

Appendix A

Field Report: Housing Opportunities and Institutional Investment Risk in Western MA

FIELD REPORT

Housing Opportunities and Institutional Investment Risk in Western MA

April 2024

Background

The Center for Housing Data team (CHD) at MHP has partnered with Way Finders, a prominent non-profit and housing administrator for western Massachusetts, to better understand, locate, and quantify multifamily housing development opportunities in Hampden, Hampshire, Franklin, and Berkshire counties. Additionally, the project aims to identify neighborhoods and existing multifamily rental properties that may be susceptible to speculation and purchase by institutional investors. The results are hoped to inform proactive approaches that limit the loss of naturally occurring affordable housing that occurs through large rent increases, aggressive evictions, and other undesirable or irresponsible management practices that have negative impacts for neighborhoods and tenants.

While the final product of this research collaboration will be a database of properties accompanied by a technical summary memo presenting key findings and methodological documentation, the Center for Housing Data team began this project with field work to better familiarize ourselves with the region. Leveraging the relationships and regional knowledge of the Way Finders team, CHD attended meetings and a full-day tour that included properties that exemplify the kinds of opportunities we seek to identify through our research. The following represents our engagement activities with regional stakeholders to date:

- Western Massachusetts Housing Coalition (WMHC) – presented our research proposal and facilitated a short focus group session. Answered questions from attendees and addressed any concerns about our approach.
- Full-day tour of development sites in Hampden and Hampshire counties (Holyoke, Southamptton, South Hadley, Easthampton). Met with local official and volunteers who are involved in positioning these parcels for housing development.
- Presentation to regional planning agencies: PVPC, BRPC, FRCOG (Pioneer Valley Planning Commission, Berkshire Regional Planning Commission, and Franklin Regional Council of Governments). Also included a facilitated feedback session.
- Discussion with MassHousing: Monica Passeno. This followed our tour of Holyoke, where MassHousing is coordinating efforts with MassDevelopment, the City of Holyoke, Way Finders, and other stakeholders around the High Street area.

- Additional conversations with BRPC to better understand issues and concerns specific to Berkshire County.
- Additional conversation with FRCOG, and joined by Franklin County Regional Housing and Redevelopment Authority, to better understand the issues and concerns specific to Franklin County.

This field report will synthesize the knowledge and experience gained through CHD's field work and conclude with some next steps for ensuring the priorities, common themes, and expectations of our stakeholders and partners are represented in the research plan, methods, and final deliverable.

Qualities that make an attractive development site

- Proximity to transit
- Supporting infrastructure (utilities, water, sewer)
- Recent improvements or investments elsewhere in the neighborhood
- Part of a broader neighborhood stabilization plan or area of priority for the community. For example, strategically targeting parcels for development that will serve as anchors for the neighborhood and begin to form a network of responsible, community-oriented owners who can provide some level of stability and stewardship of the neighborhood.
- Disposition of public and institutional land
- Location within a 40R district, or clustered around other opportunities that could together comprise a 40R district.
- Vacant properties

Factors that might limit development potential on a given site

- lack of infrastructure, particularly sewer. There is also a data issue here, where sewer service is not properly mapped. There are some older files with this information, but some might be paper-based. This is rationale for a focus on data collection by DEP and other agencies that have an interest in these data.
 - o Additionally, presence of infrastructure is one thing, but *quality* of the infrastructure is another. Can it accommodate more growth? What are the capacity concerns? Environmental concerns? How do we ensure a state of good repair for infrastructure as we advocate for more and denser housing?
- Low demand markets
- Largely rural areas
- Title V issues
- Tough conversions (e.g. old farmhouses into 2-4 units – not really a resource for that kind of rehab/conversion).

- Hazardous materials that are expensive to remediate (asbestos, lead)
- Historic district requirements that increase costs beyond feasibility thresholds.
- Code and enforcement

Context and variables related to speculative investment in existing rental developments

- Neighborhoods with increasing rents
- Occupied properties where rents are lower than prevailing neighborhood rents
- Non-subsidized properties in areas where recent purchases of rental properties have taken place.
- Locations adjacent to transit and/or other walkable locations.
- A number of properties in the Springfield area that were purchased by investor-owners are Class C and Class D, with major capital needs. The needs are too deep to make these properties viable for renovation with existing resources (CDBG was specifically mentioned). This may be a rationale for additional or different resources or rules for the region related to state funding for rehab developments. This leads to local landlords selling their properties to investors from outside the area, and subsequent rent increases that lead to eviction and displacement for residents.

Regional planning priorities

- Increasing housing density and minimizing consumption of new land for development. Focusing on infill and village center development as a strategy.
- Alignment with infrastructure

On data considerations

- Consider exploring migration patterns in conjunction with our analysis (potential coordination with UMDI). Who is coming to the region? Has there been an influx of higher income households from northeast job centers due to increased remote work? Who is being pushed out of communities that had previously not seen this level of demand pressure? Where have prices increased? Are these trends accelerating? Declining?
- Many municipalities struggle with data management and data sharing, even across departments within the same municipality. Identifying and taking advantage of development opportunities may require better communication and collaboration strategies at the municipal and regional levels.

Thoughts on the utility of the development opportunities database we aim to build

- as an input to a regional plan, identifying goals for development
- to reinforce the region's transportation plan by focusing on mobility connections

- consider better coordination between housing development and employment opportunities
- Need to exercise caution in how we make the data available, as this information could be used to fuel speculation. Several stakeholders suggested that aggregating the data when writing our report and when using the information for advocacy is a smart choice, and that we should think about how we will limit access to the specific parcels we've identified as opportunities.

Other considerations and insights offered by stakeholders:

- There are some existing processes for identifying development opportunities.
 - o PVPC produces a map of developable, undevelopable, and potentially developable parcels and member communities review those parcels. This and other approaches are represented in Housing Production Plans and the comprehensive planning process in the region.
 - o RPAs do interact with municipalities around development, though this largely occurs when a municipality has already identified an opportunity and need assistance from the RPA.
- Broadband expansion, combined with an increase in remote work and an increase in second home purchases, has led to increased demand pressure in western MA.
- Coordinate closely with UMass Donahue Institute, who is reprising their western MA housing report in the coming year.
- Coordinate with MassDevelopment. Their TDI districts will intersect with some of the properties we are concerned with in western MA, notably Holyoke, where MassHousing, MassDevelopment, Way Finders, and the city are working collaboratively on revitalization efforts in the area surrounding High Street.

Full list of organizations and individuals engaged:

- Way Finders: Keith Fairey, Anni Zhu
- Pioneer Valley Planning Commission: Ken Comia
- Berkshire Regional Planning Commission: Tom Matuszko, Mark Maloy
- Franklin Regional Council of Governments: Linda Dunlavy, Megan Rhodes
- Franklin County Regional Housing & Redevelopment Authority: Gina Govoni, Alyssa LaRose
- Home City/Better Homes: Tom Kegelman
- City of Springfield: Geri McCafferty
- City of Holyoke: Aaron Vega
- Southampton Housing Authority: Sierra Simmons, Janet Cain
- South Hadley planning department: Anne Capra
- MassHousing: Monica Passeno

Background notes for Western MA field trip

17 College Way, Southampton

Meeting with Southampton Housing Authority

Contacts: Sierra Simmons and Janet Cain

Notes from Way Finders:

- Meeting location: [former Harley-Davidson dealership](#)
- Southampton: rural environment with town leadership that supports housing development, though lacking planning capacity.
- At one point recently this site as being explored as a facility for processing immigrants but that plan has since been abandoned.

Assessor Data:

17 COLLEGE HWY SOUTHAMPTON 01073

Owner: **SHIVESH LLC**

Owner Address:

21 HILLCREST CIR

WESTFIELD, MA 01085

Building Value: \$1,489,700
Land Value: \$731,800
Other Value: \$33,300
Total Value: \$2,254,800

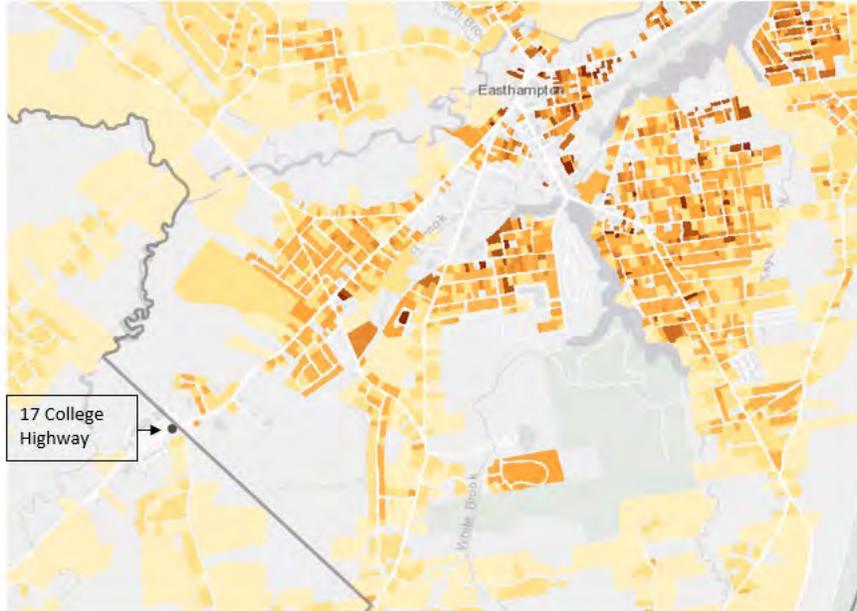
Assessment data from FY 2023

Lot Size: 6.82 Acres
Last Sale Price: \$2,400,000
Last Sale Date: 20210218
Use Code: 3222
Year Built: 1998
Residential Area: 17,895 Sq. Ft.
Building Style: Store
Number of Units: 0
Number of Rooms: 0

Book, Page: 14017, 228
Property ID: 14_42
Location ID: F_331560_2918760



From Residency:



487 Newton St, South Hadley

Meeting with South Hadley Director of Planning & Conservation

Contacts: Anne Capra

- Meeting location: former Big Y site being converted into mixed-use apartments (501 Newton St)
- Project with private business leader partner and town support

South Hadley: Suburban environment with limited dev opportunities – creative reuse of commercial site

Residency shows this as a commercial site embedded within a residential neighborhood. The site is adjacent to an RTA bus stop (Pioneer Valley RTA). Difficult to tell whether the dev site is the entire shopping complex and parking lot or if the dev site is limited to the bank branch located at the front of the site (on a separate parcel).



**487 NEWTON S
SOUTH HADLEY**

Owner: **GREENFIELD CO-OPERATIVE BANK**

Owner Address:
63 FEDERAL ST
GREENFIELD, MA 01302

Building Value: \$408,800
Land Value: \$129,100
Other Value: \$22,600
Total Value: \$560,500

Assessment data from FY 2023

| | |
|-------------------|---------------|
| Lot Size: | 0.48 Acres |
| Last Sale Price: | \$425,000 |
| Last Sale Date: | 20190311 |
| Use Code: | 3410 |
| Year Built: | 1969 |
| Residential Area: | 2,022 Sq. Ft. |
| Building Style: | Branch Bank |
| Number of Units: | 0 |
| Number of Rooms: | 0 |

Book, Page: 0LC23, 0018
Property ID: 28_194
Location ID: M_110640_887877

193-207 Chestnut Street

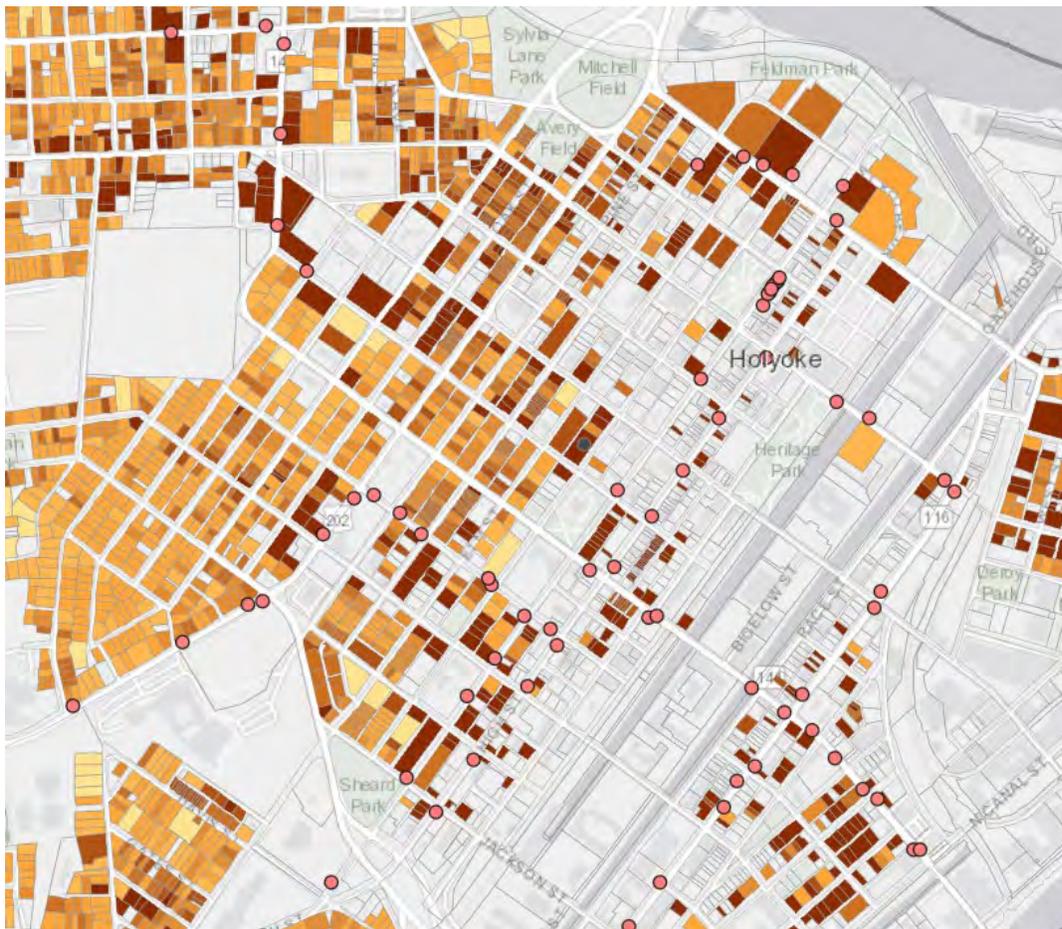


Meeting with City of Holyoke

Contacts: Aaron Vega, Director of Planning and Economic Development

- Meeting location: [Library Commons](#)
 - Walking tour to include Library Commons 2 (Essex Village) sites and High St.
- Holyoke: Urban, Gateway City with “room to grow”
- City leadership on supporting developers; discuss additional support needed
- Challenge of absentee property owners

Residency shows an existing, high density multifamily development (40 units, 60 units per acre)



**193 CHESTNUT ST
HOLYOKE 01040**

Owner: **LIBRARY COMMONS LP**

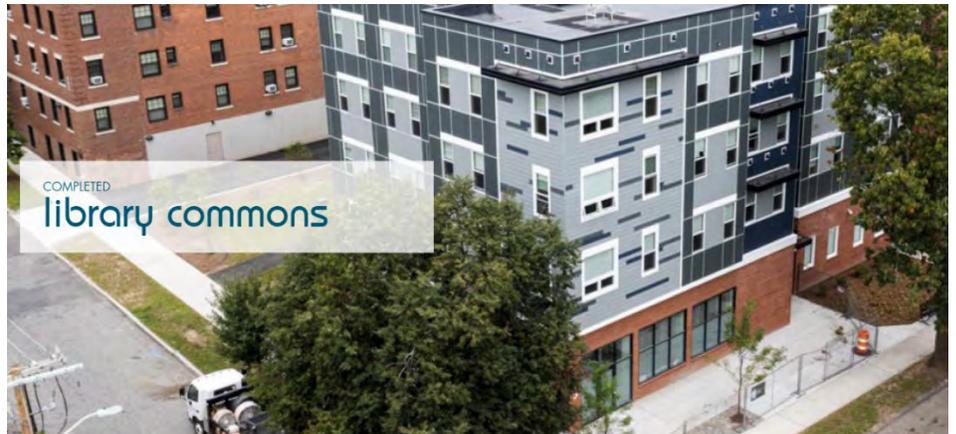
Owner Address:
120 MAPLE ST 4TH FLOOR
SPRINGFIELD, MA 01103

Building Value: \$37,600
Land Value: \$41,000
Other Value: \$0
Total Value: \$78,600

Assessment data from FY 2022

| | |
|-------------------|----------------|
| Lot Size: | 0.71 Acres |
| Last Sale Price: | \$590,000 |
| Last Sale Date: | 20190924 |
| Use Code: | 112 |
| Year Built: | 1915 |
| Residential Area: | 45,808 Sq. Ft. |
| Building Style: | APRTMNT-GN |
| Number of Units: | 40 |
| Number of Rooms: | 144 |

Book, Page: 22866, 386
Property ID: 005-02-004
Location ID: F_354783_2901801



From the Way Finders website:

193-203 Chestnut Street and 210 Elm Street, Holyoke, MA

A mixed-use development that fosters community, promotes walkability and taps into the renaissance of downtown Holyoke.

Way Finders and Dietz & Company Architects created 38 residences with community facilities, support services and cultural space. Library Commons provides access to employment, education and entertainment opportunities, as well as to downtown Holyoke's burgeoning cultural scene. With close proximity to services, amenities and public transportation, Library Commons offers convenience, community and innovation to both its residents and its neighbors.

Library Commons is comprised of three rehabilitated historical buildings and one newly constructed building.

A number of Way Finders' services will be made available on-site including adult basic education, financial literacy, first-time home buyer classes; career counseling; income tax preparation, college admission and financial aid application assistance.