Boston’s population will reach 700,000 for the first time since the 1950’s, when household sizes were much larger.

Expect more than 48,000 new households.

Since beginning of Walsh administration:
- 5.9m sf of new commercial space completed; 3.8m sf in construction; 10m approved

This means new jobs and new residents; we estimate this will require 4,000 – 6,000 new units of housing per year.

This is a challenge in a city that has been densely developed for more than 100 years.
Boston is changing

Demographics

• Growing number of seniors
  – 53 percent increase in senior population between 2010 – 2030
  – 22,400 fewer units of housing available for Boston’s workforce as more and more seniors age in place

• Students, millennials, and individuals living in traditional workforce housing
  – 101,013 individuals in the city are sharing housing, driving up rents and sale prices

• 9,750 new low-income households by 2030; totaling 38,200 households in need of affordable housing
How we’re responding

October 2014: Housing a Changing City: Boston 2030

53,000 new units by 2030
- 20,000 middle income
- 6,500 affordable
- 5,000 seniors
- 18,500 dorm beds (5,000 middle income)
More than 30,000 units in development process: 57% of 53,000 unit target.

- 16,651 units permitted or completed
- 13,522 units in development review + permitting process.

To date, we have permitted:

- Low income: 1,374 units
- Middle income: 4,044
- Senior: 284 units
- Dorm beds: 3,548
What’s working?

Quickly moving resources for affordable housing
- Nearly $66m on the street to fund affordable housing in past year
- More than 1.4m sf of City-owned land either currently on the market or under agreement with developers

Transit oriented development
- 74 percent of housing starts from 2014 to date have in 5 minute walk to transit

Healthy dorm pipeline
- More than 3,500 beds permitted; pipeline of private development taking shape
Market responding at all levels

- Increased interest in middle-income markets as developers move out of the downtown core:
  - More than 1/3 of production in more moderately priced neighborhoods
  - This is 83 percent of rate of production for middle income

City and developers all collaborating to increase production

- Extra ZBA hearings for small projects
- Technical upgrades at ISD have shortened timelines and streamlined process
- BRA has embarked on planning exercises for strategic growth areas
Affordable share of rental market
(35% of income)

Affordable share of ownership market
(Using conventional financing)

SIGNIFICANT CHALLENGES REMAIN
Challenges

**Limited buildable space**
- Only 48.4 square miles of buildable space
- Old, dense city -- nearly all of land is already developed

**Zoning**
- Lack of consistency in zoning leads to protracted community process
- Lack of predictability for developers

**Density**
- Community traditionally concerned with density
Construction costs make it difficult for market to respond

- In mid-market areas of the city, production costs of $416,000/unit requires a rent of $4.00 per net square foot to be financially viable.

- Only smallest unit sizes would be affordable at 100% AMI ($69K - $94K); family size would be too expensive for middle class family.

- New production in the neighborhoods will primarily benefit the middle class indirectly, by relieving pressure on the existing old stock.
Nearly 20 percent of Boston’s housing stock is deed-restricted affordable; the highest in the nation.

Of the 31 cities and towns in Greater Boston, only 8 meet or exceed the 40b 10 percent threshold.

If every community in Greater Boston met 40b, would create an additional 11,500 affordable units.

If every community matched Boston's rate, would create 56,700 more.
And still other challenges

While construction costs increase, Federal funding for affordable housing has decreased

- CDBG: -$5.3m
- HOME: - $4.3m
- Section 202: eliminated
City needs to offset funding declines

We are increasing flexible, City-controlled resources

• New Senior Housing Line item in FY16 provided $1.75 million to rebuild a senior housing development pipeline, after 202 funds were cut. A companion effort to generate matching funds at the State level has been favorably reported out of Committee.

• New Executive Order updating the City’s Inclusionary Development Policy. One of the key policy changes resulting from this Order is a substantial increase in the cost of making a cash-in-lieu payment instead of providing units on-site. Income of $14.1 million in FY15-FY16 to date.

• Growing commercial sector is resulting in rising Linkage revenues: $12.2 million in FY15-FY16 to date.

Creating new production models

• Acquisition/conversion
• 4 percent LIHTC
PRESERVATION: HELPING FULFILL OUR HOUSING GOALS
Preservation strategies

Housing Boston 2030 plans for growth thoughtfully, with minimal impact on our existing neighborhoods.

Strategies include:

- Strategic planning areas
- Infill development
- Adaptive reuse
- Preserving iconic housing forms
- Thoughtful disposition of City owned property
As part of Imagine Boston 2030, create new neighborhoods between existing neighborhoods

- Four identified; more on the way
- Use underutilized land along transit corridors
- Preserve and limit impact on existing neighborhoods
Infill development: Neighborhood Homes

- Use 250 parcels of City-owned land to promote infill development.
- Moderately priced 2- and 3-family homes
- Designs preserve neighborhood character
- Pre-approved designs speed process
Adaptive Reuse

- We reuse historic buildings for housing wherever possible.
- Reuse can have economic benefits – higher density than would be permitted under zoning in a new construction plan.
- Surplus schools have created thousands of affordable elderly apartments.
- Boston Archdiocese significant participant:
  - St. Kevin’s; Riley House; Blessed Sacrament
Preserving iconic housing types

Preserve and revitalize triple deckers

- Return to workforce housing via student strategy
- De-condo where possible and return to owner occupancy models
- Support programs that preserve and restore triple deckers and older housing stock
City-owned properties

Designate City-owned buildings for housing + other amenities

Limit or forbid demolition

- Fowler Clark Farm
- Charlestown Armory
- Upham’s Corner Comfort Station
- Meridian Street Library
What does it all mean?

• Our population is growing; we are catching up on production

• The great challenge:
  – Grow mindfully, with respect to the neighborhoods and characteristics that make Boston unique

• Focus on the fact that preservation is not just about buildings: it’s about preserving our inclusive city for everyone who wants to make it even better