



KEY TAKEAWAYS •HOUSING•

WHY HOUSING MATTERS

Providing residents with opportunities to have safe, affordable homes is a cornerstone of the economic and social health in any community. A balance of diverse housing opportunities and adequate supply can build the local labor workforce and support the spectrum of housing needs through a lifetime – an apartment after graduation, a family’s first home, or downsizing for empty-nesters or retirees. Not everyone needs or wants a single-family home at every stage of life, so it’s important for Chicopee to have smaller alternatives, such as studio and one-bedroom apartments. The type of housing available, its cost, and its condition are important attributes families and individuals evaluate when choosing a place to live.

HOUSING STOCK

Construction of multi-family housing since 2010 has been increasing at twice the rate of single-family homes. This generally suggests that Chicopee has been successful in increasing its housing diversity, which is important given the City’s demographic changes. As average household size shrinks, there is more of a demand for alternatives to single-family homes. Given that both household size and families with children continue to shrink in Chicopee (as does the purchasing power of local incomes), there is likely to be greater demand for smaller homes with one bedroom or studio apartments. Currently, just under 17% of homes in Chicopee fit this description. Proposed conversions of mill buildings (i.e. Cabotville and Dwight Manufacturing) into multi-family residences will add a significant number of one-bedroom and studio apartment homes in Chicopee.

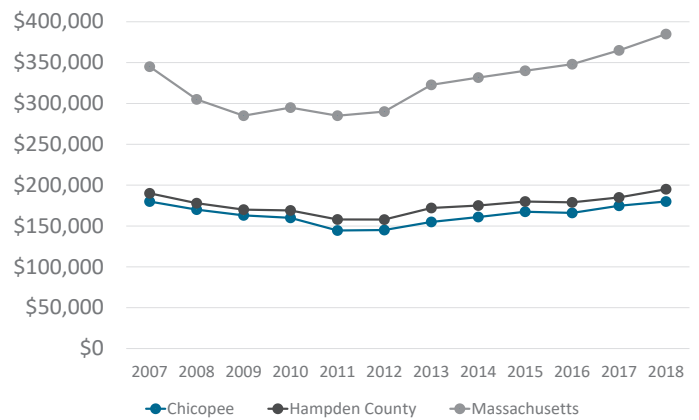
HOUSING AFFORDABILITY

Rental rates are affordable by Massachusetts standards, but have been increasing at a much faster rate than Massachusetts overall. This may suggest that demand for rental housing is high compared with Chicopee’s neighbors.



Median home sales prices in Chicopee have consistently been lower than those in Massachusetts as a whole and did not exceed pre-recession levels until 2018 (\$180,000). Overall, this is reflective of the general economy in and around Chicopee and is not necessarily a bad sign. Chicopee’s housing prices are more in line with local

Homes Sales 2007-2018



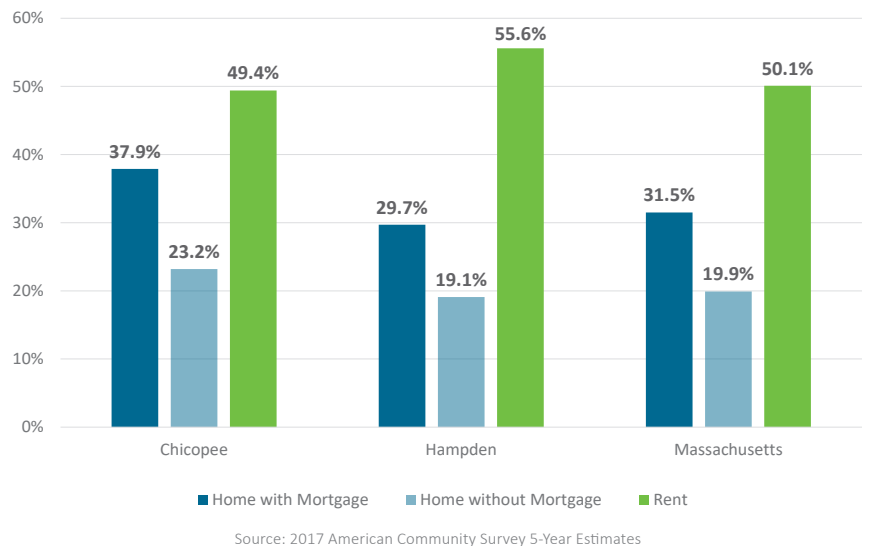
incomes and what people can afford to pay. Prices are increasing here slowly, steadily, and manageably, hopefully enough to encourage owners to keep reinvesting in their properties but not enough for people to be priced out.

COST-BURDENED HOUSEHOLDS

A household that spends more than 30% of its income on housing is considered “cost burdened.” In 2017, Chicopee had a higher %age of cost burdened homeowners (37.9% of households with a mortgage and 23.2% without) than Massachusetts (31.5% vs. 19.9%), but slightly lower cost burdens for renters (49.4% vs. 50.1%).

This suggests that even though the cost of housing is much lower in Chicopee than in Massachusetts overall, incomes are even lower in comparison, and more people have to spend more of their incomes in order to buy and maintain a home. And while renters are slightly “better off” in Chicopee, nearly half are paying more than 30% of their incomes on housing.

Percentage of Cost-Burdened Households



SHI UNITS

Massachusetts maintains a Subsidized Housing Inventory (SHI) that tracks each municipality’s affordable housing stock. Municipalities throughout Massachusetts are encouraged to have at least 10% of their housing stock on the SHI. This ensures that there will always be a supply of homes in each community affordable to households making low to moderate incomes, regardless of market prices. At 10.4%, Chicopee is currently among just 12% of Massachusetts municipalities that have 10% or more of their housing stock on the SHI, which is great for City residents. However, the deed restrictions on many of these units will expire in the next ten years. The City will almost certainly lose its 10% status after 2030 if it does not find ways to renew the affordability of most of these units.

Why does this matter?

Having 10% gives Chicopee greater control over local housing development. Without it, affordable housing developers have the right to appeal if the City does not approve a development proposal.

HOMELESSNESS

Homelessness has been generally on the decline in Hampden County since 2015, and 98% of homeless are being sheltered. In the last Point-in-Time count in January 2019, only 21 of the county’s 2,000+ homeless individuals were located in Chicopee.

However, most emergency shelter beds in the County are located in Springfield and Holyoke. Chicopee has none. It is very possible that when residents of Chicopee have unstable housing situations and are forced into homelessness, their next step is to seek out a shelter in Springfield or Holyoke.

Based on demographic data, Chicopee has a significant population that tends to be at risk of homelessness, including those living in poverty (14.4% of all Chicopee residents) and certain disabilities, including mental illness and drug addiction. While we do not know the % of Chicopee residents with mental illness and drug addiction, we know the rates are much higher than in Massachusetts overall.

Services that prevent homelessness in the first place should continue to be a priority for the City, along with maintaining and expanding the current stock of transitional and permanent supportive housing.