

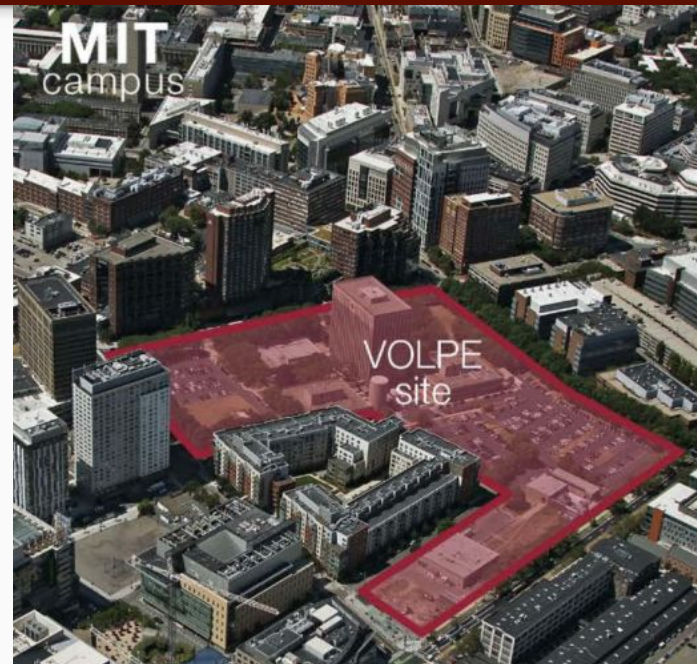
Zoning Petition: Section 13.913 Graduate Student Housing Production Requirement

Filed by members of MIT Graduate Student Apartments Now

GRADUATE STUDENT APARTMENTS NOW BACKGROUND

What our petition, Section 13.913 Graduate Student Housing Production Requirement , says:

- Requires new graduate student housing units as a condition of commercial development at the Volpe site
- Calls for the creation of 1,100 housing units for single graduate students and an additional 700 for families
- Requires a phasing plan from MIT outlining when graduate housing units will be built
- Does not affect scheduling of residential development or development of the Volpe Transportation Building
- Offers MIT flexibility to build graduate housing outside of the Kendall Square area



PRESENTATION OVERVIEW WHY THIS PETITION?

- 1. MIT GRADUATE STUDENT HOUSING BACKGROUND**
- 2. ADDRESSING MIT'S IMPACT ON THE HOUSING MARKET**
- 3. SATISFYING UNMET DEMAND FOR ON-CAMPUS HOUSING**
- 4. MIT CAN AFFORD TO BUILD GRADUATE HOUSING**
- 5. A PUBLIC COMMITMENT IS NEEDED**

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GRADUATE STUDENT APARTMENTS NOW BACKGROUND

Who is Graduate Student Apartments Now (GSAN)?

- Over 500 have signed our petitions
- **Campus support:** 80% graduate students from across MIT; 6% alumni, 5% community, 4% faculty and staff, rest undergrads and other
- **Community support:** including A Better Cambridge, Cambridge Residents Alliance, Green Cambridge, and Our Revolution Cambridge



GSAN Organizing Meeting, Fall 2017

GRADUATE STUDENT APARTMENTS NOW BACKGROUND

GSAN Timeline:

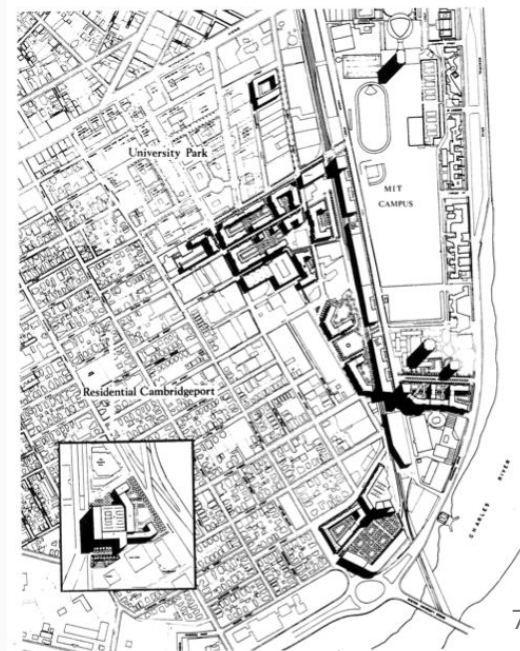
- **Spring 2017** - Graduate students submit 300 petition signatures for graduate housing to Volpe Working Group
- **June 2017** - MIT submits PUD-7 petition
- **Summer 2017** - Graduate students work with GSC leaders to develop survey, participate in city council Volpe hearings, and meet with community members
- **August 2017** - Students form GSAN and file petition with Cambridge City Council
- **September-October 2017** - GSAN builds community support for its petition, and participates in Cambridge City Council hearings.

GRADUATE STUDENT APARTMENTS NOW BACKGROUND

History of graduate student housing at MIT

- **1950s - 1990s:** Campus planning office monitored housing demand, set goal to house 50% of students, acquired land for graduate/staff housing
- **Late 1990s:** Student government leaders are instrumental in organizing to win a commitment to build Sidney-Pacific (676 beds) and Warehouse dorms (120 beds), and later, Ashdown (541 beds, 120 new).
- **2013 - 2014:** In response to graduate student organizing, MIT administration forms working group that issues the Clay Report, recommending the construction of 500-600 new beds.
- **2014 - present:** Since the Clay Report recommendation, MIT has committed to build 250 net new graduate student beds, but no additional units, until students began organizing again.

Figure 8: MIT Housing Site Inventory: Summary of Recommendations



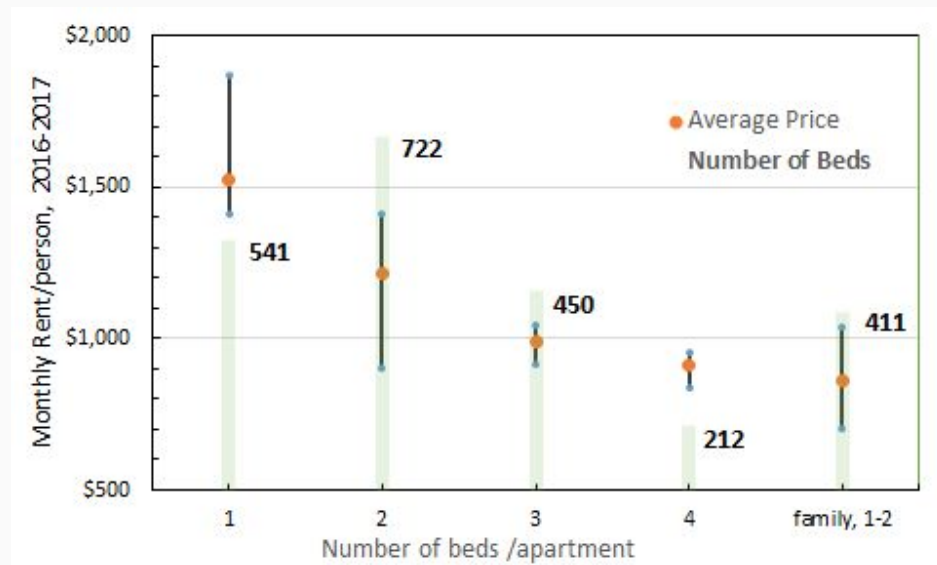
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MIT GRADUATE STUDENT HOUSING BACKGROUND

MIT graduate housing today

- 36% of graduate students live on-campus
 - 2017: 2,469 on-campus, 4,383 off-campus (~2,610 in Cambridge)
- Constraints on access
 - Assigned via lottery process
 - Priority to new students and families
 - Waitlist process
 - Cannot easily select roommates



MIT GRADUATE STUDENT HOUSING BACKGROUND

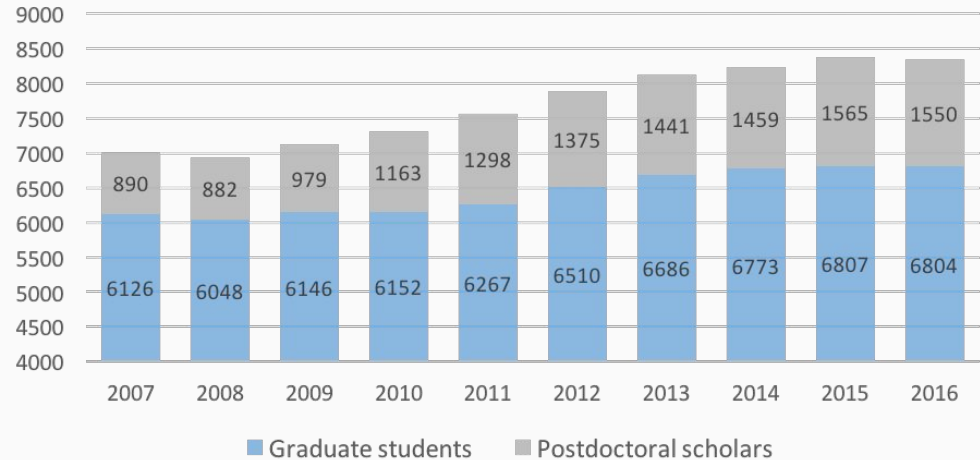
MIT's graduate and postdoc population has grown

MIT believes grad enrollment may be flat, but expects continuing postdoc growth (60% of which are international):

*"Postdocs offer an advantage over graduate students because they require **shorter time commitments**, and, with MIT's current cost structure, they are **very competitive in terms of financial outlay**"*

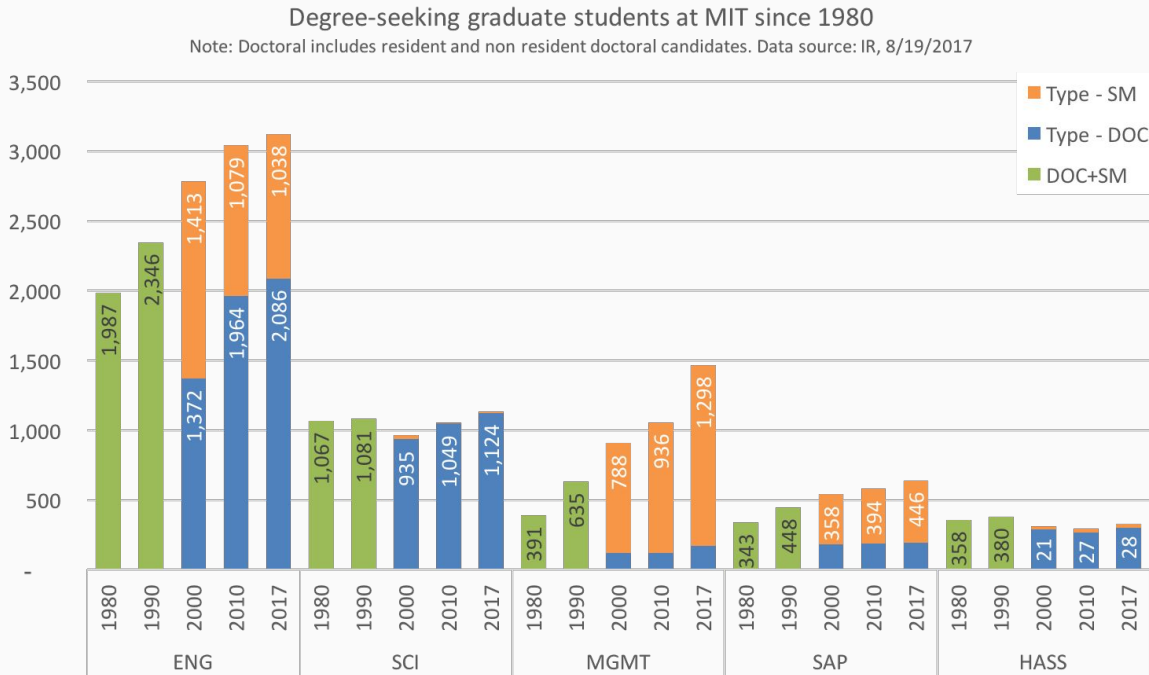
- Clay Report

MIT GRADUATE STUDENT AND POSTDOC POPULATION, 2007-2016



MIT GRADUATE STUDENT HOUSING BACKGROUND

Most graduate student growth has been in the School of Engineering and Sloan



Total graduate enrollment (2017):

Master's	2,818
Doctoral	3,878
Special	156
Total	6,852

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WHY GRADUATE HOUSING? ADDRESSING MIT'S IMPACT ON THE HOUSING MARKET

Key factors:

- Graduate students can outcompete low and moderate income renters.
- Graduate student population regionally, and at MIT, has grown, increasing competition for rental units.
- An influx of high-income workers to developments like Volpe increases competition.
- Supply of rental units is flat or declining



Outcomes:

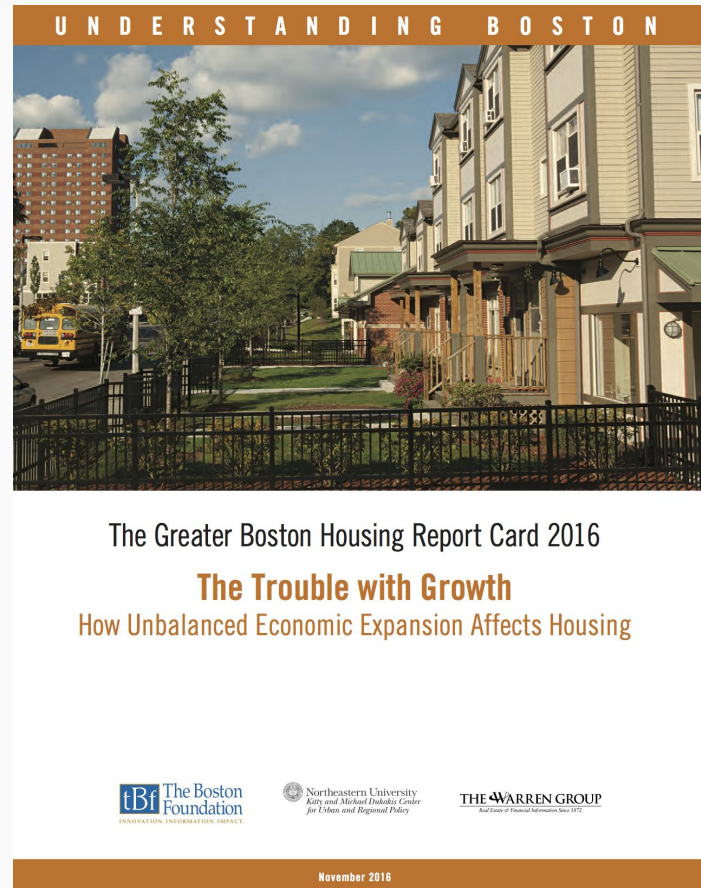
- Vacancy rates remain lower than the 5.5% needed to stabilize rents
- Home prices and rents are rising rapidly out of reach for low and moderate income residents, and grad students

WHY GRADUATE HOUSING? ADDRESSING MIT'S IMPACT ON THE HOUSING MARKET

By double and tripling up, graduate students can outcompete long term residents and families.

“Meanwhile, duplex and triple-decker prices continue to explode in the region.... There is virtually no doubt that this is due to the extraordinarily high demand for these units by graduate students and other young professionals who can afford high rents by doubling up their living arrangements, making this type of property extremely valuable as an investment asset.”

- 2016 Greater Boston Housing Report Card



UNDERSTANDING BOSTON

The Greater Boston Housing Report Card 2016

The Trouble with Growth
How Unbalanced Economic Expansion Affects Housing

TBF The Boston Foundation
INNOVATION. INFORMATION. IMPACT.

Northeastern University
Kitty and Michael Dukakis Center
for Urban and Regional Policy

THE WARREN GROUP
Real Estate of Financial Institutions Since 1917

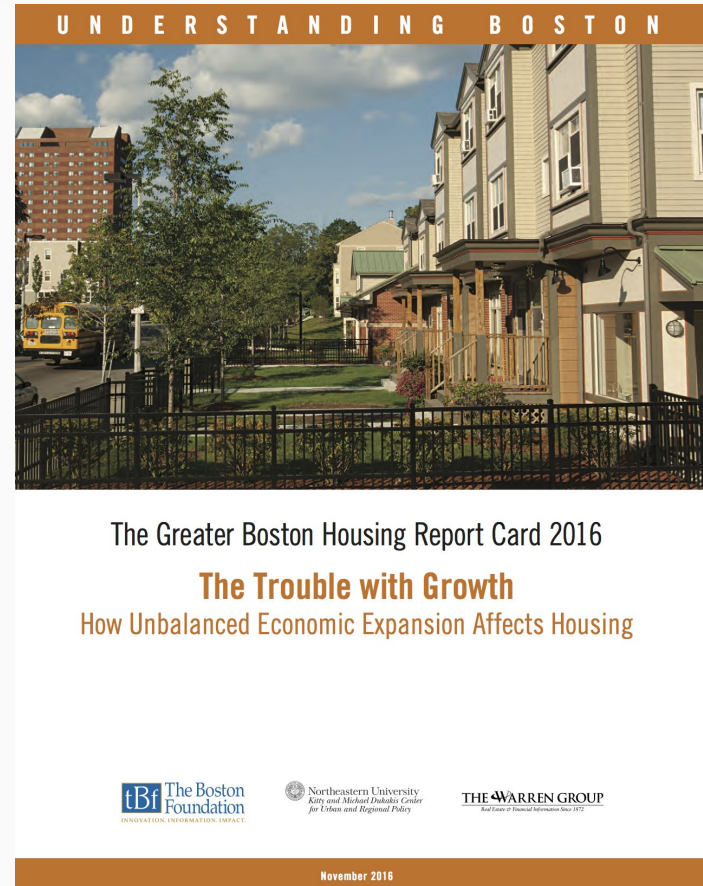
November 2016

WHY GRADUATE HOUSING? ADDRESSING MIT'S IMPACT ON THE HOUSING MARKET

Graduate student population at MIT - and regionally - continues to grow, increasing competition for rental units.

- Between 2013 and 2015 alone, the region added more than 1,800 graduate students
- Over 90% of 60,000 graduate students in Boston live off-campus, “**exerting acute pressure on rents**”.
- 6,324 graduate students (2,610 MIT) live off-campus in Cambridge, or 11% of the renters in Cambridge.

Sources: 2016 Greater Boston Housing Report Card, Town Gown Summary 2016, American Community Survey 2016



UNDERSTANDING BOSTON

The Greater Boston Housing Report Card 2016

The Trouble with Growth
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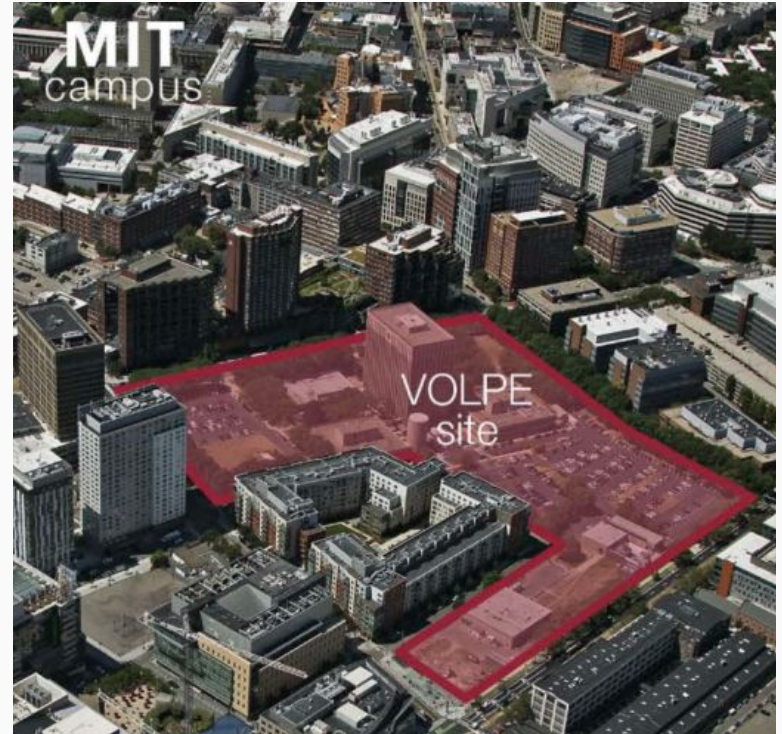
THE WARREN GROUP
Real Estate of Tomorrow. Guaranteed Since 1917.

November 2016

WHY GRADUATE HOUSING? ADDRESSING MIT'S IMPACT ON THE HOUSING MARKET

By attracting more high-income workers than it can house, the Volpe redevelopment is likely to exacerbate the housing affordability crisis.

- Volpe likely to attract far more new employees than new housing units, further intensifying competition
- Volpe development planned to be 40% residential, 60% commercial.
- Employees take up less space (~151 sq. ft/person) than residents (~450 sq. ft/person)

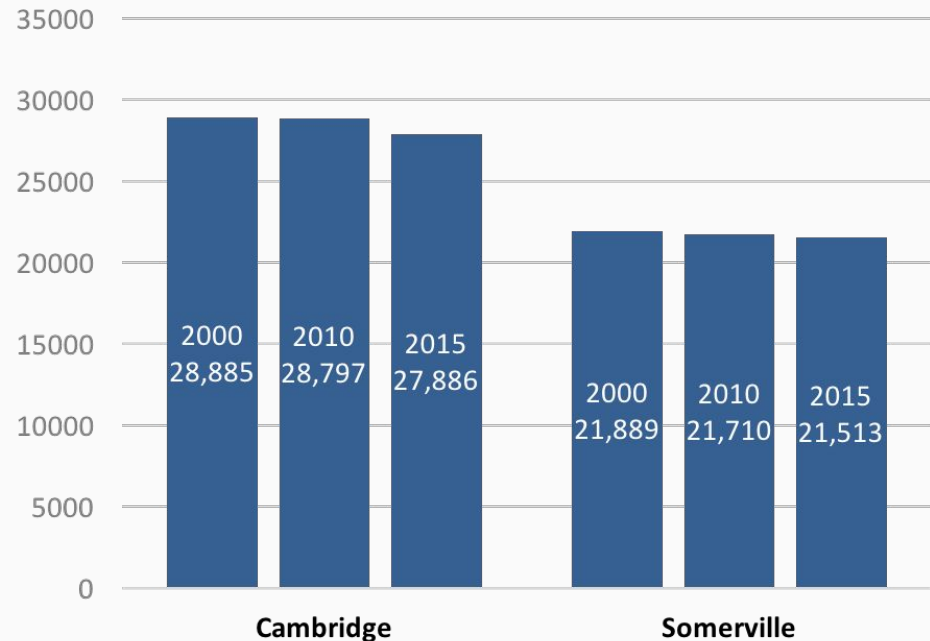


WHY GRADUATE HOUSING? ADDRESSING MIT'S IMPACT ON THE HOUSING MARKET

The supply of rental units is flat or declining

- Many rental units have been converted to condos over the past two decades, averaging over 400 per year between 1999 and 2008

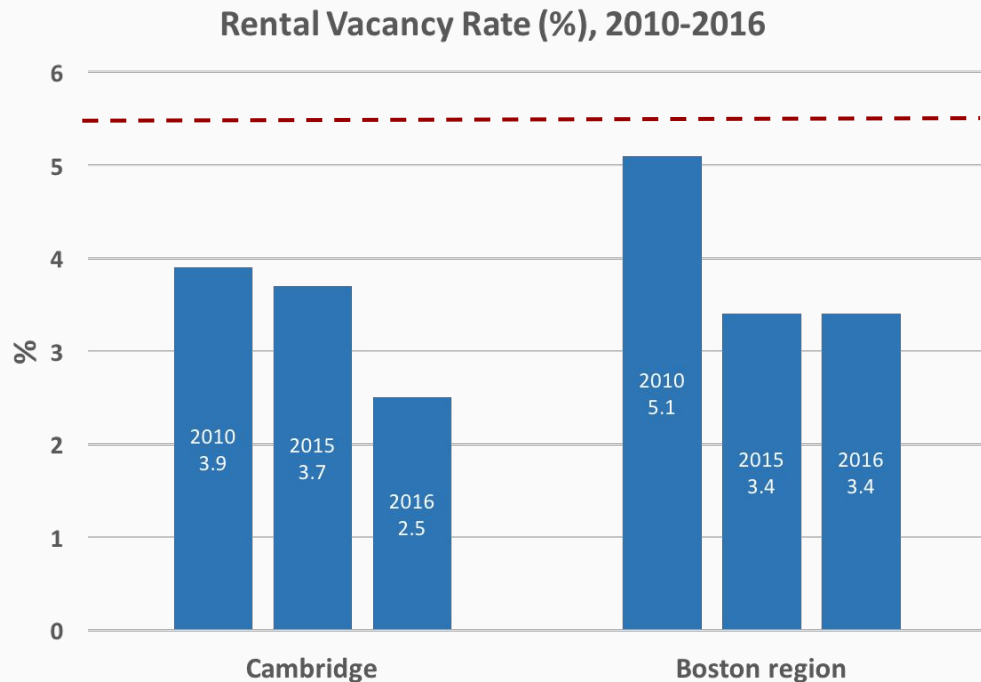
Renter-occupied units, 2000-2015



WHY GRADUATE HOUSING? ADDRESSING MIT'S IMPACT ON THE HOUSING MARKET

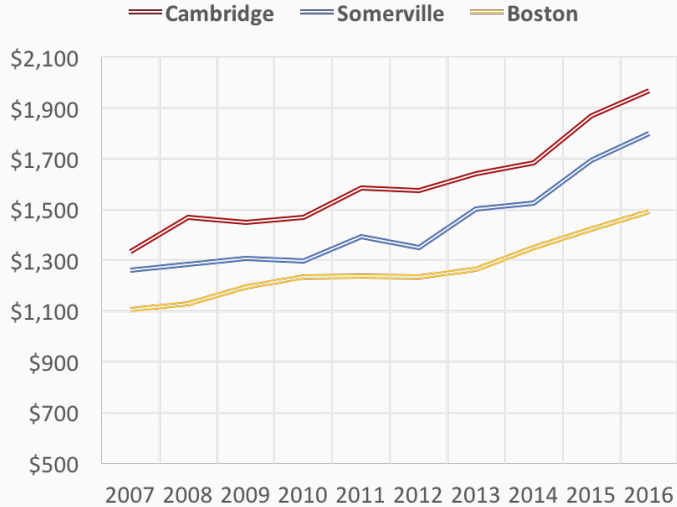
Vacancy rates remain lower than the 5.5% needed to stabilize rents

- The Greater Boston Housing Report Card established a statistical relationship between rental vacancy rates and rents, finding **when the rental vacancy rate is below 5.5%, “landlords are able to extract higher rents.** Facing little inventory, renters are forced to compete for a limited number of available units.”
- Boston regional vacancy rate dipped below 5.5% in 2010 and has not stabilized since.



WHY GRADUATE HOUSING? ADDRESSING MIT'S IMPACT ON THE HOUSING MARKET

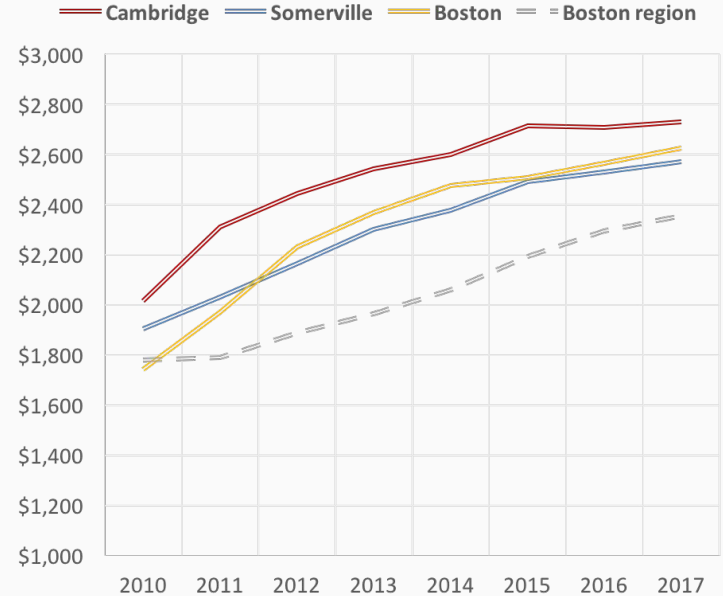
MEDIAN GROSS RENT, 2007-2016 (AMERICAN COMMUNITY SURVEY)



Year-over-year change:

5.8% (5-yr) | 3.8% (10-yr) - Cambridge
 7.0% (5-yr) | 3.8% (10-yr) - Somerville
 5.0% (5-yr) | 3.0% (10-yr) - City of Boston

ZILLOW RENT INDEX - ALL HOMES



Year-over-year change:

3.9% - Cambridge
 4.4% - Somerville
 5.5% - City of Boston

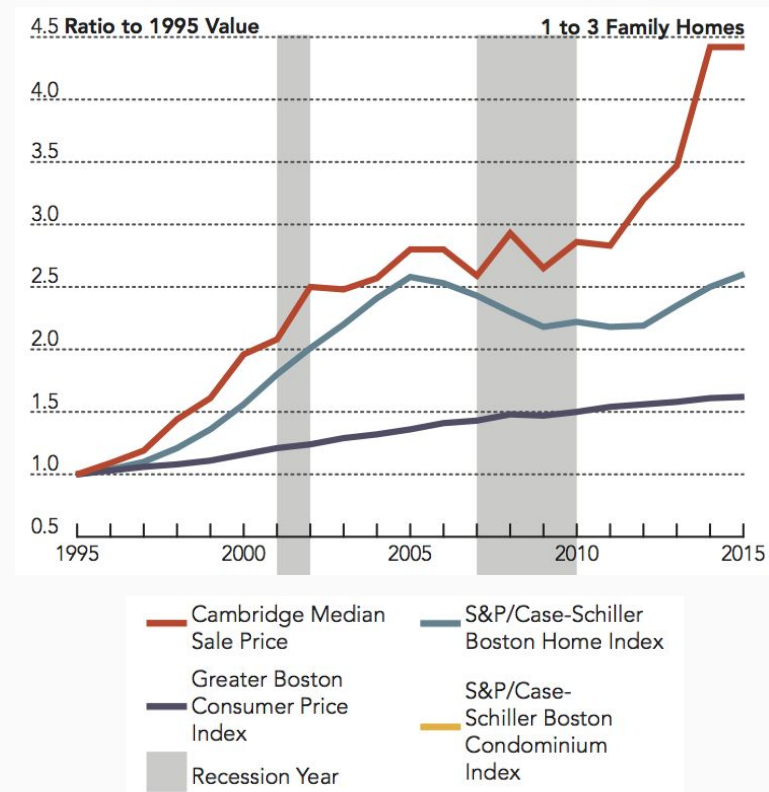
Zillow forecasts rents will continue to rise 2.6%/year in the Boston metro area

WHY GRADUATE HOUSING? ADDRESSING MIT'S IMPACT ON THE HOUSING MARKET

Home prices and rents are rising rapidly out of reach of low and moderate income residents, and students.

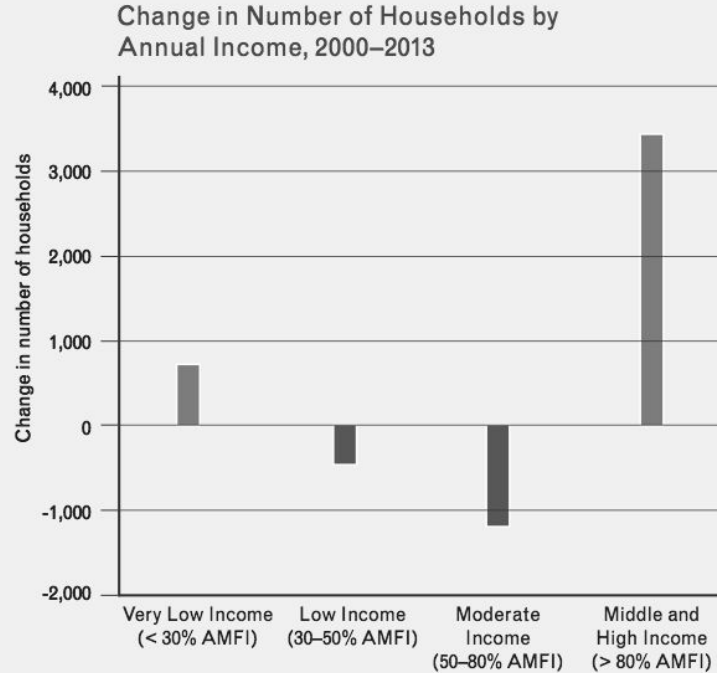
- Cambridge home prices increased **2.4x** between 1995 and 2015, the highest of any city or town in the region. Brookline and Somerville follow distantly at **1.5x**.
- Between 2000 and 2015, by more than **7% year over year for condos** and **9% for single-family homes**.

Single to Three Family Homes Median Sale Price and Regional Market Indices: 1995 - 2015



WHY GRADUATE HOUSING? ADDRESSING MIT'S IMPACT ON THE HOUSING MARKET

Increased competition and rising costs are driving low and moderate income households out of Cambridge.



Cambridge is losing its economic diversity as low- and moderate-income households leave the city.

Source: HUD, Comprehensive Housing Affordability Strategy data, 2000 and 2009–2013. Income brackets follow definitions used by the Federal Financial Institutions Examination Council.

“Gentrification should mean we all get better, not have to move out.”

— Mid-Cambridge resident

WHY GRADUATE HOUSING? ADDRESSING MIT'S IMPACT ON THE HOUSING MARKET

These dynamics also impact Cambridge commuters, including MIT staff

- Between 2006 and 2016, average one-way MIT staff commute times increased 8%, from 40 to 43 minutes, potentially indicating staff having to live further from work.
- In the same time period, the percent of staff with less than a 30 minute one-way commute decreased from 42% to 36%



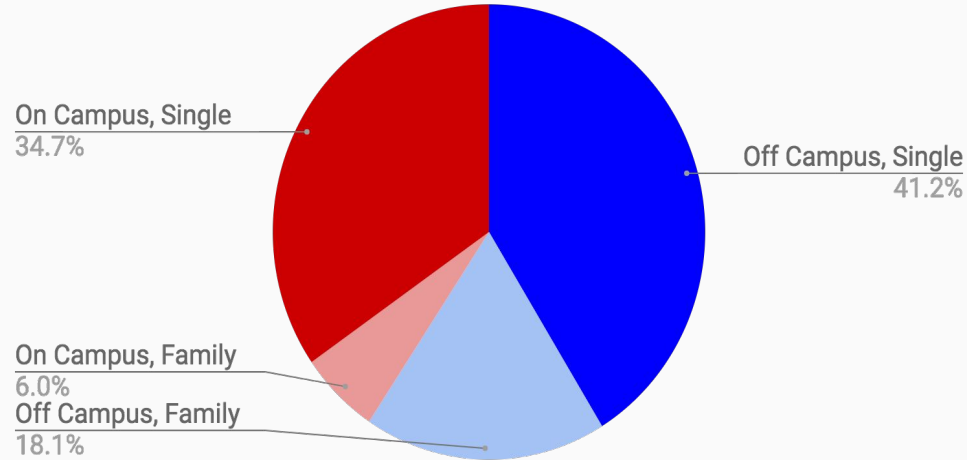
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WHY GRADUATE HOUSING? SATISFYING UNMET DEMAND FOR ON-CAMPUS HOUSING

This summer, the Graduate Student Council surveyed graduate about housing to better understand the demand to live on campus

1,567 responses from graduate students (23% response rate)



WHY GRADUATE HOUSING? SATISFYING UNMET DEMAND FOR ON-CAMPUS HOUSING

“YES” responses to, “Would you have preferred to live in MIT-provided housing instead of off-campus housing?”

Off-campus families:

42%

Off-campus singles:

34%

WHY GRADUATE HOUSING? SATISFYING UNMET DEMAND FOR ON-CAMPUS HOUSING

The survey yielded different estimates of demand for on-campus housing. Minimum unmet demand, i.e. without changes to the current system:

	Single	Family	Total
Demand	2800	1050	3850
- Currently Available	2000	400	2400
Unmet Demand	800	650	1450

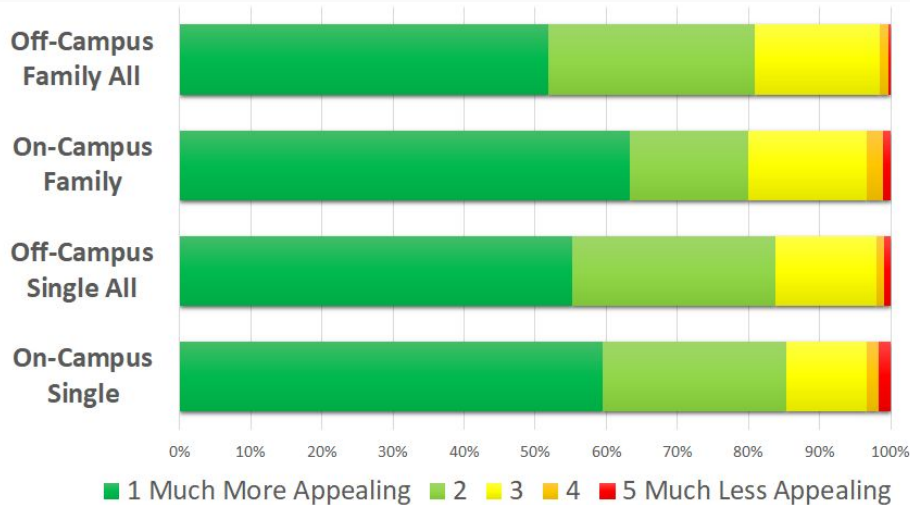
Includes:

- Students who already live on campus
- Students who stated they preferred to live on campus and answered yes to “*Would you have preferred to live in MIT-provided housing instead of off-campus housing?*”

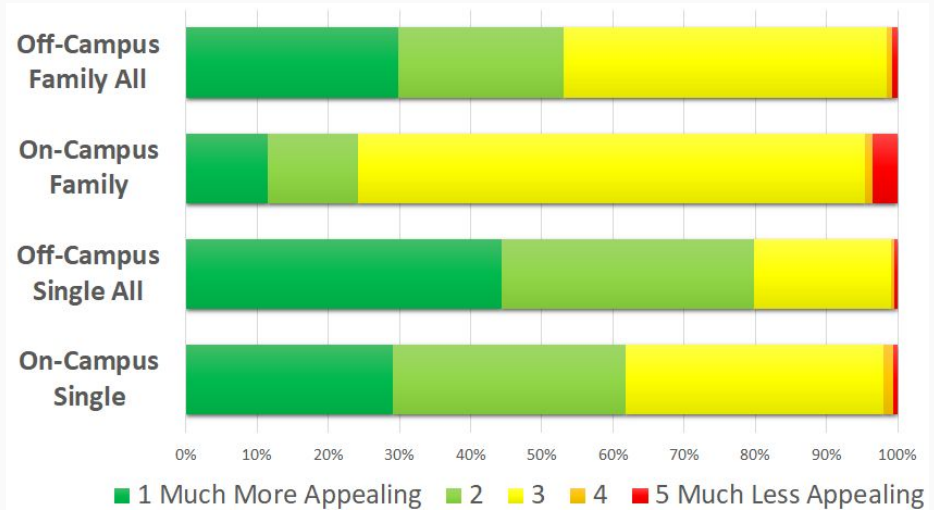
WHY GRADUATE HOUSING? SATISFYING UNMET DEMAND FOR ON-CAMPUS HOUSING

Highlights from MIT GSC Housing Survey:
Changes to housing system would likely increase demand

If I could keep my room without a lottery, MIT housing would be...



If it were easier to choose your roommate, MIT housing would be...



WHY GRADUATE HOUSING? SATISFYING UNMET DEMAND FOR ON-CAMPUS HOUSING

Highlights from MIT GSC Housing Survey:

Moderate unmet demand, with some changes to the current system:

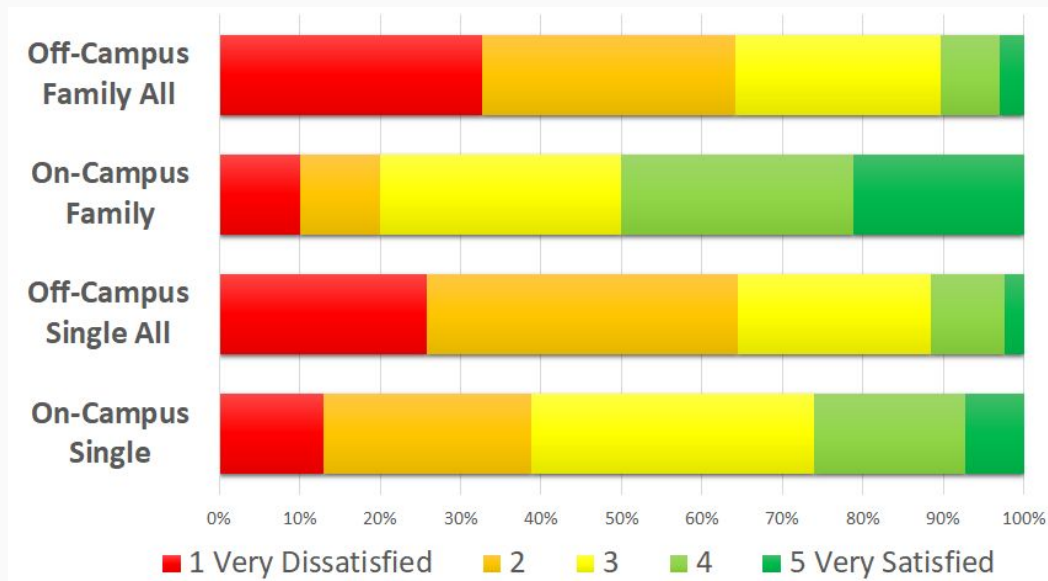
	Single	Family	Total
Demand	3050	1100	4150
- Currently Available	2000	400	2400
<hr/>			
Unmet Demand	1050	700	1750

Includes:

- For single students: able to select roommates, no lottery, more affordable
- For families: more inclusive definition of families, no lottery, more affordable

WHY GRADUATE HOUSING? SATISFYING UNMET DEMAND FOR ON-CAMPUS HOUSING

Highlights from MIT GSC Housing Survey:
Satisfaction with housing cost higher with on-campus students



Key finding:

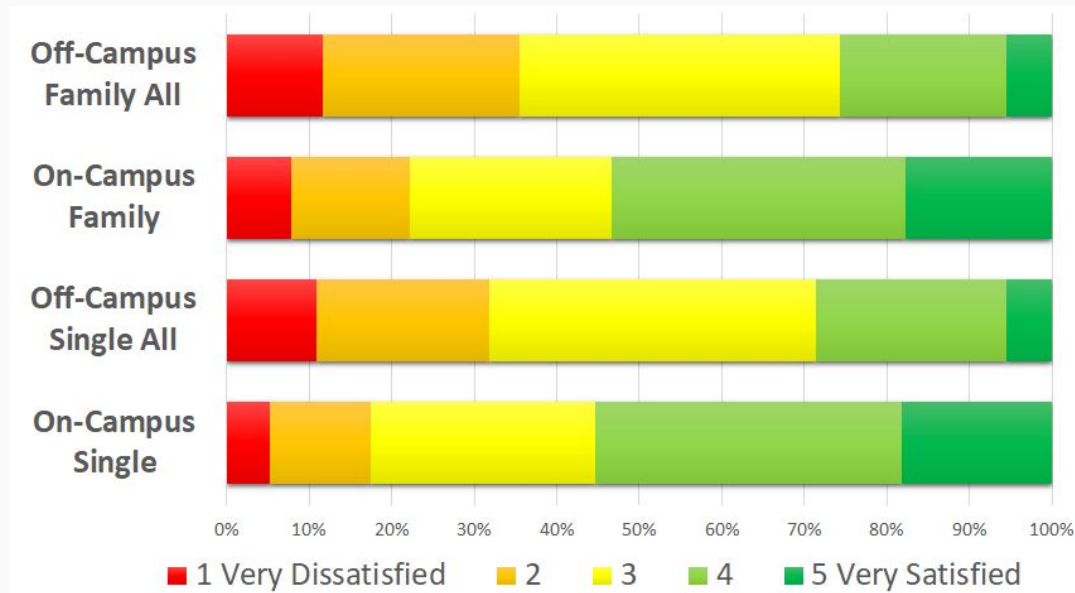
In 2014, graduate students reported on average spending **52%** of their income on housing.

For some, it's more:

"85% of my income (RA) goes to paying my room. After being accepted to MIT, finding and paying [rent] was one of my greatest concerns and this concern is still latent." - City planning graduate student

WHY GRADUATE HOUSING? SATISFYING UNMET DEMAND FOR ON-CAMPUS HOUSING

Highlights from MIT GSC Housing Survey:
Satisfaction with housing availability lower with off-campus students



WHY GRADUATE HOUSING? SATISFYING UNMET DEMAND FOR ON-CAMPUS HOUSING

Some graduate students are impacted more than others, particularly international students, and students with families.

Students with partners/spouses (**47% of students**)

*“We were denied graduate family housing via the lottery when we enrolled at MIT and it was a **huge burden and financial stress to our family**. We were moving across the country and I was pregnant and we were counting on being able to make the housing lottery for on-campus housing.”*

*“**Grad housing has made a huge difference for me and my husband**. I want affordable grad housing to be a priority for the Institute so that someday, no grad student ever has to lie awake at night wondering how they are going to pay their rent.”*

International students (**43% of students**)

*“I think MIT needs to have a sufficient stock of affordable graduate housing options for **international graduate students not familiar with off-campus housing logistics and also don't have a credit score**.”*

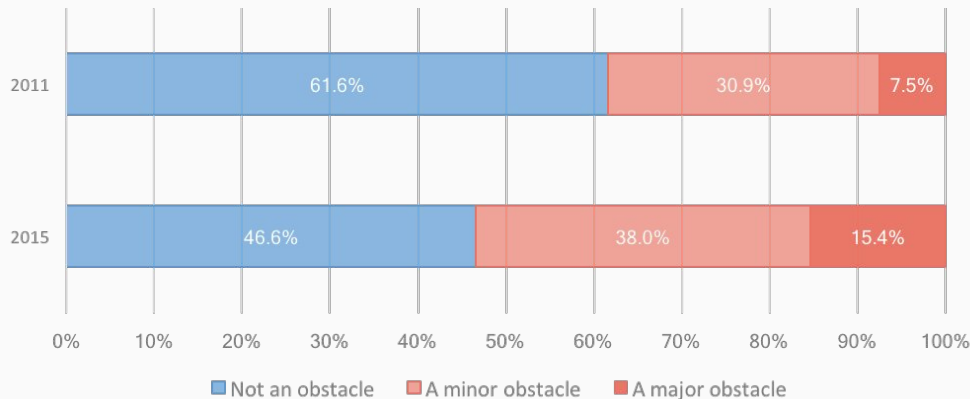
*“Securing a family housing is also a **grave problem for many of the students with families, especially the international ones whose spouses cannot work by law** and therefore their graduate stipend is their family income.”*

WHY GRADUATE HOUSING? SATISFYING UNMET DEMAND FOR ON-CAMPUS HOUSING

MIT Institutional Research Enrolled Graduate Students Survey: Housing situation as an obstacle to academic progress

- Between 2011 and 2015, the percent of graduate students reporting that their housing situation was a minor or major obstacle to their academic progress increased from **38%** to **53%**, now a majority of students.

MIT ENROLLED GRADUATE STUDENTS SURVEY
2011-2015: "Rate the extent to which the following factors have been an obstacle to your academic progress: your housing situation"



Source: MIT Institutional Research Graduate Enrolled Students Survey

PRESENTATION OVERVIEW WHY THIS PETITION?

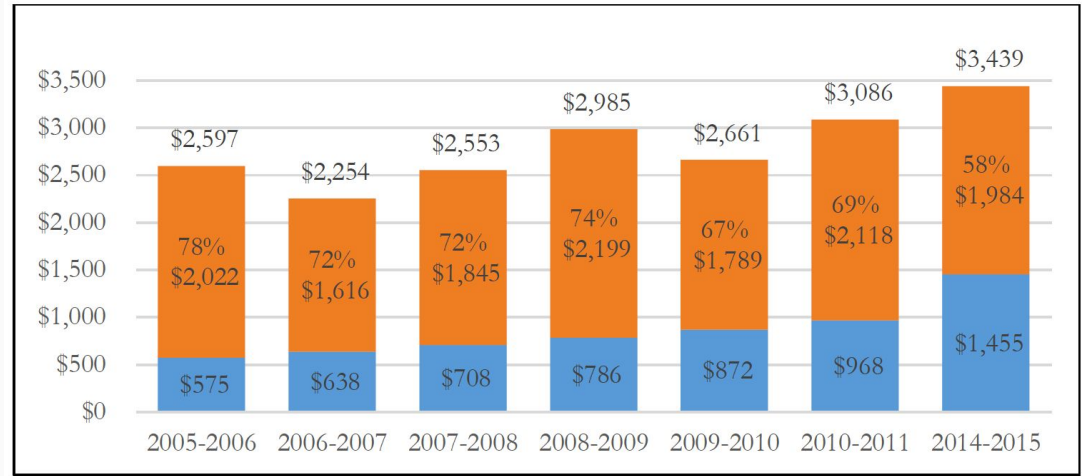
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CAN MIT AFFORD TO BUILD GRADUATE HOUSING? IT'S ABOUT PRIORITIES

MIT currently subsidizes employee parking more than graduate housing.

- **\$185,000/space:** Capital cost for new Kendall underground parking
- **\$3,500/space:** Avg. annual operating costs for employee parking (2014-2015)
- **\$1,600/space:** 2017/2018 employee parking subsidy (46% subsidized)

Employee parking: annual expense per space (subsidy per space in orange)

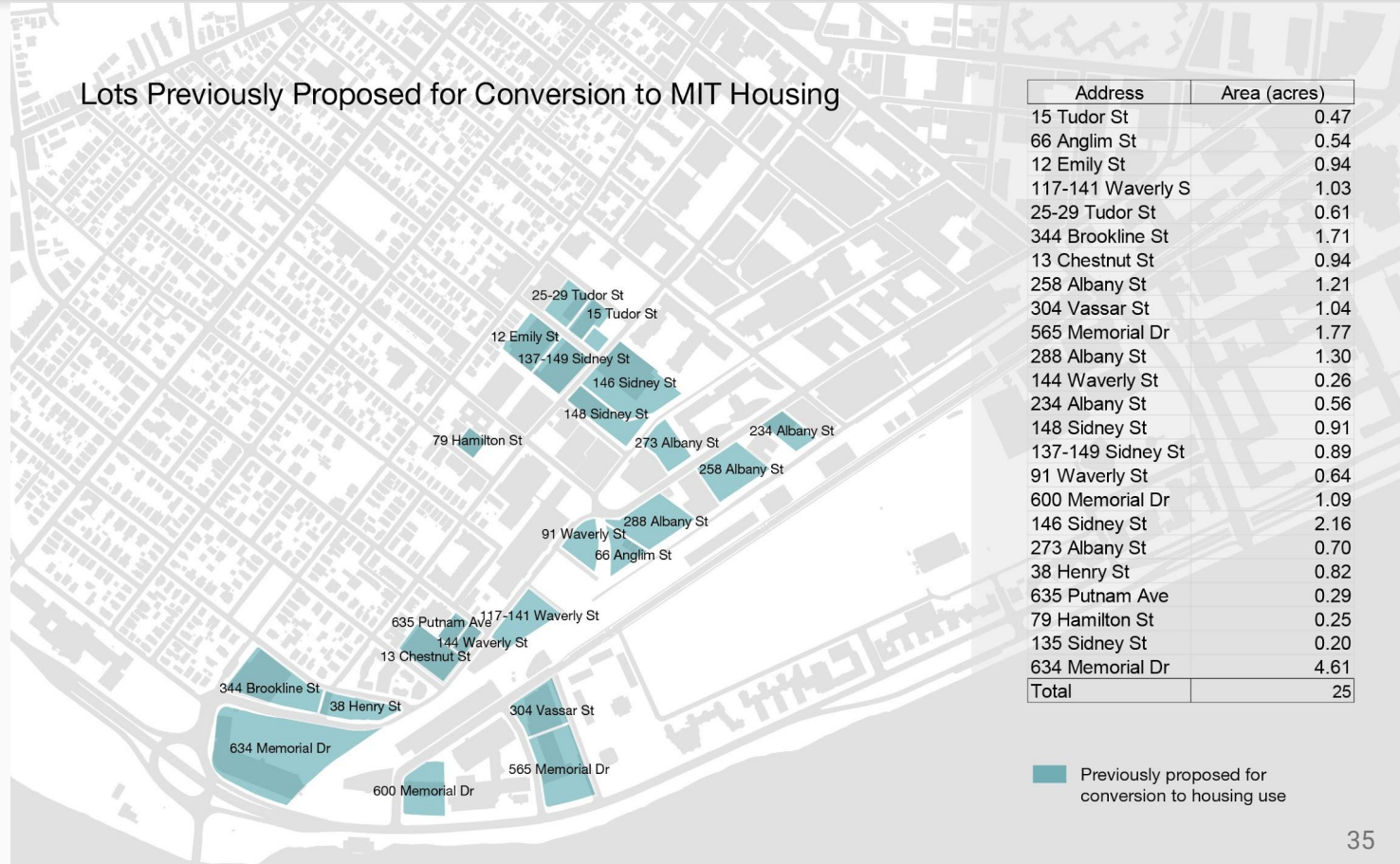


CAN MIT AFFORD TO BUILD GRADUATE HOUSING? IT'S ABOUT PRIORITIES

MIT has significant land resources that were acquired and planned specifically for graduate and faculty/staff housing.

Combined, there are **~25 acres** that were once planned to be housing sites.

Lots Previously Proposed for Conversion to MIT Housing



CAN MIT AFFORD TO BUILD GRADUATE HOUSING? IT'S ABOUT PRIORITIES

Stanford is considered one of MIT's closest peers by many academic departments. Building graduate housing helps MIT stay competitive over the long term.

- Stanford is spending \$1.1 billion building 2,020 net new units at Escondido Village, bringing their percent of graduate students housed from 55% to 75%.
- **Stanford 17/18 Capital Plan:** *“Stanford’s bold commitment to build a 1.8 million-sf residential complex with 2,431 new graduate beds responds to a critical need to provide additional graduate student housing on campus in an undersupplied and escalating housing market.”*



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5. **A PUBLIC COMMITMENT IS NEEDED**

WHY THIS PETITION? A PUBLIC COMMITMENT IS NEEDED

What students and faculty are saying:

1. To support the quality of life of students

*Graduate student dorms have been one of the most attractive things about MIT since I first was checking it out for graduate school. **Being able to live in a community of like-minded scholars has enhanced my social life and also furthered my development as a researcher.***

- Mathematics PhD

2. For MIT to stay competitive with its peers

*“Having affordable housing close to MIT is **especially important both to attract the best and brightest graduate students, postdocs, and junior faculty**, and to maximize their contribution to the MIT community while they are here.”*

- MIT faculty

WHY THIS PETITION? A PUBLIC COMMITMENT IS NEEDED

What students and faculty are saying:

3. To support students with particular difficulties renting on the open market

*This is an especially large concern for international students, recent immigrants, women and gender-nonconforming individuals, scholars of color, first-generation grad students, those with visible and invisible illness or disabilities, families, LGBTQ-identifying students, **or anyone with reason to fear eviction or mistreatment by independent landlords off-campus.***

- MIT alumni

4. For MIT to be a good neighbor and address impacts on the housing market

*As a native Cantabrigian and a current masters student, I think it is time for MIT to do its part to mitigate the affordable housing shortage for students and residents alike. **MIT's presence and previous real estate development have contributed to the high cost of living in the area. It's time to take responsibility.***

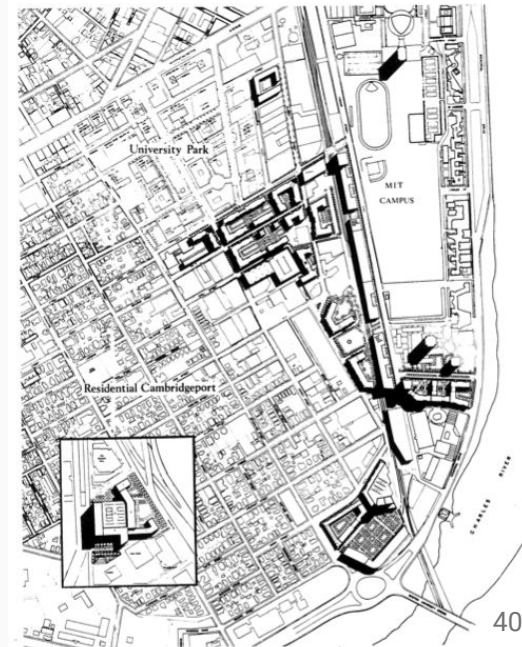
- City planning graduate student

WHY THIS PETITION? A PUBLIC COMMITMENT IS NEEDED

It's time to make graduate housing a priority. In summary:

- Rents will keep rising.
- Affordable housing crisis may be exacerbated by the Volpe development.
- MIT students want to live on campus.
- MIT has the land and financial capacity to house its students.
- Similar agreements from other land use decisions provide precedents
- A public commitment can outlive student leaders who come and go

Figure 8: MIT Housing Site Inventory: Summary of Recommendations



WHY THIS PETITION? A PUBLIC COMMITMENT IS NEEDED



**MIT IS BUILDING A
BETTER WORLD:
WHY NOT START WITH
CAMBRIDGE?**

Questions?

