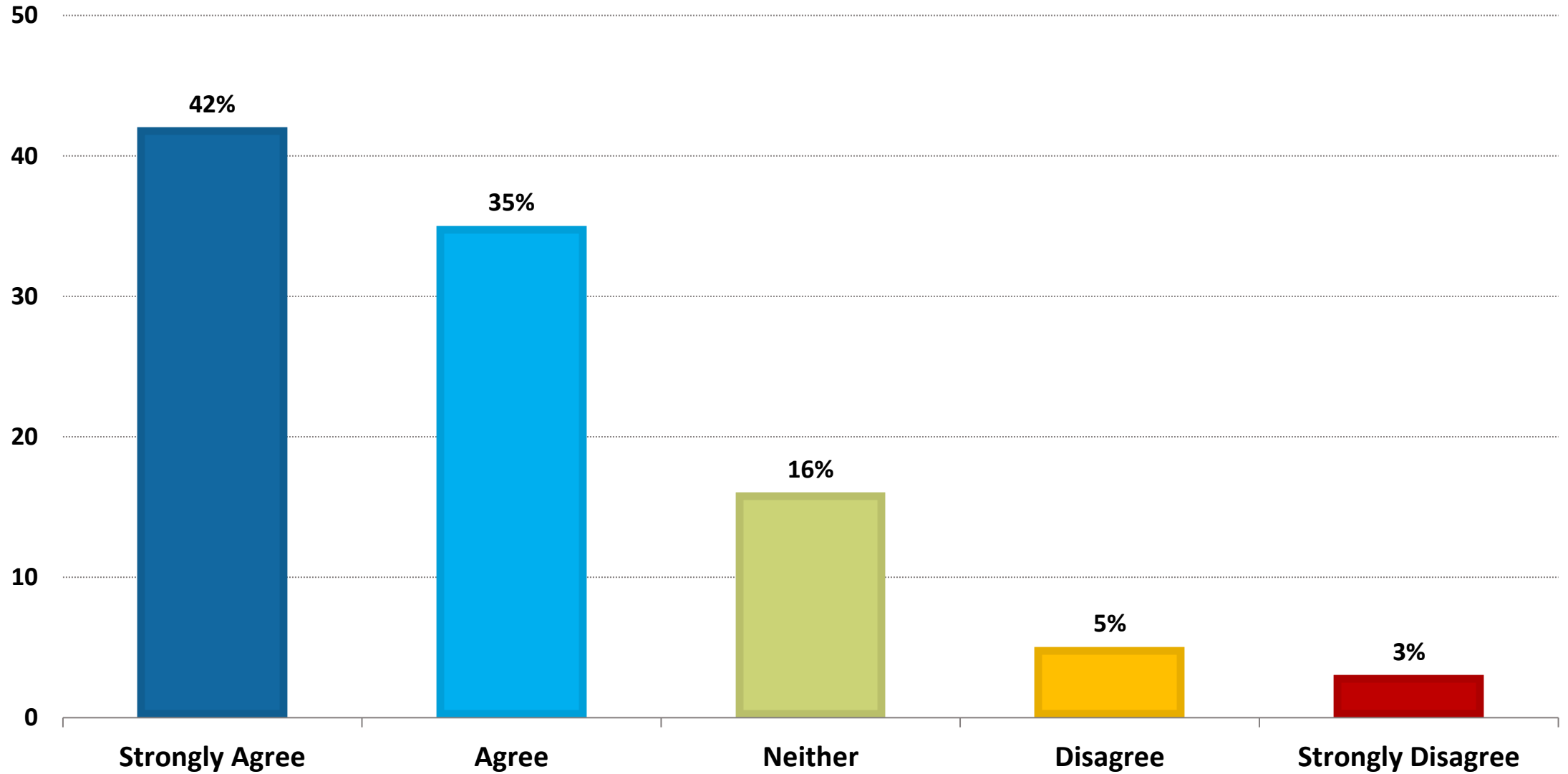
The value of an affordable home should decrease if it is not in good condition



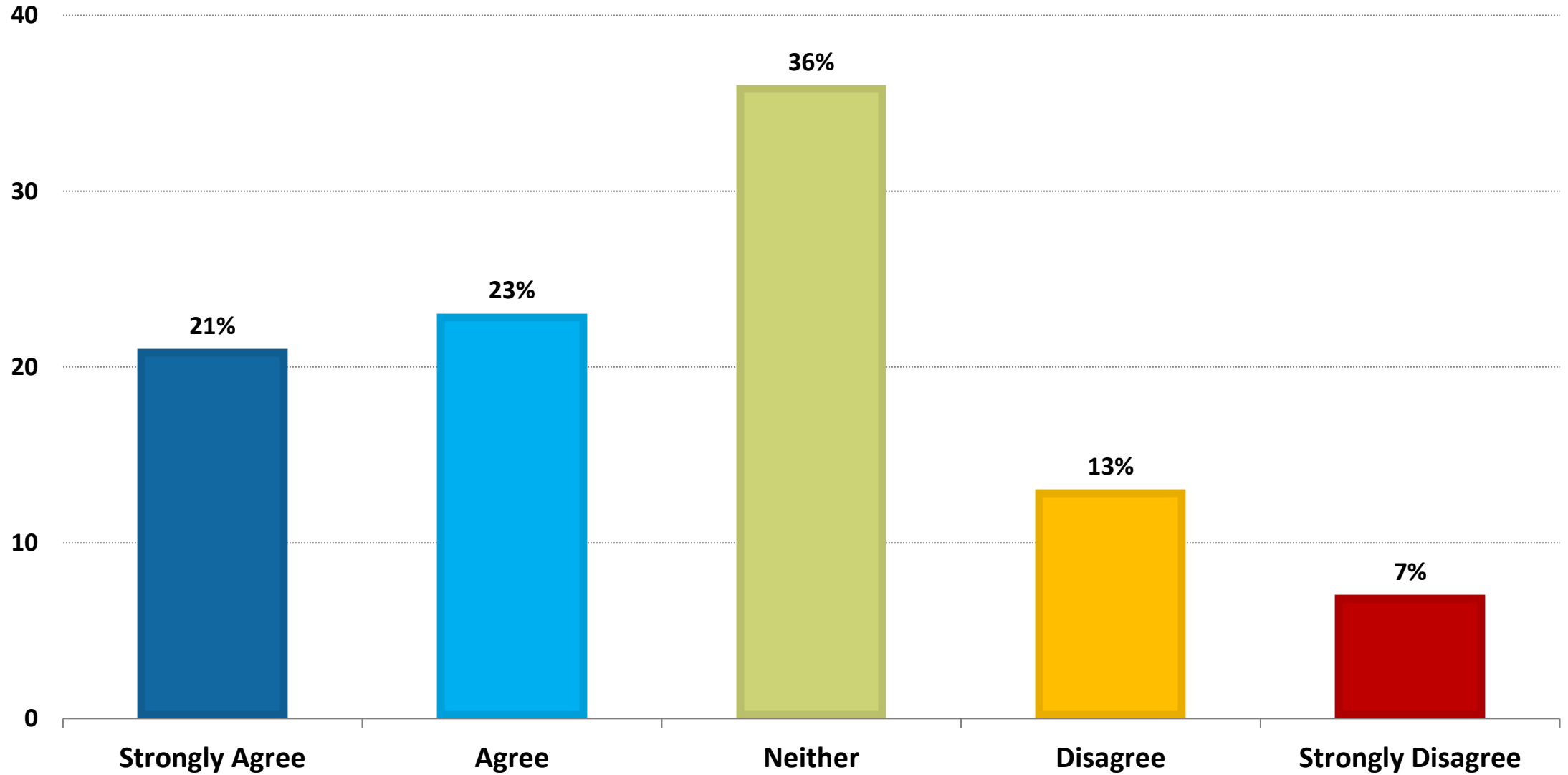
Owners of affordable homes should be guaranteed a profit when they sell



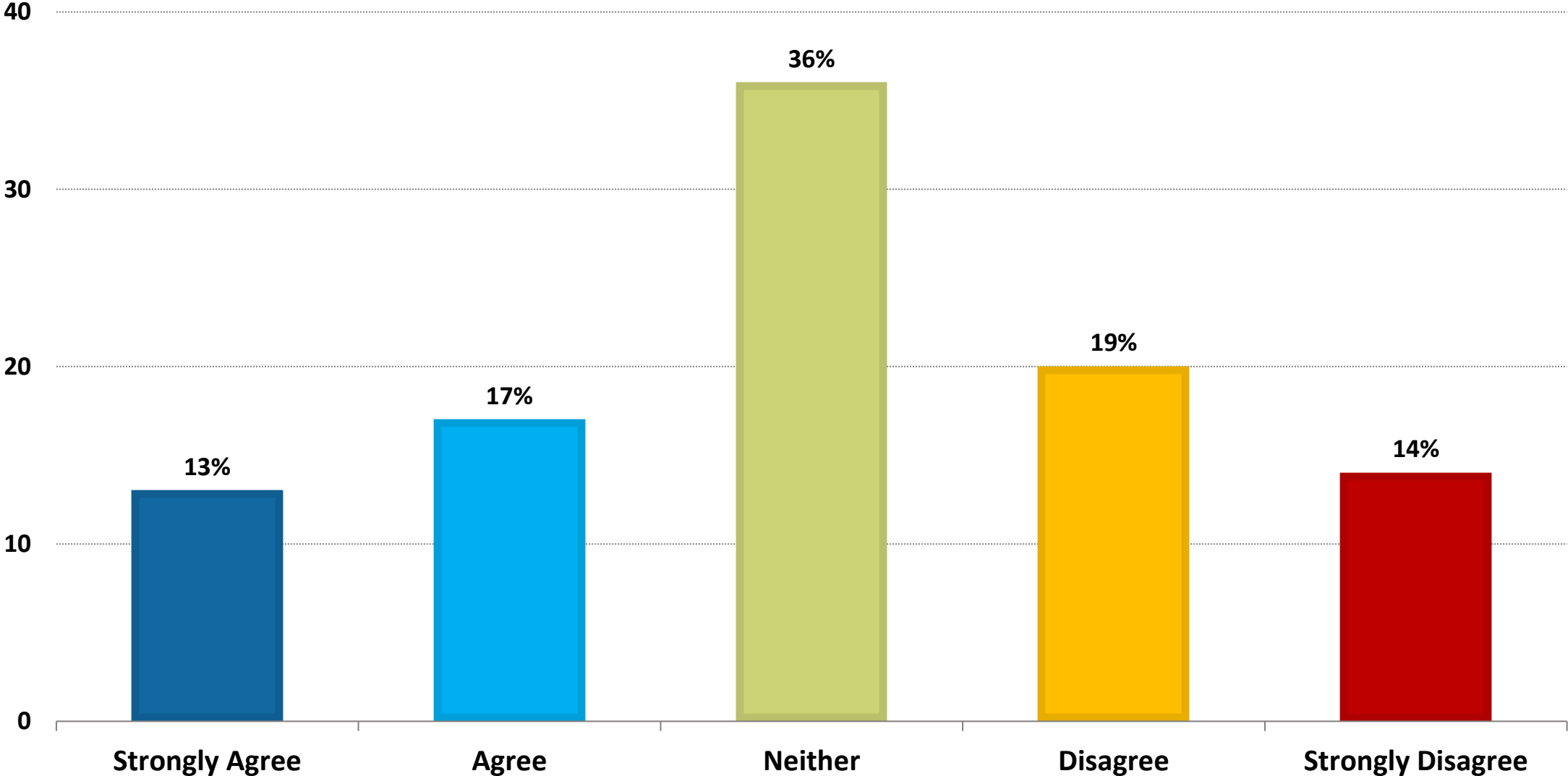
It is important that affordable homes are resold to an income-eligible buyer



Affordable homes in certain buildings or neighborhoods should be worth more



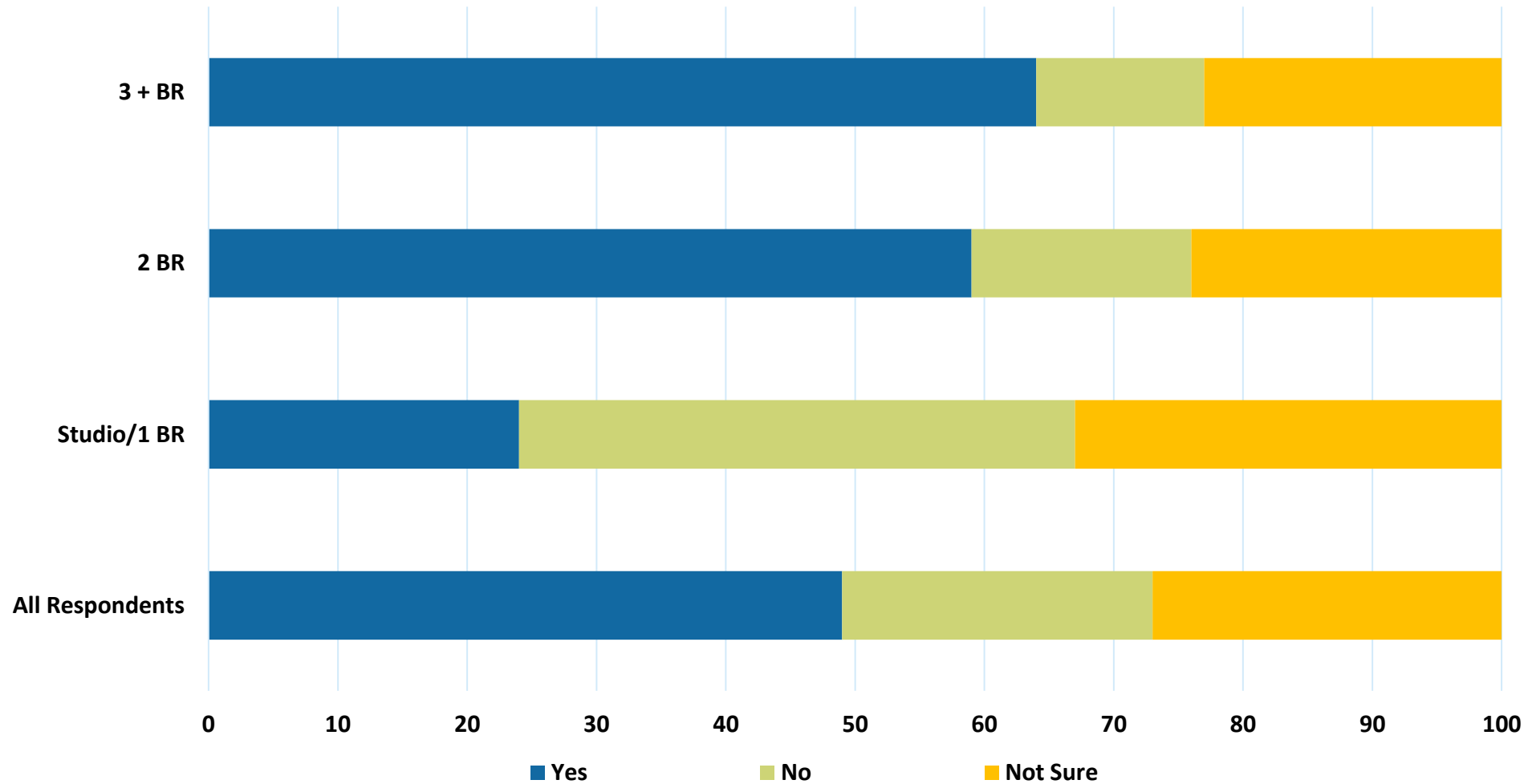
The benefits of affordable homeownership should only go to the current owner



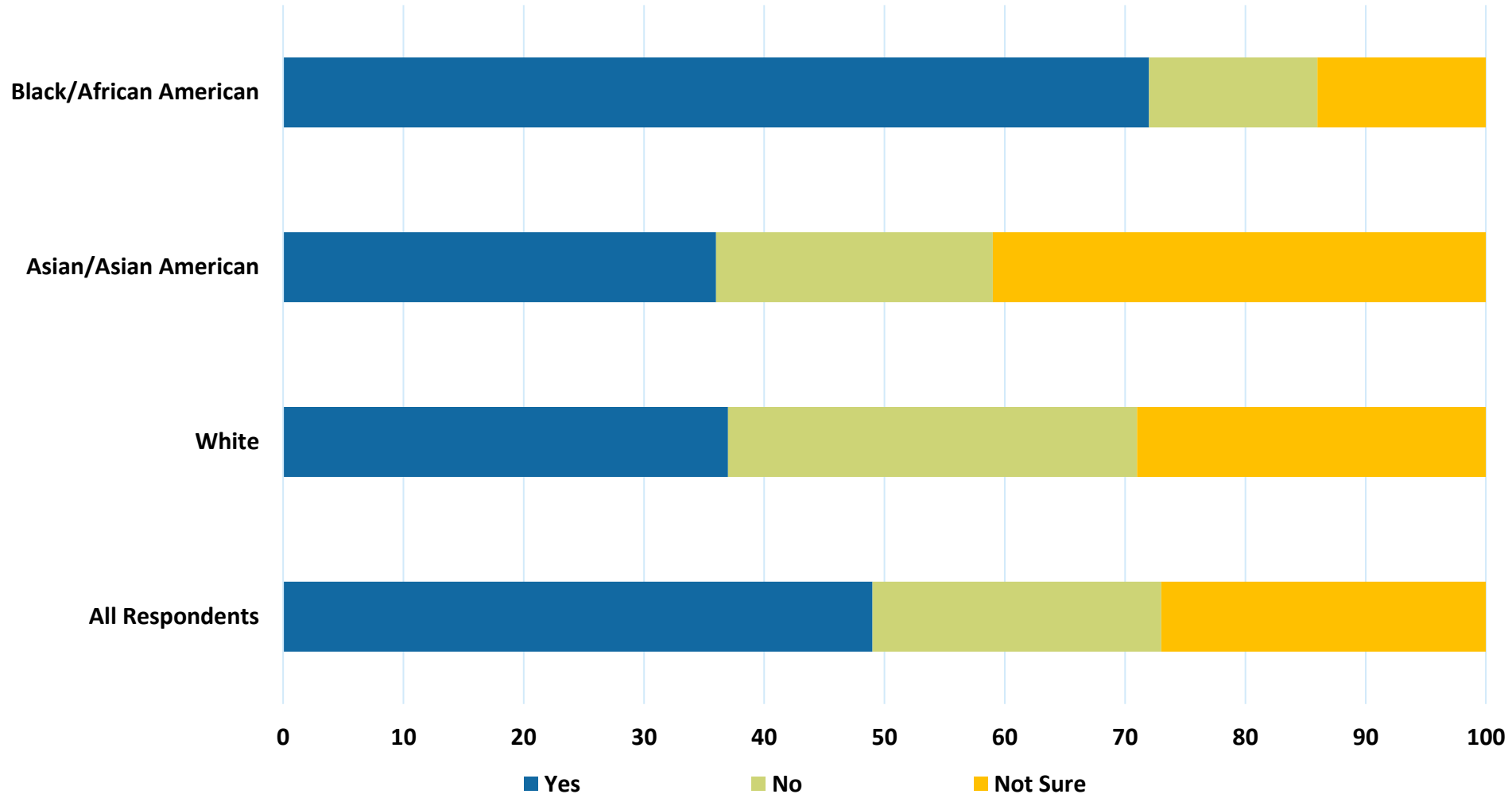
Views on Inheritance Policy

Is inheritance more important than value?

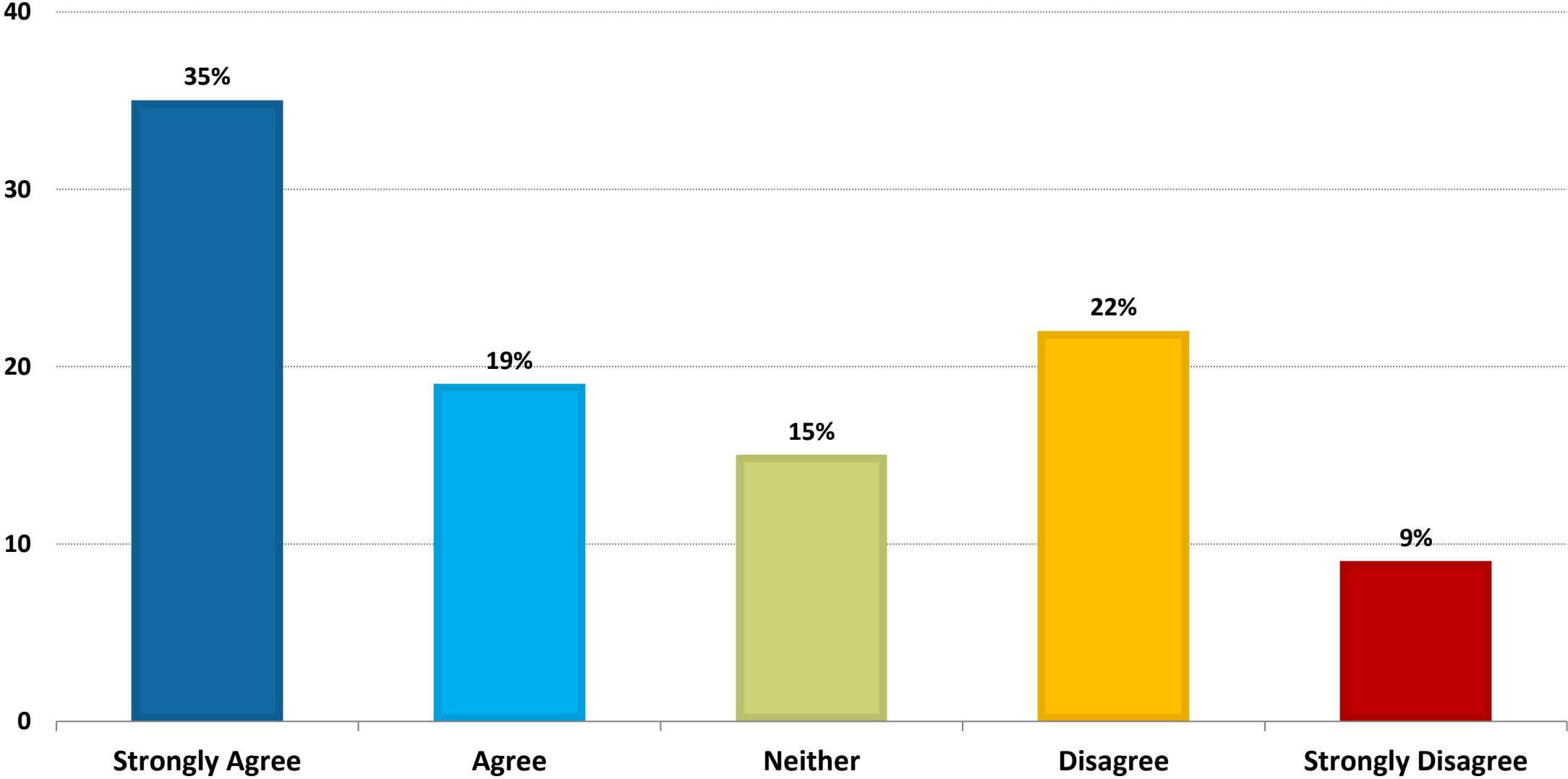
49% of respondents said YES



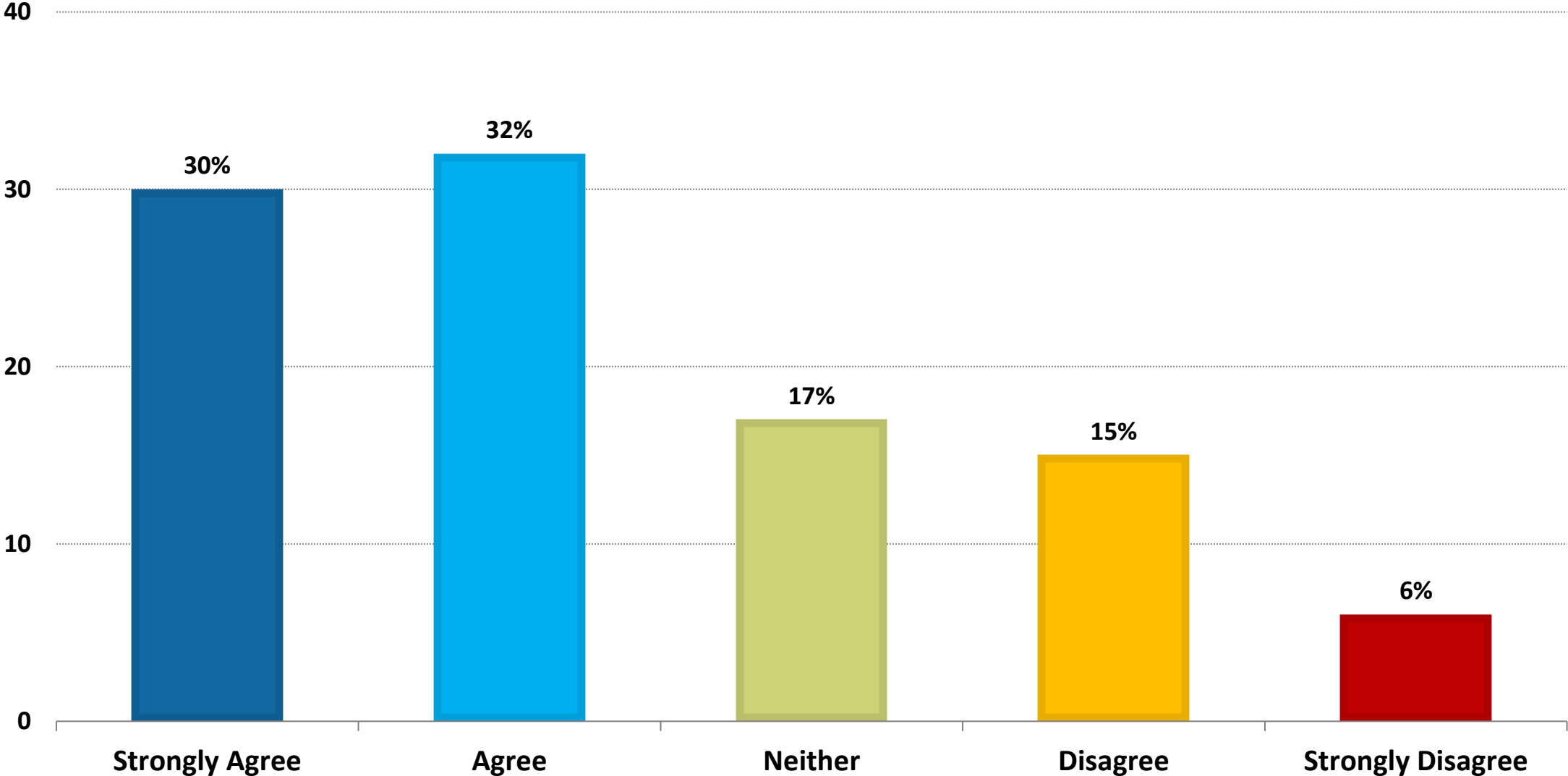
Is inheritance more important than value? Responses by Race



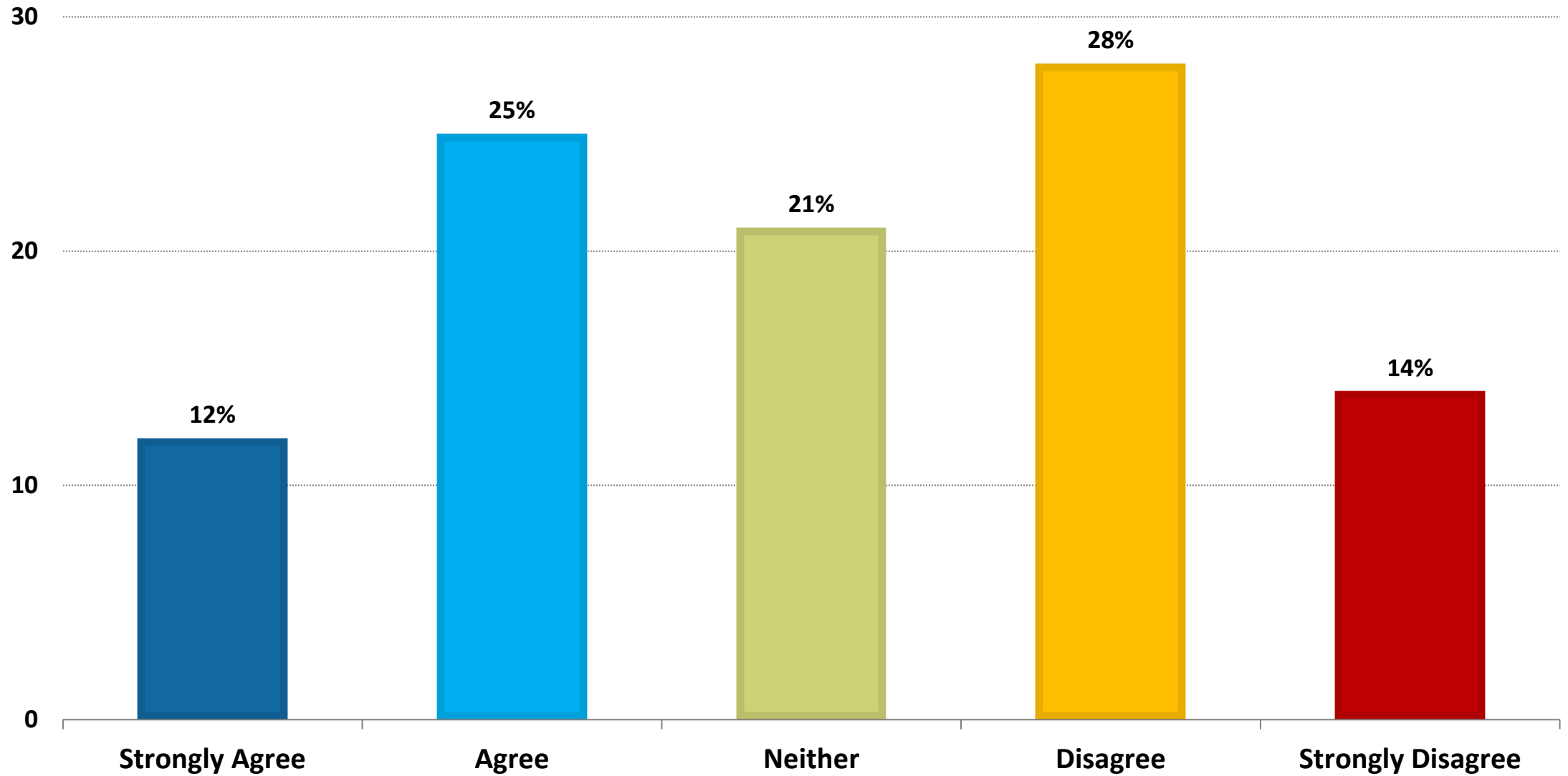
Owners should be able to leave their home to whomever they choose



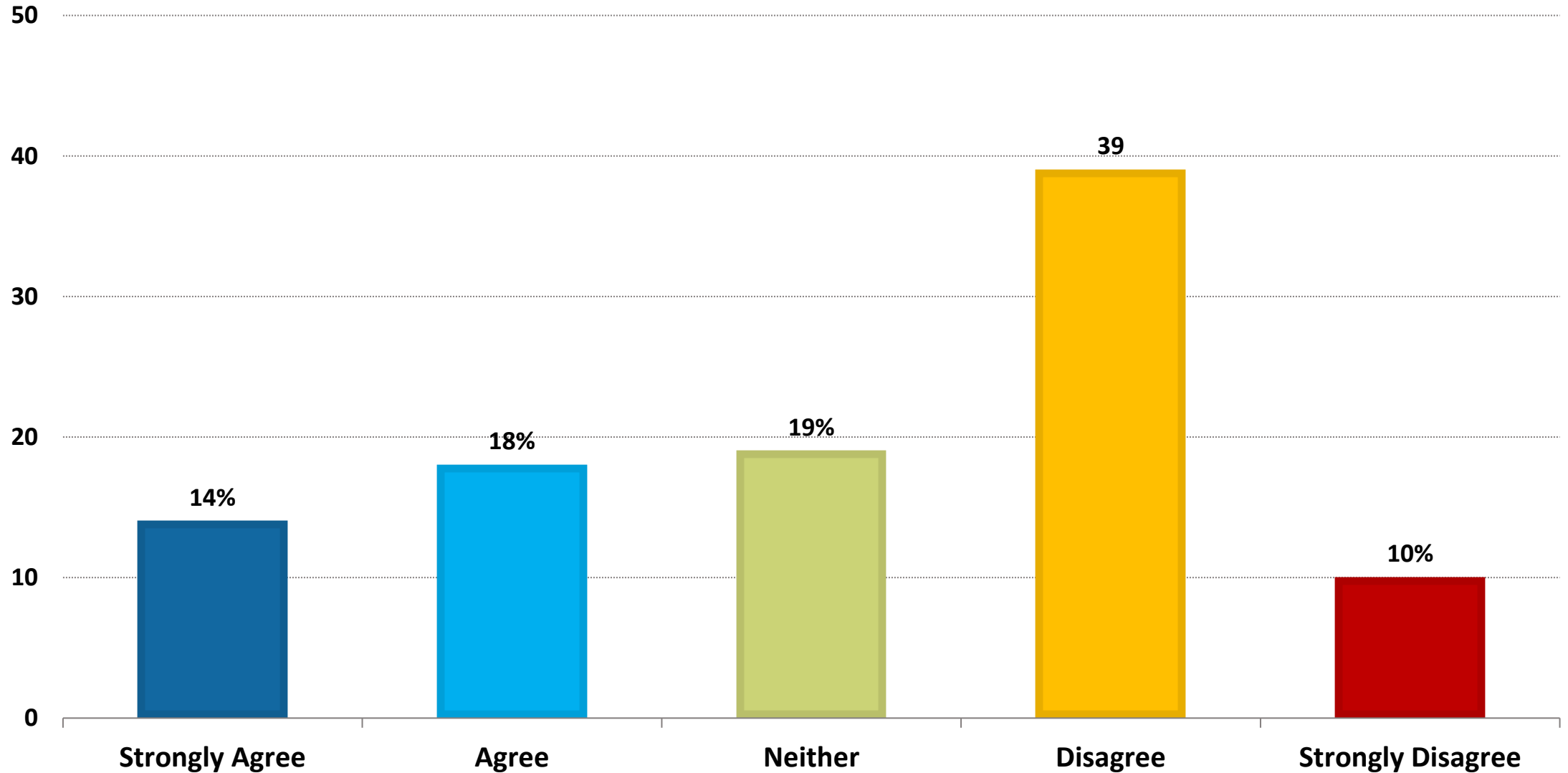
Only an owner's relatives should be able to inherit an affordable home



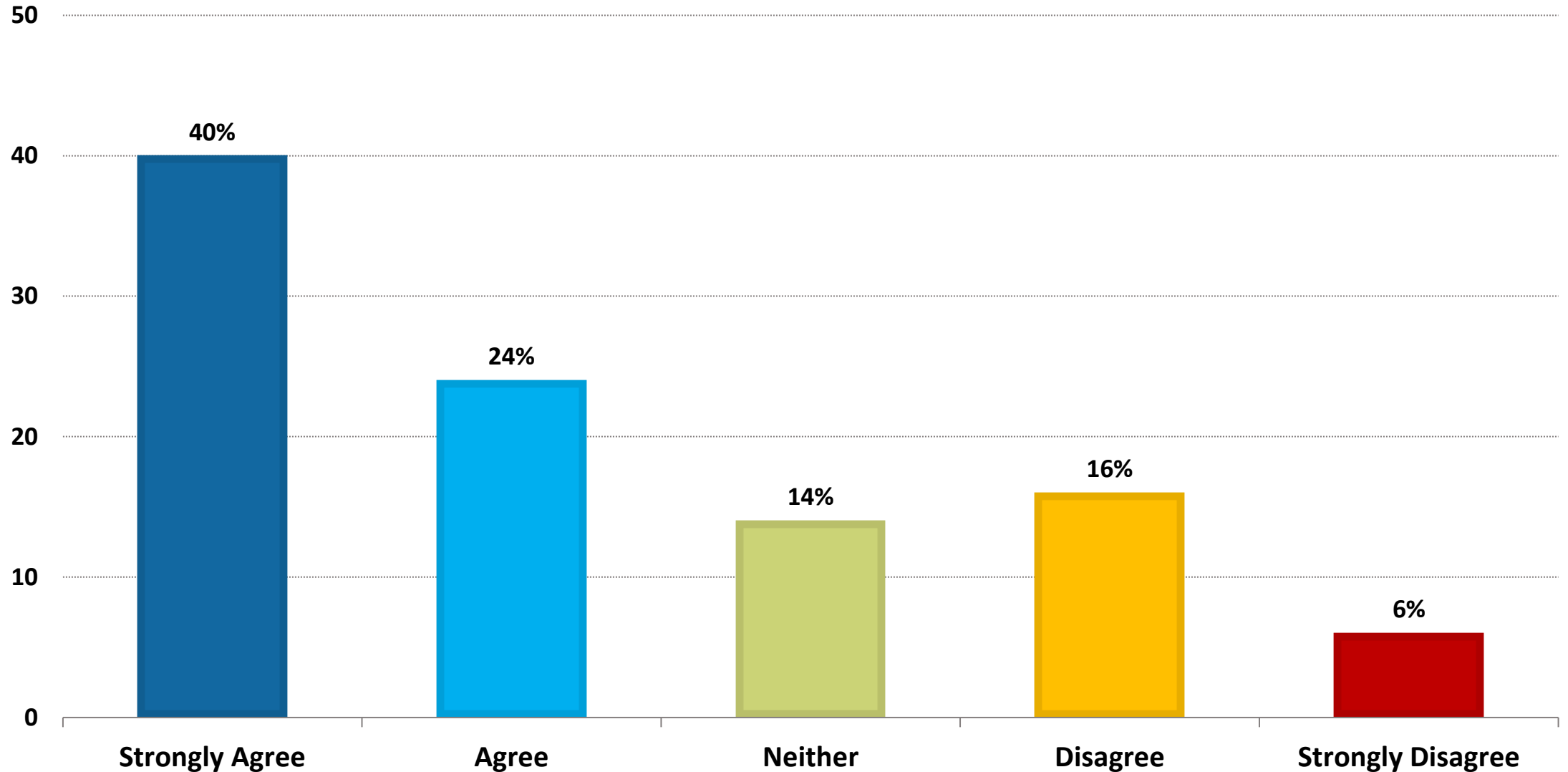
Anyone inheriting an affordable home should be income-eligible



Only a current household member living with the owner should be able to inherit an affordable home



Current household members living with the owner should be able to inherit even if not income-eligible



Views on Resale Formulas

Owners were asked to rank the following priorities for a Resale Formula

- No risk price will decrease
- Ability to easily determine value
- Price increases at a steady, predictable rate
- Home will stay affordable
- Value changes at the same rate at market homes

Respondent Priority Ranking

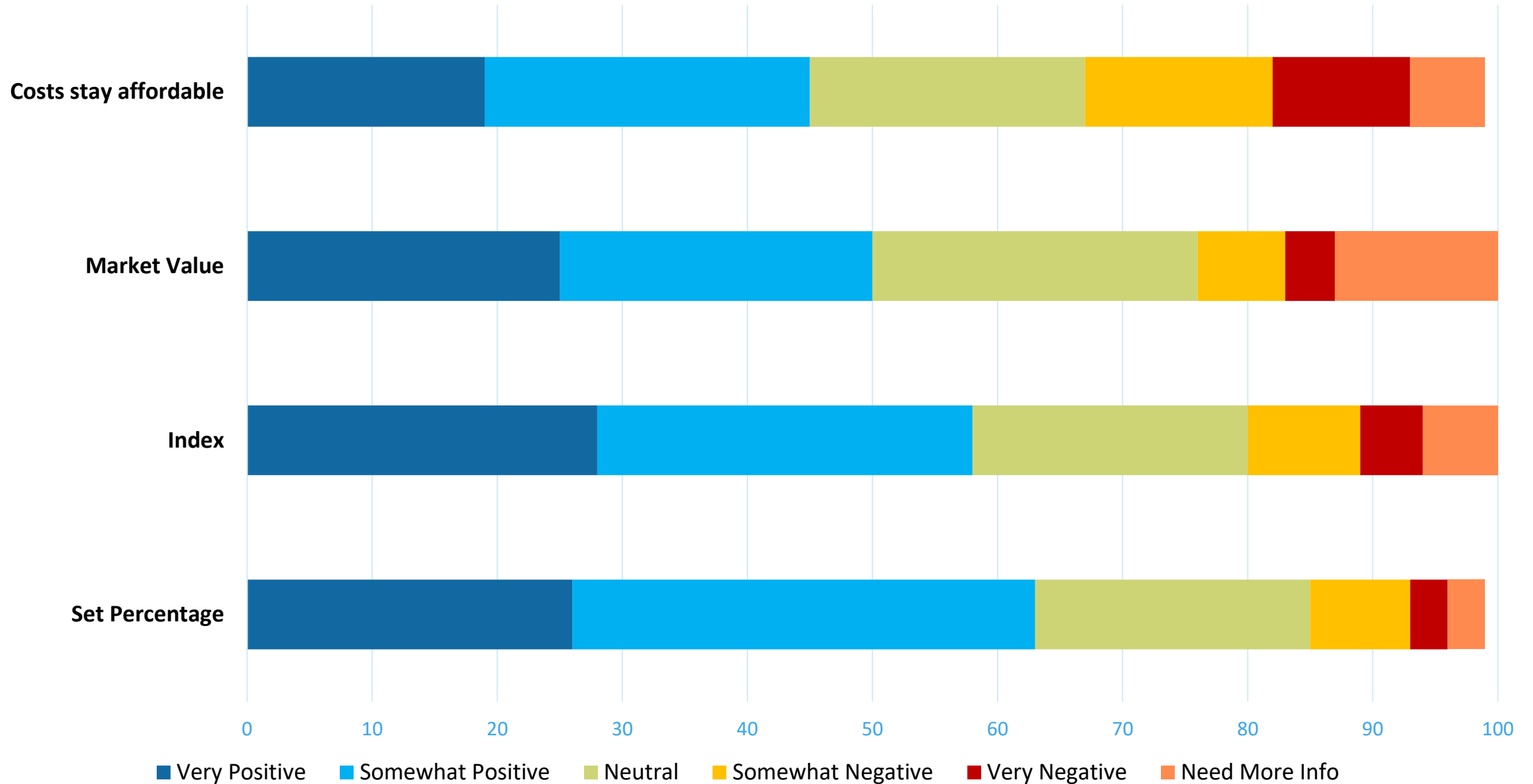
	Ranked Most Important - #1	Ranked Least Important - #5	Average Ranking
Value changes at same rate as market homes	42%	22%	3.4
Price increases at steady, predictable rate	24%	10%	3.4
Home will stay affordable to an income-eligible buyer	14%	26%	2.8
No risk price will decrease	12%	22%	2.8
Ability to easily know what home is worth	8%	18%	2.7

Reaction to Different Resale Formula Types

Owners were asked to give an initial reaction to four commonly used Resale Formula valuation methods:

- **Increase by a set percent annually**
- **Increase or decrease by a percentage tied to an outside index, such as CPI or AMI**
- **Increase or decrease by a percentage based on the change in the appraised market value of the home**
- **Determined based on a price affordable to an income-eligible buyer based on current interest rates and costs**

Reactions to Common Resale Formula Models



Program Review Process Next Steps

- Ten listening sessions for current owners scheduled through October 20
- Listening session(s) with applicants and potential applicants
- Opportunities for community members to comment
- Affordable Housing Trust
- Law Department
- Housing Committee
- City Council

