

Trends in Somerville: Housing Technical Report

September 2009



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Office of Strategic Planning
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REPORT INTRODUCTION

Somerville's housing stock is constantly changing. While the City's residential neighborhoods were largely built out by 1920, redevelopment of commercial, industrial and institutional lands has created new housing opportunities and challenges for the community. Even in Somerville's established neighborhoods, profound shifts in household and family composition have occurred, altering historical patterns of occupancy within residential units. Certain housing trends mirror changes observed at the national, state and regional scales, while in other aspects Somerville has changed in ways that are different even from immediate neighbors such as Boston and Cambridge.

This report was prepared by the Mayor's Office of Strategic Planning and Community Development (OSPCD) in order to establish a solid foundation of data from which to inform future policy decisions. Additionally, with the 2010 federal Census approaching, an understanding of previous housing trends will be critical to ensure an accurate count of Somerville's residents. Key findings of the report include the following:

- Two-thirds of Somerville's housing units are located in small multifamily dwellings (two-, three- and four-family); no other community in the region is so heavily weighted toward small multifamily structures.
- Consistent with national and state trends, household and family sizes have decreased significantly since 1950. This trend suggests that Somerville's housing stock is being occupied by fewer residents than in previous generations.
- Like most other urban communities, Somerville is a city of renters, with approximately two-thirds of housing units renter-occupied. Unlike many urban communities,

Somerville has not experienced a surge in homeownership during the last twenty years.

- Since 2000, Somerville has experienced far greater rates of condominium activity (conversion of rental apartments to ownership condominiums, along with new construction of condo projects) than neighboring cities have.
- Like the rest of the metropolitan region, Somerville has experienced dramatic increases to housing prices since 2000. Interestingly, the current recession has affected Somerville in different ways than neighboring cities.
- To date, the national foreclosure crisis has not impacted Somerville as acutely as many neighboring communities. However, foreclosures are on the rise, and mortgage lending data suggest that hundreds of Somerville households could be at-risk in coming years.
- While Somerville's chronically homeless population appears to have decreased in recent years, the frequency of family homelessness is increasing.
- Public support for housing in Somerville is strong, and the City has a large and diverse inventory of subsidized housing. Even so, demand for affordable housing continues to exceed supply, challenging the City and its partners in the private, public and nonprofit sectors.

The Housing Trends report is divided into five subject sections. They are:

1. Housing Stock
2. Housing Tenure and Occupancy
3. Housing Prices
4. Housing Pressures
5. Public Support for Housing

Data Sources and Methodology:

A primary data source for this report is the US Census. Census data allow consistent analyses of housing trends in Somerville as far back as 1880 (the date of the first decennial Census following Somerville's incorporation as a city in 1872). The 2000 Census provides housing data that are extremely rich in detail; however, significant limitations must be acknowledged:

1. The most complete Census data currently available was collected in 2000, and may not accurately reflect conditions on the ground in 2009.
2. Annual estimates published by the Census Bureau since 2000 (the "American Community Survey") offer significantly less detail and less accuracy than the decennial Census. The margin of error for many of these datasets is very high.
3. The Census is prone to undercounting specific groups of persons: low-income persons, young adults, non-English speakers, recent immigrants, and persons "doubled up" in housing units.

A second major data source is the Somerville Assessing Department. Assessor's data provide detailed information on real property, including structure type and condition, construction and rehabilitation activity, ownership characteristics, and property sales.

Additional sources include federal and state agencies, primarily the US Department of Housing & Urban Development; and the Massachusetts Department of Housing & Community Development. The Greater Boston Housing Report Card (an annually-published collaboration between Northeastern University and the Boston Foundation) provides excellent real estate data for neighboring cities and towns. Data collected and published by local entities in the nonprofit, academic and private sectors are also included.

Where time-series data is presented in this report, rigorous quality-assurance work has been conducted to standardize data.

- All historical monetary values have been adjusted for inflation to 2009 US dollars.
- Real estate sales data have been cleaned to eliminate "non-arms-length deals" and emphasize fair market transactions.

Comparison with Other Jurisdictions:

To provide context for Somerville's housing changes, this report uses a number of comparable statistics, including data at the national, state, metropolitan and local scales. Most analyses provide data for cities and towns that border Somerville, as well as several other communities in the immediate vicinity whose historical development patterns and demographic profiles are relatively comparable to Somerville's:

- Arlington
- Boston
- Cambridge
- Chelsea
- Everett
- Malden
- Medford

A Note on Demographic Mapping:




The US Census Bureau collects demographic data by household, but aggregates the data to larger units before publication in order to maintain respondents' privacy. The most detailed data are generally published by "Block Group" (clusters of city blocks, generally containing roughly 1,000 residents). In 2000, the Census Bureau divided Somerville into 67 Block Groups, with total Block Group populations ranging from 425 residents to over 2,700.

Block Group boundaries change from Census to Census. For example, the 1990 federal Census divided Somerville into 76 Block Groups. These administrative changes reflect the Census Bureau's best understanding of conditions on the ground, and are often informed by recommendations from local governments. **A critical finding of this report is that Census Block Group "3501001" (Assembly Square and The States neighborhood of East Somerville) should be subdivided into two new Block Groups for the 2010 Census.** The Assembly Square portion of Block Group 3501001 (north of Interstate 93) currently has no residential land uses, while The States neighborhood is one of the city's oldest and most densely populated residential and mixed-use districts.

All of the maps included in this report show Block Group 3501001 divided along Interstate 93. The demographic information recorded by the Census Bureau for the Block Group is attributed to the southern portion to enhance its accuracy. This reallocation of data is critical to prevent any skewing of the demographic profile for these two neighborhoods. Furthermore, as the City implements its redevelopment plans for Assembly Square, an accurate record of base conditions will be essential going forward.

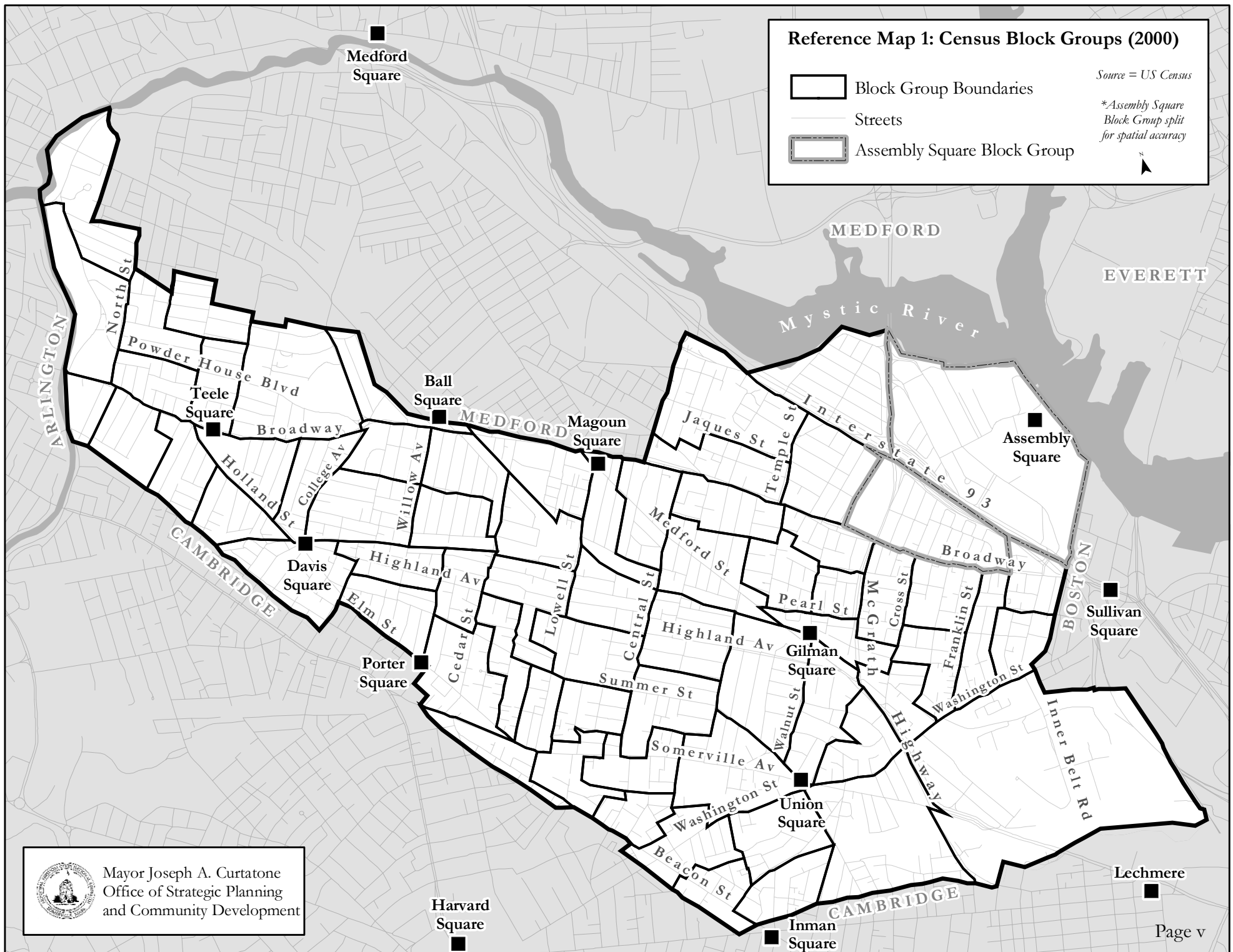
To enhance the readability of the Block Group maps, reference points such as streets and squares are not shown. Please see Reference Map 1 on the following page for an overlay of Block Group boundaries with the city's street grid and major commercial squares.

Reference Map 1: Census Block Groups (2000)

-  Block Group Boundaries
-  Streets
-  Assembly Square Block Group

Source = US Census

*Assembly Square
Block Group split
for spatial accuracy

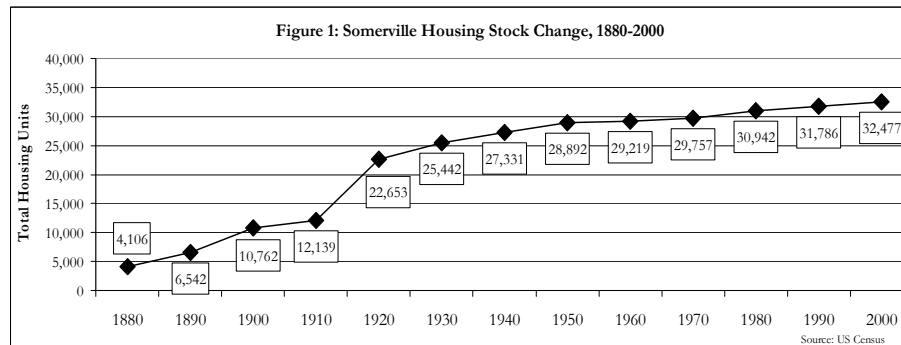


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HOUSING STOCK

1. The majority of housing stock in Somerville was built in the early 20th century, and the number of housing units has remained essentially constant since 1940. At its peak population, Somerville housed over 100,000 residents in more or less the same housing stock that it has today.

The US Census Bureau defines a housing unit as “a house, an apartment, a mobile home or trailer, a group of rooms, or a single room that is occupied or intended for occupancy as a separate living quarters”. The 2000 Census reported that Somerville had 32,477 total housing units. As illustrated in Figure 1, the City’s last major spike in housing growth occurred between 1910 and 1920, when a construction boom resulted in a net change of 10,514 units (87%).



Remarkably, it took eighty years for Somerville to gain its next 10,000 housing units. Since 1940, Somerville’s housing stock has exhibited slow and consistent growth. The overall change from 1940 to 2000 was only 5,146 units (+19%). During this period, Somerville’s population decreased from 102,177 (1940) to 77,478 (2000), suggesting that the number of residents per housing unit has also decreased. (For a detailed discussion of household size and occupancy data, see Section 2 of this report).

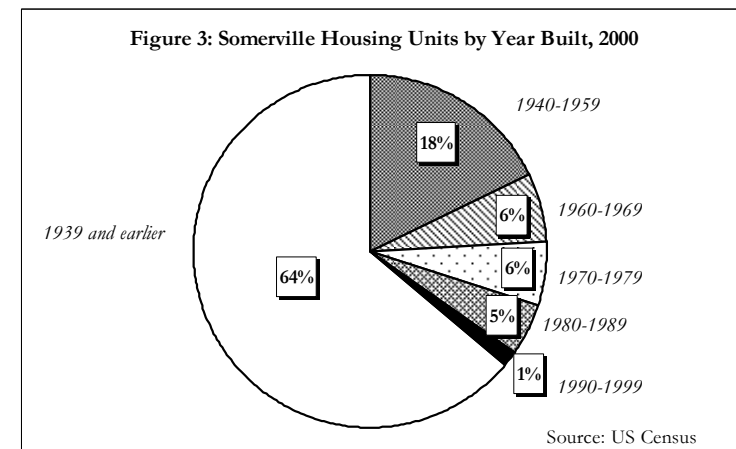
An aging housing stock has characteristics both positive and negative for a city. Older houses require more upkeep. Their utility and water systems are generally less efficient than the systems in newer units, and structural damage is more difficult and expensive to repair. On the other hand, many of the materials used in turn of the century construction are of higher quality than those used today. Most significantly, the architecture and design of older homes offers more character and a historical feel that is valuable both to the owner, the neighborhood and the City as a whole.

Of the 32,000 housing units reported by the 2000 US Census, 64% (20,744 units) were constructed prior to 1940. The discrepancy between that number and the 27,331 units reported by the 1940 Census reflects demolition of older homes through the years, particularly during construction of Interstate 93 (1967) and the proposed (but never constructed) Inner Belt Expressway (1950).

Figure 2: Somerville Housing Units by Year Built, 2000

1939 and earlier	1940-59	1960-69	1970-79	1980-89	1990-99
20,774	5,756	2,102	1,932	1,474	469

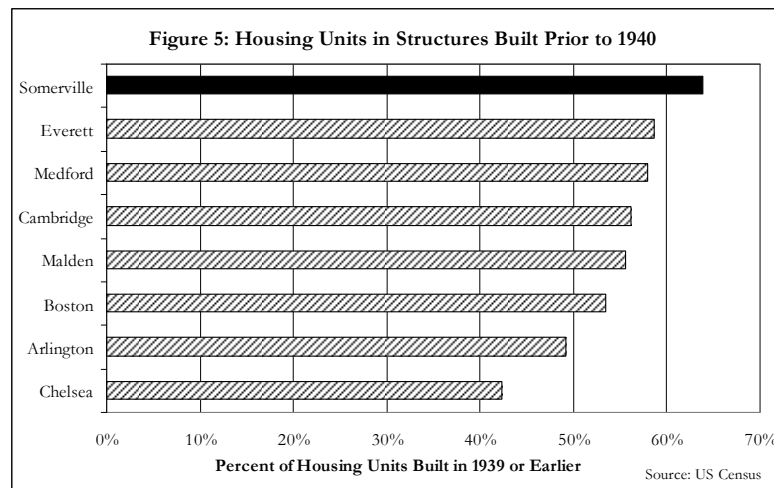
Source: US Census



Somerville's high proportion of older housing units is unique among neighboring cities and towns. No other community in the urban core had greater than 60% of its housing stock built prior to 1940. According to 2000 Census data, Everett (59%) and Medford (58%) were the most comparable to Somerville. As illustrated in Figure 5, the housing stock in Arlington (49%) and Chelsea (42%) were the least comparable among Somerville's neighbors.

Figure 4: Housing Units in Structures Built Prior to 1940		
	Number of Units	Percent of Total Units
Boston	134,707	53%
Cambridge	25,115	56%
Somerville	20,774	64%
Medford	13,141	58%
Malden	12,174	56%
Arlington	9,554	49%
Everett	9,322	59%
Chelsea	5,216	42%

Source: US Census



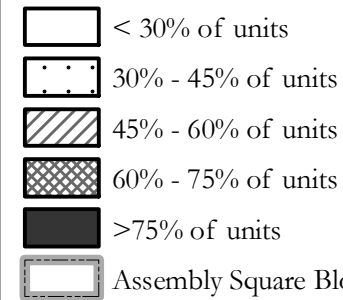
2. Central and West Somerville have the City's greatest concentration of residential structures built before 1940.

Although Somerville's residential neighborhoods were largely built out by 1940, certain neighborhoods are characterized by particularly high concentrations of older housing stock. Whereas 64% of Somerville's residential structures were built prior to 1940, more than 75% of the housing stock was built prior to 1940 in large areas of Central and West Somerville.

As illustrated in Map 1, only two Census Block Groups in East Somerville exceeds the 75% threshold. The Block Group containing The States neighborhood (north of Broadway, east of the McGrath Highway and west of Lincoln Street) had the City's highest concentration of housing units located in structures built prior to 1940 (92%). It should be noted that this neighborhood experienced demolition of numerous homes during the construction of Interstate 93. This suggests that the neighborhood could have been even more heavily weighted toward older housing stock.

Neighborhoods with particularly low frequencies of older housing stock tend to contain large apartment complexes built in the postwar era. Census Block Groups in Clarendon Hill (14%) and Cobble Hill/Brickbottom (16%) have a disproportionate number of units located in the Clarendon Hill Towers and Cobble Hill Apartments, respectively, skewing their percentages. Neighborhoods such as Ten Hills/Mystic Avenue (340 units built prior to 1940, or 37% of all units) and Prospect Hill (367 units, or 45%) include large apartment complexes, but also include large areas of older housing stock.

Map 1: Housing Units Built Prior to 1940

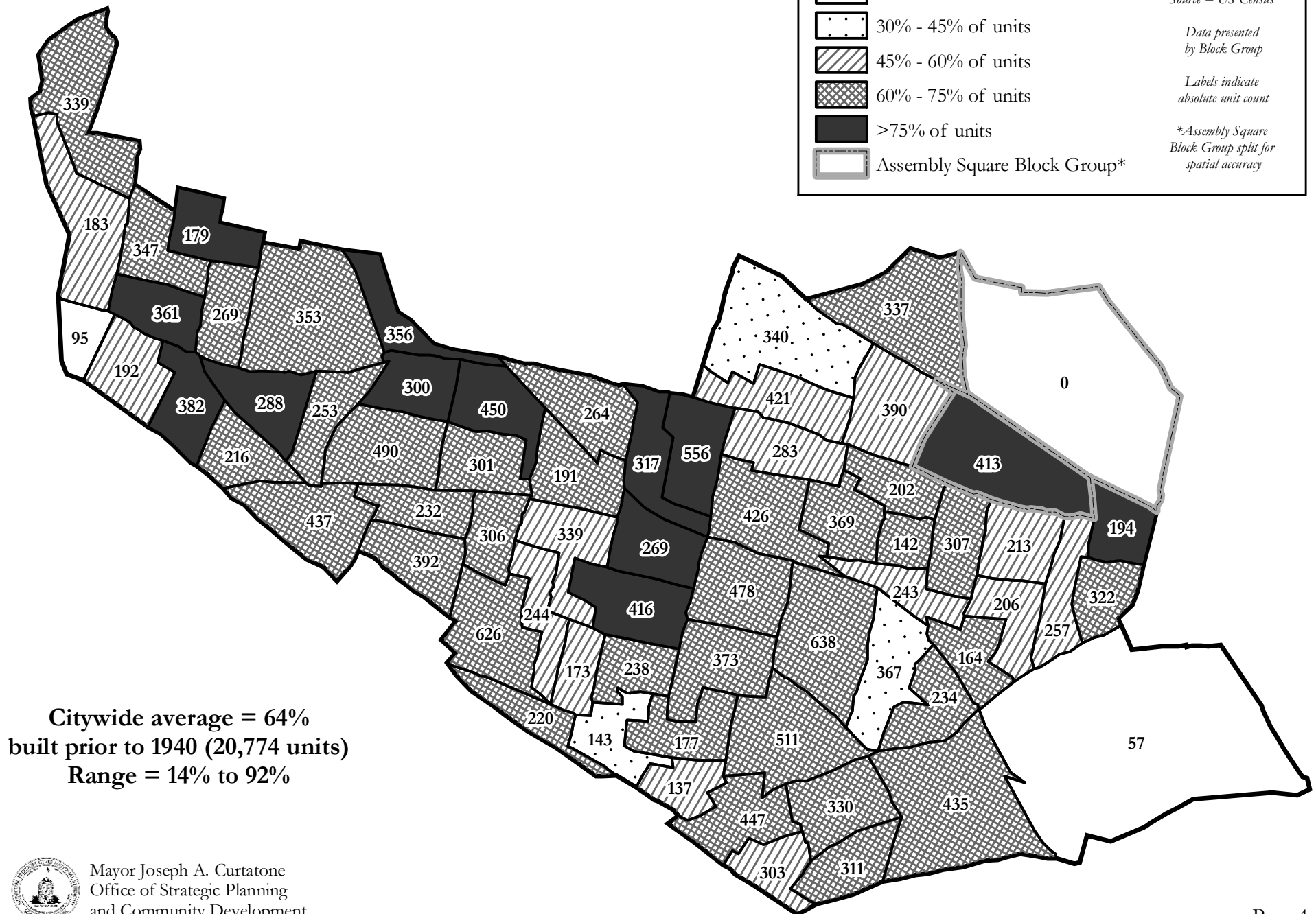


Source = US Census

Data presented
by Block Group

Labels indicate
absolute unit count

*Assembly Square
Block Group split for
spatial accuracy



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3. Between 1990 and 2000, Somerville's housing growth was consistent with the regional growth rate, but significantly lower than growth rates for several neighboring cities.

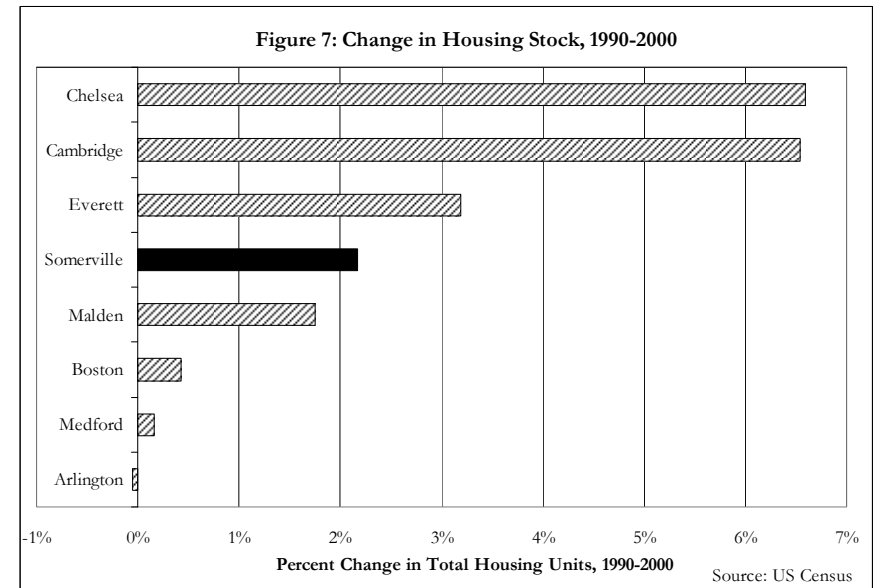
During the 1990's, Somerville experienced a net gain of 691 housing units (2.2%). This rate of change was consistent with the regional average for the same period (2.5%), but lagged far behind the statewide average (6%). Somerville's neighboring cities exhibited a wide range of housing growth during that period.

As illustrated in Figure 6, Cambridge, Boston and Chelsea all experienced greater absolute growth in their housing stock than Somerville did. In terms of percentage growth, the clear leaders in were Chelsea and Cambridge. Chelsea added 763 units of housing during the 1990's (6.6%), while Cambridge added 2,746 units (6.5%). Growth rates for Everett (3.2%) and Malden (1.8%) were most comparable to Somerville's. Since Boston's housing stock is so large to begin with, the addition of 1,072 units yields a modest 0.2% increase for the decade. Medford experienced slow growth, whether measured by absolute change (37 units) or percentage change (0.2%). Arlington experienced a net loss of housing units during the 1990's.

Figure 6: Change in Housing Stock, 1990-2000

	Absolute Change	Percent Change
Cambridge	2,746	6.5%
Boston	1,072	0.4%
Chelsea	763	6.6%
Somerville	691	2.2%
Everett	492	3.2%
Malden	407	1.8%
Medford	37	0.2%
Arlington	(10)	(0.1%)

Source: US Census



Since 2000, infill and redevelopment projects have continued to add to Somerville's housing stock. Construction records maintained by the City's Inspection Services Division indicate that approximately 588 residential units have been constructed since 2000. As illustrated in Figure 8, this new construction represents an increase of 2.6% from 2000. Large projects during this period include the Visiting Nurse Association developments at Capen Court (99 units) and Lowell Street (97 units), the Union Place condominiums (97 units) and the Somerville Community Corporation developments at St. Polycarp's (64 units) and Linden Street (42 units).

Figure 8: Change in Housing Stock, 2000-2009

	Absolute Change	Percent Change
Somerville	854	2.6%

Source: City of Somerville

4. The number of housing units per acre of land in Somerville is among the highest in the urban core.

With 32,477 housing units occupying a gross land area of only 4.1 square miles (2,649 acres), Somerville's overall housing density is calculated at 7,921 units per square mile (12.3 units per acre). As illustrated in Figure 9, data from the 2000 US Census show that Somerville had the highest overall housing density (total housing units divided by gross land area) among communities in the metropolitan core.

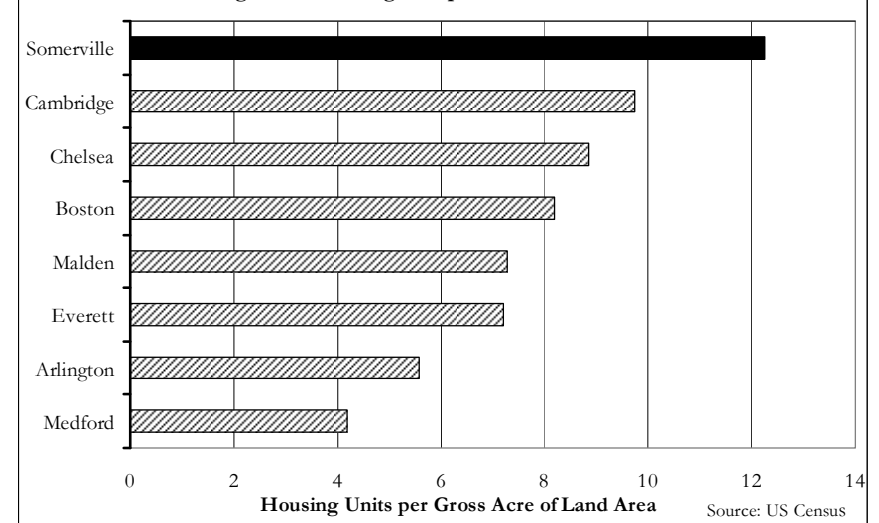
Figure 9: Housing Units per Gross Land Area, 2000

	Housing Units, 2000	Land Area, Square Miles	Land Area, Acres	Units per Acre
Somerville	32,477	4.1	2,649	12.3
Cambridge	44,725	7.2	4,587	9.8
Chelsea	12,337	2.2	1,394	8.9
Boston	251,935	48.1	30,788	8.2
Malden	23,634	5.1	3,247	7.3
Everett	15,908	3.4	2,205	7.2
Arlington	19,411	5.4	3,481	5.6
Medford	22,687	8.5	5,426	4.2

Source: US Census

Among neighboring cities and towns, only Cambridge (9.8 units per gross acre of land area) approaches Somerville's value. By this metric, Chelsea (8.9 units per acre) and Boston (8.2 units per acre) have slightly lower values. Malden (7.3 units per acre) and Everett (7.2 units per acre) are very similar, while values for Arlington (5.6 units per acre) and Medford (4.2 units per acre) are substantially lower.

Figure 10: Housing Unit per Gross Land Area, 2000



A more nuanced understanding of residential development can be gained by analyzing the number of housing units occupying a community's residential land area. This metric can eliminate biases created by the presence of large areas of non-residential land use, such as transportation infrastructure, industrial parks, institutional campuses and open space.

According to data published by the Massachusetts Office of Geographic and Environmental Information (MassGIS), Somerville had approximately 1,573 acres of residential land in 2000. This value yields a calculation of 20.7 housing units per acre of residential land.

By this metric, Cambridge (26.3) and Chelsea (23.4) exhibited higher density values than Somerville (Figure 11). Boston was most comparable to Somerville, with 19.7 housing units per residential acre of land area, while Medford (9.5 units per residential acre) and

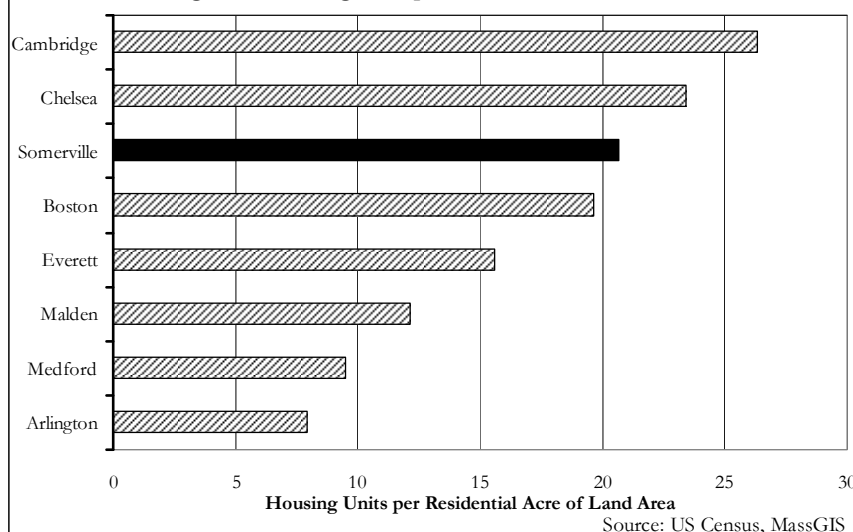
Arlington (9.5 units per residential acre) still trailed the other communities.

Figure 11: Housing Units Per Residential Land Area, 2000

	Housing Units, 2000	Residential Acres, 2000	Units per Residential Acre
Cambridge	44,725	1,698	26.3
Chelsea	12,337	527	23.4
Somerville	32,477	1,573	20.7
Boston	251,935	12,821	19.7
Everett	15,908	1,019	15.6
Malden	23,634	1,950	12.1
Medford	22,687	2,395	9.5
Arlington	19,411	2,445	7.9

Source: US Census, MassGIS

Figure 12: Housing Units per Residential Land Area, 2000



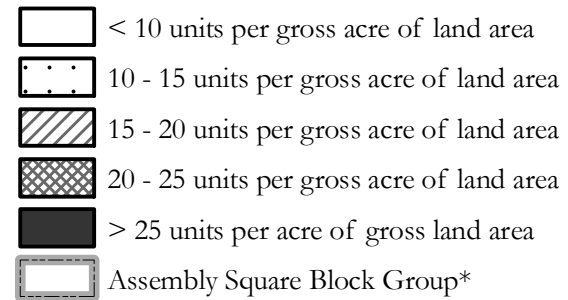
5. In Somerville's neighborhoods, housing units per gross land area generally ranges between 10 and 25 units per acre. Housing units per residential acre of land generally range between 20 and 50 units per acre.

According to data from the 2000 US Census, Somerville has an average of roughly 12 housing units per gross acre of land area. An analysis of Census Block Group data shows that this density is not equally distributed around the City. Somerville's most intensely developed residential areas include the Clarendon Hill Towers (43 units per gross acre), Inman Square along Beacon Street (24 units per gross acre) and East Somerville east of Florence Street between Perkins Street and Washington Street (23 units per gross acre). As illustrated in Map 2, other Somerville neighborhoods with values above 20 units per gross acre include Winter Hill north of Broadway, Spring Hill around Cedar Street, and Gilman Square.

Map 3 illustrates the number of housing units per residential acre of land area. This analysis provides a more detailed representation of the relative intensity of residential development in Somerville's neighborhoods. Whereas citywide, there are roughly 21 housing units per residential acre of land area, most Census Block Groups have between 20 and 50 units per residential acre. The Clarendon Hill Towers (60 units per residential acre) and Inman Square (43 units per residential acre) remain the clear leaders.

Obvious differences between the two metrics are visible along Somerville Avenue west of Union Square, in Spring Hill and around Teele Square. As illustrated in Map 2, three Block Groups along Somerville Avenue have fewer than 15 units per gross acre of land, but Map 3 indicates that these Block Groups have between 30 and 40 units per residential acre of land. The opposite trend can be seen in Spring Hill and around Teele Square, where Block Groups that appear to have higher values in Map 2 have lower values in Map 3.

Map 2: Housing Units Per Gross Acre of Land, 2000



Source = US Census

Data presented
by Block Group

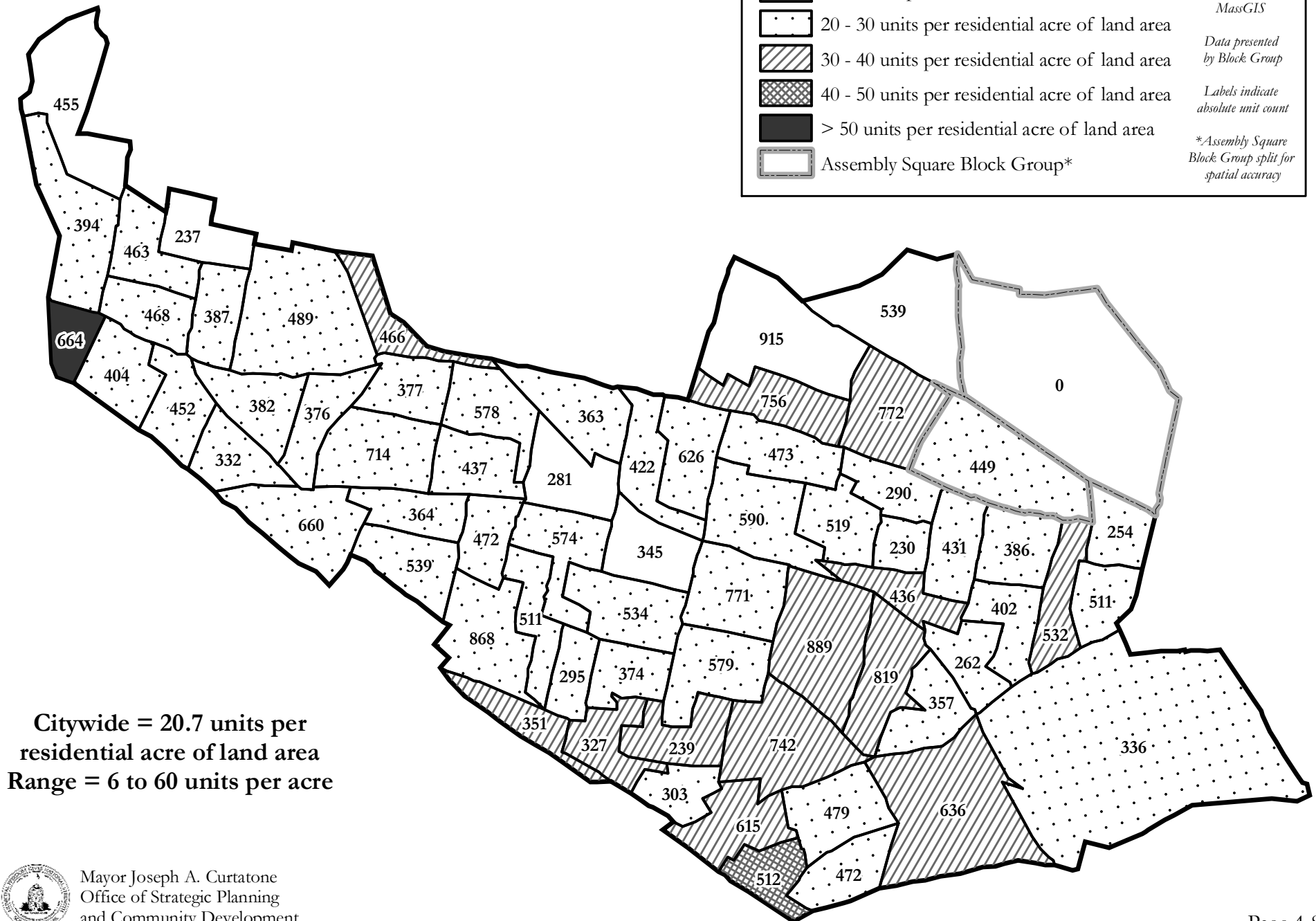
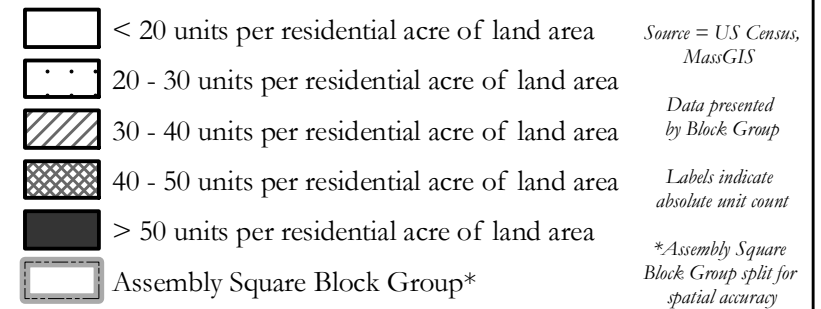
Labels indicate
absolute unit count

*Assembly Square
Block Group split for
spatial accuracy



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Map 3: Housing Units per Residential Acre of Land, 2000

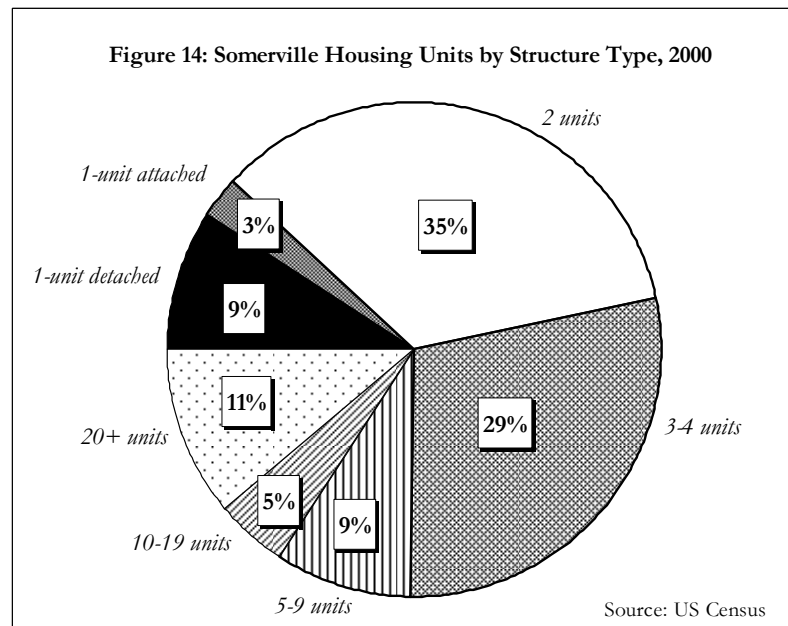


6. Somerville's housing stock is heavily weighted towards small multifamily structures, and has a higher percentage of units located in 2-4 family structures than neighboring cities have.

According to the 2000 Census, nearly two-thirds of Somerville's housing units were located in structures with between two and four units. As illustrated in Figure 13, over 11,000 units were located in two family structures, and over 9,000 units were located in three- and four-family structures. Together, these small multifamily structures account for approximately 64% of Somerville's total housing stock.

Figure 13: Somerville Housing Units by Structure Type, 2000					
1 Unit	2 Units	3-4 Units	5-9 Units	10-19 Units	20+ Units
3,867	11,248	9,362	2,816	1,589	3,590

Source: US Census



Somerville's proportion of small multifamily housing structures is higher than all neighboring communities. According to the 2000 Census, Cambridge (35%), Boston (41%), and Medford (44%) all had much lower frequencies of units in two-, three- and four-family structures. Only Everett (61%) and Chelsea (55%) approached Somerville's percentage of units in small multifamily structures.

Figure 15: Housing Units by Structure Type, 2000					
	1 Unit	2 Units	3-4 Units	5-9 Units	10+ Units
Somerville	12%	35%	29%	9%	16%
Medford	38%	35%	9%	2%	16%
Everett	22%	34%	28%	4%	12%
Arlington	43%	30%	5%	3%	19%
Malden	31%	26%	13%	5%	26%
Chelsea	12%	22%	33%	15%	23%
Boston	17%	15%	26%	12%	31%
Cambridge	15%	15%	20%	12%	38%

Source: US Census

As illustrated in Figures 16-19, Somerville's profile of residential structure types is unique among urban core communities. Somerville has an exceptionally small percentage of housing units that are in single-family structures (12%, see Figure 16), and in large apartment buildings (16%, see Figure 19). None of Somerville's neighboring communities share both of these characteristics. Medford exhibits a similarly low percentage of units in large apartment buildings (16%), but has a much higher frequency of single-family structures (38%). Chelsea shares a particularly low percentage of single-family structures (12%), but is more heavily weighted towards large apartment buildings (23%).

Figure 16: Housing Units in Single-Family Structures, 2000

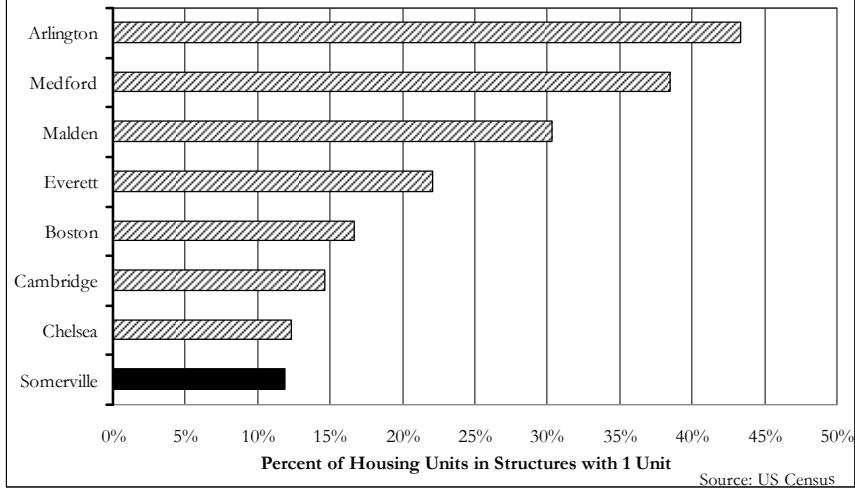


Figure 18: Housing Units in Small Apartment Buildings, 2000

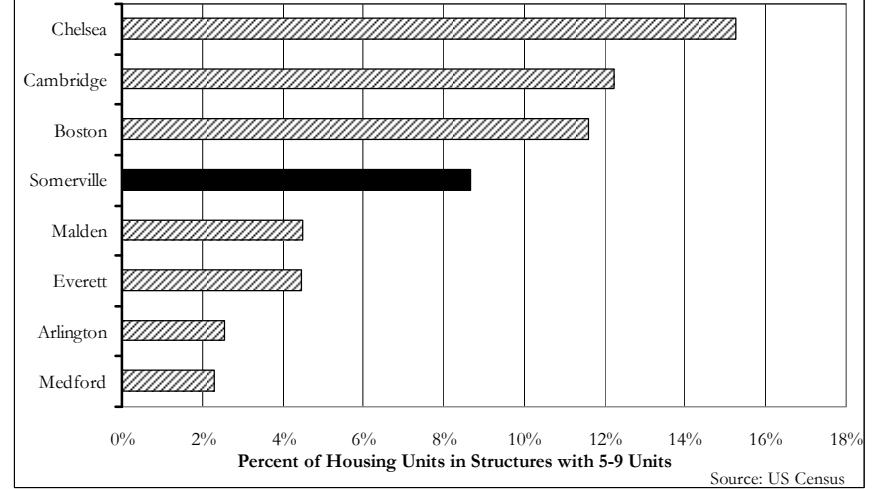


Figure 17: Housing Units in Small Multifamily Structures, 2000

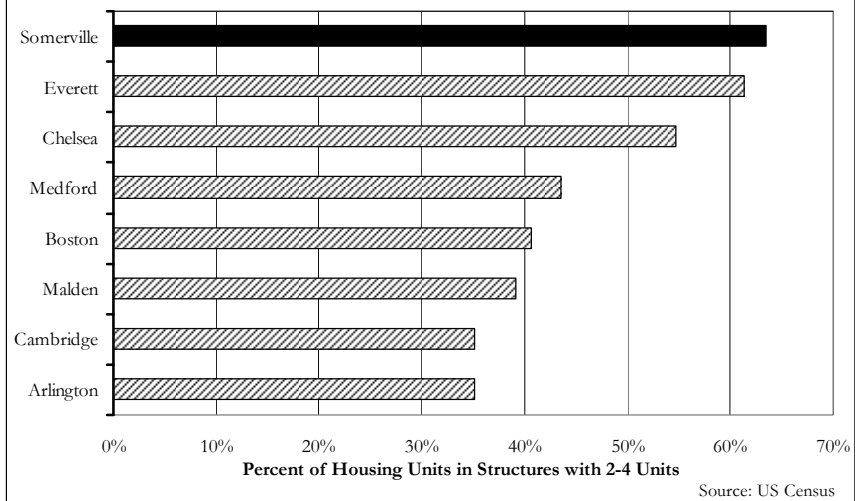
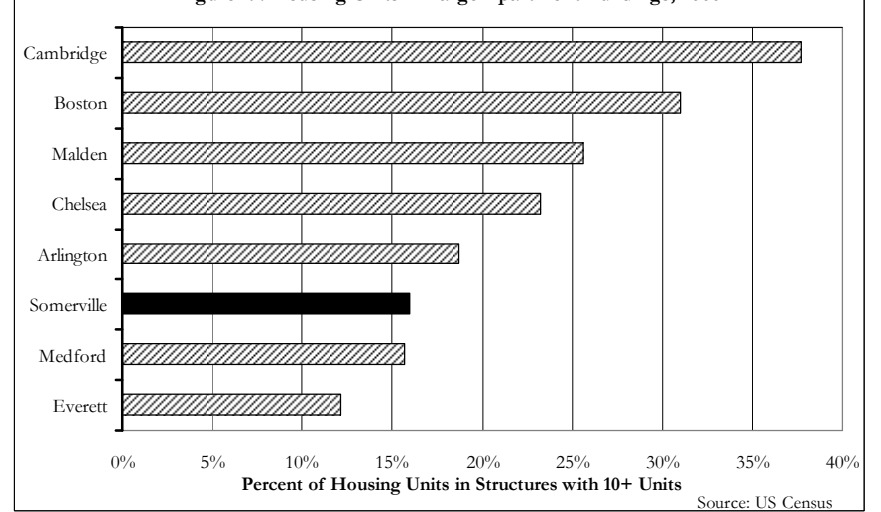


Figure 19: Housing Units in Large Apartment Buildings, 2000



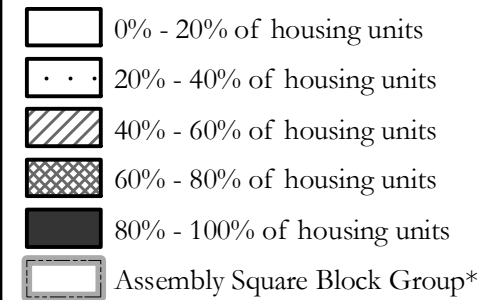
7. West Somerville has the City's greatest concentration of two-, three- and four-family structures.

Census data at the Block Group level indicate that the frequency of small multifamily housing structures varies from neighborhood to neighborhood. West Somerville neighborhoods around Ball Square, Teele Square and Tufts University have particularly high frequencies of two-, three- and four-family structures (>80% of all housing units). As illustrated in Map 4, other Census Block Groups above the 80% threshold are scattered throughout East Somerville, Spring Hill, Ten Hills, and Inman Square.

The highest concentration of housing units in 2-4 family structures (99%) was in the West Somerville Block Group bordered by College Avenue to the east, Broadway to the south, and Packard Avenue to the west. In East Somerville, the Block Group comprising The States neighborhood was also characterized by an exceptionally high frequency of units in small multi-family housing structures (98%).

Block Groups that do not follow this trend were composed of units other than 2-4 family structures and tended to feature large apartment complexes. The statistical area comprising Inner Belt, Cobble Hill and Brickbottom had 0% of units in small multi-family structures, while the Block Group containing the Clarendon Hill Towers featured only 18% of units in 2-4 family structures. In the Ten Hills/Mystic Avenue neighborhood, the Block Group containing the Mystic Apartments had 30% of all units in small multi-family buildings.

Map 4: Housing Units in Two-, Three- and Four-Family Structures, 2000

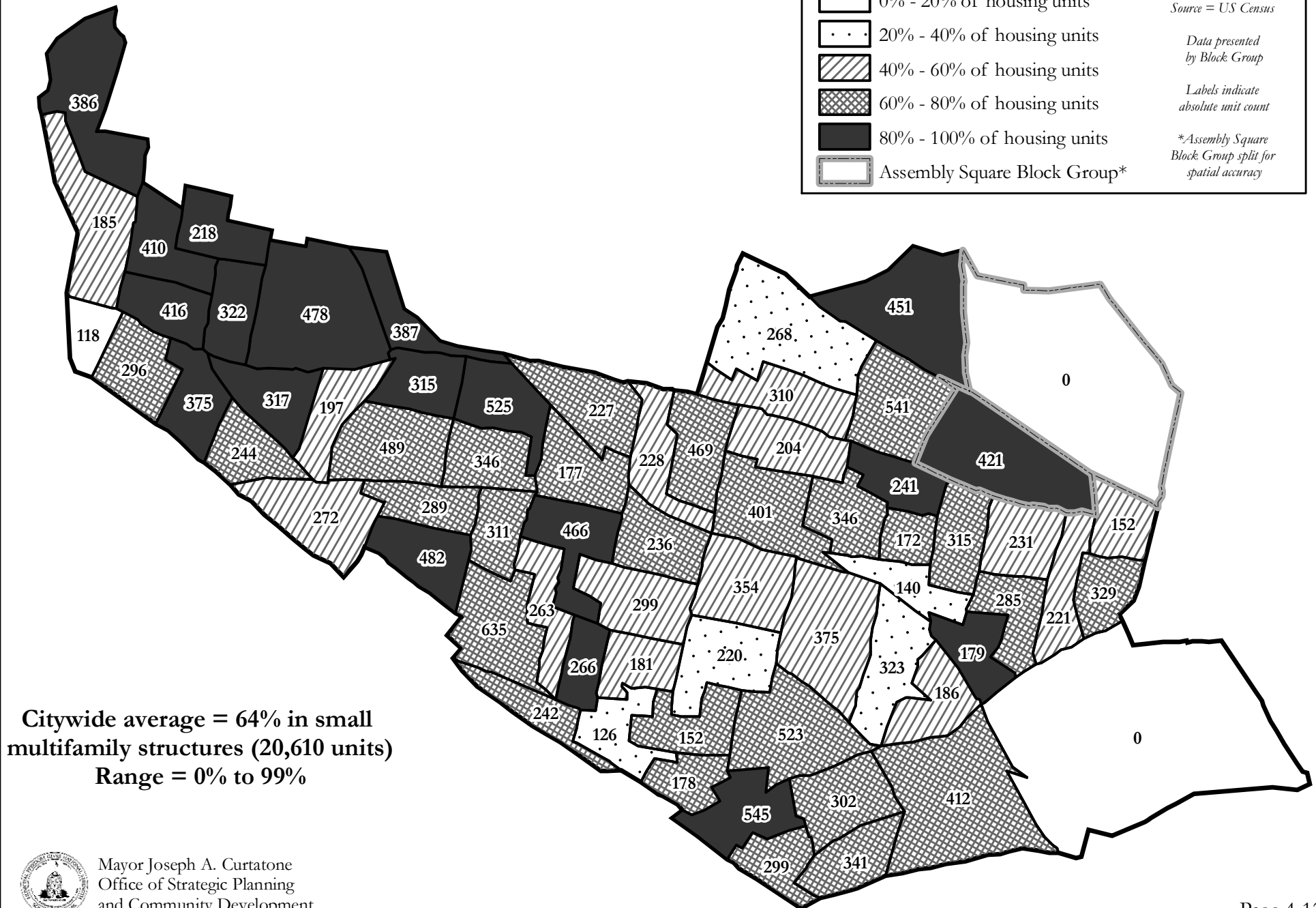


Source = US Census

Data presented by Block Group

Labels indicate absolute unit count

*Assembly Square Block Group split for spatial accuracy



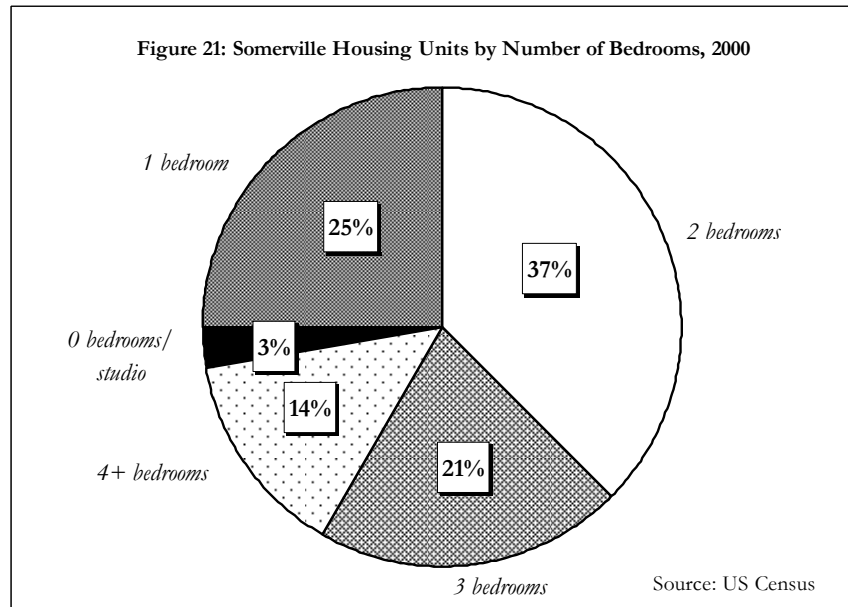
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8. Similar to most neighboring communities, Somerville's housing stock is heavily weighted towards one-and two bedroom units.

According to the 2000 US Census, 62% of Somerville's housing units had one or two bedrooms. As illustrated in Figure 21, the percentage of units with additional bedrooms was much lower. Three-bedroom units only represented 21% of the City's housing stock, while only 14% of units had four or more bedrooms.

Figure 20: Somerville Housing Units by Bedroom Count, 2000				
0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4+ Bedroom
906	8,119	9,362	6,825	4,481

Source: US Census

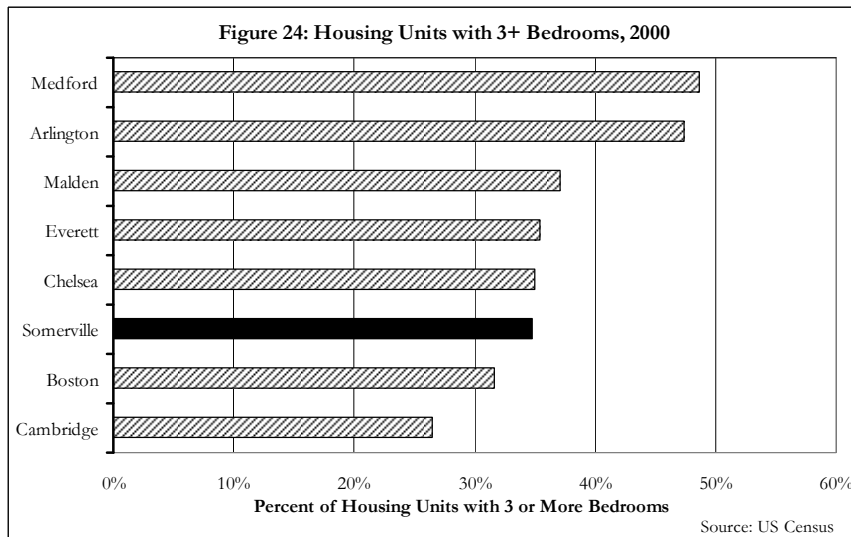
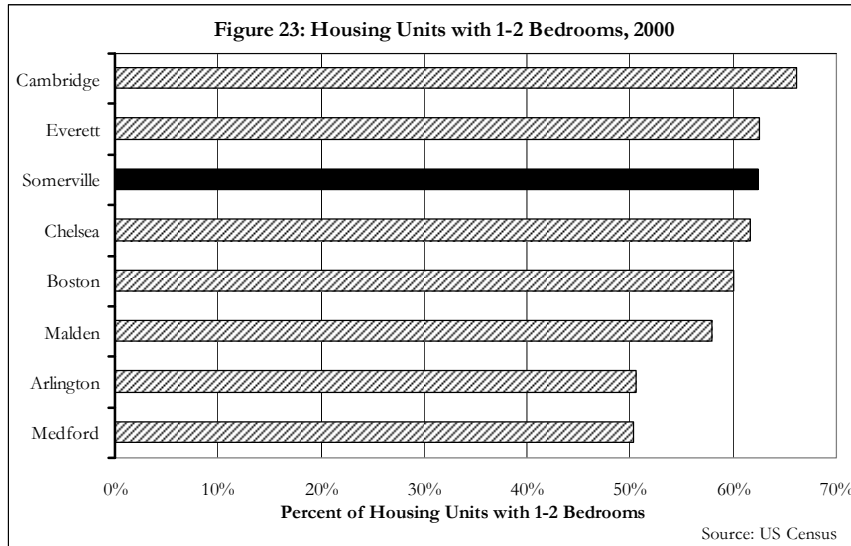


Similar to neighboring communities, Somerville's housing stock is heavily weighted towards one- and two-bedroom units (Figure 22). This trend was most pronounced in Cambridge, where 66% of all units had one or two bedrooms, although Somerville, Boston and Chelsea all exceeded the 60% threshold (Figure 23). Unlike Boston and Cambridge, Somerville does not have a significant number of studio apartments (units with zero bedrooms).

Figure 22: Housing Units by Bedroom Count, 2000					
	0 Bed	1 Bed	2 Bed	3 Bed	4+ Bed
Cambridge	7%	30%	36%	17%	9%
Boston	8%	28%	32%	21%	10%
Chelsea	3%	27%	35%	23%	12%
Somerville	3%	25%	37%	21%	14%
Malden	5%	25%	33%	24%	13%
Everett	2%	22%	41%	25%	11%
Arlington	2%	17%	34%	31%	16%
Medford	1%	14%	37%	32%	17%

Source: US Census

Many communities in the urban core are characterized by a relative lack of housing units with three or more bedrooms. As illustrated in Figure 24, this lack of larger units is particularly notable in Boston and Cambridge. The 2000 US Census reported that 35% of Somerville's housing units have 3 or more bedrooms, compared with 32% for Boston and 26% for Cambridge. Medford (49%) and Arlington (47%) have a much higher frequency of units with three or more bedrooms than the other communities. It is notable that Somerville has a higher share of units with four or more bedrooms (14%) than all other communities except for Medford (17%) and Arlington (16%).



9. Central Somerville has the City's greatest concentration of one- and two-bedroom units, while East Somerville and West Somerville neighborhoods tend to have lower concentrations.

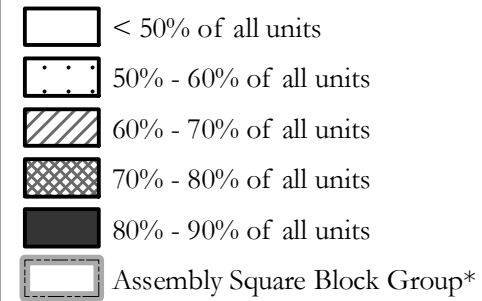
Census data at the Block Group level indicate that the frequency of small residential units varies from neighborhood to neighborhood. While 62% of housing units citywide had one or two bedrooms as of the 2000 Census, several Somerville neighborhoods had frequencies above 80%. The single highest frequency of one- and two-bedroom units (90%) occurred in the West Somerville Block Group containing the Clarendon Hill Towers.

As illustrated in Map 5, there were additional concentrations of one- and two-bedroom units in Cobble Hill/Brickbottom, East Somerville and Spring Hill. In Cobble Hill/Bickbottom, the concentration is attributable to the presence of large apartment and condominium complexes dominated by one- and two-bedroom units.

Secondary concentrations of units with fewer bedrooms (70%-80%) were visible along Alewife Brook Parkway, in Gilman Square, and along Broadway east of Central Street.

Several Census Block Groups in West Somerville are notable for their low concentration of one- and two-bedroom units. One- and two-bedroom units represent less than 50% of all housing units in three Block Groups adjacent to Powder House Circle and College Avenue. In East Somerville, Block Groups below the 50% threshold can be seen north of Gilman Square, and along McGrath Highway north of Washington Street.

Map 5: Housing Units with 1-2 Bedrooms, 2000

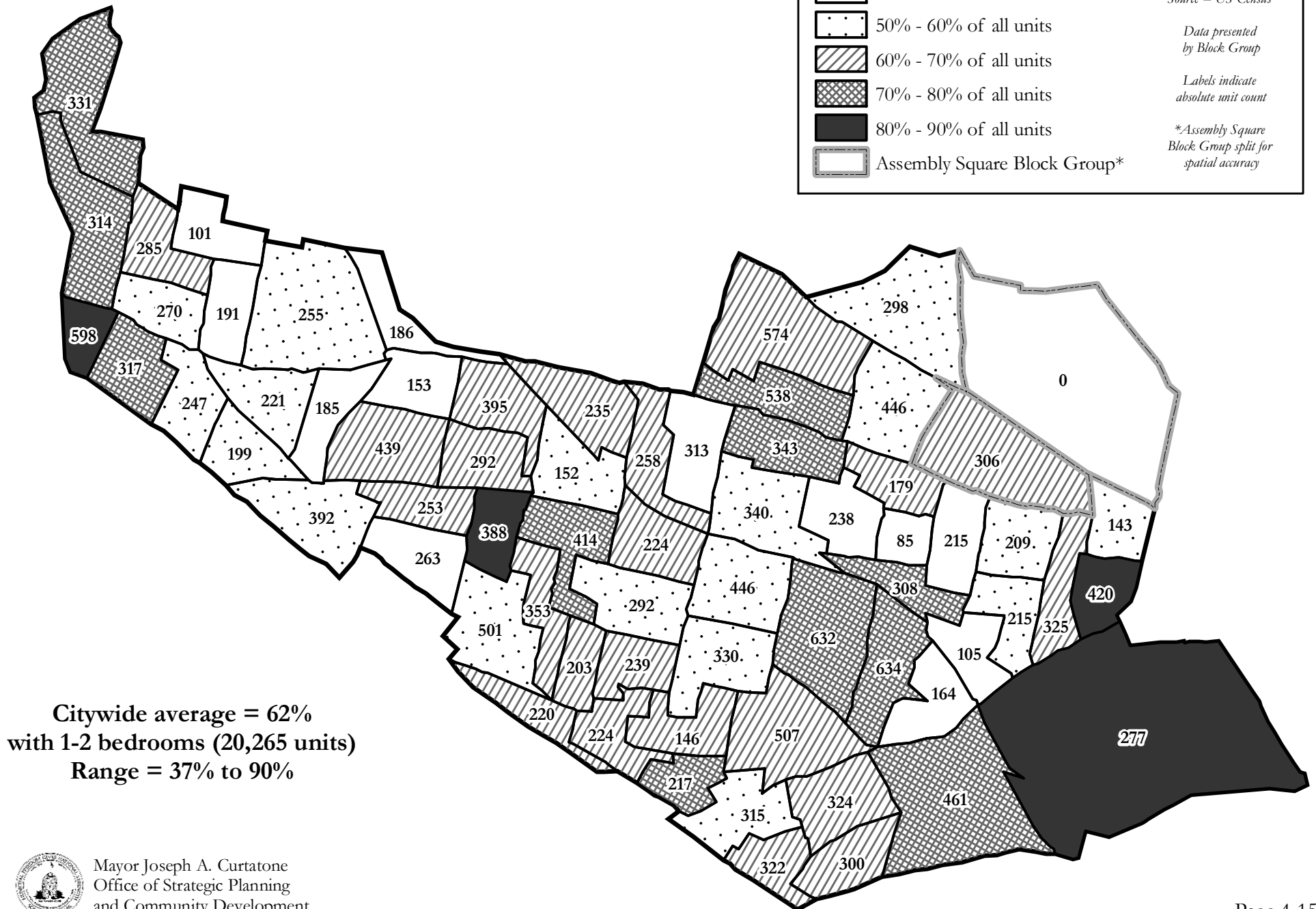


Source = US Census

Data presented
by Block Group

Labels indicate
absolute unit count

*Assembly Square
Block Group split for
spatial accuracy

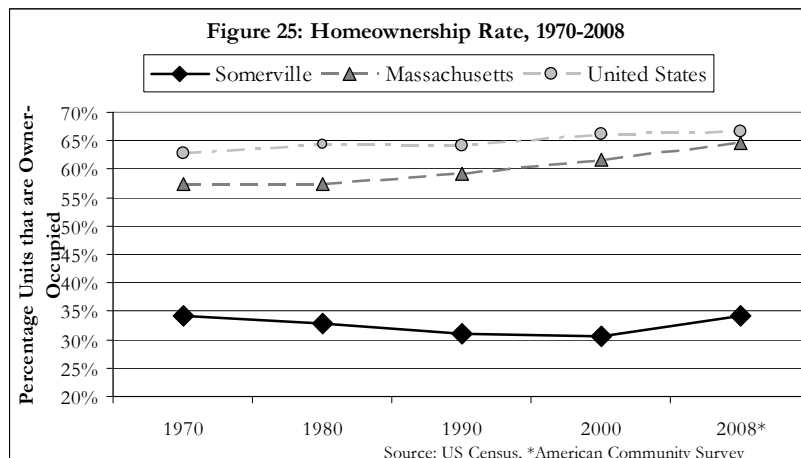


HOUSING TENURE AND OCCUPANCY

10. Somerville is a city of renters. Unlike the state and the nation as a whole, Somerville has not experienced historic trends of increasing homeownership.

Federal housing policy has promoted homeownership for many decades. While the national homeownership rate reached record levels by the end of the twentieth century, Somerville's rate has remained consistently low, although still comparable to other urban communities. As illustrated in Figure 25, Somerville's homeownership rate actually declined between 1970 and 2000, from roughly 34% to roughly 31% of all occupied housing units.

By 2000, less than one-third of Somerville's housing stock was owner-occupied, compared with roughly two-thirds nationally. Current estimates produced by the US Census Bureau's American Community Survey suggest that Somerville has experienced an increase in homeownership since 2000. This trend is largely attributable to the proliferation of condominium units in the City.



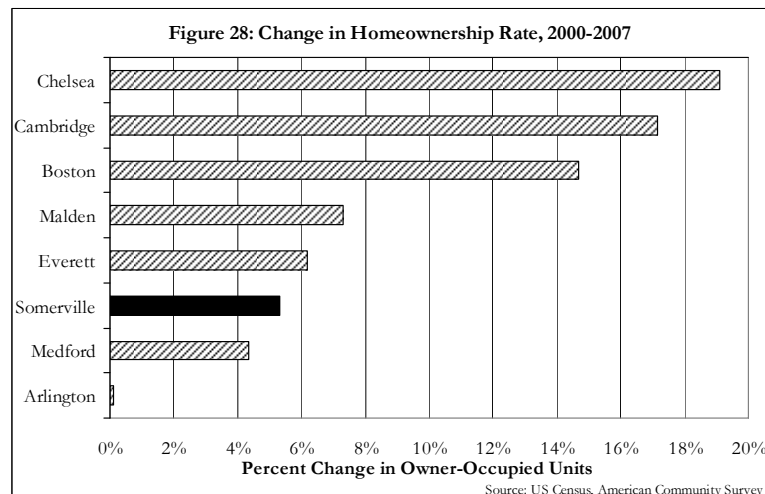
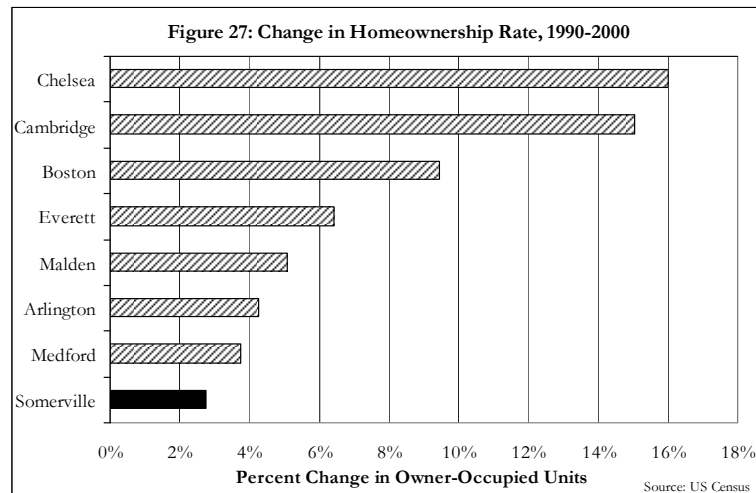
As illustrated in Figure 26, Census data suggest that Somerville has one of the lowest rates of homeownership in the urban core. According to these data, Chelsea (29% owner-occupied units) is the most comparable to Somerville. Several factors contribute to Somerville's low homeownership rate, but the primary cause is the City's preponderance of multifamily housing units. Two-, three- and four-family homes represent approximately 64% of the housing stock in Somerville, whereas only 12% of housing units are single-family homes. (For a detailed discussion of Housing Stock, see Section 1 of this report).

Figure 26: Homeownership Rate, 2000		
	Owner-Occupied Housing Units	Percent of Total Units
Medford	12,993	58.6%
Arlington	11,186	57.6%
Malden	9,962	42.2%
Everett	6,391	40.2%
Cambridge	13,760	32.3%
Boston	77,226	32.2%
Somerville	9,656	30.6%
Chelsea	3,440	28.9%

Source: US Census

Today, Somerville's sizeable population of students and young professionals serves to create a steady market for rental housing. In 2000, residents aged 20-24 represented approximately 13% of Somerville's population, while 27% of residents were aged 25-34. In addition, over 11,000 Somerville residents were enrolled in college or graduate school programs. (For a more complete discussion of age groups and student populations, see Technical Report #1, "Population Trends in Somerville").

Between 1990 and 2000, Somerville experienced a net gain of 258 owner-occupied housing units (2.8%), from 9,398 units in 1990 to 9,656 units in 2000. As illustrated in Figure 27, Somerville's growth in owner-occupied units lagged behind neighboring cities.



Chelsea (16%, or 475 units) and Cambridge (15%, or 1,801 units) experienced the most robust growth in owner-occupancy during the 1990's, whereas Boston's increase was slightly less (10%, or 6,672 units). Among neighboring cities, only Medford (4%, or 468 units) showed an increase comparable to Somerville's.

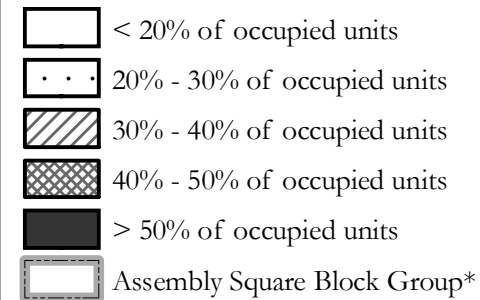
American Community Survey data suggest that Somerville has also experienced less growth in homeownership than most neighboring communities since 2000. As illustrated in Figure 28, owner-occupied units in Somerville increased 5.3% from 2000 to 2007.

11. Somerville neighborhoods with the highest homeownership rates include Ten Hills, Magoun/Albion and Pearl Street.

According to the 2000 Census, the Ten Hills neighborhood north of Interstate 93 and west of the Fellsway had Somerville's highest homeownership rate. Of the 539 housing units in this Census Block Group, 52% (273 units) were homeownership units. The second highest rate (49%, or 138 units) was observed in a Block Group north of Highland Avenue, east of Cedar Street and south of the Lowell line. As illustrated in Map 6, rates above 40% were common in the Magoun/Albion area, between Broadway and Pearl Street along the McGrath Highway, and north of Washington Street on either side of the McGrath Highway.

Particularly low homeownership rates were correlated with the presence of large rental apartment complexes. The most extreme case is the Block Group containing the Clarendon Hill Towers (4% homeownership, or 27 units). Just to the north, the Block Group containing the Somerville Housing Authority Clarendon Hill Apartments complex had a homeownership rate of only 13% (49 units). Other Block Groups with ownership rates below 20% include Ten Hills/Mystic Avenue, Walnut Street/Prospect Hill, and East Somerville along the Charlestown line south of Perkins Street.

Map 6: Percentage of Housing Units that are Owner-Occupied, 2000

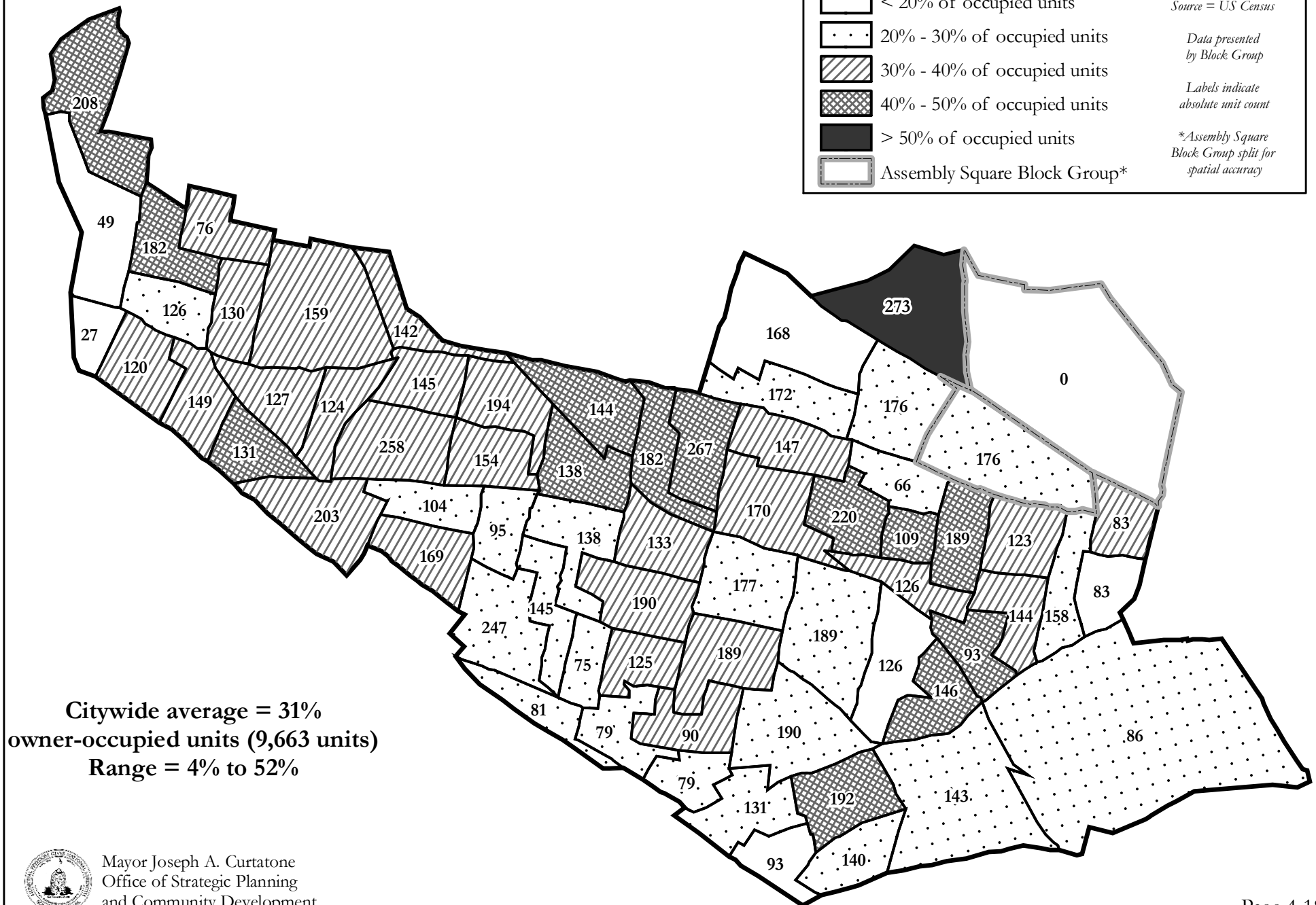


Source = US Census

Data presented
by Block Group

Labels indicate
absolute unit count

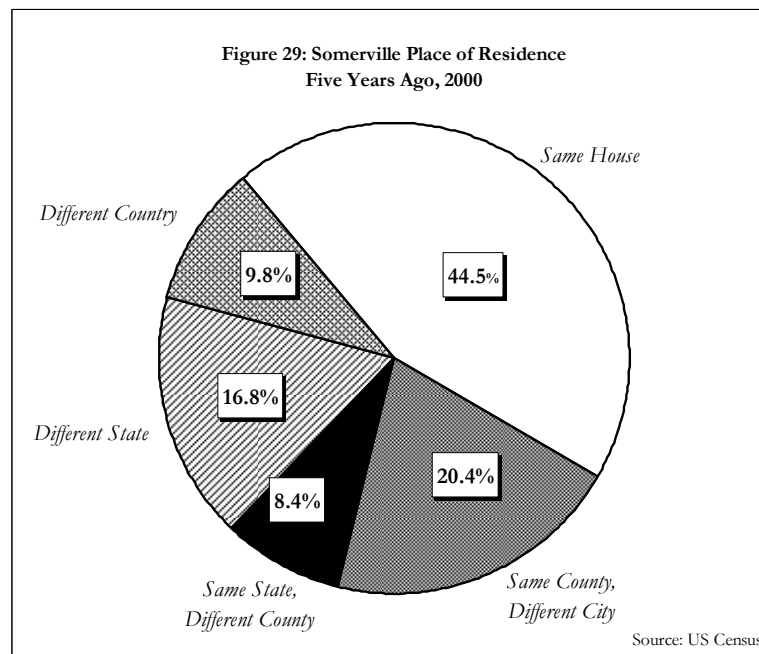
*Assembly Square
Block Group split for
spatial accuracy



Mayor Joseph A. Curtatone
Office of Strategic Planning
and Community Development

12. Somerville has a relatively high rate of residential turnover, and attracts a higher percentage of new residents from outside of Massachusetts than most neighboring cities.

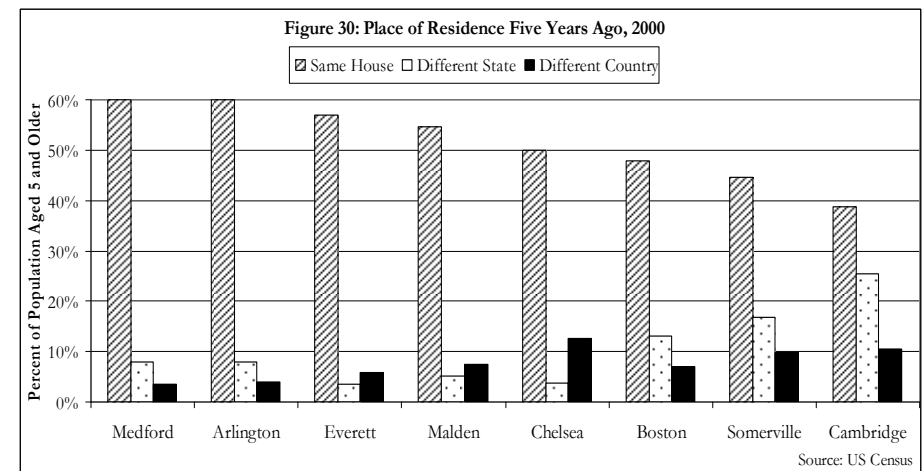
The US Census provides data on respondents' place of residence five years prior to the Census. In 2000, approximately 45% of Somerville residents (33,000 persons) lived in the same house as they had five years previously. As illustrated in Figure 29, 20% of Somerville residents had lived elsewhere in Middlesex County in 1995 (15,000 persons). A much smaller percentage had lived in Massachusetts, but outside Middlesex County (8%, or 6,200 persons). Nearly 27% of Somerville residents had previously lived in a different state (17%, or 12,500 persons) or a different county (10%, or 7,300 persons) in 1995.



Compared to neighboring communities in the urban core, Somerville's residential turnover is relatively high. As illustrated in Figure 30, only Cambridge (39%) had a lower percentage of residents who had lived in the same house five years prior to the 2000 Census.

Cambridge is also the only community for which a higher percentage of residents had lived outside of Massachusetts in 1995. Whereas 27% of Somerville residents (roughly 20,000 persons) had lived outside of Massachusetts in 1995, approximately 36% of Cambridge residents (35,000 persons) had lived in a different state or country at that time.

The percentage of residents that had lived outside the United States in 1995 is very similar (11% for Cambridge, versus 10% for Somerville). As illustrated in Figure 30, the major difference between the two cities is in the percentage of residents that had lived in a different US state in 1995. Approximately 25,000 Cambridge residents (25%) had lived elsewhere in the United States in 1995, compared with 12,500 Somerville residents (17%).



Although Somerville's renter population is quite transient, the City's homeowners are the least transient in the region. The Census provides data on the length of time a householder has lived in a current residence. These data are provided in two formats: median year that householders moved into a current residence; and, number of householders who moved into a current residence during a given period of time. Both formats allow breakout by renter versus homeowner households.

According to Census figures from 2000, the median year that Somerville renters moved into their home was 1997. As illustrated in Figure 31, this value is consistent with most neighboring cities. Only Medford and Everett had an earlier median year of occupancy for the renter population (1996).

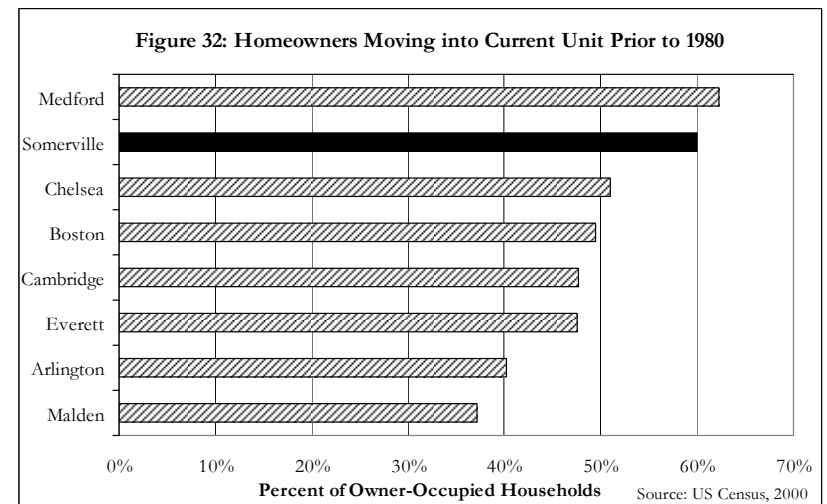
Figure 31: Median Year Householder Moved Into Unit, 2000			
	Owner-Occupied	Renter-Occupied	All Households
Medford	1984	1996	1992
Arlington	1986	1997	1993
Everett	1982	1996	1994
Malden	1987	1997	1995
Somerville	1983	1997	1996
Chelsea	1989	1997	1996
Boston	1990	1997	1996
Cambridge	1991	1997	1996

Source: US Census

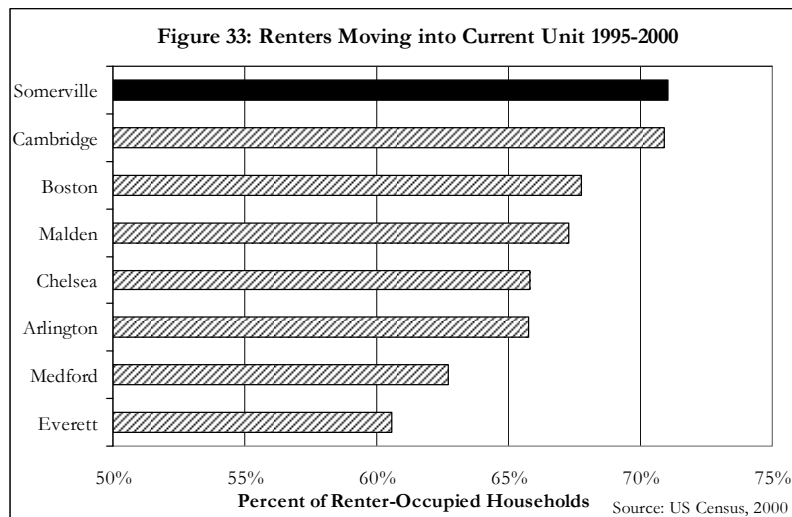
Somerville's owner-occupant households, however, appear to have lived in their current residence for significantly longer than owner-occupants in most neighboring communities. The median year that Somerville homeowners moved into their current residence was

1983. Only Everett (1982) had an earlier median year of occupancy, suggesting a similarly well-established population of homeowners. Medians for Chelsea (1989), Boston (1990) and Cambridge (2000) are recent enough to suggest that the homeowners in these cities are not as well-established as Somerville's homeowners.

These median values can be supplemented by Census data on the number of householders moving in a given period. For example, although Somerville had an earlier median year of occupancy for homeowners than Medford, Medford had a slightly higher percentage of homeowners who had moved into their current residence prior to 1980 (62% vs. 60%). As illustrated in Figure 32, percentages for Chelsea (51%), Boston (49%) and Cambridge (48%) were noticeably lower. Statewide, 54% of homeowners moved into their current residence prior to 1980.



Similarly, although the median year of occupancy for Somerville renters (1997) was the same as for Boston, Cambridge, and Chelsea, only Cambridge had a comparable percentage of renters who had moved into their current residence between 1995 and 2000. As illustrated in Figure 33, 71% of renter households in Somerville and Cambridge moved between 1995 and 2000. Boston's percentage was slightly lower (68%), while Medford (63%) and Everett (61%) were noticeably lower than other communities in the urban core.



13. Somerville neighborhoods with particularly high rates of residential turnover include portions of Beacon Street, Central Hill, East Somerville, Spring Hill and Winter Hill.

An analysis of Census Block Group data suggests that several Somerville neighborhoods experienced residential turnover between 1995 and 2000, higher than the citywide average (58% of all households). The single highest percentage of households that moved into their current residence between 1995 and 2005 (77%) was in the Central Hill Block Group between Central Street and School Street, north of Berkeley Street and south of the Lowell rail right of way.

The Winter Hill/Ten Hills Block Group north of Broadway, east of Temple Street, and south of Mystic Avenue also had a particularly high rate of turnover (75%). Near Inman Square, the Block Group bordered by Beacon Street to the west and Washington Street to the north had a turnover rate of 74%. As illustrated in Map 7, Block Groups in East Somerville and Beacon Street/Somerville Avenue/Spring Hill also had turnover rates above 70%. Turnover rates between 60% and 70% were observed in large areas of Davis Square, Spring Hill, Duck Village, Prospect Hill and Inman Square.

Areas with the lowest rates of residential turnover included a Block Group along Alewife Brook Parkway, north of Sterling Street and west of North Street (36%), and a Block Group on Prospect Hill, north of Washington Street and west of the McGrath Highway (37%).

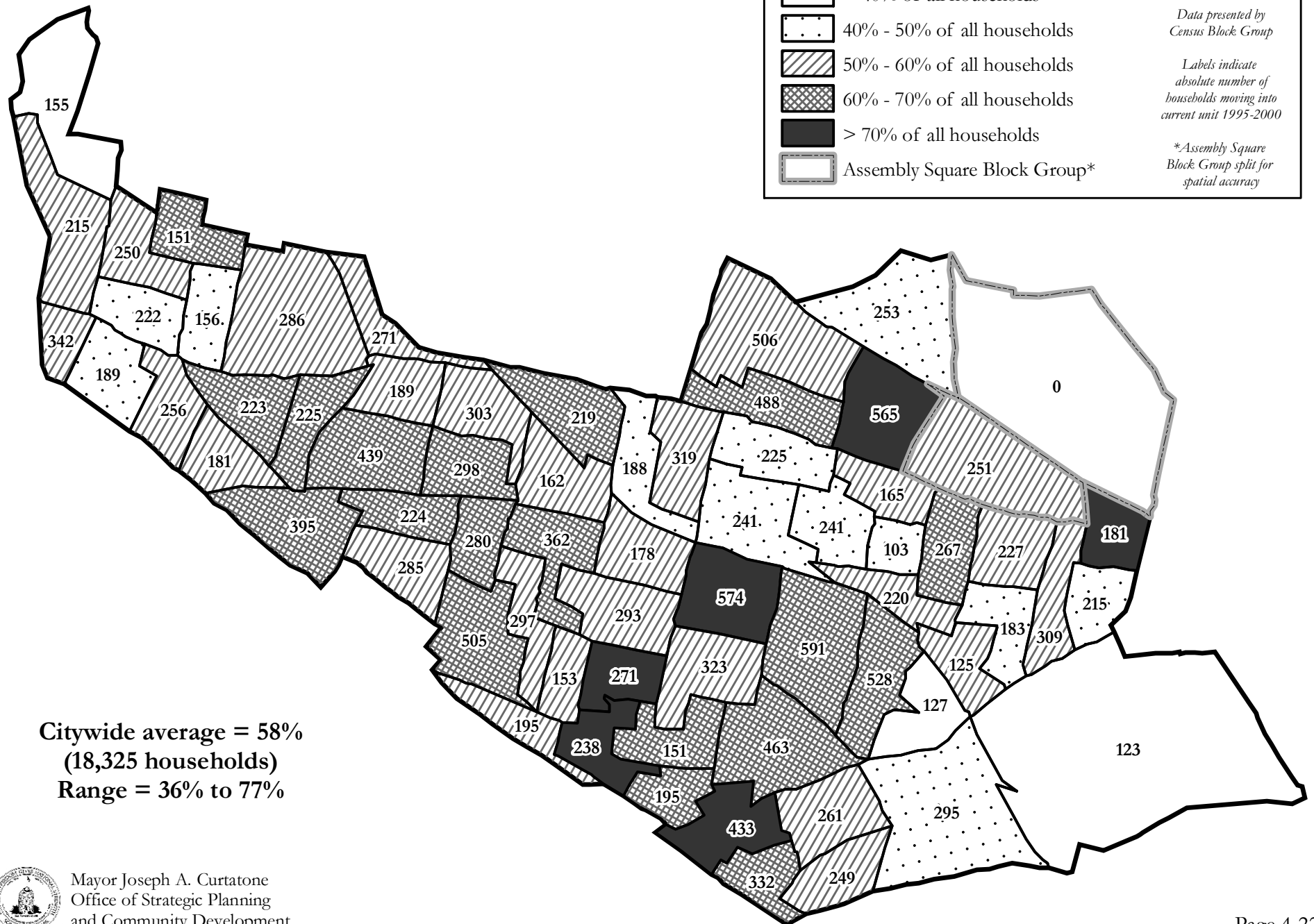
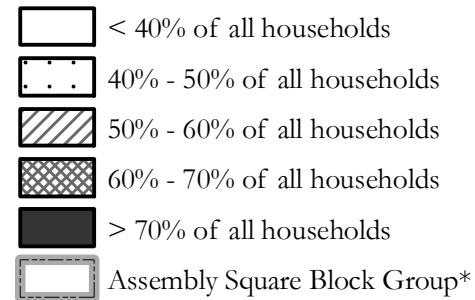
Map 7: Residential Turnover, 1995-2000

Source = City of Somerville

*Data presented by
Census Block Group*

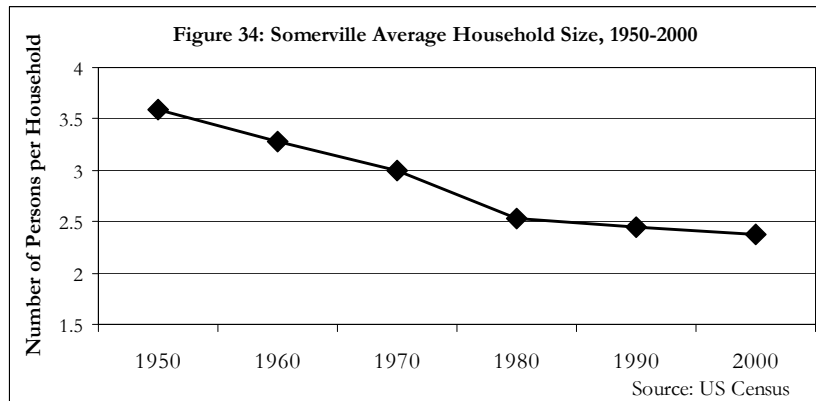
*Labels indicate
absolute number of
households moving into
current unit 1995-2000*

**Assembly Square
Block Group split for
spatial accuracy*

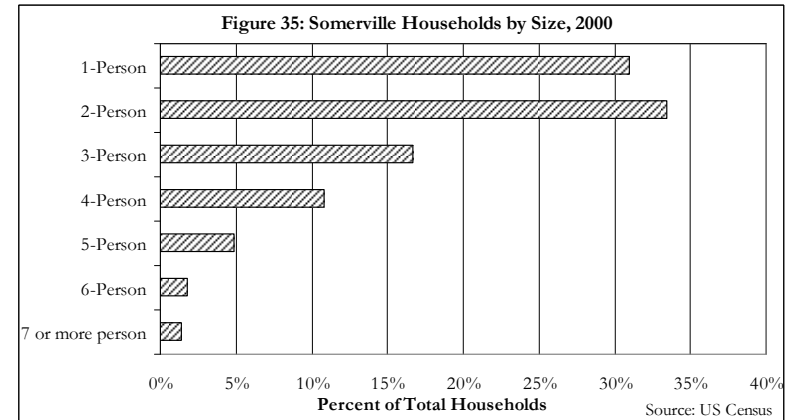


14. Somerville's average household size has decreased significantly in recent decades, suggesting that the City's housing stock is being occupied by fewer residents.

Mirroring trends at the national and state levels, Somerville experienced a substantial decrease in average household size during the second half of the twentieth century. As illustrated in Figure 34, the decreases were pronounced between 1950 and 1980, and have slowed somewhat since 1980. With the exception of 1990-2000, this was also a period of decline in Somerville's overall population. The City had roughly 102,000 residents in 1950, 95,000 residents in 1960, 88,800 in 1970, 77,000 in 1980, and 76,000 in 1990.



Somerville is heavily weighted towards households with one or two persons. Of the 31,535 total households recorded in the 2000 Census, nearly 9,800 were one-person households (31%). As illustrated in Figure 35, two-person households represented 33% of all households (roughly 10,500 households). Only 5,300 Somerville households had three members (17%), and 3,400 had four members (11%). (For a more complete discussion of trends in household and family size, see Technical Report #1, "Population Trends in Somerville").



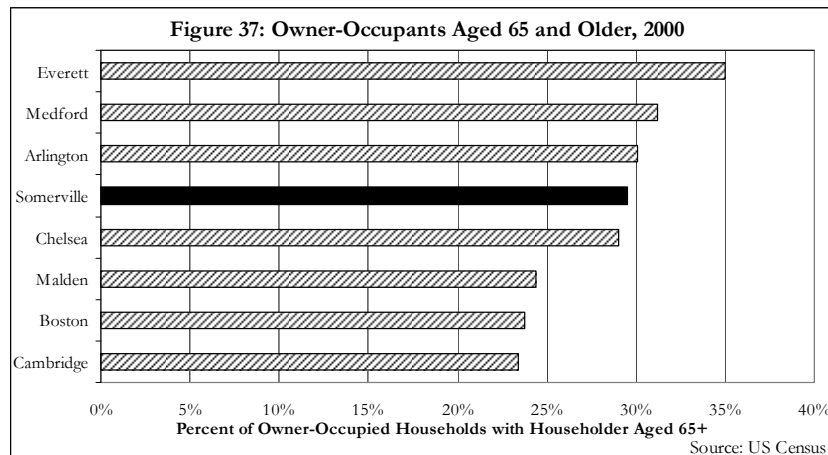
Trends in Somerville's average household size are influenced by the age of the City's householders. A proliferation of households headed by young adults and senior citizens is a likely factor in Somerville's loss of youth under age 18 in recent decades. As illustrated in Figure 36, households in which the primary householder was aged 25-34 accounted for more than 30% of Somerville's total households. Approximately 17% of the City's households were headed by a householder aged 65 or older at the time of the 2000 Census.

Figure 36: Somerville Age of Householder, 2000

	Number of Households	Percent of Total Households
Age 24 or younger	3,044	9.6%
Age 25-34	9,525	30.2%
Age 35-44	6,114	19.4%
Age 45-54	4,583	14.5%
Age 55-64	2,863	9.1%
Age 65-74	2,670	8.5%
Age 75 or older	2,756	8.7%

Source: US Census

The age profiles of Somerville's householders also have implications for housing supply, demand and turnover. This is especially true of the City's owner-occupied households, since many owner-occupants of multifamily homes are also landlords. Somerville is characterized by a relatively large number of owner-occupied households in which the primary householder was aged 65 years or older at the time of the 2000 Census. As illustrated in Figure 37, only Everett, Medford and Arlington have a higher frequency of owner-occupied households with a senior householder.

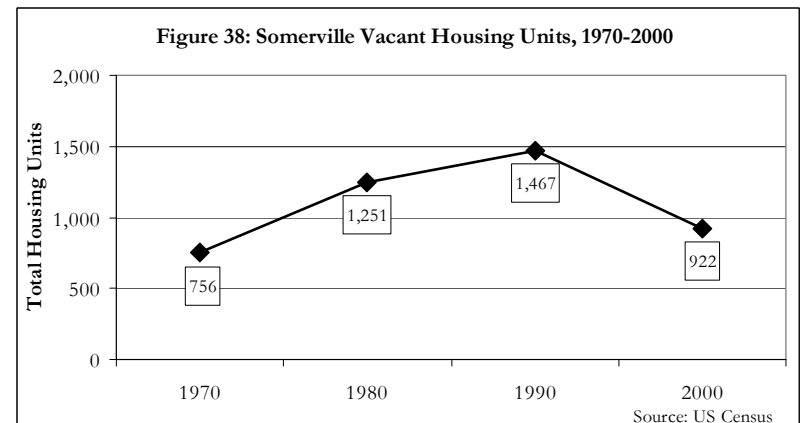


The 2000 Census data indicates that there are nearly 3,000 owner-occupied households in Somerville headed by a senior aged 65 or older. When these householders vacate their homes, in some cases the properties will be kept in the family, providing housing opportunities for the next generation of Somerville householders. In other cases, the properties will be sold on the open market, which may increase the chances that any tenants of multifamily properties will be adversely affected through rent hikes or condominium conversion.

15. Somerville's vacancy rate decreased between 1990 and 2000, reflecting strong demand for housing in the community.

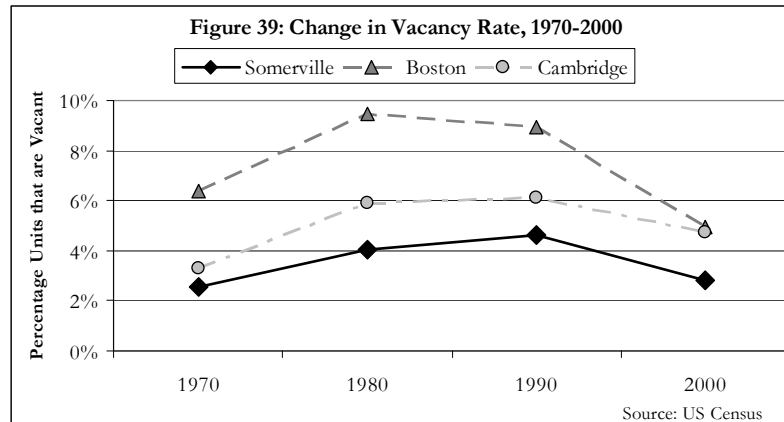
The US Census collects data on vacant housing units, sending field staff to physically inspect all housing units that do not return Census questionnaire forms. Vacant housing units are recorded, allowing long-term analyses of vacancy rates. It should be noted that the Census methodology only captures units that were vacant at the time of the Census field survey.

Housing literature generally suggests that a 5% vacancy rate is considered a healthy target, and that rates below 5% suggest an imbalance between supply and demand that can drive housing prices upward. According to the 2000 Census, Somerville had a residential vacancy rate of 2.84%. Between 1990 and 2000, vacant units in Somerville decreased from approximately 1,500 to approximately 900. As illustrated in Figure 38, this drop reversed a trend of increasing vacant units between 1970 and 1990.

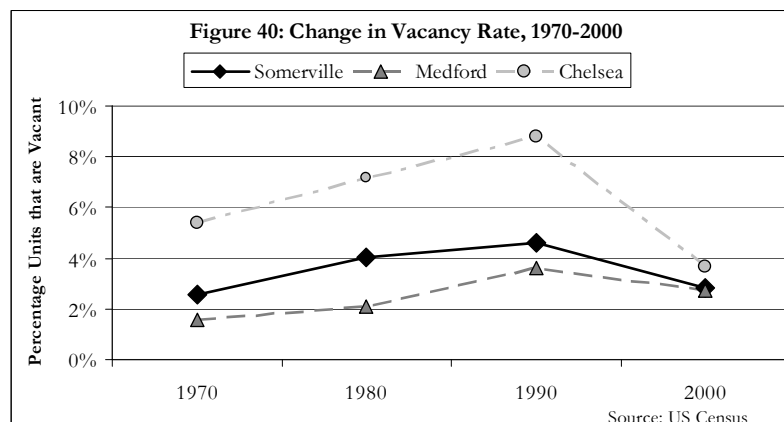


Although housing demand has remained consistently strong in the urban core for many years, Somerville is noteworthy for its

particularly low vacancy rates. As illustrated in Figure 39, Somerville's vacancy rate has been consistently lower than the vacancy rates for Boston and Cambridge since 1970.



As illustrated in Figure 40, similar trends were present in Medford and Chelsea, although the vacancy rates for these two communities in 2000 were closer to Somerville's vacancy rate. Chelsea experienced a particularly sharp drop in vacancy between 1990 and 2000.



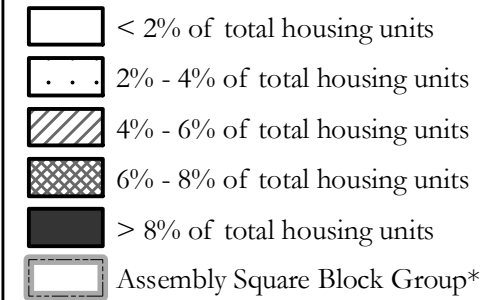
16. While Somerville's overall vacancy rate was extremely low in 2000, several neighborhoods had vacancy rates far greater than the citywide average, and other neighborhoods had vacancy rates of less than 1% at the time of the Census.

As noted previously, Somerville's overall residential vacancy rate as of the 2000 Census was 2.84%. Census Block Group data show that certain parts of East Somerville, Magoun Square, Porter Square, Union Square and Winter Hill had vacancy rates twice the citywide average.

The single highest vacancy rate was recorded in the Block Group north of Washington Street and east of the McGrath Highway, where 18% of all housing units were reported as vacant. This data outlier is likely attributable to two factors: construction of the 17-unit Sanctuary Lofts condominium project (60 Tufts Street), and demolition of several multifamily homes on Franklin Street for construction of the Capuano School. The loft units had been constructed, but not yet occupied at the time of the Census field inspection, while the homes on Franklin Street had been vacated but not yet demolished when the Census inspectors performed their field surveys in the neighborhood. These factors would heavily skew the vacancy data for this Census Block Group.

At the same time, the Block Group data suggest that several neighborhoods had vacancy rates less than 1% at the time of the Census. As illustrated in Map 8, there were no vacant housing units recorded for a series of Block Groups stretching from the Charlestown line in East Somerville across the McGrath Highway into Winter Hill. Other clusters with no recorded vacancies can be seen along Somerville Avenue near Spring Hill, and along Highland Avenue around Cedar Street. It is likely that these areas did in fact have vacant housing units in 2000, but that they were not accurately recorded by the Census survey teams.

Map 8: Residential Vacancy Rate, 2000

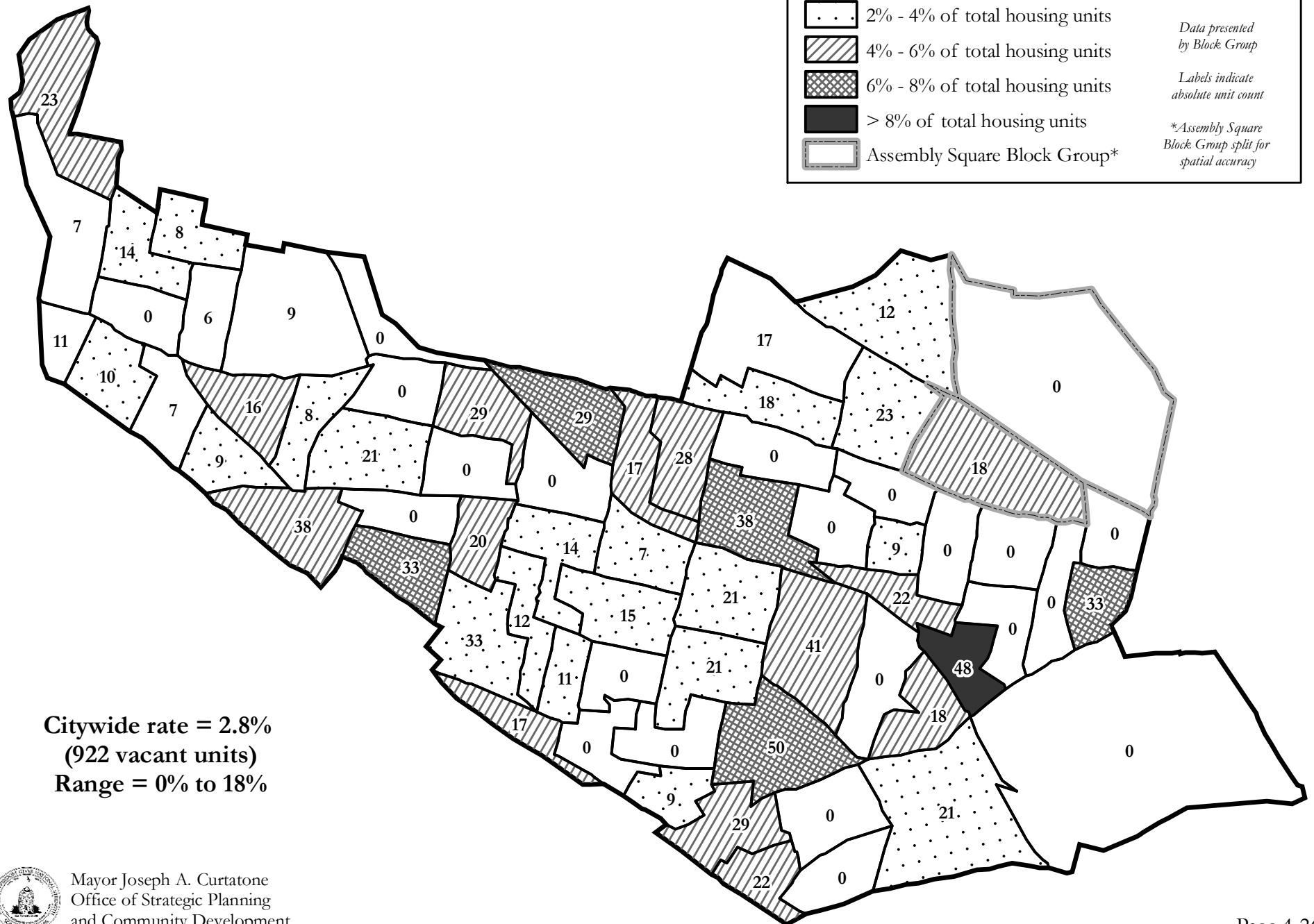


Source = US Census

Data presented
by Block Group

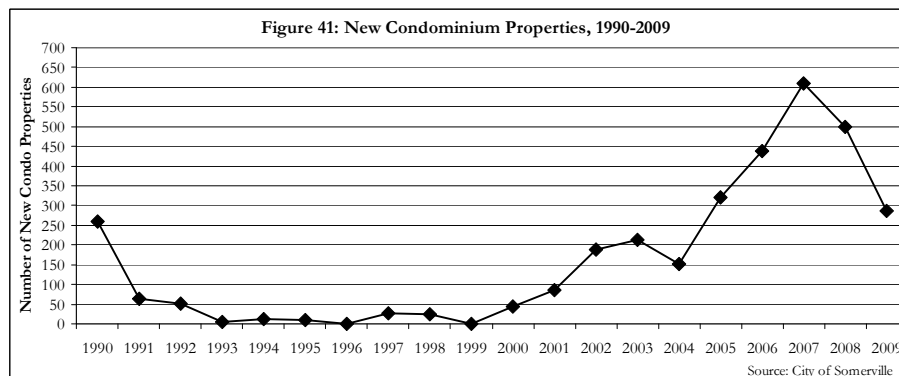
Labels indicate
absolute unit count

*Assembly Square
Block Group split for
spatial accuracy



17. Condominium construction and conversions represent the most significant increase in Somerville's stock of owner-occupied housing since 2000.

The Somerville Assessing Department tracks condominium properties, recording the number of newly constructed condo units, as well as residential units that have been converted from rental apartments to ownership condominiums. In 2000, there were approximately 864 residential condominium units in Somerville. Since 2000, 2,789 condo units have been added to the City's inventory, through new construction or conversion. As illustrated in Figure 41, condo activity began in earnest during the late 1990's, and reached its peak in 2007.



The proliferation of condominium units is partly attributable to large-scale trends in real estate finance, and partly attributable to the local housing stock. Two- and three-family homes, which represent the majority of Somerville's housing stock, are relatively easy to convert from rental units to ownership condominiums. Property owners may find conversions to be a straightforward mechanism by which to increase short-term revenue. New residential construction since 2000

has emphasized ownership condominium units, rather than rental apartments due to market conditions and project financing trends. Condominium properties have proliferated across the metropolitan region since the 1980, but this trend has affected different communities in the region at different times. Cities such as Boston, Cambridge and Medford experienced significant condo development prior to 2000, while communities including Somerville, Chelsea and Malden experienced most of their condo development since 2000.

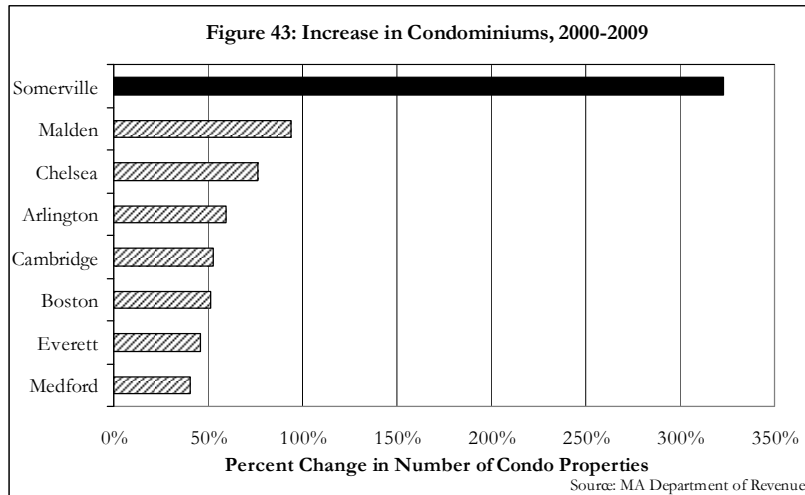
In terms of absolute growth in condominium units, Boston is the clear leader (Figure 42). Between 2000 and 2008, Boston added more than 18,000 units to its condo stock through new construction or conversion of rental units. In Cambridge, there were more than 4,300 new condominium properties created during this period. Since these cities already had large numbers of condos in 2000, their percentage growth was modest compared with other communities.

Figure 42: Growth in Condominiums, 2000-2008		
	Absolute Growth	Percent Growth
Boston	18,661	51.4%
Cambridge	4,321	52.7%
Somerville	2,789	322.8%
Arlington	1,095	59.3%
Malden	967	94.2%
Chelsea	799	76.2%
Medford	772	40.5%
Everett	429	45.7%

Source: MA Department of Revenue

Since 2000, Somerville has experienced more percentage growth in its stock of residential condominium units than any other community in the metropolitan core. As illustrated in Figure 43, the fact that

Somerville had relatively few condo units in 2000, combined with brisk condo activity in the years since has resulted in a remarkable 323% increase in condominium units since 2000.



No community in the urban core has experienced a growth rate since 2000 that is comparable to Somerville's. Malden experienced the region's second-highest growth rate (94%), which was less than one-third of Somerville's growth rate. Chelsea had the next highest growth rate, at 76%. Interestingly, Everett (46%) and Medford (41%) ranked even lower in condo growth than Boston and Cambridge, despite having much smaller numbers of condo units in 2000.

Because condo conversions remove housing units from the rental market, this trend can restrict housing choice for low- and moderate-income renters. On the other hand, condos can be more affordable than single-family or multi-family homes, making first-time homeownership more feasible for moderate-income households.

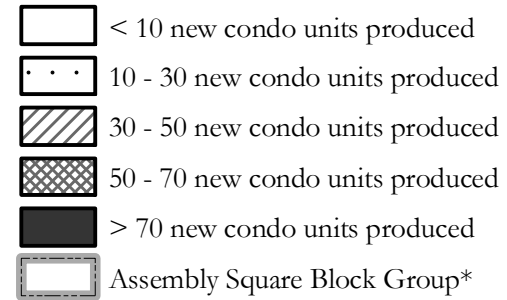
18. Union Square, and Winter Hill and areas along the Cambridge border have experienced Somerville's highest rates of condominium activity since 2000.

Although new construction and conversion occurred in nearly all of Somerville's neighborhoods, certain areas experienced particularly high levels of condominium activity. As illustrated in Map 9, these areas include Duck Village, Porter Square, Teele Square, Union Square and Winter Hill. Absolute growth, rather than percentage growth is used in this analysis, due to the small stock of condo units in many Somerville neighborhoods in 2000.

The City's largest increase in condominium units occurred in the area south of Union Square and west of Prospect Street/Webster Avenue, where 113 new condo units were produced since 2000. Roughly 85 of these units were developed as part of the phased Union Place development. The second largest increase (97 units) occurred in the area east of Porter Square. This neighborhood was characterized by conversion of small multifamily rental properties, with 25 of its 29 condo projects producing three or fewer units.

East Somerville is notable for its relatively low rate of condominium activity. The neighborhood around the McGrath Highway, north of Pearl Street and south of Broadway featured the City's lowest number of new condo units. As illustrated in Map 9, three Block Groups in this area had fewer than ten new condominium units produced between 2000 and 2008.

Map 9: Condominium Activity, 2000-2008

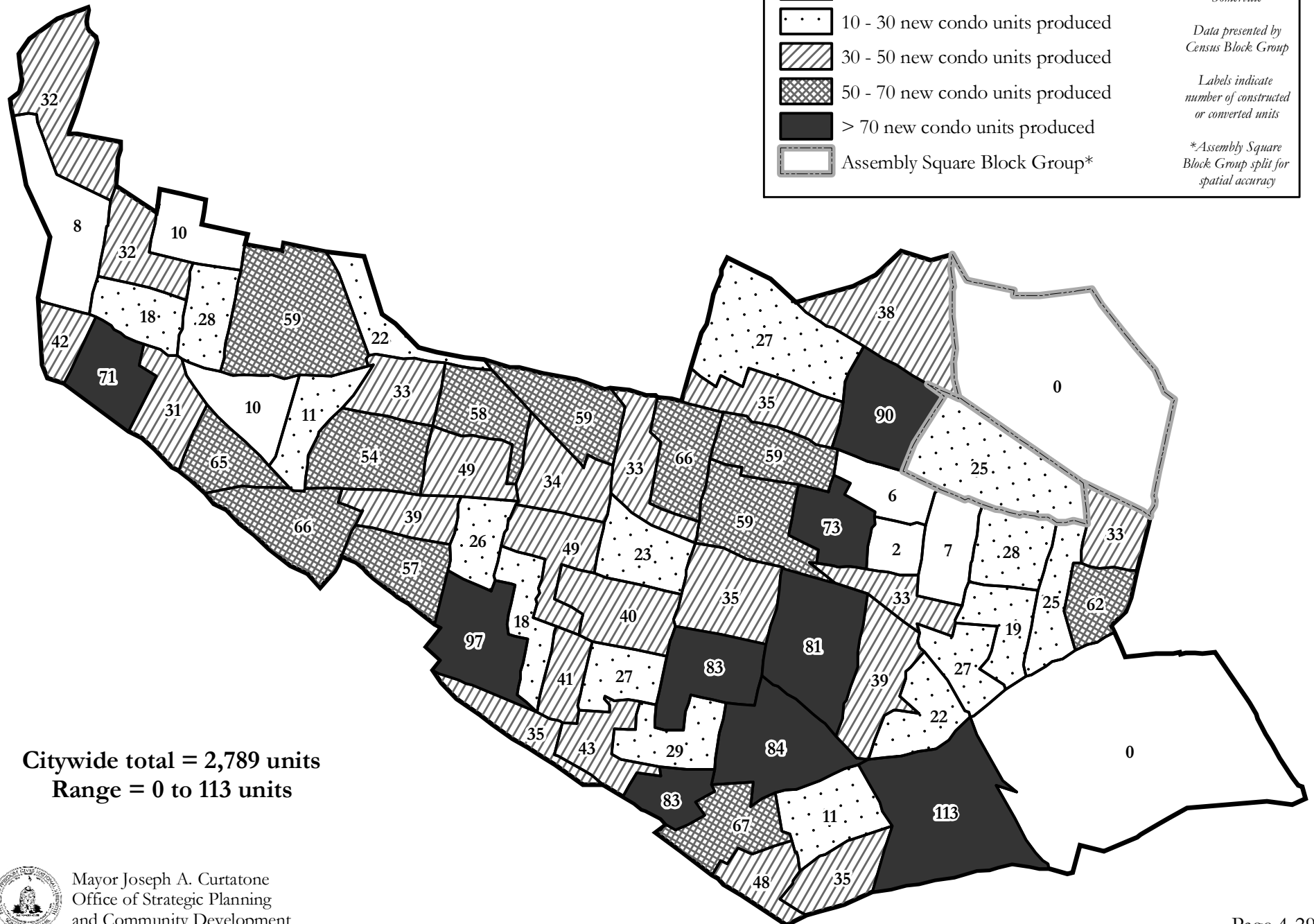


Source = City of
Somerville

Data presented by
Census Block Group

Labels indicate
number of constructed
or converted units

*Assembly Square
Block Group split for
spatial accuracy



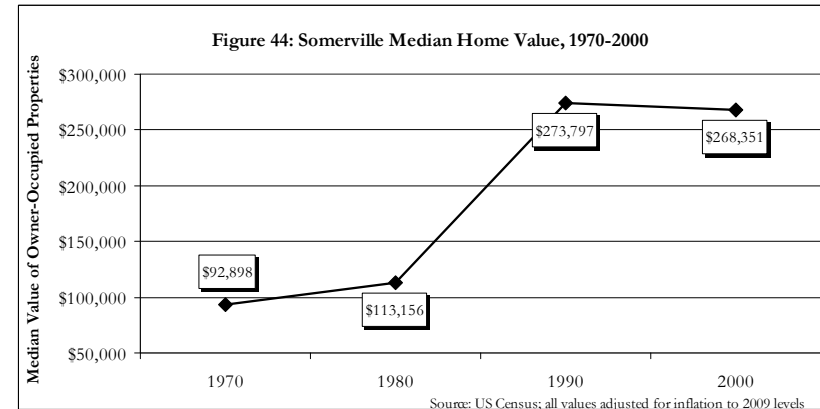
HOUSING PRICES

19. Housing values in Somerville have exhibited major increases since 1980. In 2000, Somerville's median value was higher than values in many neighboring communities.

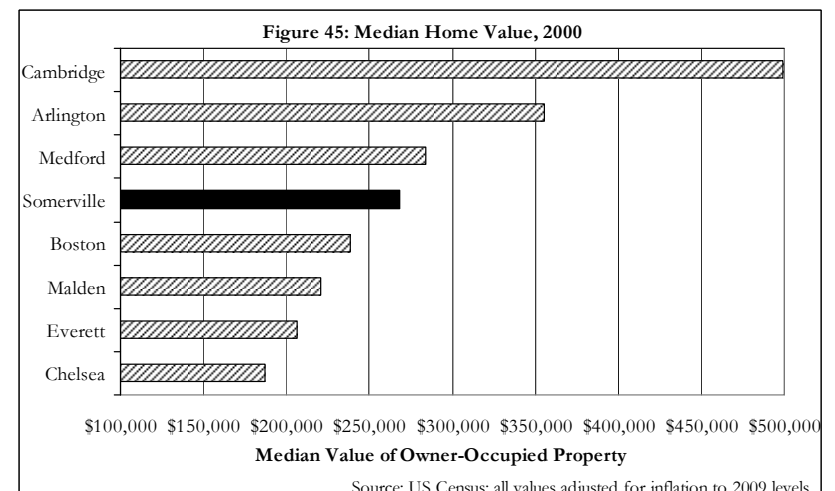
The Boston metropolitan region is widely regarded as having some of the nation's highest housing prices. As part of the regional housing market, Somerville's housing prices have been subjected to major increases in recent decades. US Census data can be used to analyze long-term trends in housing prices. The Census survey form asks homeowners to estimate the market value of their home. As a result, the Census data capture the values of single-family homes, multifamily homes and condominium properties. The Census data represent a snapshot of housing prices at the time of the Census, and market fluctuations immediately preceding or following the decennial Census may influence the long-term trend line.

Somerville's inflation-adjusted median home value in 1970 was approximately \$93,000, and in 1980 the median home value was reported at \$113,000. As illustrated in Figure 44, the City's median home value increased to \$274,000 in 1990, a remarkable 142% increase from 1980. This sharp jump may be attributable to the timing of economic boom and bust cycles: at the time of the 1980 Census, the nation was recovering from a major recession in 1978-1979, suggesting that home values may have been particularly low. The 1990 Census, on the other hand, followed the economic expansion of the late 1980's, and as a result home values may have been particularly high at that time.

Interestingly, the median home value in 2000 appears to be slightly lower than the 1990 median. Data maintained by the Somerville Assessing Department indicate a similar trend line between 1990 and 2000 (see page 4-31).

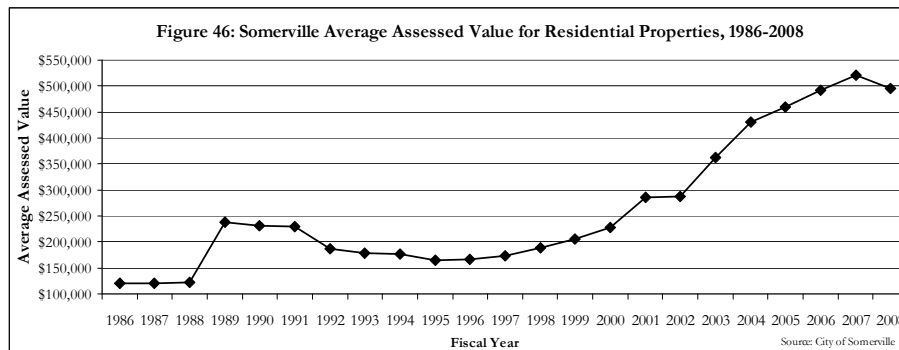


Census data suggest that in 2000, the inflation-adjusted median value of an owner-occupied property in Somerville was \$268,351. As illustrated in Figure 45, Medford (\$284,269) and Boston (\$238,896) were Somerville's most comparable neighbors. Values for Chelsea, Everett and Malden were significantly lower. The median home value for Cambridge (\$499,476) was nearly twice the median value for Somerville.



Valuation data produced by the City of Somerville's Assessing Department can be used to complement the Census data on home values. The data record for assessed values in Somerville is available from 1986 onward, and uses average, rather than median values. Massachusetts law requires that properties be assessed at fair market value. In order to maintain fair market valuation, the Assessing Department performs revaluations every two to three years, which are certified by the Massachusetts Department of Revenue.

As illustrated in Figure 46, the average assessed value for a residential property in Somerville has increased significantly over the past twenty years, but the increases have not been steady. In 1986, the average assessed value was \$120,890. By 1990, the average value had more than doubled, reaching \$230,959.



Following decreases during the first half of the 1990's, average assessed values had rebounded by 2000 to reach \$227,560. Since 2002, the increase in average value has been dramatic, reaching a peak in 2007 at \$520,831. In 2008, the most recent year for which data are available, values had decreased slightly to \$496,258.

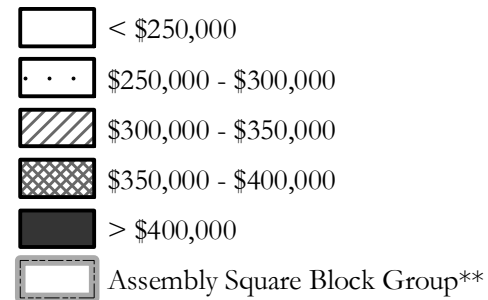
20. Somerville neighborhoods with the highest home value in 2000 were generally located in West Somerville.

The US Census provides data on the value of owner-occupied housing units, including the median value of home by Census Block Group. These data are collected as part of the Census survey, and only reflect the values that are specified by owner-occupants who respond to the Census. As illustrated in Map 10, Census Block Group data from 2000 suggest that higher home values tended to be located in West Somerville.

The City's highest inflation-adjusted median home value (\$455,000) was in the Block Group southeast of Powder House Circle, between Broadway and Kidder Avenue. Eleven other Block Groups in West Somerville had inflation-adjusted median values above \$400,000. The only other Block Groups with median home values above \$400,000 were located in Duck Village, and on Prospect Hill.

The lowest median home value in 2000 was in the East Somerville Block Group north of Washington Street and south of Perkins Street, between Myrtle Street and the Boston line. This Block Group had a median home value of \$181,000. The second-lowest value (\$197,000) was observed in the neighborhood around Tufts Street and Allston Street, north of Washington Street and east of the McGrath Highway. Other areas with median values below \$250,000 include the south side of Union Square, the Hinckley/Magoun neighborhood, and Somerville Avenue around the intersection with Lowell Street.

Map 10: Median Home Value*, 2000



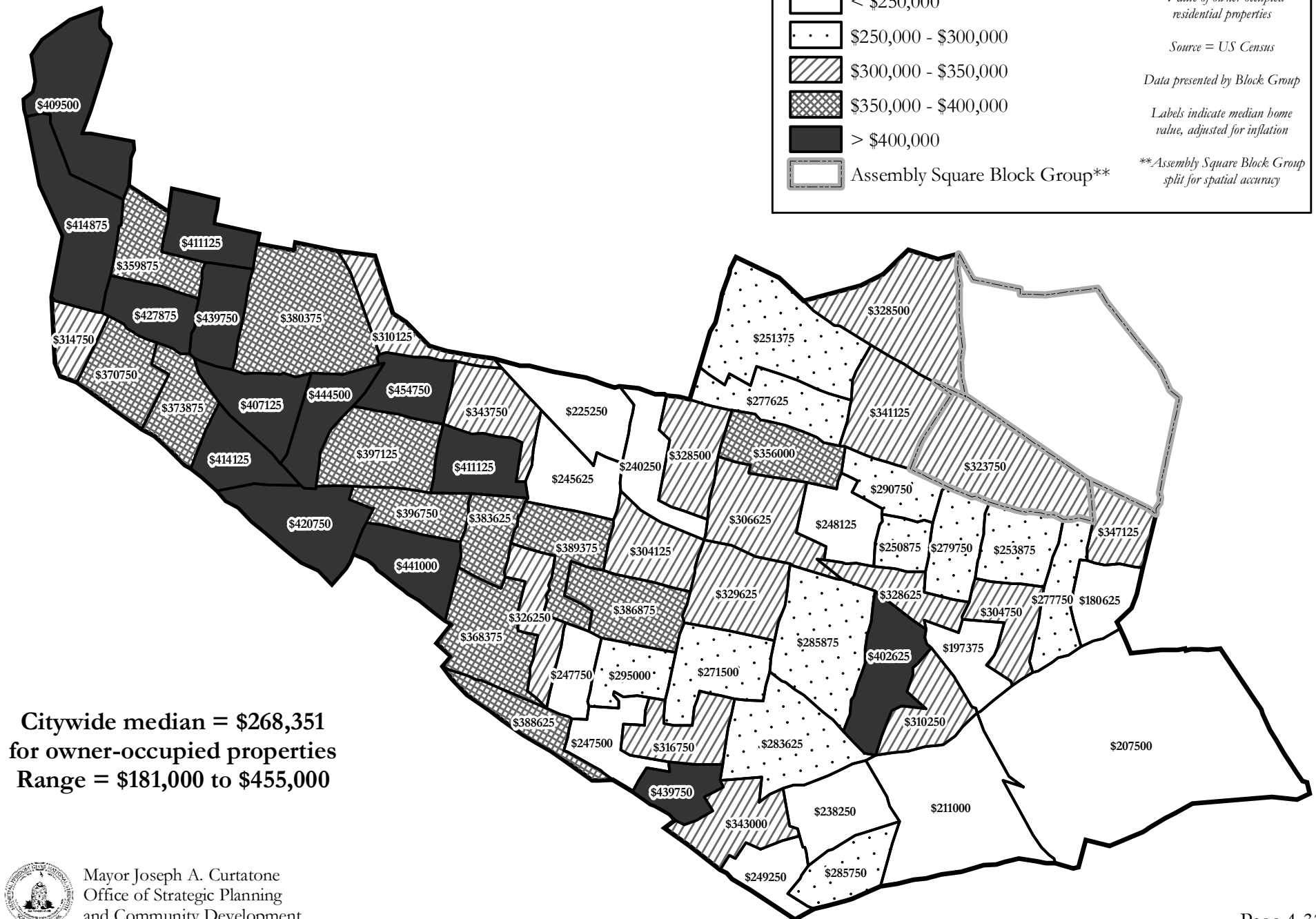
* Value of owner-occupied residential properties

Source = US Census

Data presented by Block Group

Labels indicate median home value, adjusted for inflation

** Assembly Square Block Group split for spatial accuracy



Citywide median = \$268,351
 for owner-occupied properties
 Range = \$181,000 to \$455,000

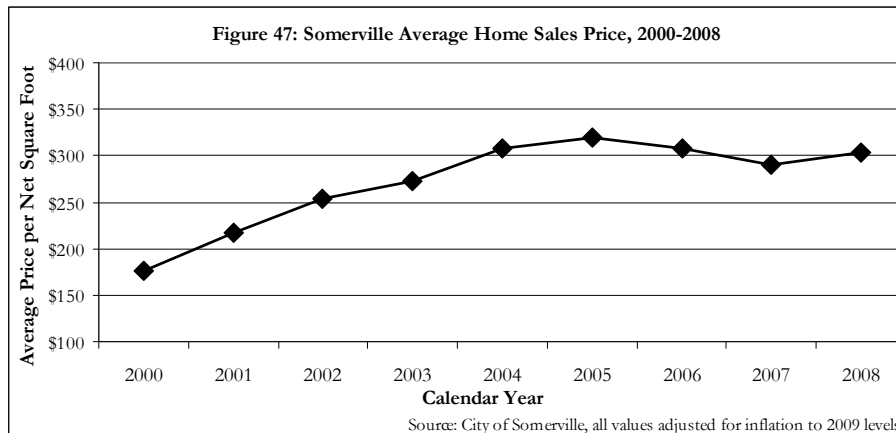


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21. Sale prices for Somerville homes have increased dramatically since 2000, reaching an apparent peak around 2005.

Somerville's home sales prices have generally reflected the post-2000 increases in assessed value. Sales prices can be analyzed in several different ways. A common measure used to compare prices for properties of varying sizes is a per-square-foot cost. This value can provide a consistent measure between single-family homes, multifamily homes and condominium properties. This measure uses net square feet (also known as "living area") in order to prevent skewing by square footage in multifamily buildings that is allocated to common areas.

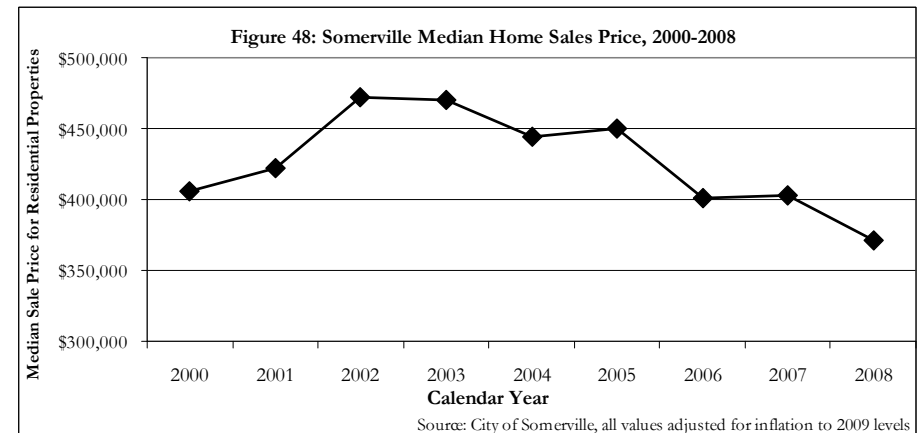
According to sales data recorded by the City's Assessing Department, the average sales price per net square foot in 2000 was roughly \$177. As illustrated in Figure 47, the average sale price in Somerville increased steadily until 2005, when it peaked at roughly \$319 per net square foot. Average sales prices seem to have moderated slightly between 2006 and 2008, although they are still significantly above prices at the beginning of the decade.



A second measure of sale prices is the median sale price of a residential property. Unlike average sale price, the median price is less likely to be skewed by extremely high or extremely low prices in the data record. This is particularly important in comparing sales of single-family homes, multifamily homes and condos.

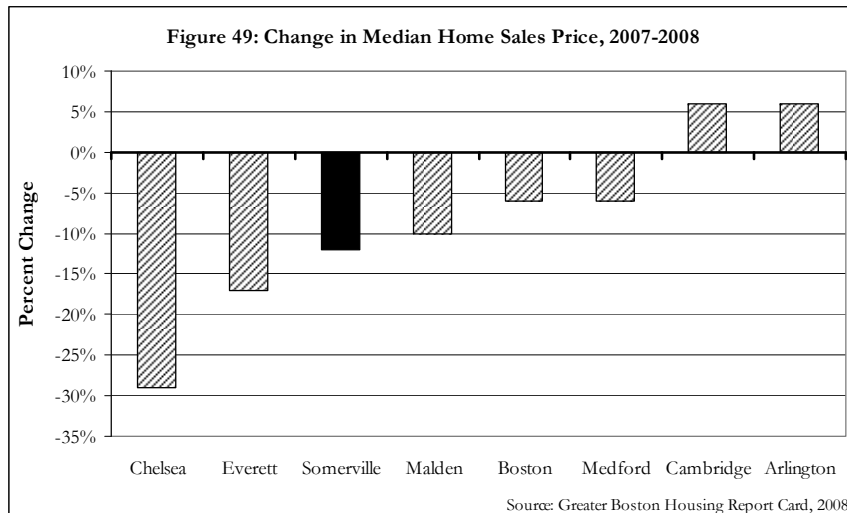
As illustrated in Figure 48, the median sales price for residential properties in Somerville exhibits an earlier peak than the average sale price data. The median sale price in 2001 was roughly \$422,395. In 2002, the median sale price jumped to \$472,200. Since 2002, there has been a general downward trend in Somerville's median sale price.

This discrepancy may be attributable to a change in the types of properties being sold in recent years. As discussed in Section 2 of this report, more than 2,000 condominium units have been added to the Somerville market (through new construction, or conversion of rental apartments) since 2002. Condos are often sold at lower prices than single-family or multifamily homes, suggesting that sales of condo properties are a major factor in the recent decrease in median sale prices.



In general, home sales prices have moderated since 2007 across the urban core. Somerville's decrease during this period was more significant than many neighboring communities. According to data published in the 2008 Greater Boston Housing Report Card, the median sales price for Somerville homes decreased from \$441,475 in 2007 to \$390,500 in 2008 (12%). Note that these data are published by Fiscal Year (July 1st to June 31st).

As illustrated in Figure 49, Somerville's percentage decrease during this period was double that in Boston and Medford (6% each). Decreases were more pronounced in Malden (10%) and Everett (17%). Chelsea's median home sales price exhibited a dramatic 29% decrease between 2007 and 2008. Cambridge and Arlington were exceptions to the downward trend, both showing a 6% increase in the median home sales price.



It is important to note that these decreases only reflect properties that sold during this period. While values for homes did not drop across the board, these data point to a general decrease in demand.

22. Somerville neighborhoods with the highest average home sale prices between 2000 and 2008 were located along the Cambridge border.

An analysis of average home sale prices per net square foot can provide a consistent measure of real estate trends in Somerville's neighborhoods. According to City data, there were 3,760 qualified (arms-length) sales of residential properties between January 2000 and December 2008. The average price for these qualified sales was \$281 per net square foot.

As illustrated in Map 11, Somerville's higher rates (greater than \$325 per square foot) tend to be clustered along the Cambridge border, in neighborhoods abutting Beacon Street, Porter Square, Davis Square and Clarendon Hill. Somerville's highest average sales rate (\$386 per square foot) was in a neighborhood south of Davis Square, between Russell Street and the Community Path. The second highest sales rate was in the neighborhood west of Davis Square, bordered by Cameron Avenue, Holland Street and the Community Path.

The City's lowest sales rates (less than \$225 per square foot) were slightly more scattered throughout various neighborhoods, although a major concentration is apparent stretching from East Somerville through Gilman Square to Winter Hill and Ten Hills. The single lowest sales rate was in the East Somerville neighborhood east of the McGrath Highway, south of Broadway and north of Flint Street, where home sales averaged \$210 per gross square foot.

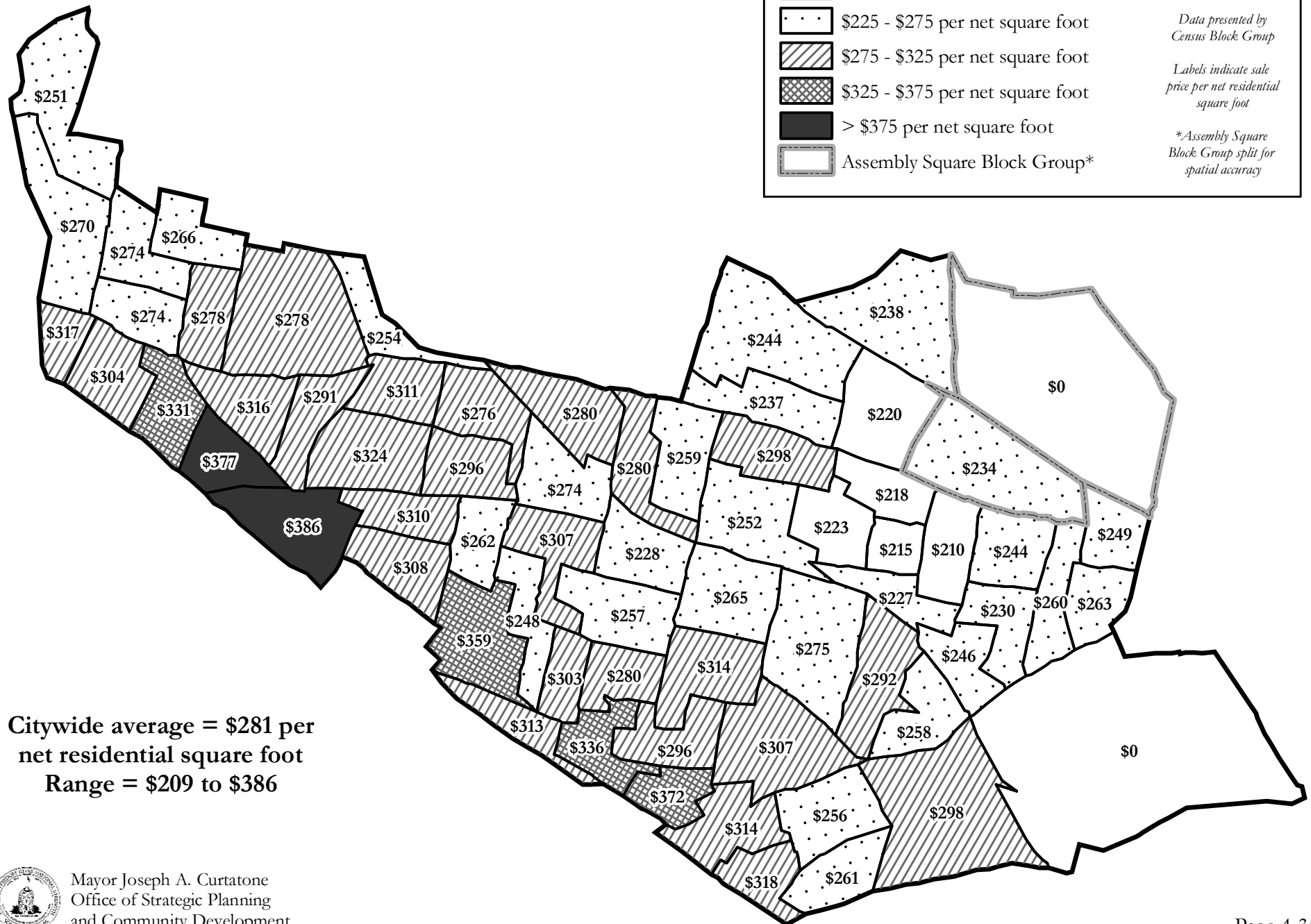
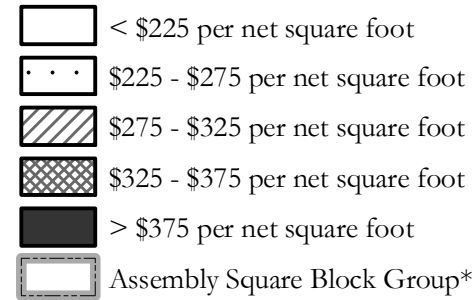
Map 11: Average Home Sale Prices, 2000-2008

Source = City of Somerville

Data presented by
Census Block Group

Labels indicate sale
price per net residential
square foot

*Assembly Square
Block Group split for
spatial accuracy



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23. The volume of home sales in Somerville increased significantly between 2000 and 2005, and has decreased sharply since 2005.

Sales data recorded by the Somerville Assessing Department provide a clear trend line of the residential market since 2000. As illustrated by Figure 50, there were roughly 234 qualified sales of single-family homes, multifamily homes and condominium properties in 2000. Gradual increases in sales volume occurred between 2001 and 2003, and sales increased dramatically in 2004 and 2005. Sales activity peaked in 2005, with over 700 home sales during the calendar year.

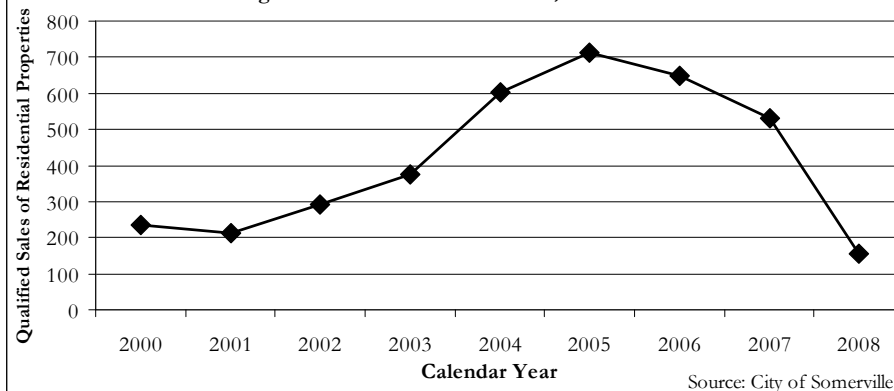
Figure 50: Somerville Home Sales, 2000-2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Qualified Sales	234	212	291	377	603	713	649	532	154

Source: City of Somerville

As illustrated in Figure 51, sales activity slowed in 2006 and 2007. A sharp drop in the number of home sales occurred in 2008, when only 154 qualified transactions were recorded.

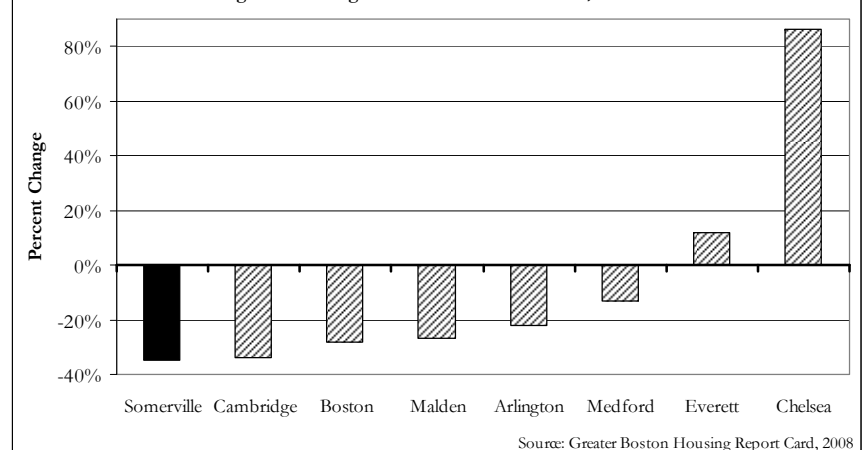
Figure 51: Somerville Home Sales, 2000-2008



Region-wide, there has been a slowdown in the number of home sales between 2007 and 2008, but compared with neighboring cities, Somerville experienced the most significant decrease in home sales between 2007 and 2008. Data published in the Greater Boston Housing Report Card suggest that home sales in Somerville during this period decreased by approximately 35%. Note that these data are published by Fiscal Year (July 1st to June 31st).

As illustrated in Figure 52, Somerville's decrease for this period was the highest among comparable communities. Cambridge (34%), Boston (28%), Malden (27%) and Arlington (22%) also experienced major slowdowns in home sales. Interestingly, sales activity increased during this period for Chelsea and Everett. As previously noted, these two cities had experienced particularly sharp decreases in median home sales price for the same period, suggesting that prices may have dropped enough to spur new demand. In Somerville, these data may indicate that home sellers are tending to hold out for their desired prices. For owners of multifamily homes, rental income may be a factor in decisions to wait for a market rebound before selling.

Figure 52: Change in Number of Home Sales, 2007-2008



24. Somerville neighborhoods with the highest sales volume between 2000 and 2008 included Magoun Square and Duck Village/Inman Square.

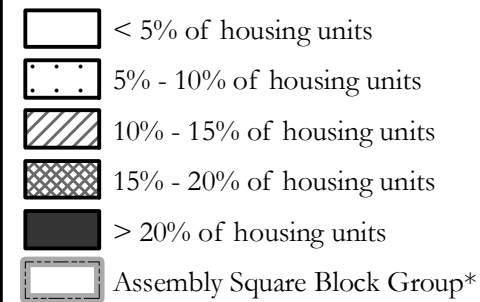
An analysis of sales as a percentage of the total housing stock can provide a consistent measure of sales volume from neighborhood to neighborhood. As discussed previously, data maintained by the Somerville Assessing Department indicate that 3,760 home sales occurred in the City between 2000 and 2008. There are approximately 32,000 housing units in Somerville, suggesting that the average sales volume was roughly 11.75% of all units citywide.

As illustrated in Map 12, several Somerville neighborhoods exhibited sales volumes significantly above the citywide average. The single highest rate occurred in the Hinckley/Magoun neighborhood, bordered by Lowell Street to the east, Broadway to the north and the Lowell rail line to the south. There were 72 qualified home sales in this neighborhood between 2000 and 2008, representing 22% of all occupied housing units.

The City's second-highest sales volume (21%) occurred in the neighborhood between Davis Square and Cameron Avenue. Clusters of sales volumes between 15% and 20% appear south of Magoun Square, along Beacon Street in Duck Village and Inman Square, in East Somerville and in Winter Hill.

It is noteworthy that the neighborhoods experiencing the highest sales volumes exhibit some of the highest and lowest average sales prices in Somerville. This trend suggests that certain high-cost neighborhoods are continuing to attract investment, despite their high prices. On the other hand, certain low-cost neighborhoods also experienced brisk sales activity, suggesting that homebuyers continue to take advantage of low prices in some areas.

Map 12: Home Sales Volume, 2000-2008

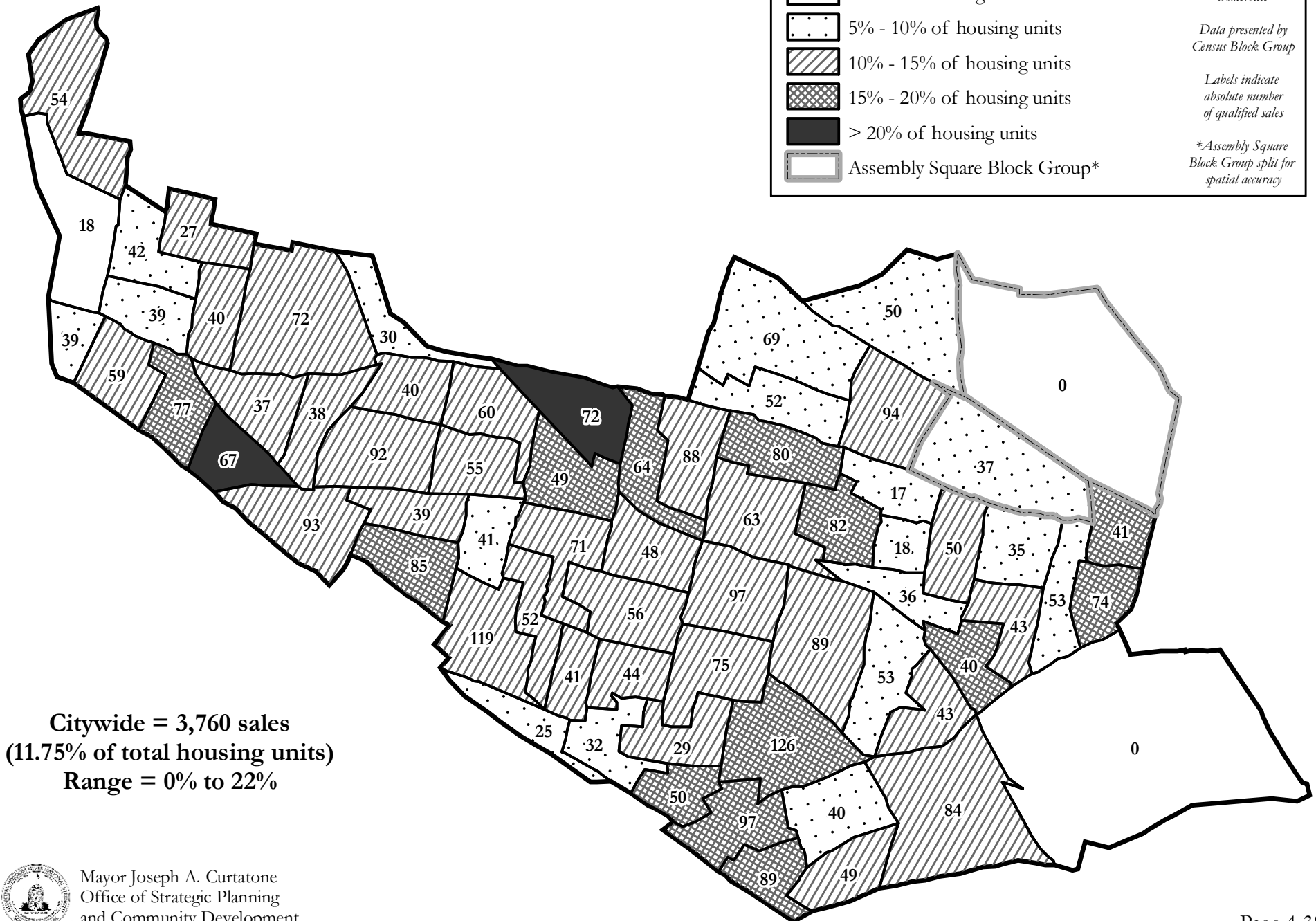


*Source = City of
Somerville*

*Data presented by
Census Block Group*

*Labels indicate
absolute number
of qualified sales*

**Assembly Square
Block Group split for
spatial accuracy*

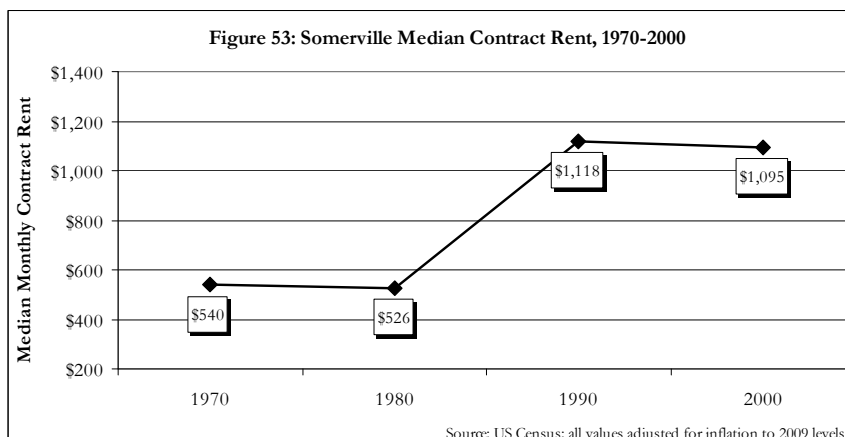


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25. Somerville experienced major increases in median rent for apartments between 1980 and 2000, but rental rates have been relatively stable since 2000.

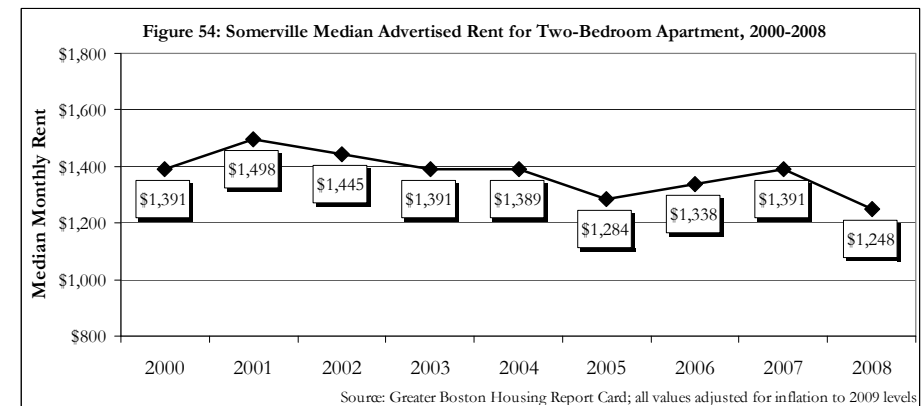
The US Census defines “contract rent” as the monthly rent agreed to, regardless of any furnishings, utilities or services included or excluded. Somerville’s median contract rent tracked closely with the median home value between 1970 and 2000. The inflation-adjusted median advertised rent for Somerville households in 1970 was \$540 per month. As illustrated in Figure 53, rent levels remained essentially constant between 1970 and 1980. These data represent the median values for all Census respondents living in rental units at the time of the Census, and include those paying below-market rents.

A major spike occurred during the 1980’s, with median contract rent reaching \$1,118 in 1990. The 2000 Census recorded a median monthly rent of \$1,095, slightly lower than the inflation-adjusted 1990 value. This trend line closely resembles that of median home values recorded by the Census for the same period; as such, it is important to consider the timing of large-scale market changes such as the 1978-1979 recession and the expansion of the late 1980’s.



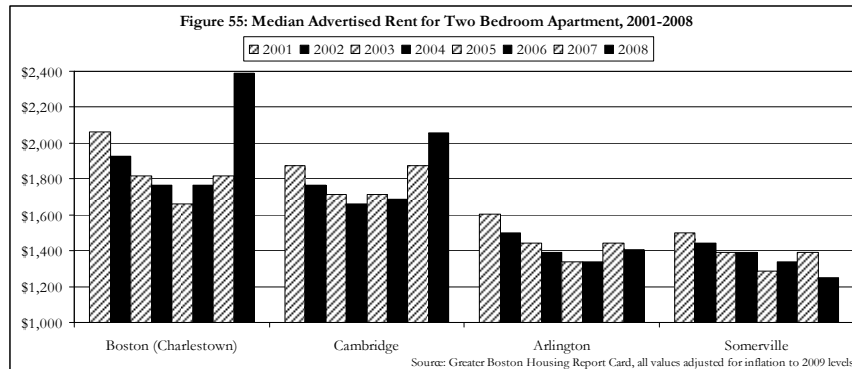
Another common measure of rental prices is known as “advertised rent”. This measure reflects asking rates for rental housing, and may or may not include furnishings, utilities or other costs. Since advertised rent does not generally capture below-market rental apartments, this measure is more closely tied to market rates than contract rent.

Data on median advertised rent published in the Greater Boston Housing Report Card suggest that Somerville’s rent levels have been relatively stable since 2000. In 2000, the inflation-adjusted median advertised rent for a two-bedroom apartment in Somerville was \$1,391. As illustrated in Figure 54, the median advertised rent level actually decreased during each of the next four years, reaching a low point of \$1,284 in 2005. By 2007, Somerville’s median advertised rent had rebounded to \$1,391 per month. Rental rates appear to have fallen in 2008, reaching \$1,248.

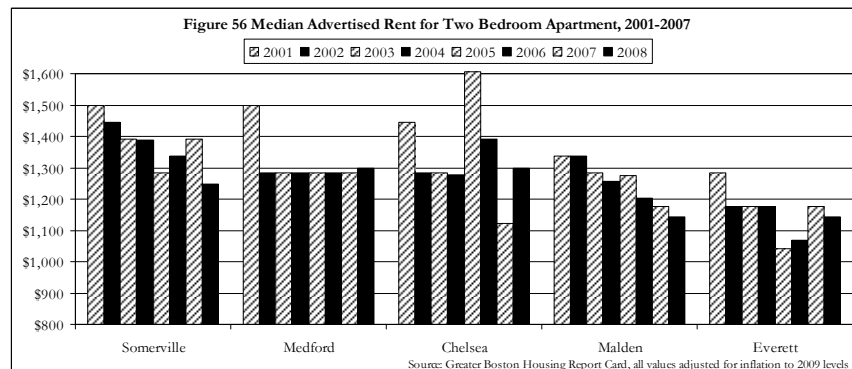


Many sub-markets within the Boston urban core exhibited similar trends of constant or decreasing median contract rent since 2000. In general, Somerville’s rental rates were lower than those in Boston (Charlestown), Cambridge and Arlington (Figure 55).

Despite the differences in scale, these four rental markets exhibit similar trend lines between 2001 and 2007, each showing incremental decreases between 2001 and 2004, followed by stabilization and modest recovery between 2004 and 2007. Sharp differences are clear in 2008, with rents increasing in Charlestown and Cambridge.



As illustrated in Figure 56, Somerville's median rental rates were generally higher than those in Medford, Chelsea, Malden and Everett. Medford's rents are stable between 2002 and 2007, while Chelsea is unique in its volatility between 2004 and 2008. The trend line for Malden shows continued decreases since 2006, while Everett in more similar to Somerville in its rebound.









26. In 2000, Somerville's highest median gross rent values were in West Somerville and along the Cambridge border.

"Gross rent" is a term used by the Census Bureau to capture the sum of monthly contract rent plus utility costs. The Census provides data on median gross rent at the Block Group level, allowing for neighborhood-specific analysis of rental rates in Somerville. Since the rent data are provided by Census respondents, these median values are influenced by renters paying below market rate rents.

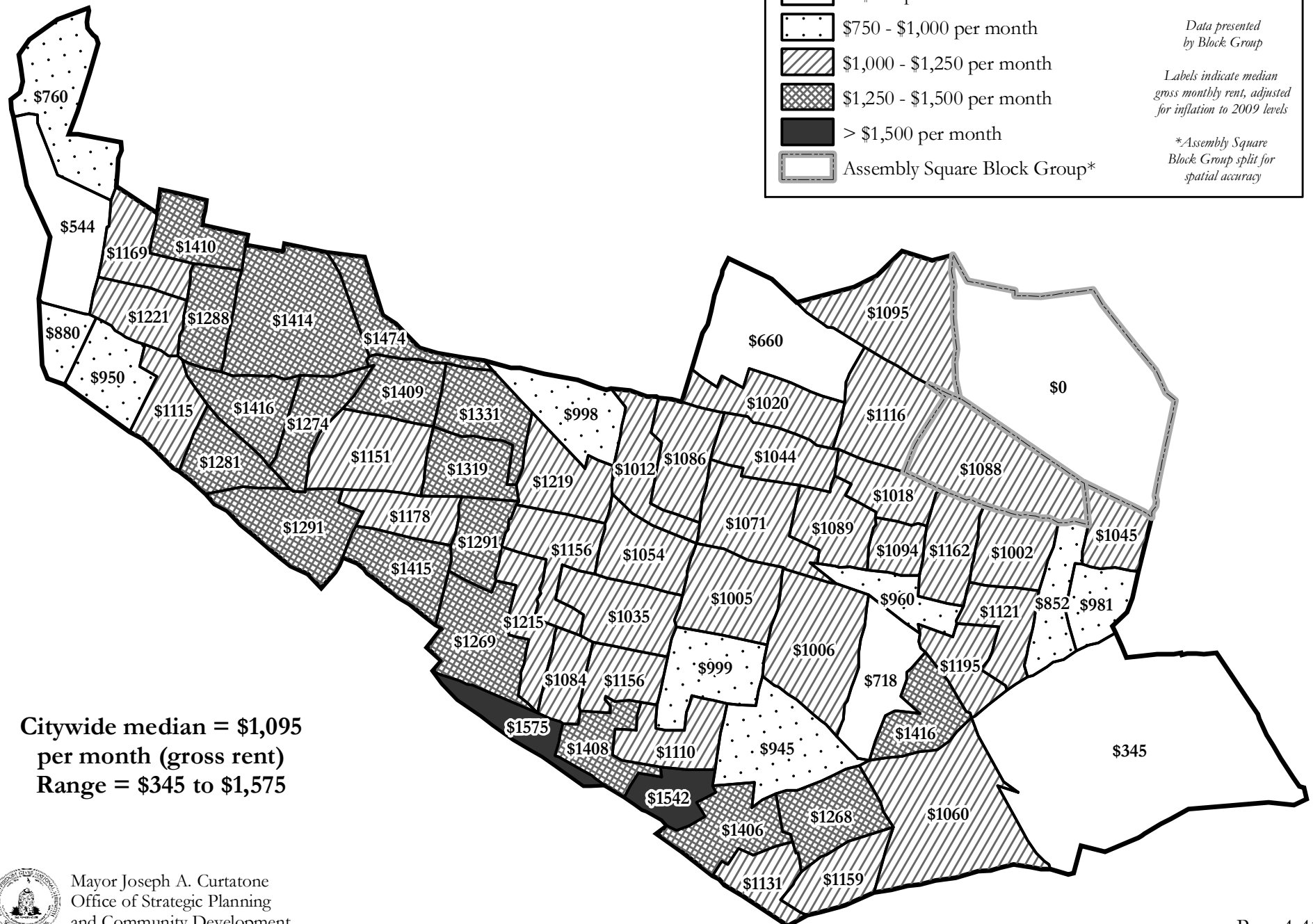
While the inflation-adjusted median gross rent for Somerville as a whole was \$1,095 in 2000, many neighborhoods had median rent values over \$1,250. These high cost areas tended to be clustered in West Somerville, and in Ward 2 along the Cambridge line. Large areas of Central Hill, East Somerville, Ten Hills and Winter Hill had median gross rent values between \$1,000 and \$1,250.

As illustrated in Map 13, only two Somerville Block Groups had median rent values above \$1,500 per month. The Block Group stretching southeast from Porter Square had a median gross monthly rent of \$1,575, while a Duck Village Block Group north of Washington Street and east of Beacon Street had a median of \$1,542.

Block Groups with the lowest median gross rent tended to be areas with large income-restricted apartment complexes. The Block Group containing the Cobble Hill apartments had a median gross rent of \$345, which was by far the lowest in the City. The neighborhood containing the Clarendon Hill Apartments at North Street and Powder House Boulevard had a median rent of \$544, while the area containing the Mystic View Apartments had a median of \$660.

	< \$750 per month
	\$750 - \$1,000 per month
	\$1,000 - \$1,250 per month
	\$1,250 - \$1,500 per month
	> \$1,500 per month
	Assembly Square Block Group*

**Assembly Square
Block Group split for
spatial accuracy*



**Citywide median = \$1,095
per month (gross rent)
Range = \$345 to \$1,575**

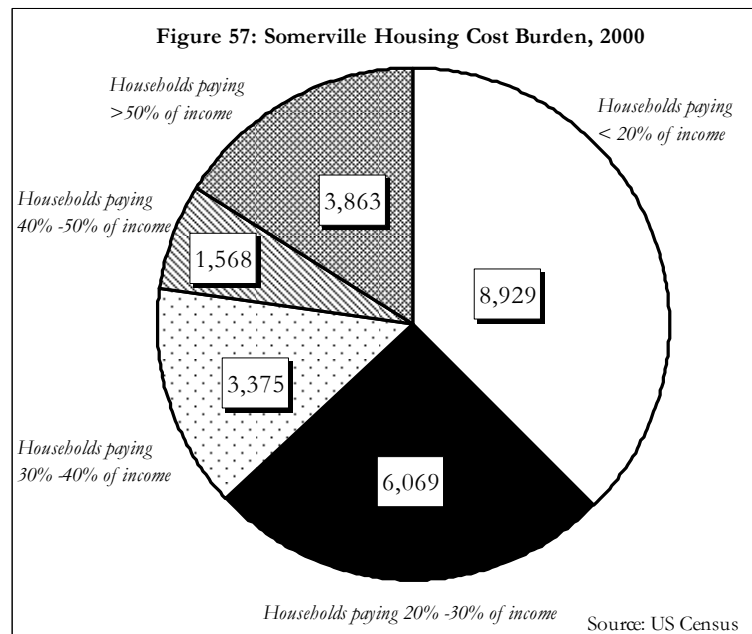


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HOUSING PRESSURES

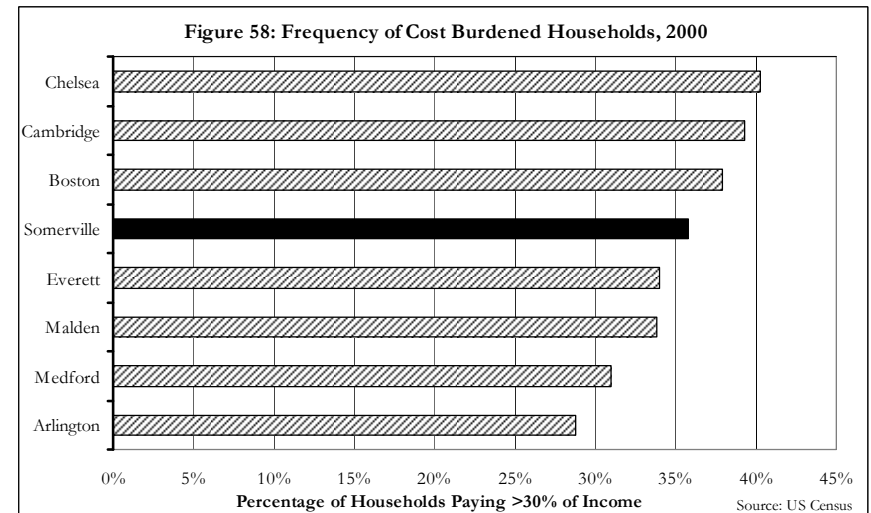
27. Nearly 9,000 Somerville households pay in excess of 30% of their income toward housing costs; nearly 4,000 households pay in excess of 50% of income for housing.

Housing literature generally suggests that households are burdened if they pay more than 30% of household income toward housing costs. Of 24,604 Somerville households for which housing cost data was recorded by the 2000 US Census, 8,806 (35.8%) reported paying more than 30% of household income toward rent or mortgage costs. As illustrated in Figure 57, 3,863 households (15.7%) reported paying more than 50% of income toward rent.



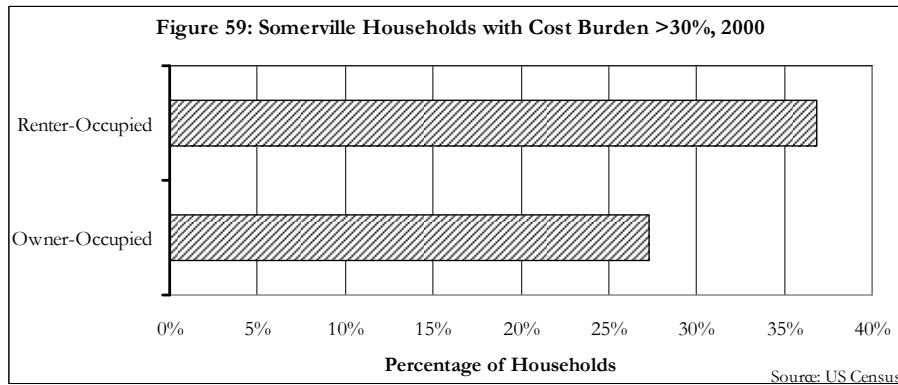
Housing costs are high across the Commonwealth, and the Boston metropolitan region is especially characterized by high sale and rental prices. According to data from the 2000 US Census, Somerville's frequency of cost burdened households (roughly 36%) is slightly higher than the regional average (roughly 34%), but lower than most neighboring cities.

As illustrated in Figure 58, Somerville had a slightly lower frequency of cost-burdened households than Boston (38%), Cambridge (39%) and Chelsea (40%). Medford (31%) had a noticeably lower rate of cost burden than Somerville. Clearly, the problem of households paying excessive shares of their total income toward housing costs is a region-wide challenge.



Excessive housing cost burden affects Somerville's renters more than its homeowners (Figure 59). Of Somerville's 21,892 renter households, 8,066 (36.8%) reported paying more than 30% of

household income toward rent at the time of the 2000 US Census. By comparison, among homeowners, 27.3% (740 households) reported paying more than 30% of household income toward housing costs.

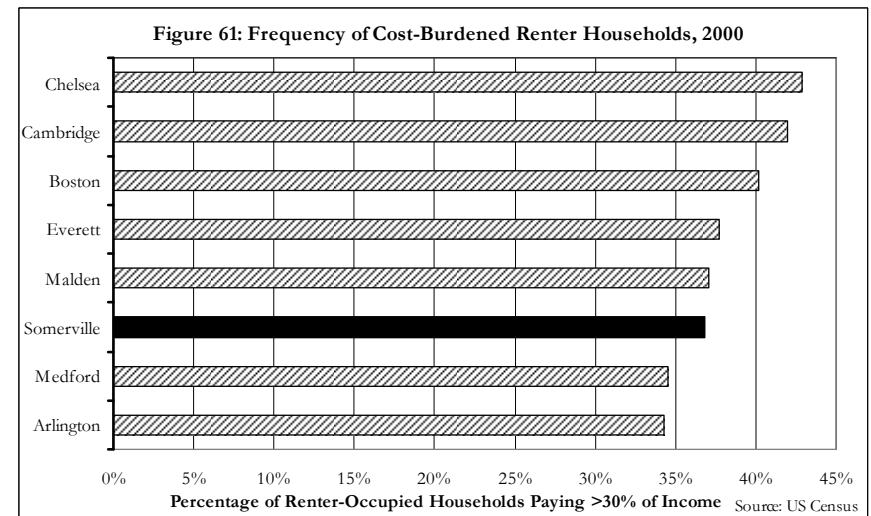


Thousands of Somerville households reported housing cost burdens in excess of 50%. As illustrated in Figure 60, 3,553 renter households (16.8%) reported paying more than 50% of income toward rent, while 310 owner households (11.4%) reported a cost burden greater than 50% of household income.

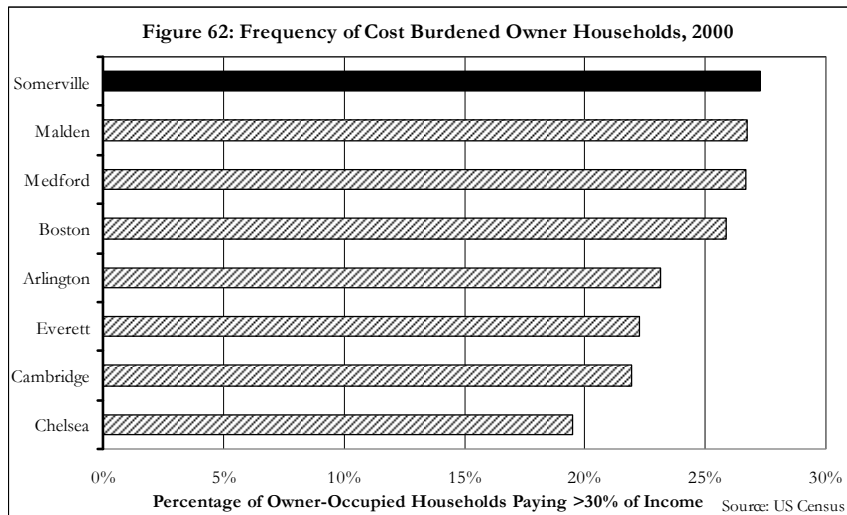
Figure 60: Somerville Cost Burdened Households, 2000					
	<20% of income	20%-30% of income	30%-40% of income	40%-50% of income	>50% of income
Renter Households	7,581	5,469	3,078	1,435	3,553
% of Renter Households	35.9%	25.9%	14.6%	6.8%	16.8%
Owner Households	1,348	600	297	133	310
% of Owner Households	49.7%	22.1%	11.0%	4.9%	11.4%

Source: US Census

Somerville's frequency of rent-burdened households, while high, is lower than most neighboring cities. As illustrated in Figure 61, Chelsea (43%), Cambridge (42%) and Boston (40%) all had higher percentages of renter households paying more than 30% of income toward rent. Malden (37%) was the most comparable to Somerville, while Medford (35%) and Arlington (34%) had slightly lower frequencies of cost-burdened renter households.



Significantly, Somerville has a higher frequency of cost burden for owner-occupied households than any neighboring city. As illustrated in Figure 62, Malden (27%) and Medford (27%) are the most comparable to Somerville. Everett (22%), Cambridge (22%) and Chelsea (19%) have noticeably lower percentages of owner-occupied households paying more than 30% of household income toward housing costs.



These data are not necessarily predictors of high foreclosure activity. Somerville and Medford, despite high frequency of cost-burdened owner households in 2000, did not exhibit high rates of foreclosure since 2000. Chelsea and Everett, on the other hand, had lower frequencies of cost-burdened owner households in 2000, but high rates of foreclosure since 2000. This discrepancy may suggest that current foreclosure trends have been driven by loans issued since 2000. For a detailed discussion of foreclosure trends, see page 4-47 of this report.

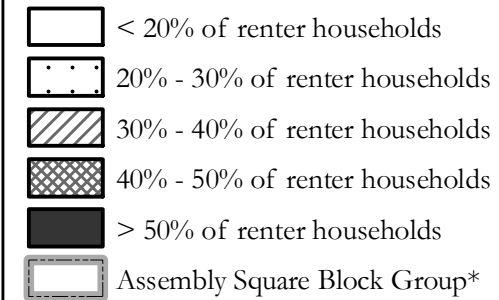
28. Concentrations of cost-burdened renter households exist in East Somerville, Gilman Square, Winter Hill and Duck Village, while cost-burdened owner households are concentrated in East Somerville and Winter Hill.

While roughly 38% of Somerville's renter households reported paying more than 30% of household income toward rent, Census Block Group data show that several neighborhoods have frequencies in excess of 50%. The single highest concentration of rent-burdened households (61%, or 148 households) occurred in the East Somerville Block Group bordered by the McGrath Highway to the west, Broadway to the north, Cross Street to the east and Gilman Street to the south.

As illustrated in Map 14, other neighborhoods above the 50% threshold included Marshall Street (55%), Cobble Hill/Brickbottom (55%), Tufts Street/Alston Street (55%), Duck Village (54%), Glenwood Road (51%), and Gilman Square (50%). Neighborhoods with particularly low incidence of rent burden (fewer than 20% of renter households) included Ten Hills north of Interstate 93, Spring Hill between Cedar Street and Cherry Street, and Mystic Valley Parkway north of Spencer Street.

Excessive cost burden among Somerville's homeowners is less common (11%). Cost-burdened owner households tend to be concentrated in East Somerville and Winter Hill (Map 15). The highest frequency of cost burdened homeowners was in the Census Block Group containing Tufts Street (east of McGrath Highway and north of Washington Street) where 46 of 93 (45%) owner-occupied households reported paying more than 30% of household income toward housing costs.

Map 14: Rent-Burdened Households, 2000

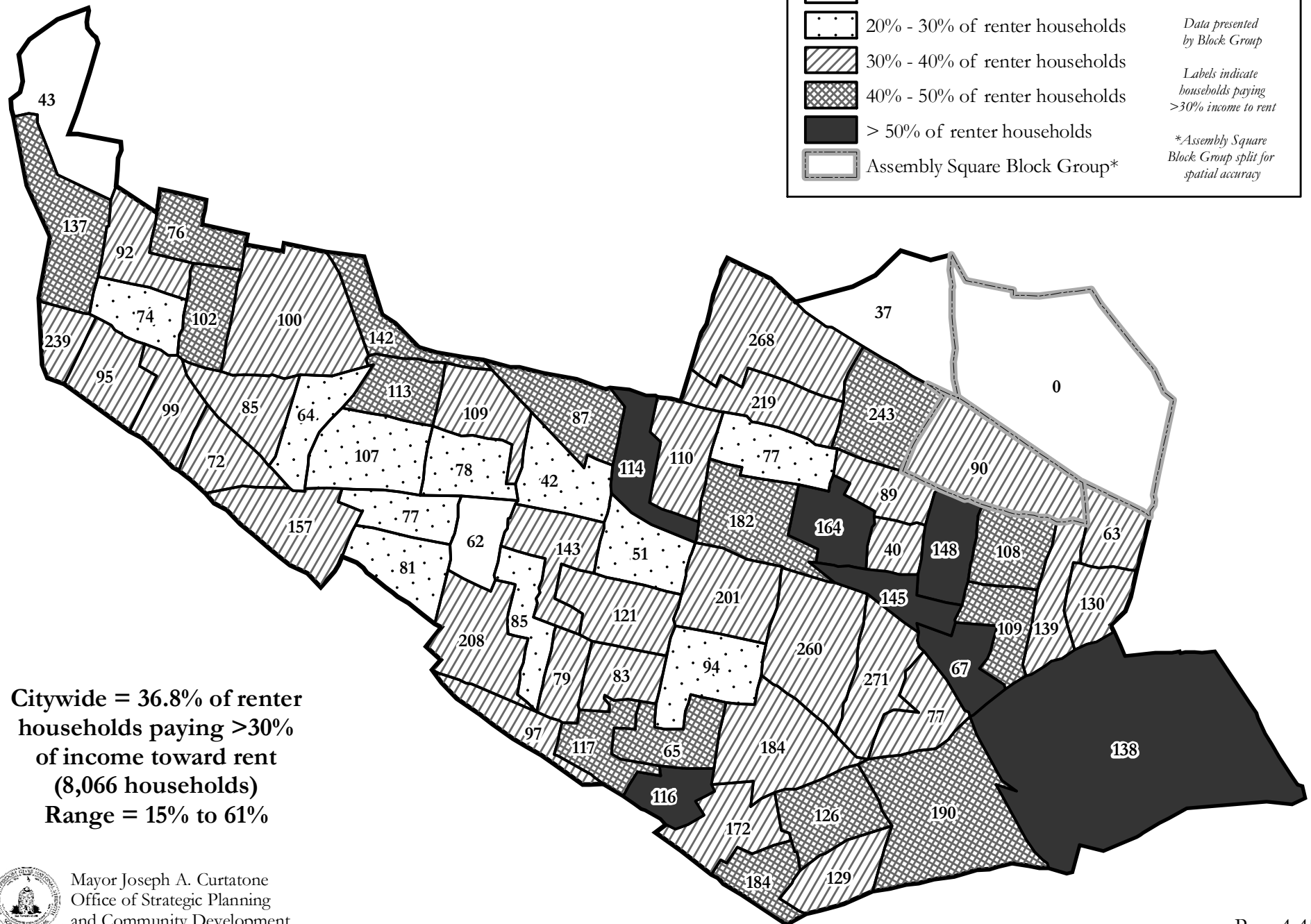


Source = US Census

Data presented
by Block Group

Labels indicate
households paying
>30% income to rent

*Assembly Square
Block Group split for
spatial accuracy

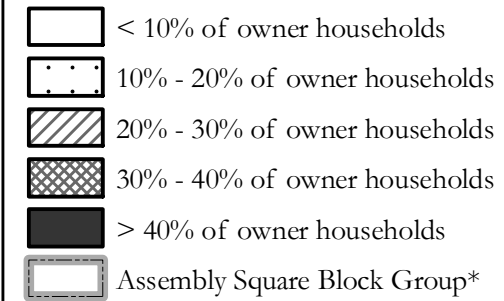


Citywide = 36.8% of renter
 households paying >30%
 of income toward rent
 (8,066 households)
 Range = 15% to 61%



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Map 15: Cost-Burdened Owner Households, 2000

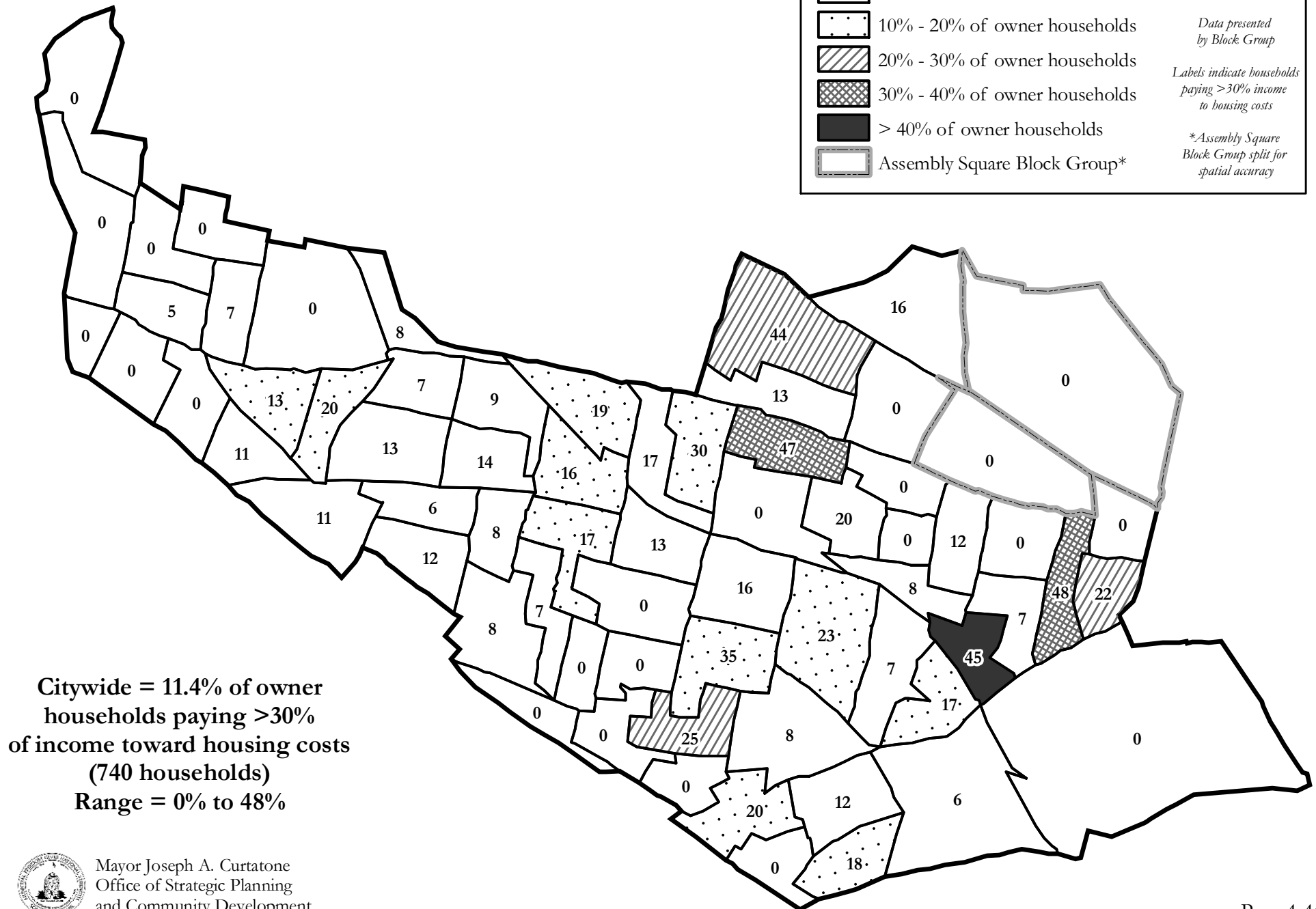


Source = US Census

Data presented
by Block Group

Labels indicate households
paying >30% income
to housing costs

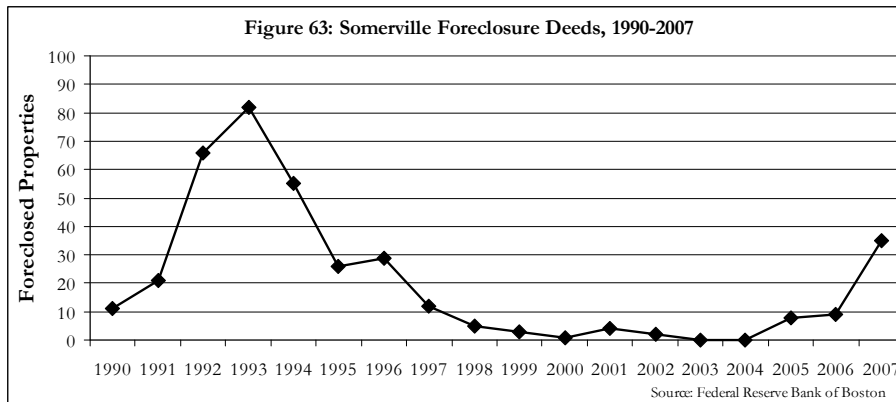
*Assembly Square
Block Group split for
spatial accuracy



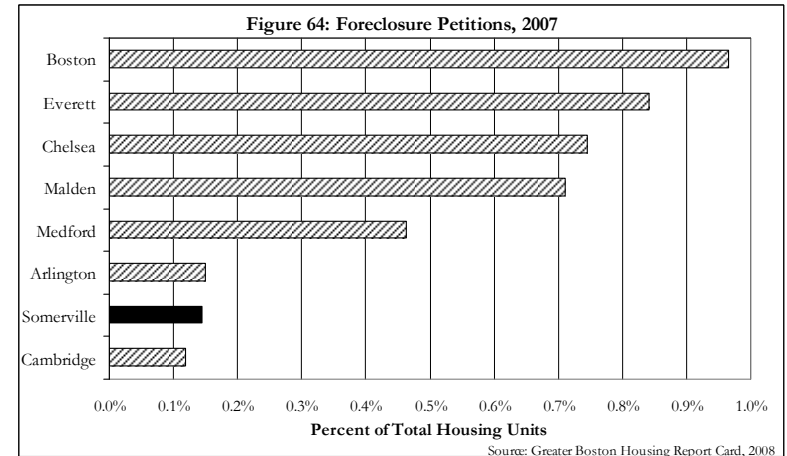
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29. Somerville has experienced a recent increase in foreclosures, but to a lesser degree than other urban core communities.

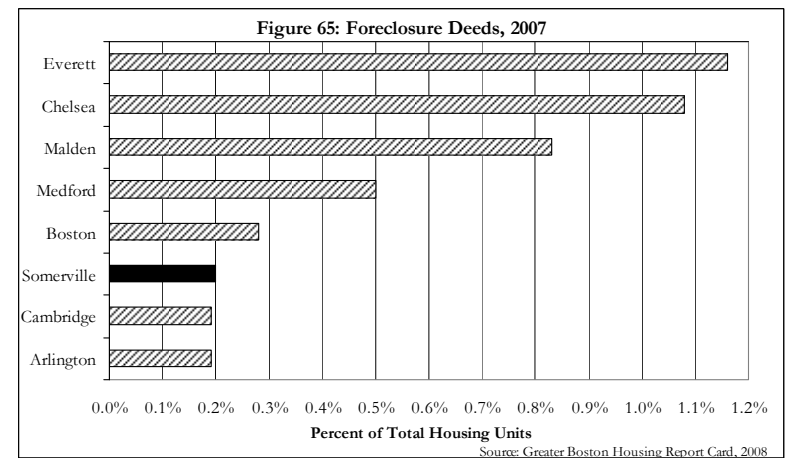
At the national, state and regional levels, residential foreclosures have been trending upward in recent years. The foreclosure process begins with a lender filing a petition to foreclose on a delinquent mortgage, and ends with issuance of a foreclosure deed. In Somerville, although foreclosures have increased since 2004, the volume of foreclosure activity remains relatively low. As illustrated in Figure 63, the number of foreclosure deeds in Somerville (properties that have been repossessed and re-sold) is significantly lower than the historic peak in 1993.



Compared with neighboring communities, foreclosure activity in Somerville has been low to date. According to data published in the Greater Boston Housing Report Card, there were 47 petitions to foreclose filed for Somerville in 2007. As illustrated in Figure 64, foreclosure petitions represented 0.14% of all housing units in Somerville. The two most comparable foreclosure rates were for Cambridge and Arlington, while filings were much more common in Medford. Foreclosure petition activity was particularly acute in Boston (0.97%) and Everett (0.84%).



In 2007, foreclosure deeds represented approximately 0.2% of Somerville's total housing units. Again, Cambridge and Arlington were most comparable to Somerville (Figure 65). Everett, Chelsea and Malden had the highest rates of foreclosure deeds, while Boston's frequency was lower. The discrepancy between Boston's petition rate and deed rate may be attributable to an aggressive foreclosure prevention program administered by the city.



In response to the current foreclosure crisis, the City of Somerville has implemented several measures intended to identify at-risk properties, prevent foreclosures, and bring foreclosed properties back into productive use. Partners in these efforts include local nonprofit and community development agencies, state agencies and the private sector.

Working with the Somerville Community Corporation, the City has published a Foreclosure Prevention Handbook for property owners and tenants. When foreclosure cannot be prevented, the City has worked with the Citizens Housing and Planning Association (CHAPA) to implement a “First Look” program that allows the City and its community partners to acquire foreclosed properties. These properties are then transferred to local nonprofit agencies for re-use as affordable housing.

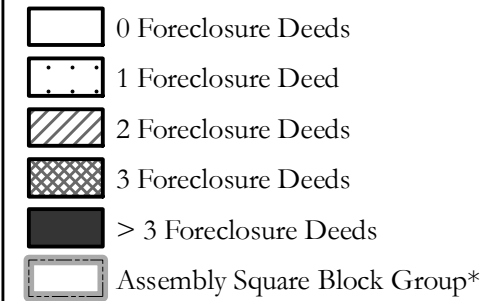
30. Recent foreclosure activity in Somerville has been generally concentrated in Winter Hill and East Somerville.

According to data published by the Citizens Housing and Planning Association (CHAPA), there were 84 residential properties in foreclosure in Somerville between 2007 and 2009. Of these, 45 properties had reached the foreclosure deed stage, while 39 properties were at the foreclosure petition stage. As illustrated in Map 16, foreclosure deeds for this period are concentrated in the City’s central and eastern neighborhoods. The Census Block Group north of Broadway and south of Mystic Avenue, between Temple Street and the Fellsway West experienced six foreclosure deeds between 2007 and 2009. Several other Block Groups in Winter Hill and Magoun/Albion had three foreclosure deeds issued during this period. According to the CHAPA database, there were no foreclosure deeds west of College Avenue between 2007 and 2009.

Properties for which foreclosure petitions were issued between 2007 and 2009 are also concentrated in Winter Hill and East Somerville. As illustrated in Map 17, three Block Groups between Broadway and Mystic Avenue had three petitions each. Another area of concentration is apparent stretching from Gilman Square southeast to Washington Street. Additional foreclosure petitions were scattered throughout Magoun Square, Spring Hill, and Union Square.

Again, there was relatively little foreclosure petition activity in the City’s western neighborhoods. Overall, 97% of foreclosure deeds and petitions during this period were located east of Cedar Street, and 87% were located east of Lowell Street.

Map 16: Foreclosure Deeds, 2007-2009

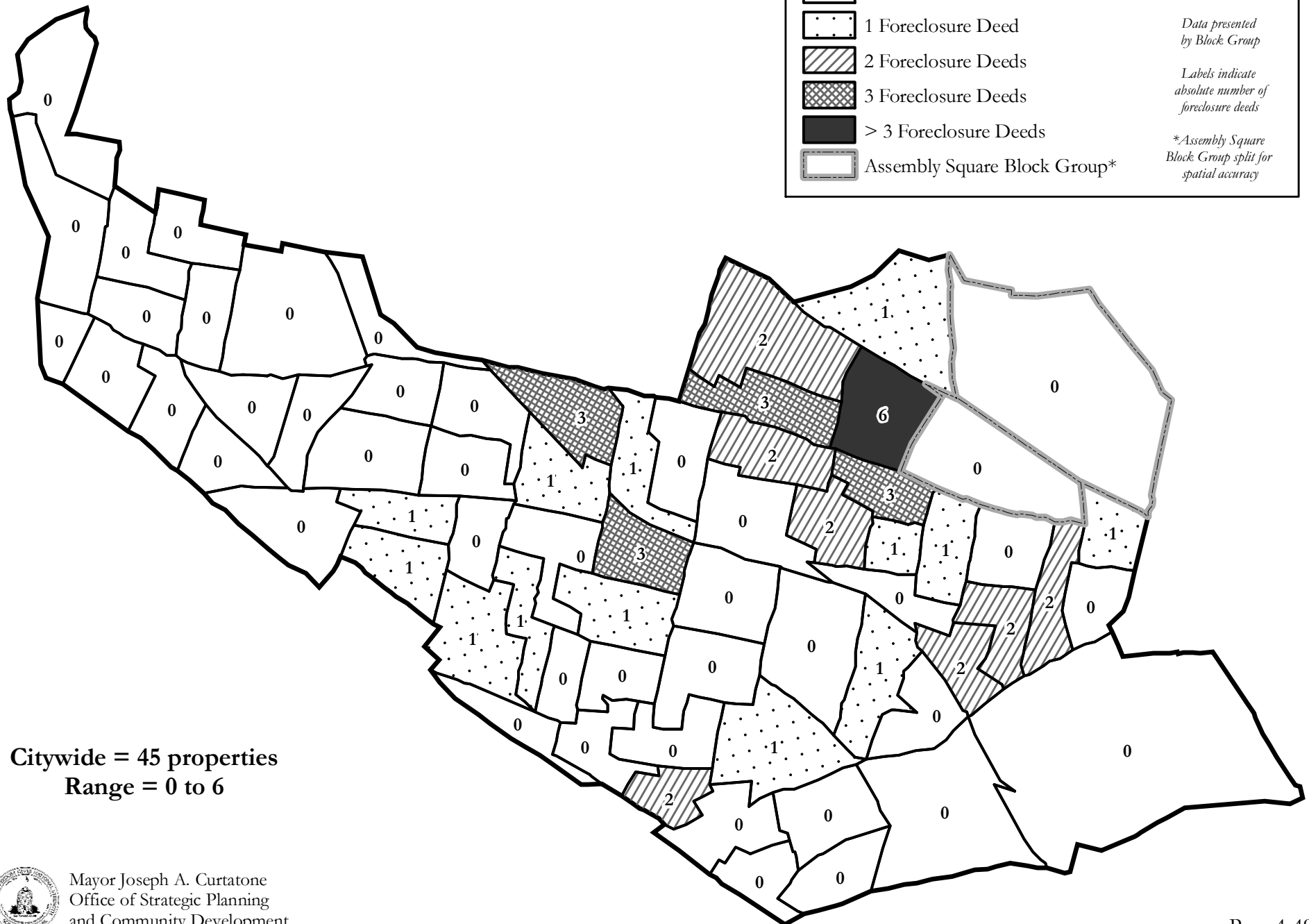


Source = CHAPA

Data presented
by Block Group

Labels indicate
absolute number of
foreclosure deeds

*Assembly Square
Block Group split for
spatial accuracy

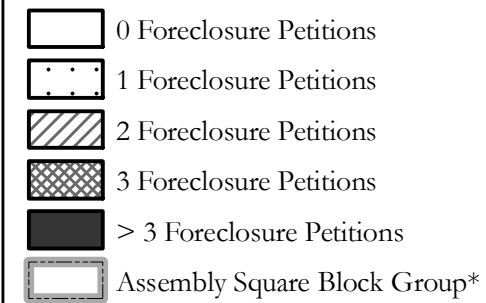


Citywide = 45 properties
Range = 0 to 6



Mayor Joseph A. Curtatone
Office of Strategic Planning
and Community Development

Map 17: Foreclosure Petitions, 2007-2009

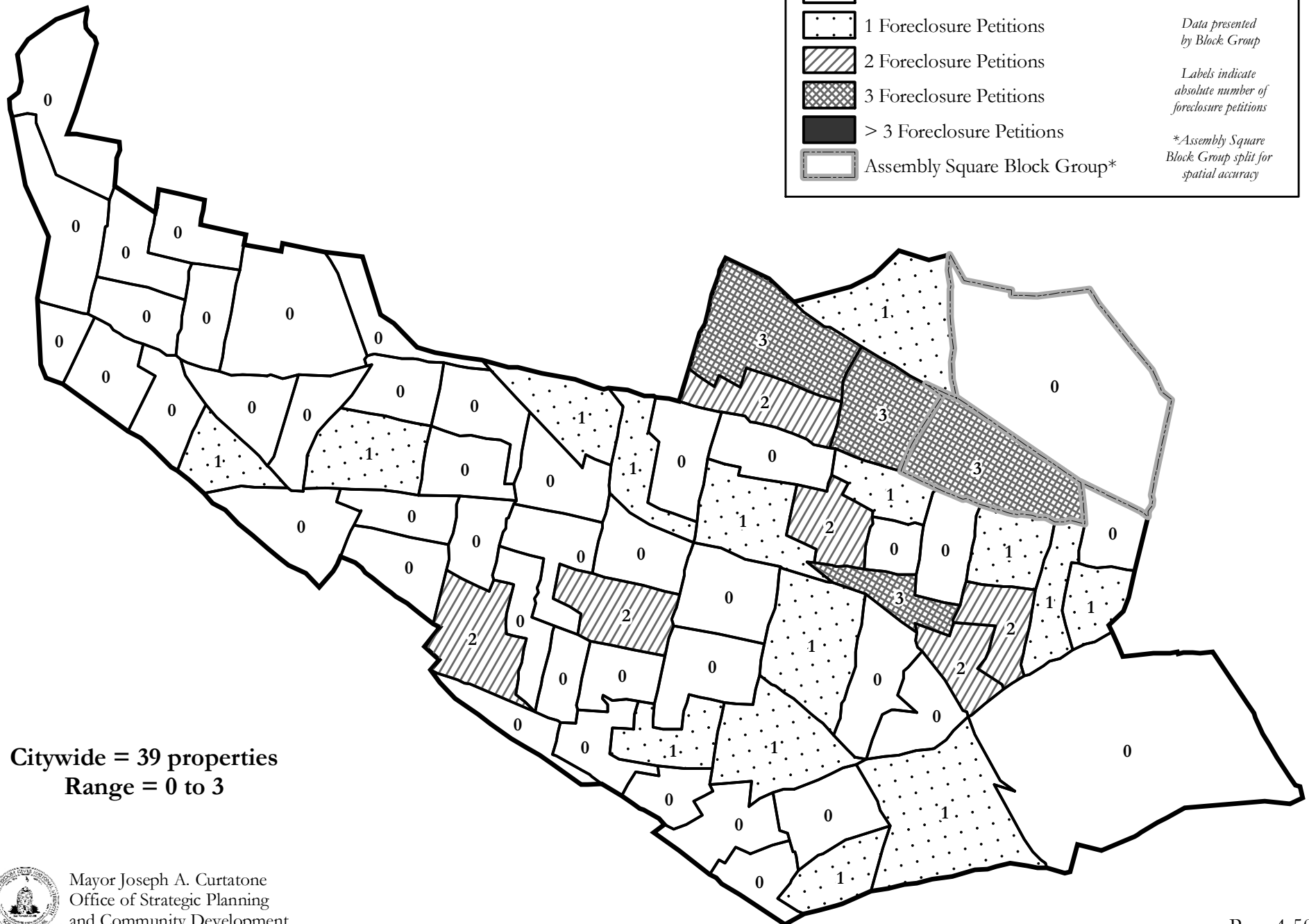


Source = CHAPA

Data presented
by Block Group

Labels indicate
absolute number of
foreclosure petitions

*Assembly Square
Block Group split for
spatial accuracy



Citywide = 39 properties
Range = 0 to 3



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Office of Strategic Planning
and Community Development

It is widely accepted that changes in mortgage lending practices have contributed to the current foreclosure crisis. Mortgage products including zero-down payment, adjustable-rate, and high loan-to-value mortgages (most without any borrower training or counseling) have extended credit to higher-risk borrowers. Since these exotic mortgage loans tend to be associated with higher foreclosure rates, an analysis of lending patterns may provide insight into future foreclosure activity.

The US Department of Housing and Urban Development (HUD) provides mortgage data available through the Home Mortgage Disclosure Act (HMDA), by municipality and by Census Tract. HUD defines “high-cost loans” as mortgage loans where the rate spread is three percentage points greater than a comparable Treasury security. As illustrated in Figure 66, Somerville’s rate of high-cost loans is significantly lower than many nearby communities.

Figure 66: High Cost Mortgage Loans, 2004-2006		
	Percent of Loans	High Cost Loans
Everett	33.5%	1,572
Chelsea	32.4%	1,128
Malden	23.4%	1,583
Boston	19.1%	11,838
Medford	17.0%	780
Somerville	13.5%	827
Arlington	5.3%	248
Cambridge	5.2%	349

Source = US Department of Housing and Urban Development

For the period between 2004 and 2006, HMDA data indicate that 827 high-cost loans were made in Somerville (14% of all mortgage

loans). Only Cambridge (5.2%) and Arlington (5.3%) had lower frequencies of high-cost mortgage loans than Somerville did. The prevalence of high-cost loans in communities such as Everett (34%) and Chelsea (32%) suggest a clear correlation between high-cost loans made between 2004 and 2006, and foreclosure activity in 2007.

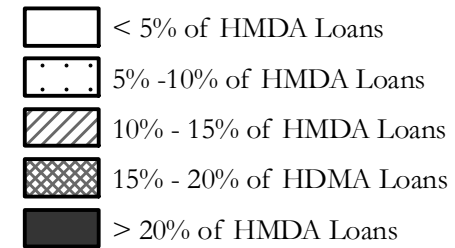
31. High-cost loan activity in Somerville between 2004 and 2006 was concentrated in the eastern parts of the City.

As noted previously, data on high-cost loans are available at the Census Tract level. While not as fine-grained as data at the Census Block Group level, the Census Tract data can still be used to analyze likely locations of foreclosure risk.

As illustrated in Map 18, Census Tracts in Winter Hill, Ten Hills, East Somerville and Union Square have much higher frequencies of high-cost mortgage loans than do neighborhoods in West Somerville. Whereas the citywide frequency of high-cost loans was roughly 14%, high cost loans represented 24% of all mortgages in East Somerville (180 loans).

In the Census Tract north of Broadway (comprising The States, Ten Hills and portions of Winter Hill), there were 127 high-cost loans made between 2004 and 2006 (21% of all mortgages). The Census Tract south of Broadway and north of the Lowell railroad right-of-way, between McGrath Highway and Lowell Street had 143 high-cost loans (20% of all mortgages).

Map 18: High Cost Mortgage Loans*, 2004-2006

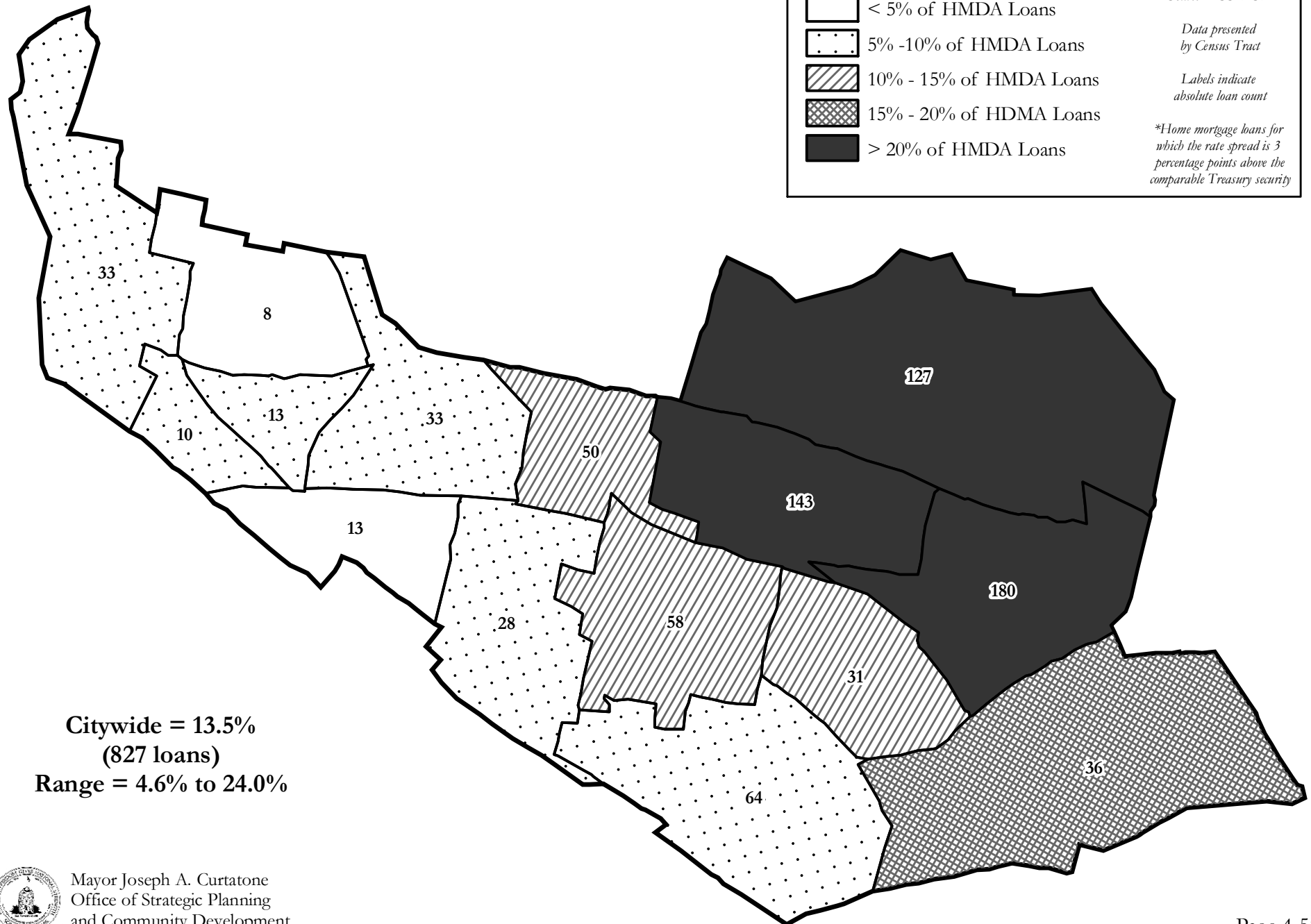


Source = US HUD

Data presented
by Census Tract

Labels indicate
absolute loan count

*Home mortgage loans for
which the rate spread is 3
percentage points above the
comparable Treasury security



Citywide = 13.5%
(827 loans)

Range = 4.6% to 24.0%

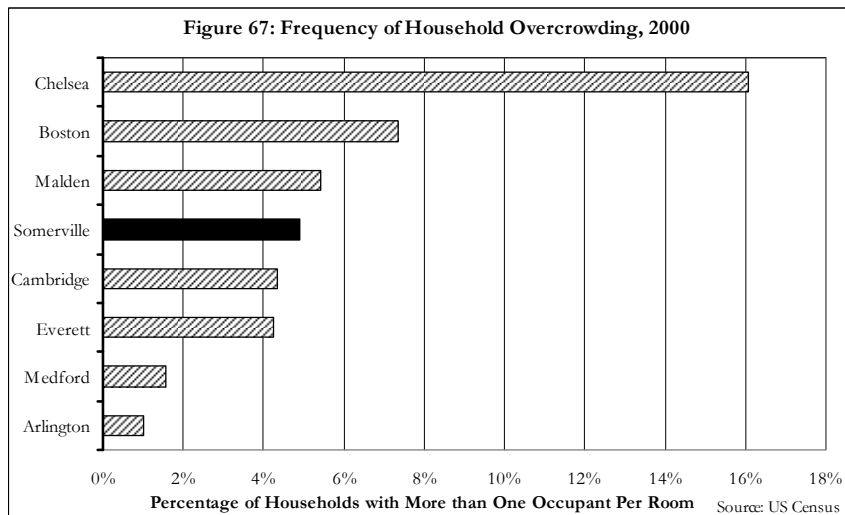


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Office of Strategic Planning
and Community Development

32. Household overcrowding remains a problem for many Somerville families.

The US Census tracks the number of occupants in a household, compared to the number of rooms in the housing unit. Households with more than one occupant per room are classified as overcrowded. In 2000, the Census recorded 1,549 Somerville households as overcrowded (4.9% of all households).

Somerville's frequency of household overcrowding is comparable to several neighboring communities. As illustrated in Figure 67, Malden (5.4%) and Cambridge (4.3%) were the most comparable. Medford had an exceptionally low rate (1.6%). In Chelsea, an astonishing 16.1% of all households were reported as overcrowded. It should be noted that Chelsea and Boston are considered to have the most accurate Census data from 2000, owing to their outreach efforts among non-English speaking populations. As a result, the number of overcrowded households in the other communities, including Somerville is likely higher than shown here.



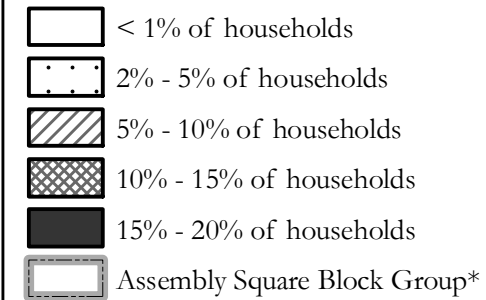
33. The greatest concentration of household overcrowding occurred in East Somerville.

Census Block Group data can be used to evaluate the severity of overcrowding in Somerville's neighborhoods. As illustrated in Map 19, twenty-one of Somerville's sixty-seven Block Groups were reported as having overcrowding rates higher than the citywide average (4.9%). Problems were most acute in East Somerville and Ten Hills.

The single highest concentration of overcrowded households occurred in the Ten Hills Block Group east of Temple Street, between Broadway and Mystic Avenue, where 139 households (19%) were reported as overcrowded. In East Somerville, two Block Groups had overcrowding rates of 17%, and another three Block Groups had rates between 10% and 15%.

In West Somerville, only two Block Groups along Alewife Brook Parkway had overcrowding rates above the citywide average. Between North Street and Cedar Street, there were no Block Groups with overcrowding rates above 5%.

Map 19: Household Overcrowding, 2000

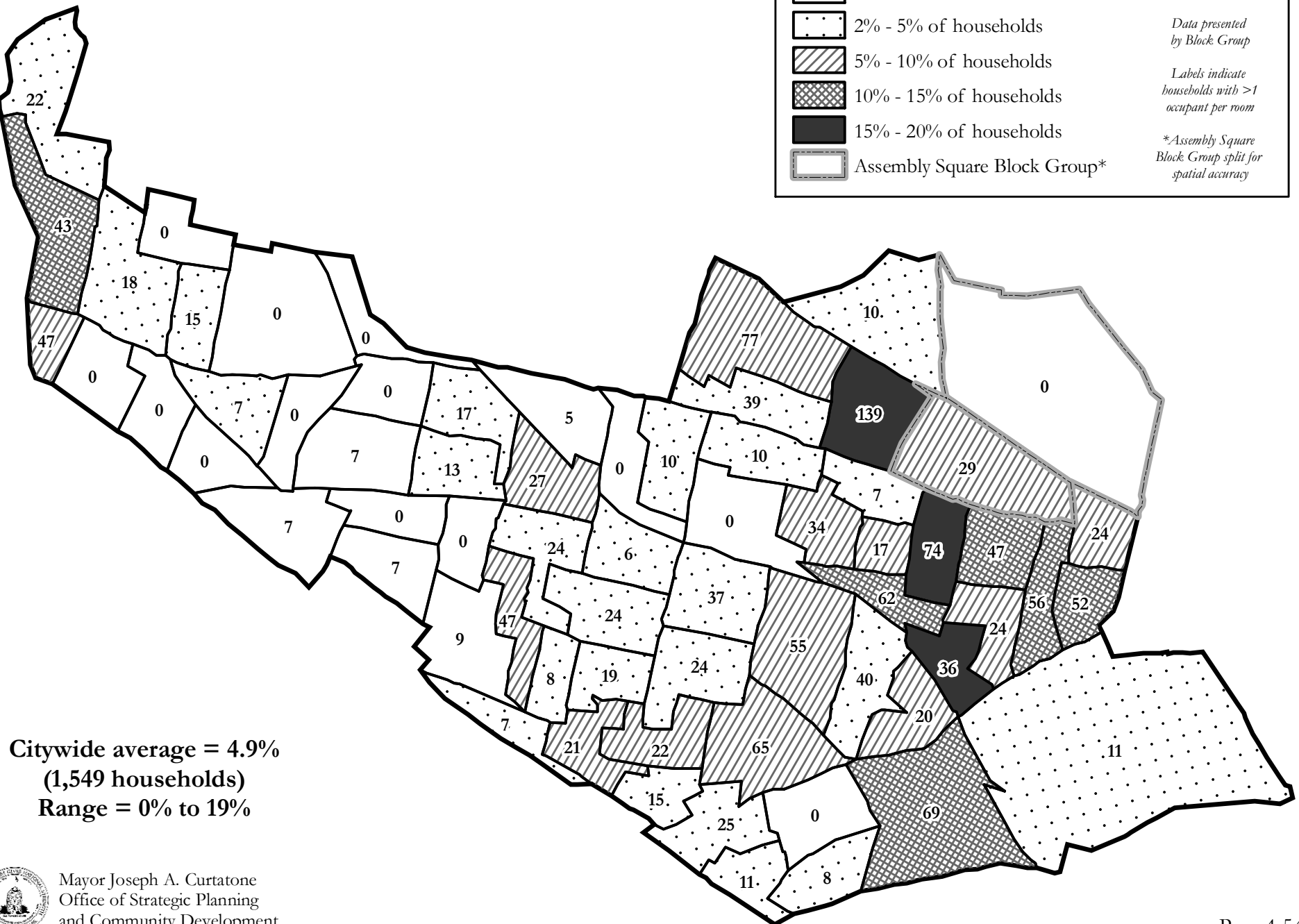


Source = US Census

Data presented
by Block Group

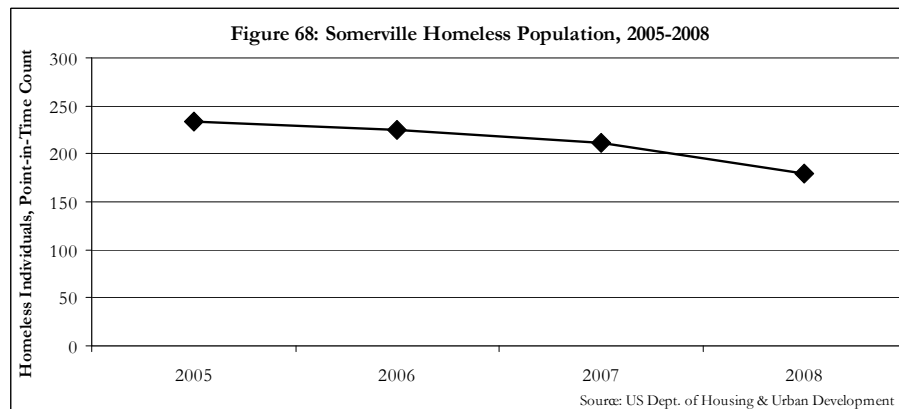
Labels indicate
households with >1
occupant per room

*Assembly Square
Block Group split for
spatial accuracy



34. Somerville has experienced a recent decrease in its homeless population, but the regional nature of the problem, combined with a decrease in local shelter beds suggest that addressing the issue of homelessness remains a significant challenge.

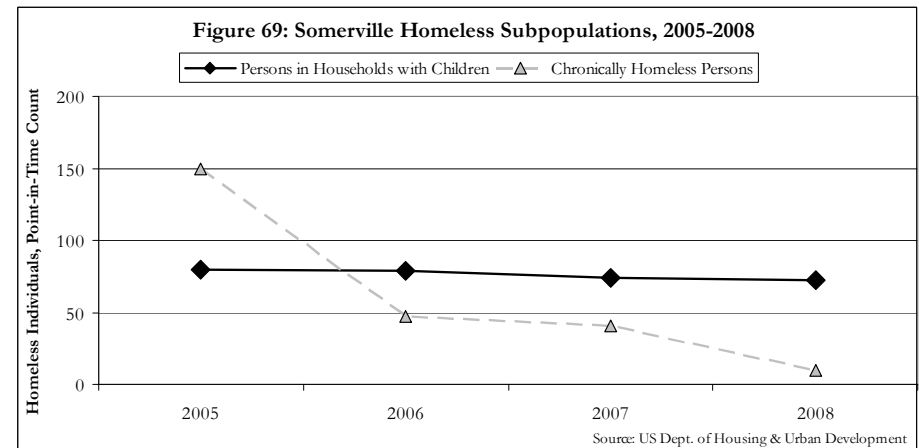
Somerville's homeless service agencies include the Somerville Homeless Coalition (SHC), the Community Action Agency of Somerville (CASS), the Somerville Community Corporation (SCC), the Cambridge Somerville Program for Alcohol and Drug Rehabilitation (CASPAR), Cascap, Inc. and the Wayside Youth and Family Support Network. These service providers conduct an annual count of the City's homeless population, including those staying in shelters as well as those on the streets. As illustrated in Figure 68, a general downward trend in Somerville's homeless population was observed between 2005 and 2008.



There are significant limitations to these data, however, since annual "point-in-time" counts often do not capture homeless individuals sheltered with family and friends, in hotels/ motels, in vehicles, or outside the City. In addition, the point-in-time count only records the number of homeless on one particular night; the number of

people who cycle through homelessness in any given year is likely much higher.

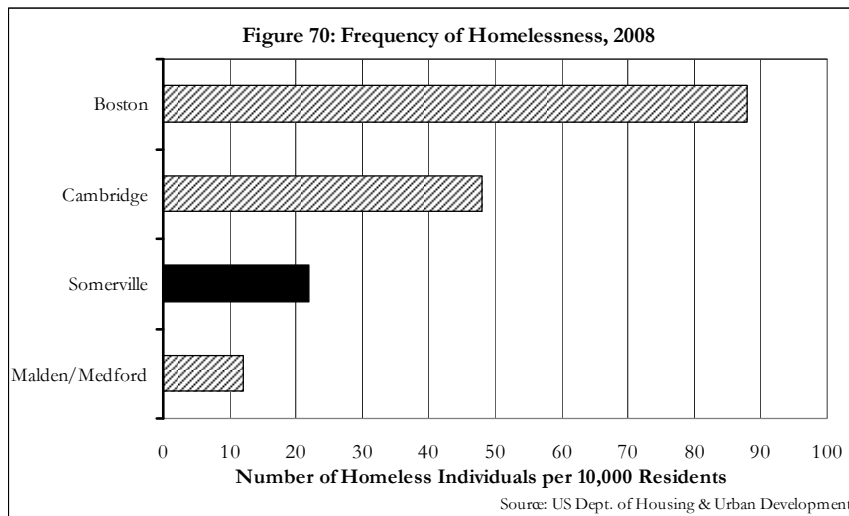
Where possible, point-in-time counts measure homeless individuals by "subpopulations" that may respond to enhanced services. Subpopulation data suggest that Somerville has experienced decreases of "chronically homeless" individuals (those who have been homeless for at least one year, or who have been homeless at least four times in the past three years). As illustrated in Figure 69, a sharp drop in the chronically homeless population was observed between 2005 and 2006. This may be partly attributable to the Somerville Homeless Coalition's receipt of a 2005 "Better Homes" grant, which has allowed the agency to secure rental apartments and provide supportive services to the chronically homeless population.



As illustrated in Figure 69, the number of homeless persons in households containing children has remained essentially constant between 2005 and 2008. During 2009, however, service providers report that family homelessness appears to be rising sharply across Massachusetts. Anecdotal evidence suggests that homeless families

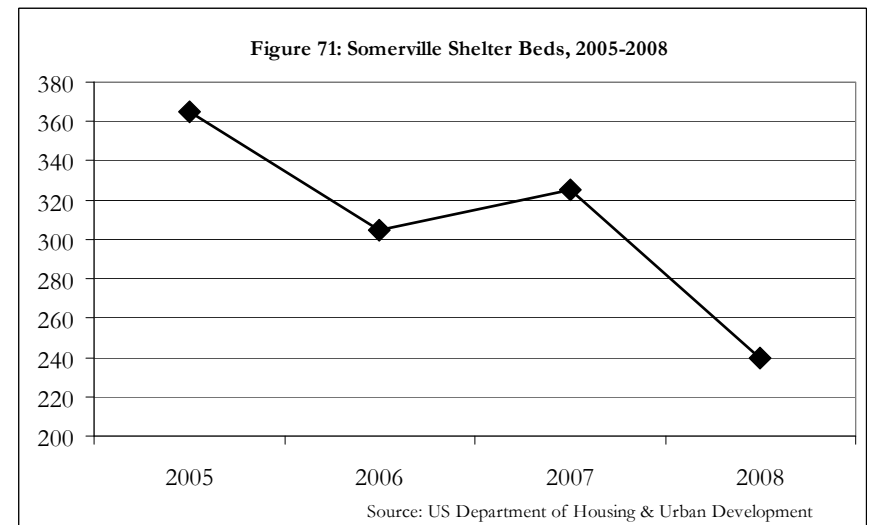
less likely to living on the street, and that doubling-up with friends and family is a common situation. In order to qualify for emergency assistance, a Somerville family must go to the Revere office of the Massachusetts Department of Transitional Assistance (recently folded into the Massachusetts Department of Housing and Community Development) to begin a certification process.

Comparative data are not available for all of Somerville's neighboring communities. However, point-in-time data are available for Boston, Cambridge, and Malden/Medford (which are tracked together). To provide a consistent measure of frequency, comparative analyses measure the number of homeless individuals per 10,000 total residents of a community. As illustrated in Figure 70, Somerville had a rate of approximately 22 homeless individuals per 10,000 residents in 2008. This rate is noticeably higher than the rate for Malden/Medford (12 homeless individuals per 10,000 residents), but significantly lower than the rates for Cambridge (48) and Boston (88).



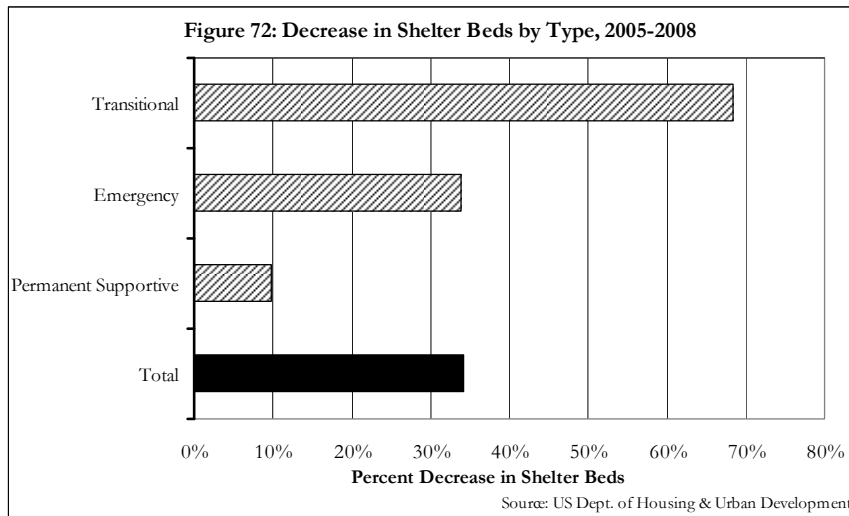
Somerville has five emergency shelters run by four different organizations. In addition, three organizations provide transitional shelter at four different locations for individuals, unaccompanied youth, and families; and five organizations provide permanent supportive housing at nine sites.

The number of beds available to shelter the homeless has generally declined between 2005 and 2008, with a sharp drop between 2007 and 2008 (Figure 71). Part of this decrease is attributable to the way that shelter beds are categorized and which city's Continuum of Care for the homeless they are assigned to. For example, a large shelter facility physically located in Cambridge had been counted as a Somerville facility until 2007, when those beds were reassigned to Cambridge for administrative purposes.

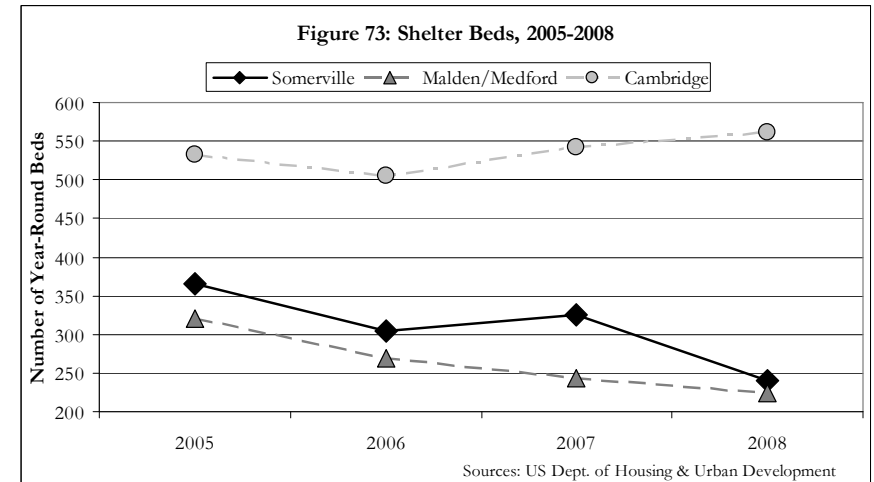


However, decreases in funding have also contributed to a net loss of shelter beds. Homeless providers classify facilities as emergency shelters, transitional shelters, and permanent supportive housing.

Funds for transitional housing have been particularly impacted in recent years, as focus has shifted to permanent supportive housing. Two shelters in Somerville managing 66 beds of transitional housing lost funding for those beds between 2007 and 2008. As illustrated in Figure 72, Somerville has experienced decreases in all types of shelter beds between 2005 and 2008.



Communities in the urban core have experienced varying trends in the number of year-round shelter beds since 2005. As illustrated in Figure 73, the total number of shelter beds decreased in Malden/Medford, while Cambridge experienced slight increases. As discussed previously, much of the increase in Cambridge is attributable to the re-assignment of beds that had previously been recorded for Somerville. Boston, by comparison, experienced a net increase of nearly 1,000 beds between 2005 and 2008.



PUBLIC SUPPORT FOR HOUSING

35. Somerville has a large and diverse stock of publicly subsidized housing, targeting a range of populations. Significant numbers of new subsidized units have been created since 2000.

The City of Somerville and its partners at the federal, state and nonprofit level have invested millions of dollars in recent decades to develop and maintain housing affordable to low- and moderate-income residents. Public spending can generally be divided into “unit-based” subsidies (including new construction, rehabilitation costs, or operating costs) and “tenant-based” subsidies (which usually provide direct payments to landlords for tenants’ monthly rental costs). In both cases subsidies are conditioned on legally binding affordability provisions for the housing units or tenants in question.

Affordability provisions are based on the assumption that a household should spend no more than 30% of its income on housing costs. Most housing programs target low-income households (defined by the federal government as those earning less than 80% of the Area Median Income, or AMI). Other programs target moderate-income residents (defined as those earning between 80% and 110% of AMI). Income limits for the Boston metro area are calculated based on the number of persons in a household (Figure 74). For Fiscal Year 2009, the regional AMI for a four-person household is approximately \$90,000 annually.

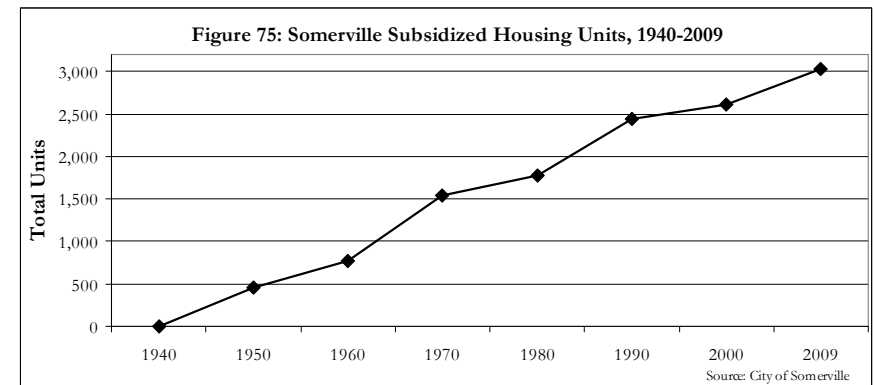
Figure 74: Income Limits for Housing Subsidy, 2009

Persons Per Household						
	1	2	3	4	5	6
80% AMI	\$46,300	\$52,950	\$59,550	\$66,150	\$71,450	\$76,750
110% AMI	\$69,450	\$79,400	\$89,300	\$99,200	\$107,150	\$115,100

Source: City of Somerville

Additionally, some subsidy programs target “very low income” households (those earning less than 50% of AMI), or “extremely low income” households (those earning less than 30% of AMI). Subsidized housing can also be targeted towards populations with special needs, including elderly persons, disabled persons, homeless persons, formerly homeless persons, victims of domestic abuse, and many others.

The federal government created the Public Housing program in 1937, and Massachusetts began developing state-funded public housing in 1948. The Somerville Housing Authority (SHA) was established in 1948 to administer federal and state subsidy programs, and major SHA developments such as Mystic Apartments and Clarendon Hill Apartments were constructed prior to 1950. As illustrated in Figure 75, these two developments produced 456 units of subsidized housing between them. The SHA built three major public housing developments in the 1950’s: Mystic View (215 units), Capen Court (64 units) and Highland Gardens (42 units).



Changes to federal policy occurred during the 1960’s and 1970’s, and government programs began providing subsidies to private property owners and developers, with the intention of scaling back public

ownership and operation of housing developments. In many cases, the role of developer and property manager was filled by nonprofit community groups, including the Somerville Community Corporation (established in 1969).

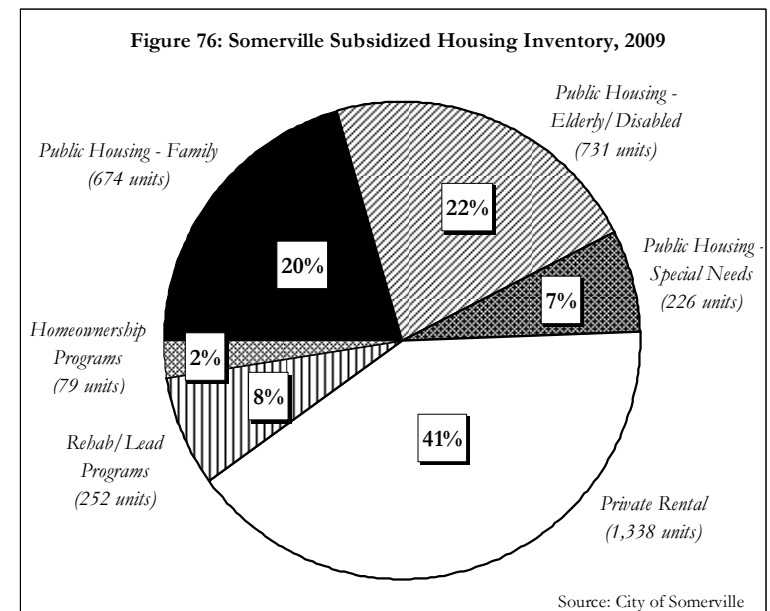
Major private developments during this period in Somerville include the Clarendon Hill Towers (460 units), and the B.F. Faulkner Tower on Highland Avenue (130 units). Public housing development continued at a slightly smaller scale, and the SHA opened the Corbett Apartments (100 units in Winter Hill), Properzi Manor (110 units, Union Square), Brady Towers (84 units, Gilman Square) and Weston Manor (80 units, Teele Square) between 1960 and 1979.

Publicly subsidized, privately owned housing continued to be developed during the 1980's, producing 466 new units. The major private development during this period was the 223-unit Cobble Hill Apartments complex on Washington Street in East Somerville. The SHA developed three new projects that served elderly and special needs populations: Bryant Manor (134 units in East Somerville), Hagan Manor (24 units, Union Square) and Ciampa Manor (53 units, Davis Square). Overall, 677 new units of subsidized housing were created during the 1980's.

Smaller projects owned by nonprofit and private developers characterized the 1990's and early 2000's. The Low Income Housing Tax Credit (LIHTC) program, which had been established by the federal government in 1986, played an important role in financing projects. The Somerville Affordable Housing Trust Fund (SAHTF) was established in 1989 by City ordinance, creating another funding vehicle for unit- and tenant-based subsidies. Major developments during this period included the Kent Street Apartments (40 units, built in 1998), the Visiting Nurses Association's Lowell Street Community (97 units, built in 2000) and the Somerville Community Corporation's Linden Street (42 units, 2002).

Today, housing programs administered by the City and its partners (including homeownership, rehabilitation/lead abatement, and inclusionary zoning programs) provide subsidies to fund physical improvements by small property owners, in return for assurance that the improved units will be rented to low- and moderate-income tenants. These programs currently account for more than 300 affordable units. Large-scale development has continued, with the SHA, VNA and SCC partnering with the City to redevelop sites at Capen Court (95 units) and St. Polycarp's (53 units).

Somerville's current subsidized housing inventory includes approximately 3,300 units. As illustrated in Figure 76, nearly 50% of these units are part of the Somerville Housing Authority's public housing system. Private developments account for over 1,300 units of subsidized housing (40% of all units). The remaining 10% of subsidized units are provided through City housing programs.



The Massachusetts Department of Housing and Community Development (DHCD) maintains data on the number of subsidized housing units in individual municipalities. These data include federal and state public housing, privately-owned subsidized developments, nonprofit and community-based housing, and many (though not all) private properties that have temporary affordability restrictions through municipal assistance programs.

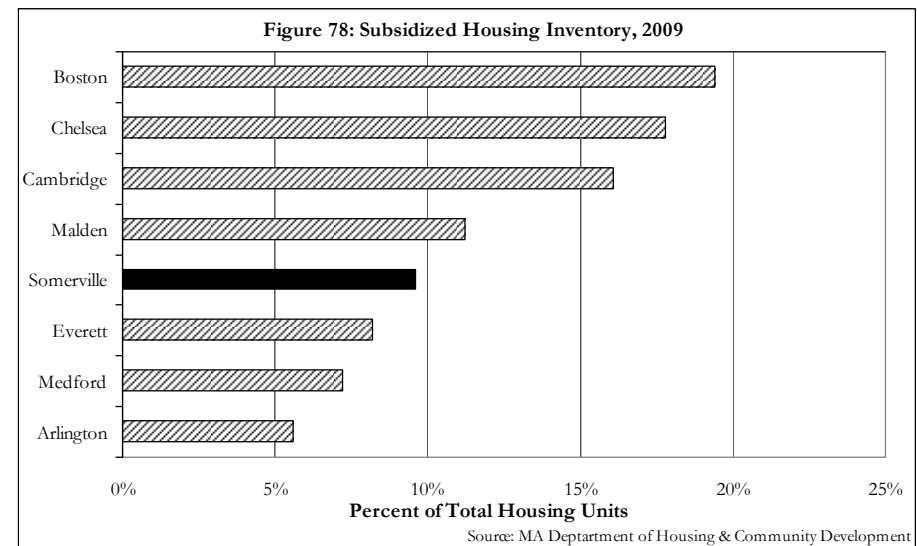
According to 2008 data provided by DHCD, Somerville's subsidized housing inventory includes 3,118 units. It should be noted that City-administered programs account for another 200 affordable units that are not counted by DHCD. As illustrated in Figure 77, only Boston and Cambridge have larger absolute numbers of subsidized units than Somerville does.

Figure 77: Subsidized Housing Units, 2009		
	Number of Subsidized Units	Percent of Total Housing Units
Boston	48,503	19.4%
Cambridge	7,117	16.1%
Somerville	3,118	9.6%
Malden	2,638	11.2%
Chelsea	2,187	17.8%
Medford	1,640	7.2%
Everett	1,304	8.2%
Arlington	1,092	5.6%

Source = MA Dept. of Housing and Community Development

Another common measure of a community's commitment to affordable housing is the percentage of total housing units included in the subsidized housing inventory. In Massachusetts, municipalities

are encouraged to maintain a Subsidized Housing Inventory that is equal to or greater than 10% of the total number of housing units. Of Somerville's approximately 32,000 total housing units, 3,118 are included in the state-published Subsidized Housing Inventory. As illustrated in Figure 78, this represents approximately 9.6% of the total housing units in Somerville. It should be noted that roughly 200 housing units that receive subsidies through City-administered programs are not counted in the DHCD inventory.



According to this metric, Somerville's most comparable communities are Malden (11% of total units subsidized) and Everett (8%). Regionally, the clear leader is Boston, where 19% of the overall housing stock is included in the DHCD inventory. Chelsea (18%) and Cambridge (16%) also have particularly high percentages of subsidized housing. Arlington (6%) and Medford (7%) lag behind.

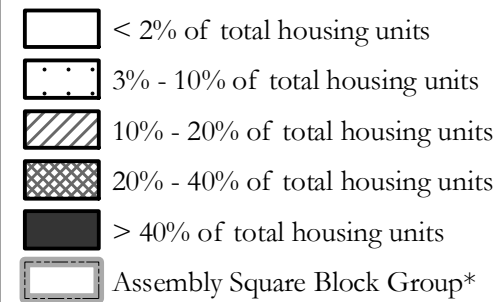
36. Somerville's subsidized housing is generally concentrated in the eastern half of the City.

In general, subsidized housing in Somerville is concentrated in the eastern half of the city. As illustrated in Map 20, the Gilman Square, East Somerville, Union Square and Winter Hill neighborhoods have high absolute counts of subsidized units. Notable exceptions are the privately owned Clarendon Hill Towers, the Somerville Housing Authority Clarendon Hill Apartments, and the SHA and Visiting Nurse Association Capen Court developments (all located along Alewife Brook Parkway in West Somerville).

Census Block Group data indicate that these neighborhoods also have high percentages of the overall housing stock represented by subsidized housing. The clear leader by this metric is the Block Group containing the Clarendon Hill Towers, where 75% of the total housing units are subsidized (501 of 653 total units). The Block Group containing the Cobble Hill Apartments has 223 subsidized units out of 336 total units (66%). Along Mystic Avenue, subsidized units represent 61% of the total housing stock (561 of 915 units) in the Block Group containing the Somerville Housing Authority Mystic View/Mystic Apartments complex.

In addition to large affordable housing developments, affordable units created through City programs such as housing rehabilitation, lead abatement and affordable homeownership also tend to be concentrated in East Somerville and Central Somerville.

Map 20: Subsidized Housing Units, 2009



*Source = City of
Somerville*

*Data presented
by Block Group*

*Labels indicate
absolute unit count*

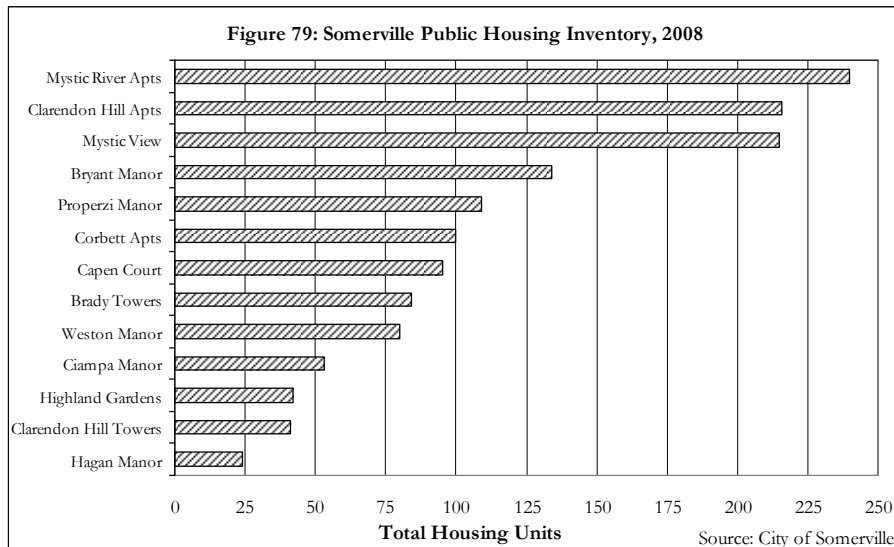
**Assembly Square
Block Group split for
spatial accuracy*



37. Public housing represents approximately 50% of the City's 3,300 subsidized housing units; the majority of public housing units are reserved for the elderly and other populations with special needs.

Somerville has 16 public housing developments, providing over 1,600 units of subsidized housing for families, the elderly and other special needs populations. Of these, 674 are available to families, while 957 are restricted to elderly, disabled, or other special needs populations. All are subject to permanent affordability provisions (with the exception of 41 units in the Clarendon Hill Towers, which are subject to a 99-year lease held by the Somerville Housing Authority).

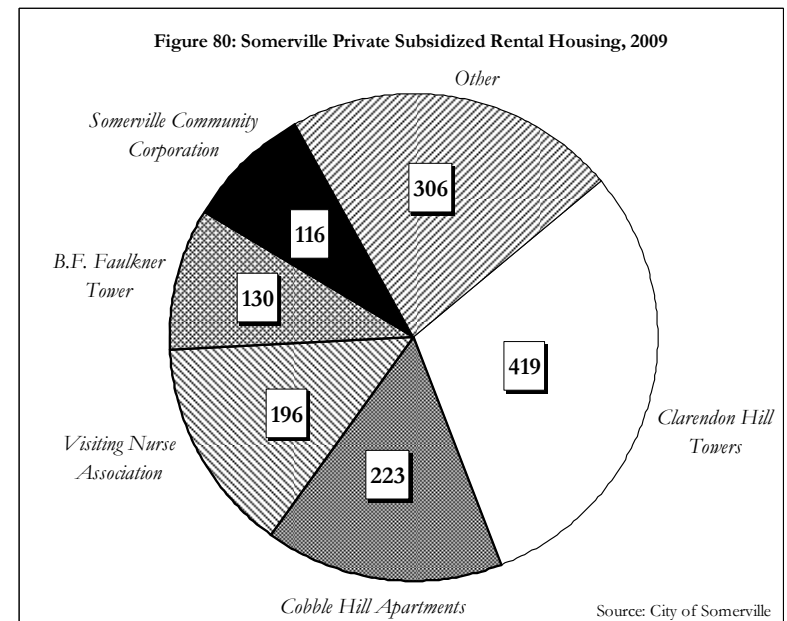
The SHA operates three large family public housing complexes: Mystic Apartments, Mystic View, and Clarendon Hill Apartments. As illustrated in Figure 79, these developments have higher unit counts than any of the elderly or special needs public housing complexes.



38. Private subsidized rental housing represents approximately 40% of subsidized housing in Somerville, and has exhibited significant growth since 2000.

Privately owned subsidized housing is housing built and owned by a private (though often non-profit), non-governmental entity. These developments generally leverage funding from a variety of government and private sources, and can offer affordability provisions in perpetuity, or for a specified contract period.

Somerville currently has 28 developments of privately owned, publicly subsidized housing, comprising 1,338 units. As illustrated in Figure 80, the Clarendon Hill Towers and Cobble Hill Apartments account for nearly 50% of private subsidized rental housing. Sixteen of the twenty-eight private developments have fewer than 20 units.



As with public housing, much of the privately-owned, subsidized rental housing is designated for specific populations. Of the 28 developments built under these programs, seven set aside some or all of their units specifically for the elderly and/or disabled; another two are specifically for families or individuals in crisis.

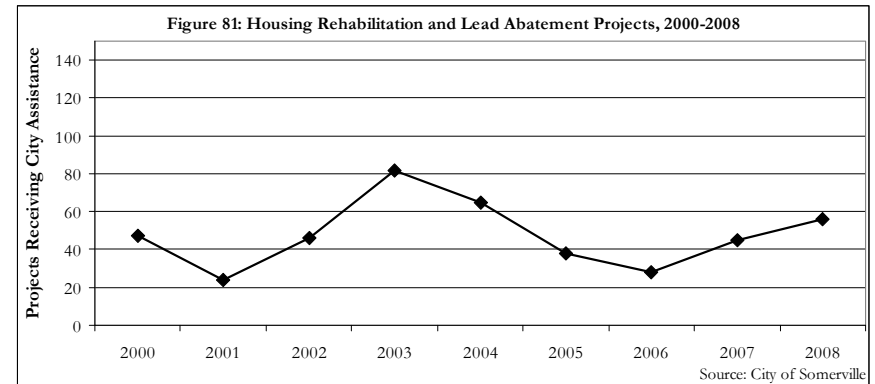
39. City housing programs targeting rehabilitation and lead abatement represent a small but growing share of Somerville's subsidized housing.

Since 1991, the City of Somerville has successfully operated housing programs that provide funding for rehabilitation of units that are restricted to low- and moderate-income residents. Eligible rehab projects include lead paint abatement, heating system replacement, and adaptive improvements for the elderly and physically impaired. These programs are primarily funded through the City's Community Development Block Grant and HOME programs, and the HUD Lead Hazard Control Grants. Qualified homeowners and rental property owners that serve low- and moderate-income individuals can qualify for assistance grants, deferred payment loans, and low- or no-interest loans.

Participating property owners agree to maintain the property as their primary residence, and rental property owners agree to keep rents affordable to low- and moderate-income tenants. Affordability restrictions are generally in place for three years. According to data from 2008, there are 252 units currently offering affordability provisions under these programs.

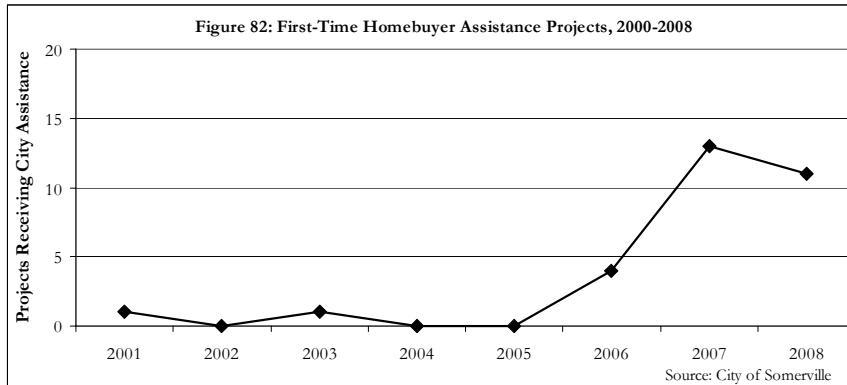
Since 2000, the City has funded rehabilitation and lead abatement projects for over 400 residential properties. As illustrated in Figure 81, annual project counts for that period have ranged between 24

(2001) and 82 (2003). Factors influencing the volume of project activity include funding availability, as well as market conditions (which may influence property owners' willingness to voluntarily accept below-market rental rates). The City received HUD Lead Hazard Control grants in 2001 and 2006, which contributed to the upward trends in project counts during the following years.



40. City housing programs supporting first-time homebuyers have made homeownership more affordable for dozens of income-eligible Somerville residents since 2000.

The City provides subsidies to first-time, income-qualified homebuyers through down payment and closing cost assistance programs. The down payment program offers loans for up to 15% of the purchase price, repayable at the time of sale. The closing cost assistance program offers forgivable loans of up to \$5,000, provided that the homebuyer maintains compliance with program criteria. Currently, 31 homeowners are receiving assistance through these programs. Six loans have been successfully closed out to date. As illustrated in Figure 82, assistance through these programs has largely occurred since 2005.



These two programs are paid for through the City's federal HOME block grant, and target families earning up to 80% of Area Median Income. Somerville also uses money from its Affordable Housing Trust Fund to provide closing cost assistance to moderate-income homebuyers (earning up to 110% of AMI).

The City has also used money from HOME and the Massachusetts Affordable Housing Trust Fund to subsidize development costs for developers building homeownership units, so that those units can be sold at an affordable cost. The units built with these subsidies are deed-restricted, so that they must be sold to low- or moderate-income families (depending on the particular subsidy) for a period of at least 50 years.

There are currently 28 units of housing kept affordable through these subsidies; none of the deed restrictions have expired. Seven units are available to families earning up to 110% of AMI; the rest are reserved for families earning 80% AMI or less. Notable examples include the Somerville Community Corporation's Temple Street condominiums (eight low-income and seven moderate-income ownership units developed in 2007) and Wheatland Street condominiums (eight low- and moderate-income ownership units, developed in 2001).

41. Tenant-based subsidy programs including housing choice vouchers and City tenant stabilization programs help provide affordable housing for more than 400 Somerville households.

Tenant-based subsidies, including the well-known federal Section 8 Housing Choice Voucher program during the early 1970's as a way to control government costs, while providing geographic mobility to participants. Tenants choose an apartment on the private rental market whose rent meets federal criteria. The vouchers pay the difference between 30% of the tenant's income and the market rent, and the tenant can use the voucher for as long as they meet income and other restrictions.

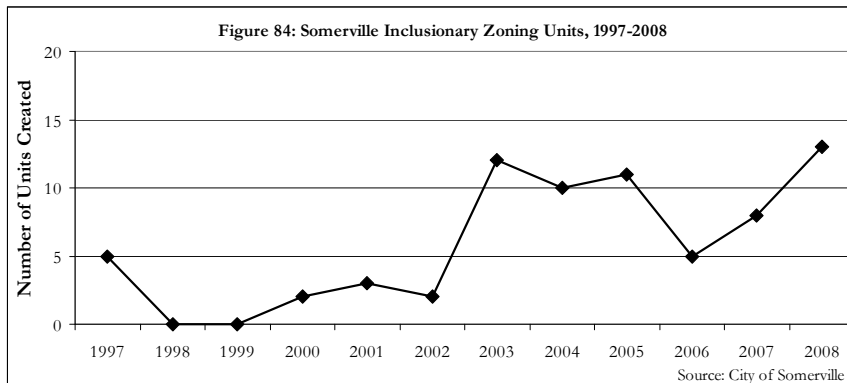
The Somerville Housing Authority currently administers 1,093 vouchers, of which 300 are being used by current Somerville residents (the other voucher holders rent units outside of Somerville). Additionally, the Metro Boston Housing Partnership currently administers 114 housing vouchers in Somerville (Figure 83). The City manages 21 vouchers through the Prevention and Stabilization Services (PASS) program and the Wayside Youth and Family Network Transitional Housing Program; and six formerly homeless households are assisted under HUD's Shelter Plus Care program.

Figure 83: Tenant-Based Vouchers, 2008	
Administration Agency	Number of Vouchers
Somerville Housing Authority	300
Metro Boston Housing Partnership	114
PASS/Wayside Youth and Family Network/City of Somerville	21
US Department of Housing & Urban Development	6
TOTAL	441

Source = MA Dept. of Housing and Community Development

42. Somerville's inclusionary zoning ordinance has produced over 70 units of subsidized housing in the past decade.

The City of Somerville adopted an inclusionary zoning ordinance in 1986 (most recently amended in 2006), which requires private developers of market-rate housing to adopt affordability provisions for 12.5% of the new units (or to make payments-in-lieu to the Somerville Affordable Housing Trust Fund). Since 1997, the ordinance has resulted in development of 71 units of permanently affordable housing. As illustrated in Figure 84, production of affordable units varies widely from year to year.



At least ten inclusionary units were produced in 2003, 2004, 2005 and 2008. In 2008, 13 new affordable units were produced under the ordinance. Factors influencing the annual unit count include the overall development climate, as well as the phasing and completion date of individual projects. For example, Union Place (a phased 131-unit condominium development at Webster Avenue and Norfolk Street) produced six inclusionary units in 2003, six units in 2004, eight units in 2005 and seven units in 2008.

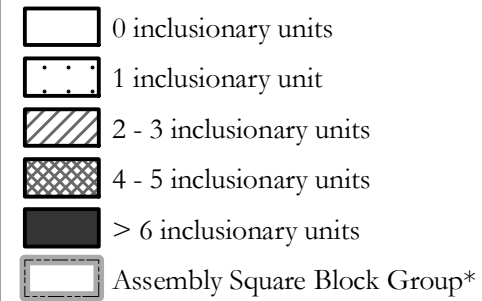
43. Affordable housing units produced through Somerville's inclusionary zoning ordinance are generally concentrated in the eastern part of the city.

Somerville's inclusionary zoning ordinance is triggered by market-rate residential developments of eight or more units. When a project of eight or more units is permitted, the developer is required to reserve 12.5% of the total units developed as affordable to residents earning 80% of AMI. Affordable units can be created on the development site, or can be provided off-site. A third option allows developers to make payments-in-lieu into the City's Affordable Housing Trust Fund, which is used to help finance future developments.

As illustrated in Map 21, the majority of Somerville's 71 inclusionary units have been located east of Lowell Street. More than one-third of inclusionary units are located in the Census Block Group south of Washington Street, between Prospect Street/Webster Street and the McGrath Highway. There have been 27 inclusionary units built in this neighborhood since 2000. Twenty of these units have been produced by the Union Place condominium development.

In West Somerville, two neighborhoods south of Broadway and Holland Street have had affordable units developed under the inclusionary zoning ordinance. The Weston View condominiums produced two inclusionary units in 2002. The 1188 Broadway condominium project also produced two units in 2007.

Map 21: Inclusionary Housing Units, 2009



*Source = City of
Somerville*

*Data presented
by Block Group*

*Labels indicate
absolute unit count*

**Assembly Square
Block Group split for
spatial accuracy*



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 and Community Development