



Boston's Inclusionary Development Policy

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Boston:

- Is a city of 48 sq. miles/124 sq. km.
- Is a city of walkable neighborhoods.
- Has a population of 700,000.
- Has over 800,000 people working in the City, and 15,000 new jobs are being created each year.



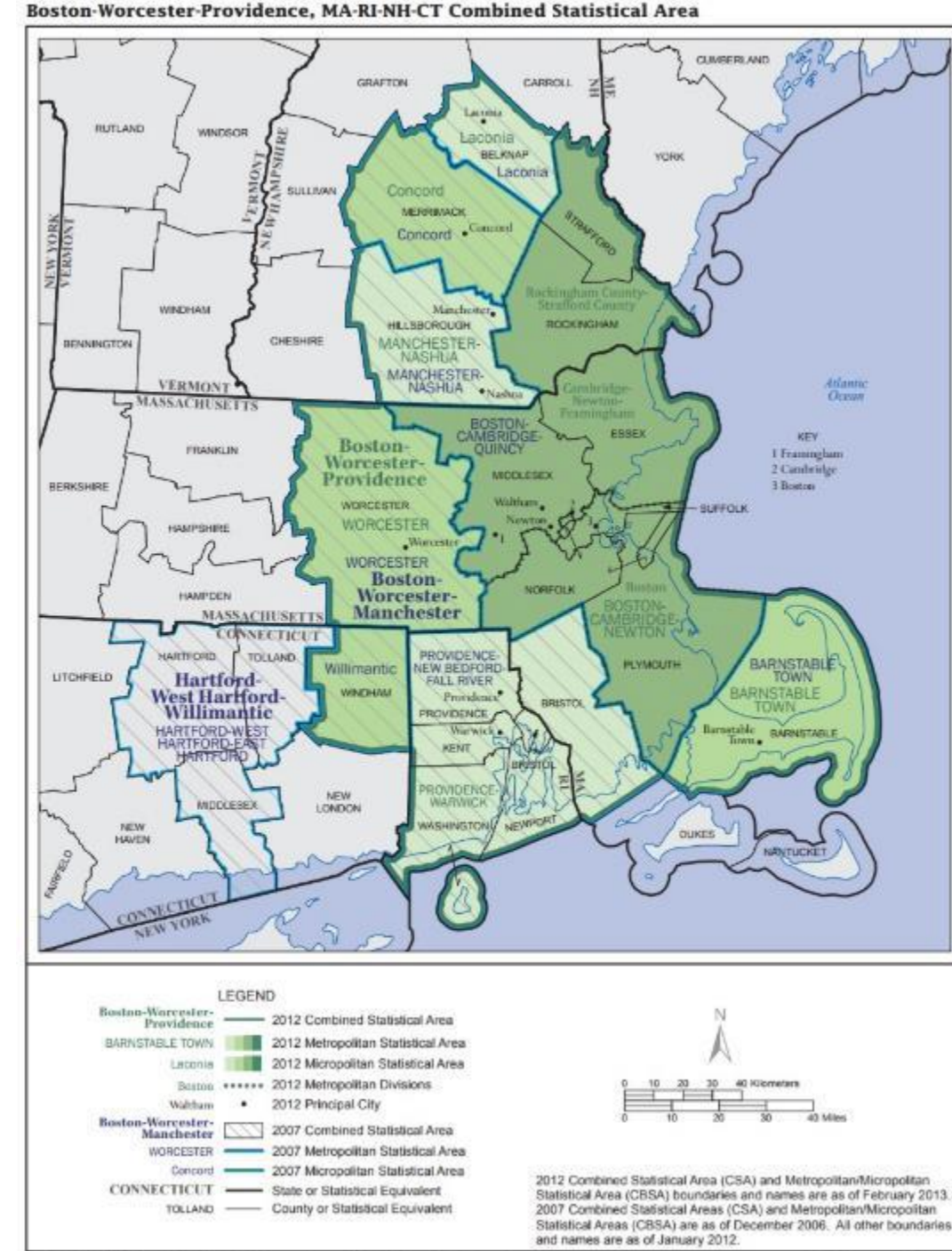
BOSTON

Boston:

- Is the core of a metropolitan area of 4.9 million people, and a greater metropolitan region of 8.3 million people.

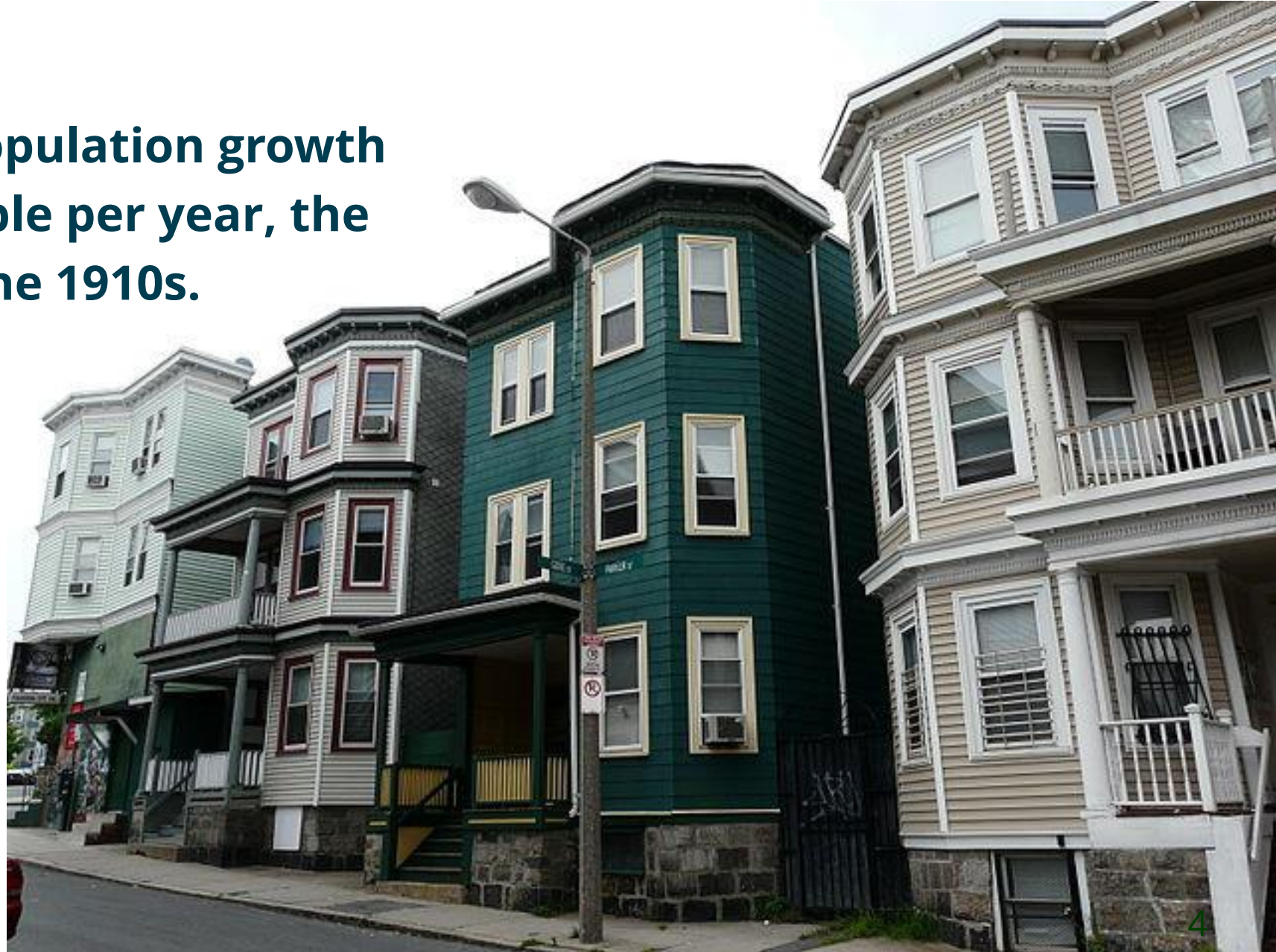


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Boston:

Has recently seen a population growth of 9,000 to 10,000 people per year, the fastest growth since the 1910s.



Housing Costs Are Escalating

From 2010 to 2017:

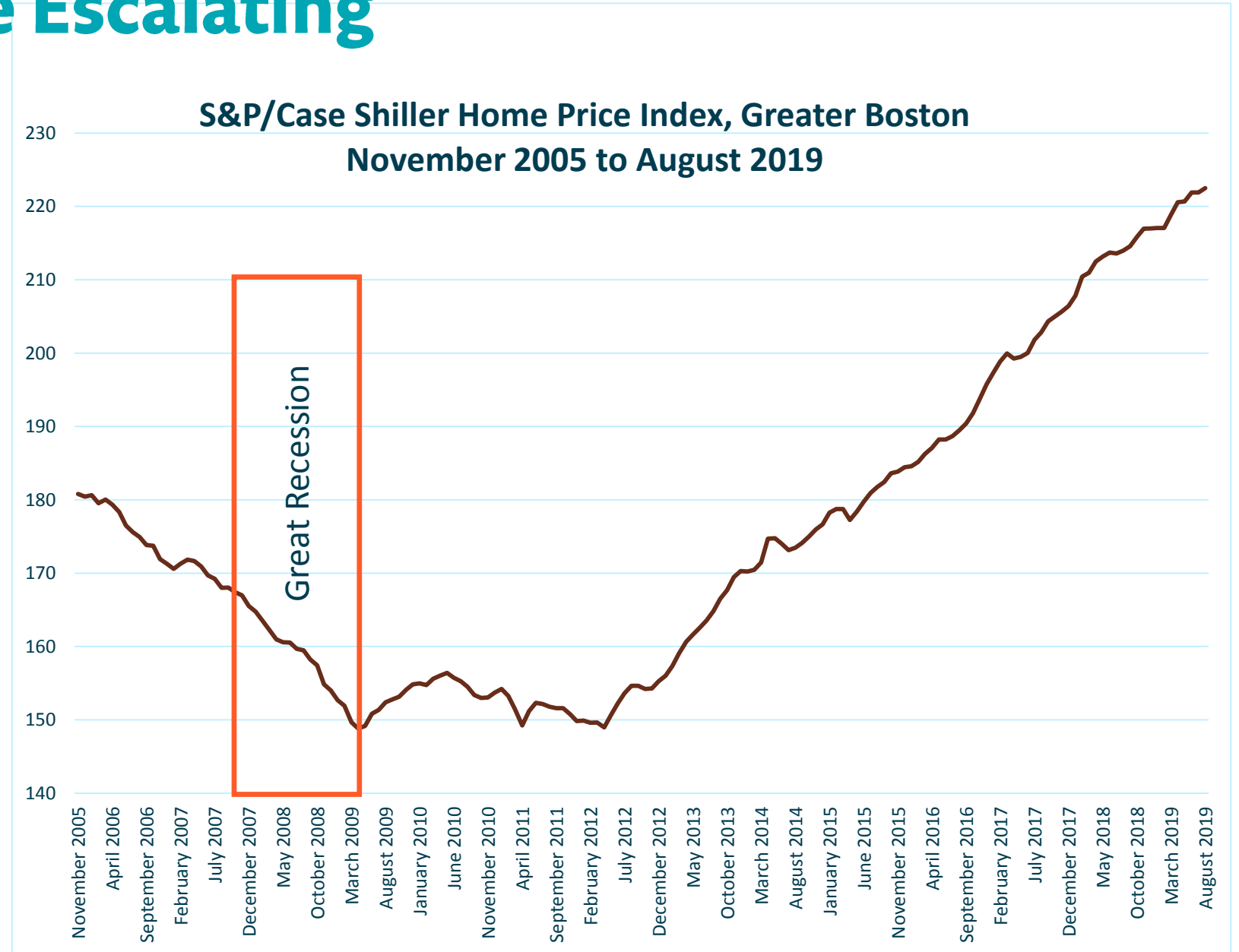
Condo sales prices
have increased 5.5
percent per year

Rents have increased
3.2 percent per year

49% of renters are
spend more than 30%
of income on rent

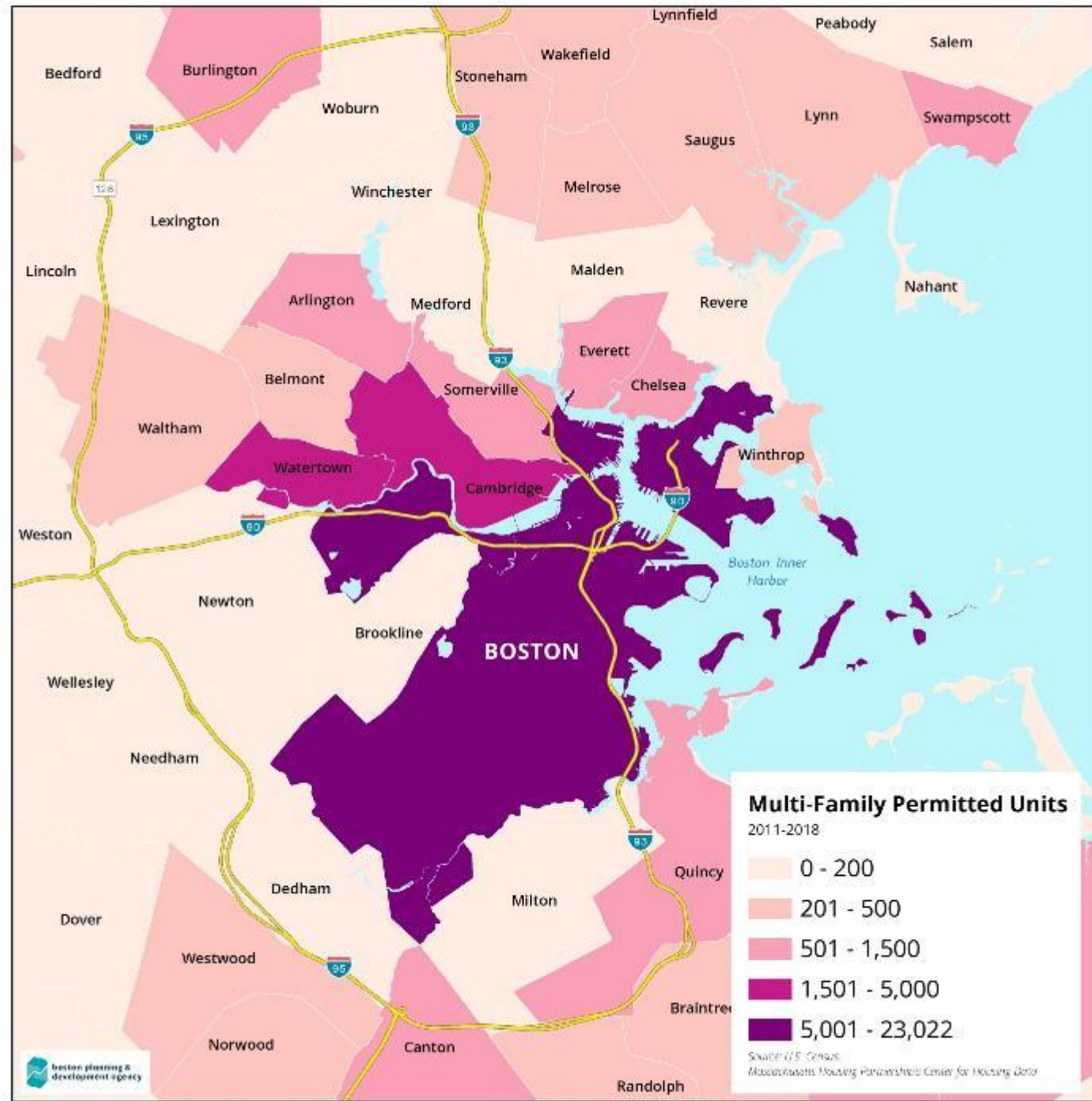


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Regional Housing Production Lags Behind Boston

62% of the units permitted from 2011 to 2018 in the 21 municipalities in the Inner Core were in Boston.



Housing Boston 2030 Plan

- **2014 Plan: 53,000 new units, of which 12,000 would be income restricted**
- **2018 Update: 69,000 new units, 15,820 income restricted**
- **Preserve 30,000 income restricted units**
- **Renovate/Rebuild 4,500 public housing units**



MAYOR MARTIN J. WALSH

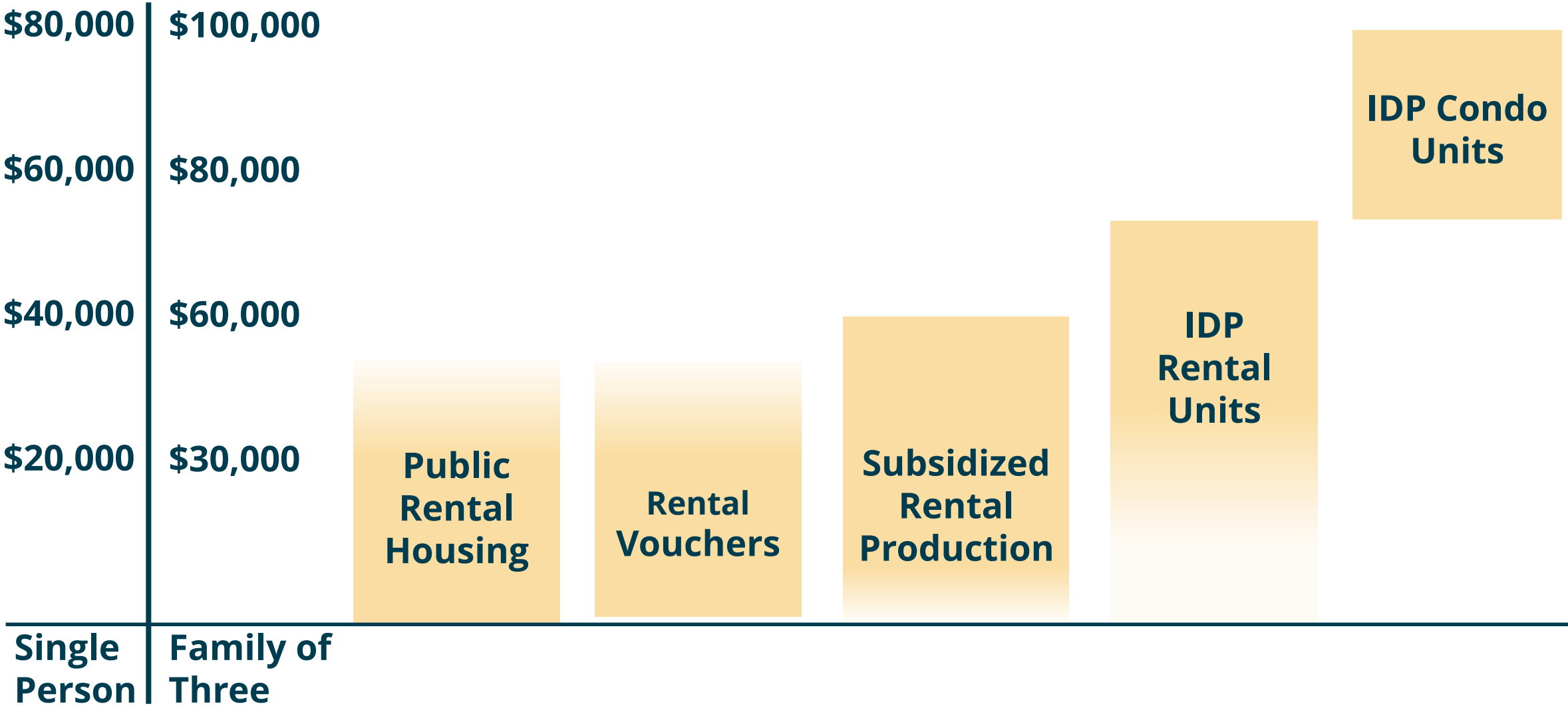
HOUSING A CHANGING CITY
BOSTON 2030
2018 UPDATE



**SEPTEMBER
2018**

- **The City of Boston supports the preservation and creation of income restricted/affordable housing through a number of programs and agencies.**
- **The Inclusionary Development Policy, also known as the “IDP” is one of those policies**
- **Inclusionary Development Policy units are created by private developers without any public subsidy**

Depending On Income, Households Access Different Programs



The Inclusionary Development Policy (“IDP”) was first created in 2000 through an Executive Order of Mayor Thomas Menino, and is NOT part of zoning.

Mayor Martin J. Walsh revised the policy in December 2015.

Current Activities:

- **Review and update of executive order**
 - Financial feasibility study
 - Community Process
 - Technical Advisory Committee
- **Seeking legislative approval of inclusionary zoning**

Boston's IDP applies to any proposed residential project that has ten or more units; and

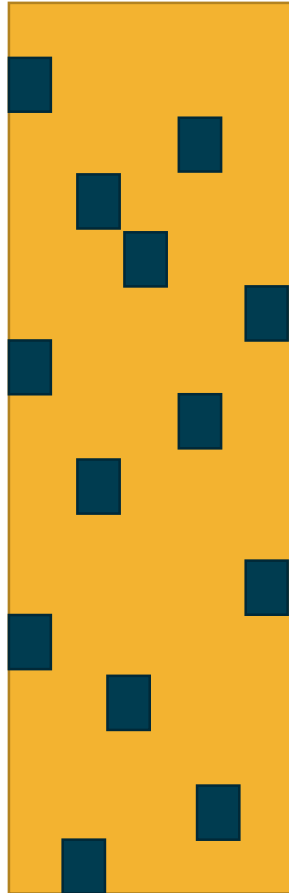
- **Requires zoning relief; or**
- **Is financed by the City; or**
- **Is built on property owned by the City.**

IDP Creates Income Restricted Housing with Private Funding

Developers can meet IDP commitment through three methods:

“On-Site”

13% of
units,
scattered
throughout
the project



“Off-Site”

15% to
18% of
units,
in nearby
location



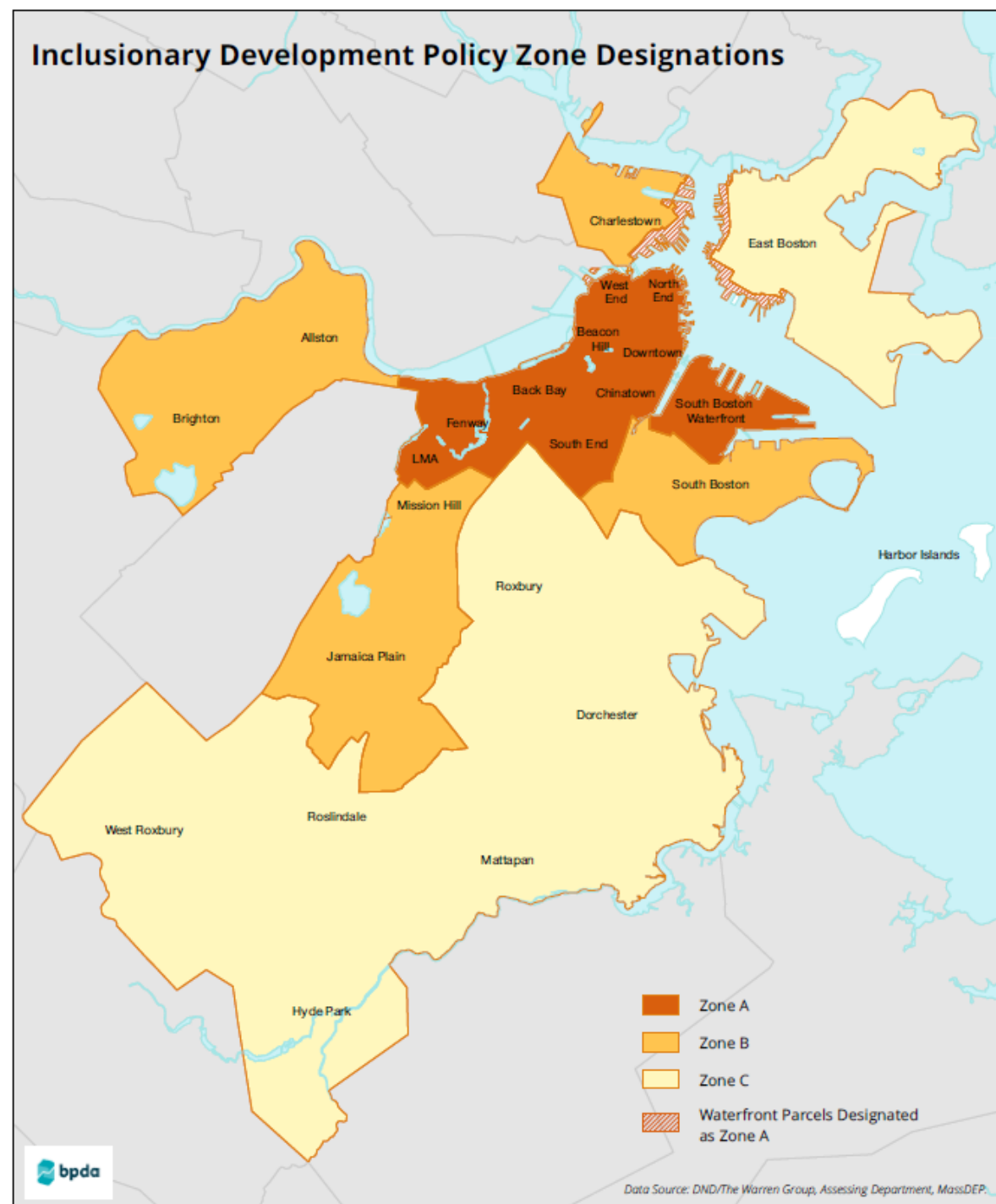
“IDP Fund”

Contribution
based on
15% to 18%
of units



Zones:

**Three Zones Created So
that More Resources
Could Be Secured from
Downtown
Developments**

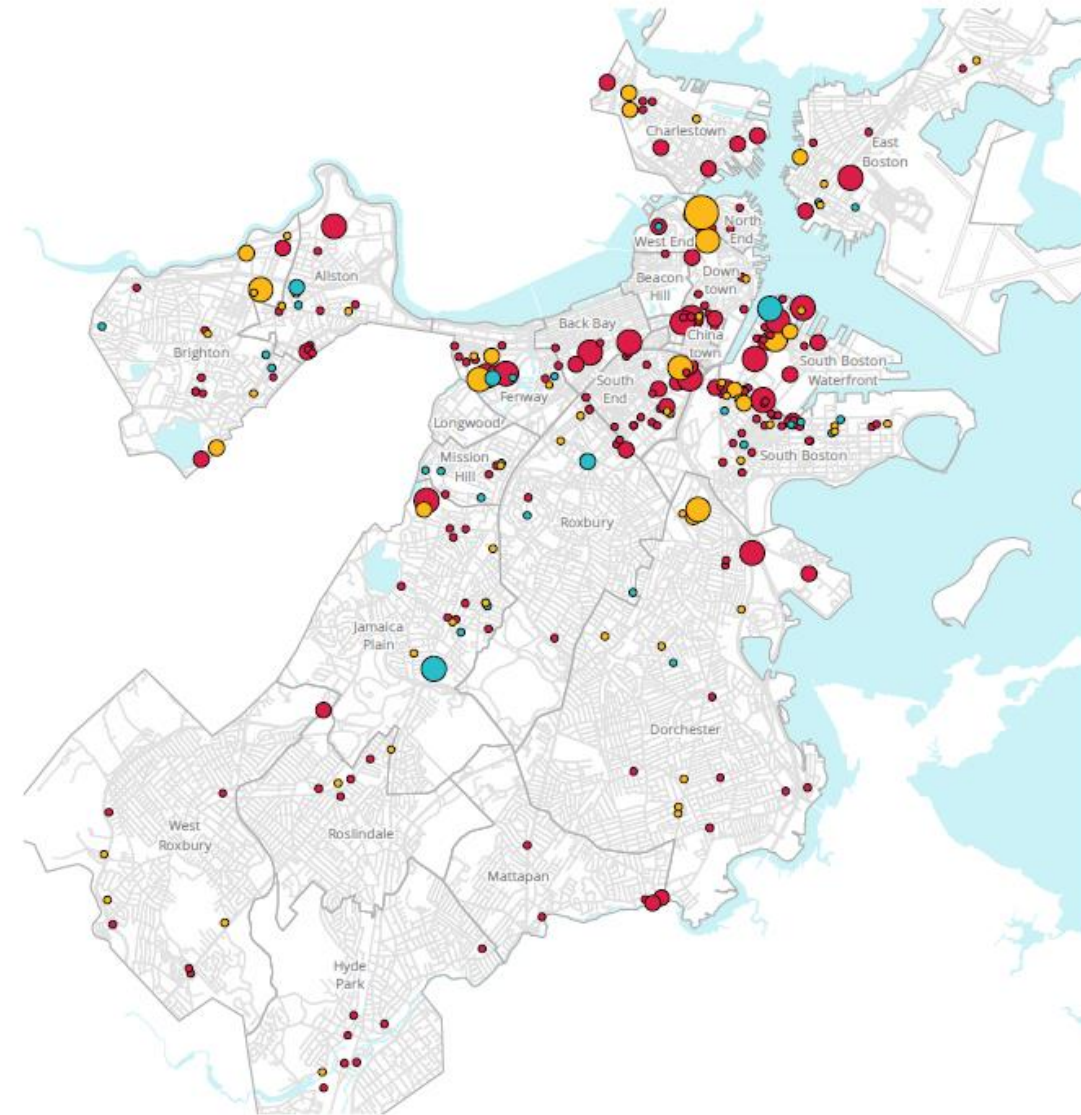


Outcomes (2001-2018):

2,599 On-Site & Off-Site Units Completed

181 (7%) Are Off-Site

**25% Ownership
75% Rental**



Completed and In Construction or Permitted Development Projects

- Completed prior to 2017
- Completed in 2017
- In construction or permitted

Number of Income Restricted Units

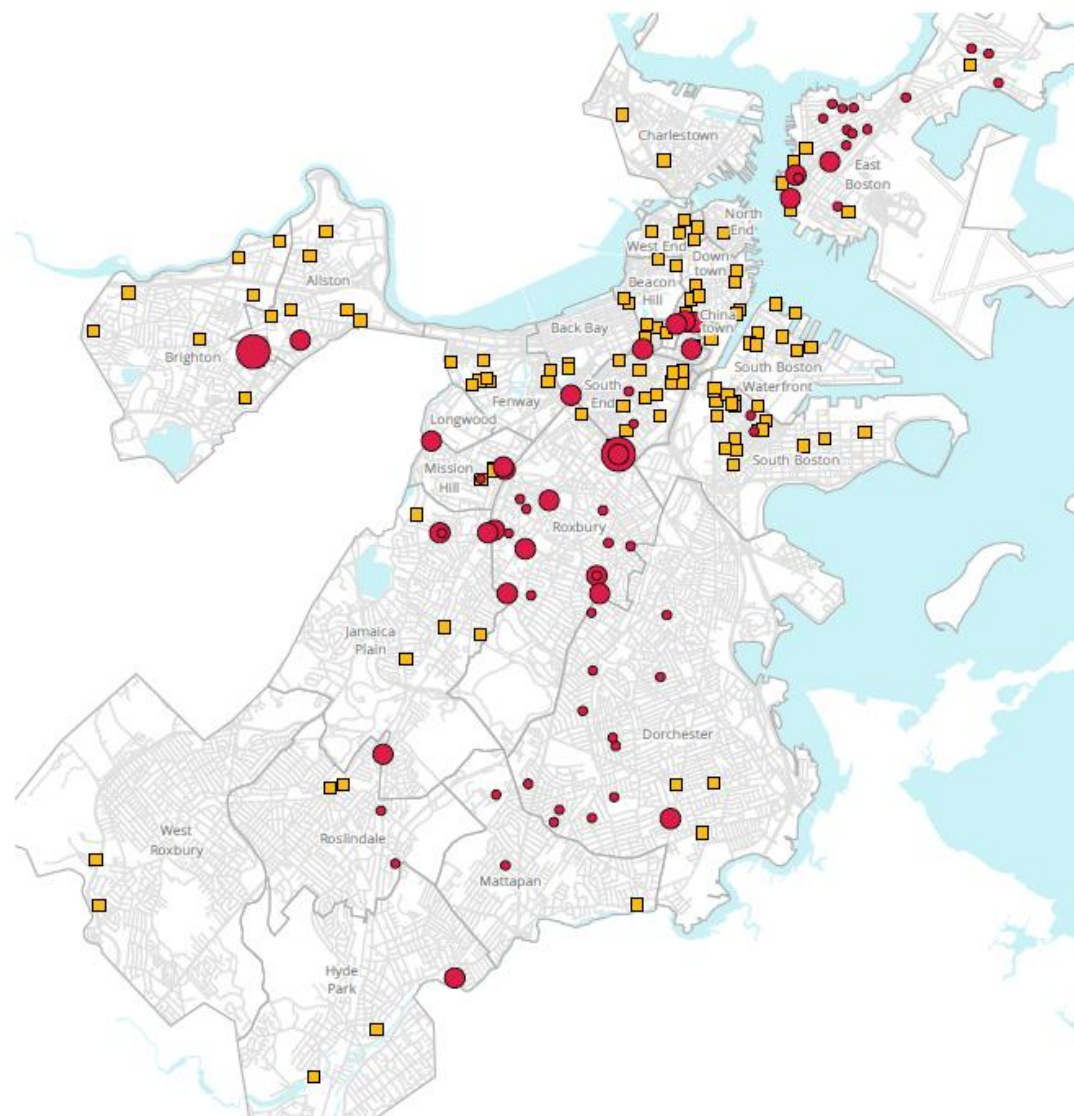
- 1 - 10
- 11 - 30
- 31 - 100
- 101 - 239

IDP On-Site Units Provide Units that the Market Is Not Creating

During 2018:

- **Only 1 percent of advertised rents in Boston were less than 70% of AMI rents (\$1,300 for a one bedroom apt., \$1,500 for a two bedroom apt.)**
- **Only 3 percent of condominiums sales in Boston were less than 80% of AMI sales prices (\$186,400 for a one bedroom condo, \$221,900 for a two bedroom condo).**

Supported the completion of an additional 1,414 income restricted units



Completed and In Construction or Permitted Development Projects

- IDP Fund Contributors**
- Note: Some of these projects have on-site IDP units, but are required to make a "partial unit" payment.*
- Income restricted units supported through the IDP Fund**
- Number of Units**
- 1 - 25
 - 26 - 100
 - 101 - 185

IDP: Responding to Changing Needs

- **Funds Acquisition Opportunity Program**
- **Off-Site Commitment Renovating and Extending Affordability Protections for 97 Units**
- **Off-Site Commitment Building Two Senior Projects in South Boston**

Policy Considerations



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Process

- **Who Has Authority to Establish Requirements?**
 - **Roles of:**
 - **Mayor**
 - **City Council**

Process

- **Financial Feasibility Analysis**
 - **Market Data (Rents/Sales Prices)**
 - **Are There Distinct Markets?**
 - **Development Costs**

Process

- **Who Do We Engage in Process?**
 - **Developers**
 - **Advocates**
 - **Politicians**
 - **Community as a Whole**

Inclusionary Requirements

- **Size Trigger**
 - **Current Policy: 10 Units**
 - **Challenge: 9 Unit Projects Becoming Common**
 - **Challenge: Implementation on Smaller Projects**

Inclusionary Requirements

- **Percent of Units, or Percent of Square Footage**
 - **Percent of Units: Simpler, More Transparent**
 - **Percent of Square Footage: Provides Flexibility to Respond to Needs and Different Development Types**

Inclusionary Requirements

- **Based on All Units, or on a Density Bonus**
 - **Applying Policy to All Units, or Just Implementing on Projects Seeking Additional Density?**

Inclusionary Requirements

- **Income Ranges Served**
 - **What Are Gaps in Current Housing System?**
 - **What Are the Need?**
 - **Are There Preferences That Can Help Serve Specific Needs?**

Inclusionary Requirements

- **Zones**
 - **Does the City Have More than One Market**
 - **Ways to Vary Program by Zone**
 - **On-Site Requirements**
 - **Off-Site Requirements and Buy Outs**
 - **Income Served**

Implementation

- **Time Length of Income Restriction**
 - **Current: 50 Years**
 - **Goal: 99 Years/Perpetuity**
 - **Challenge: State Approvals and Requirements**

Implementation

- **Pricing of Units: Considerations**
 - **Percent of Income**
 - **Marketing Window**
 - **Resale Prices/Percent Increase in Value**

Implementation

- **Marketing: Project by Project Lotteries or Wait Lists**
 - **Lotteries:**
 - **One-Stop Application Portals**
 - **Third Party Marketing Agents**
 - **Wait Lists:**
 - **Staffing**

Implementation

Implementation Items All Managed by Our Agency:

- **Approval of Tenants and Buyers**
- **On-going Compliance**

Implementation

- **Program Costs**
 - **City Funds?**
 - **Fees from Owners/Developers?**