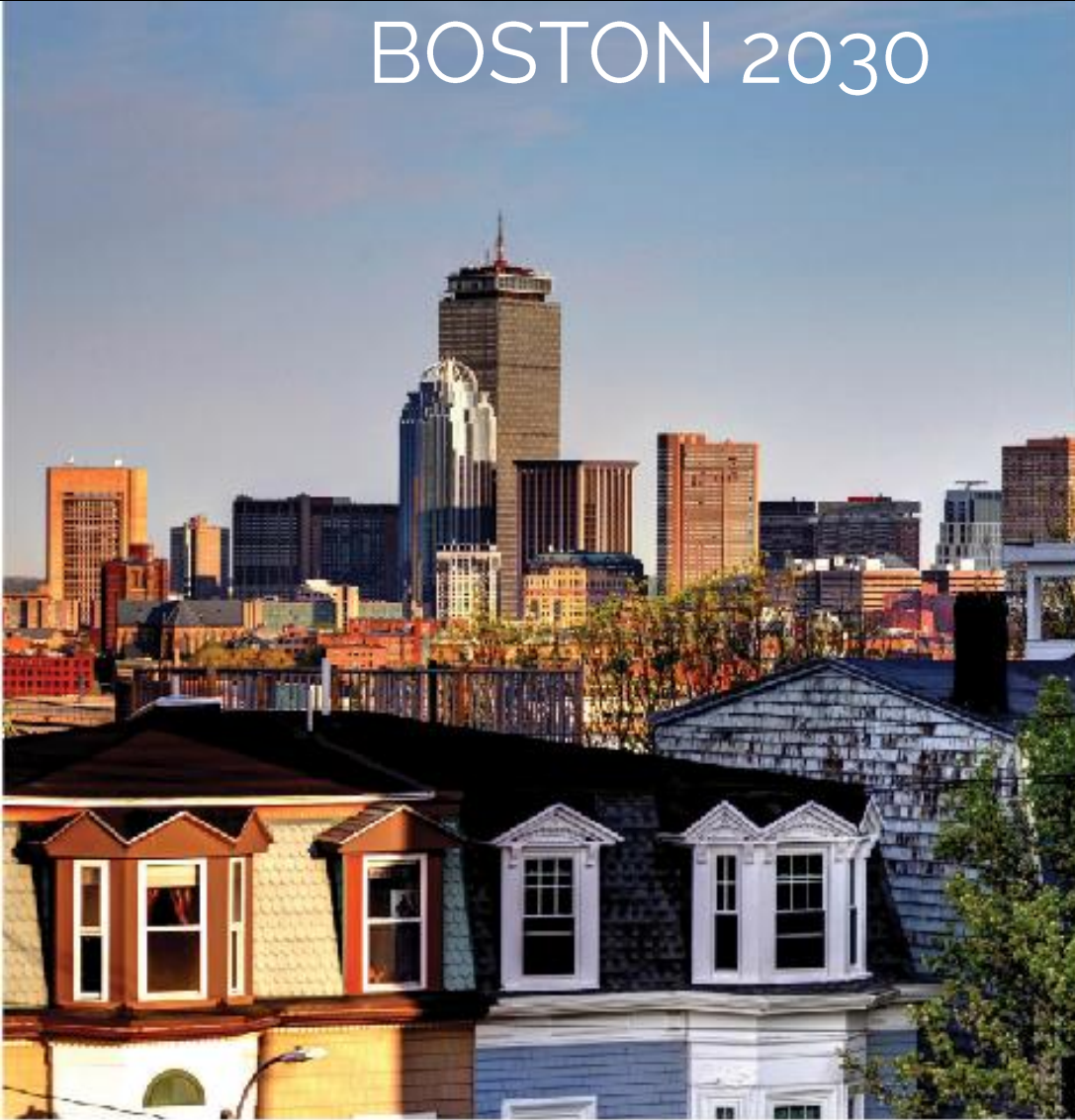


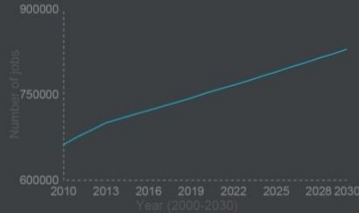
HOUSING A CHANGING CITY: BOSTON 2030



Dynamic Cities Conference: April 1, 2016

boston is growing

WE WILL HOST 800,000 JOBS BY 2030



POPULATION + COMMERCIAL SPACE GROWING FAST



Square feet of commercial
floorspace approved by the BRA

16M

700,000

Population by 2030



+27,000

new people since 2010

1950's

last time
Boston had
this many
residents

49,100

New households



**WE CAN PLAN
OR
WE CAN RESPOND**

A growing city

- 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

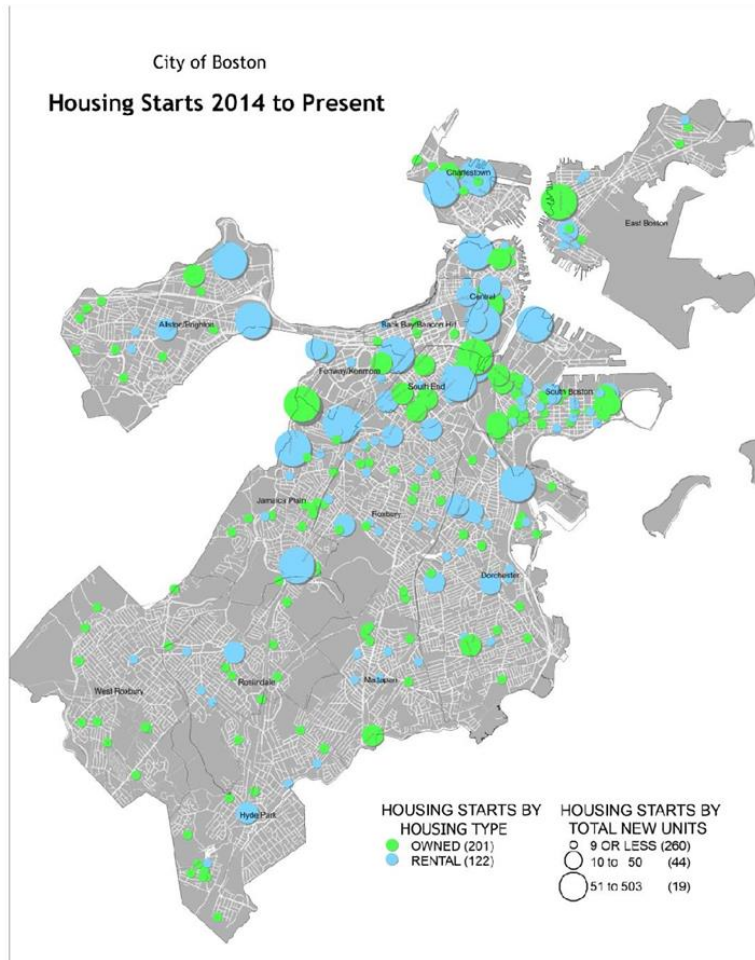
October 2014: Housing a Changing City: Boston 2030

53,000 new units by 2030

- 20,000 middle income
- 6,500 affordable
- 5,000 seniors
- 18,500 dorm beds (5,000 middle income)



Results to date



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

What's working?

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

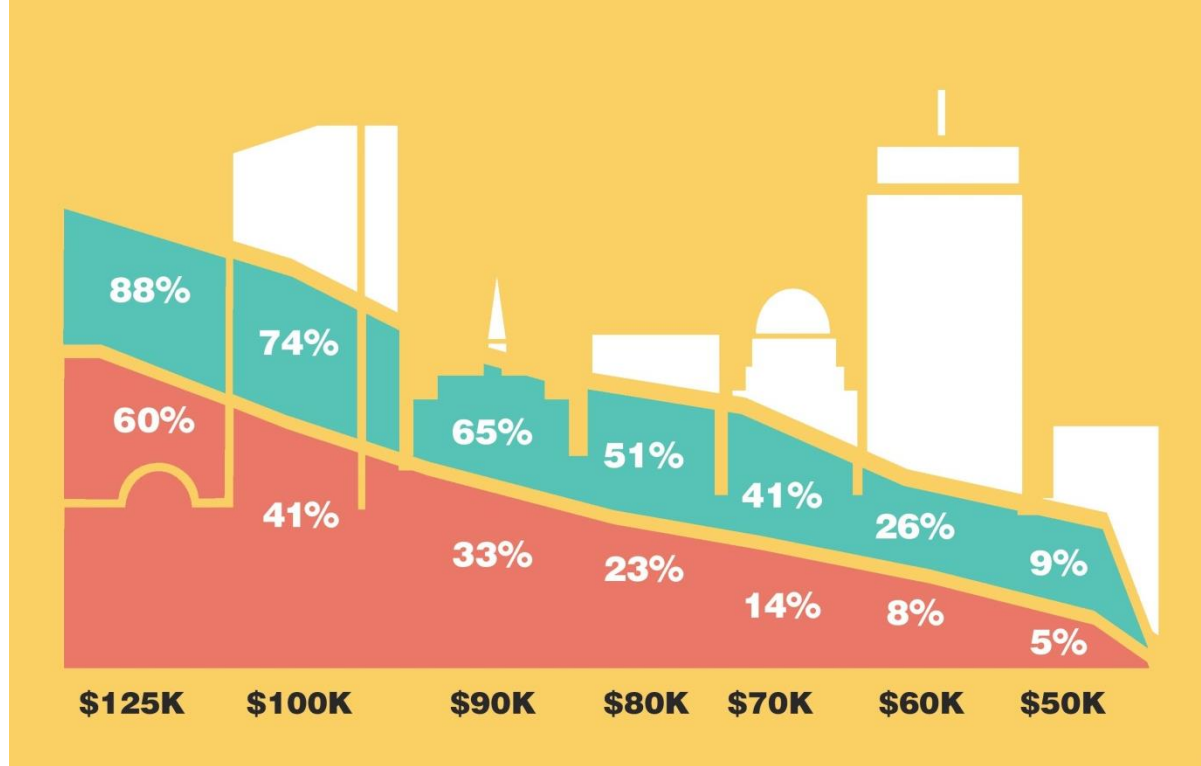
City and developers all collaborating to increase production

- 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)

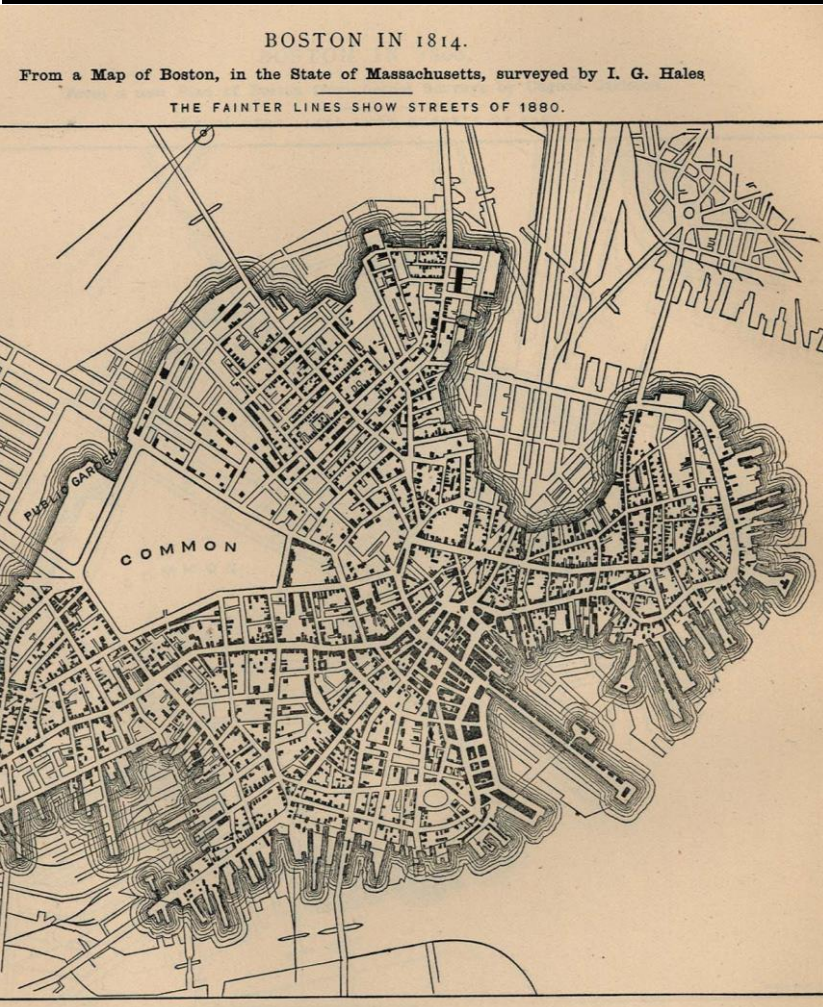


**Affordable share of
ownership market**
(Using conventional financing)



**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

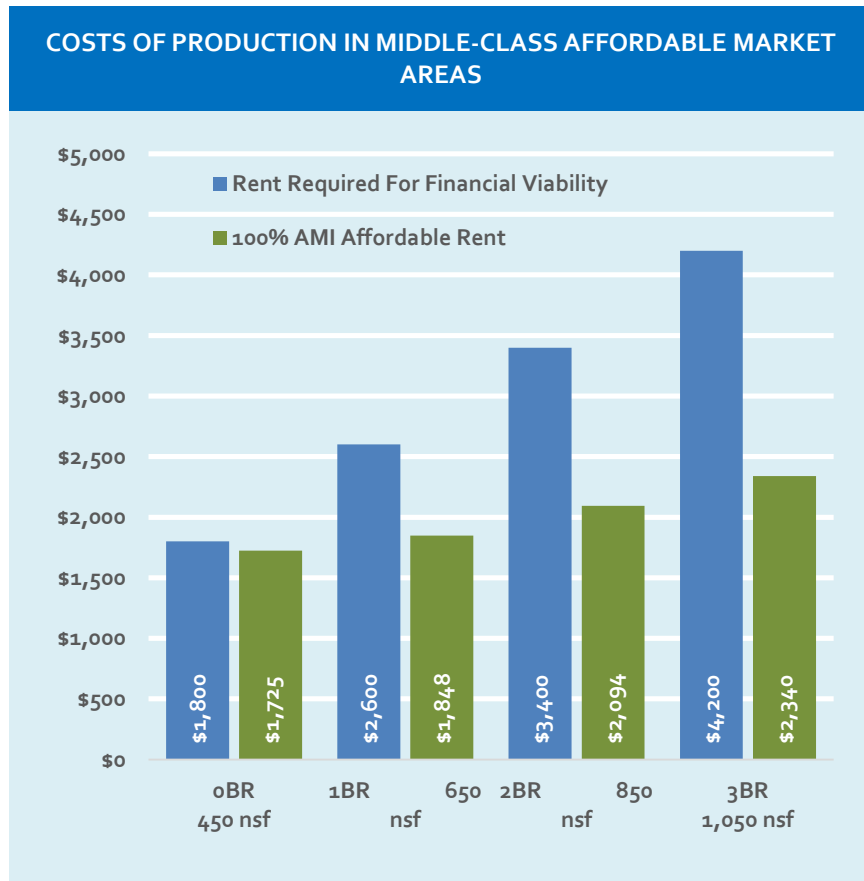
Zoning

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

Density

- Community traditionally concerned with density

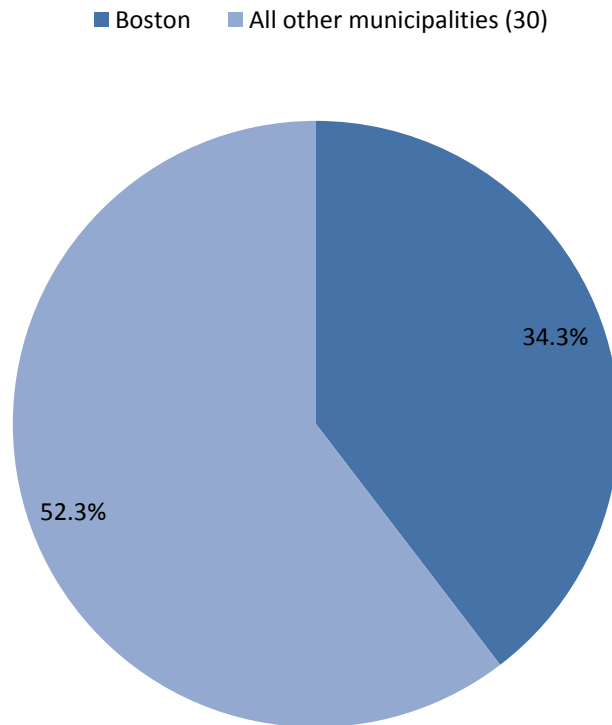
Construction costs make it difficult for market to respond



- 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.

Even more challenges

Boston hosts more than one-third of Greater Boston's affordable housing stock

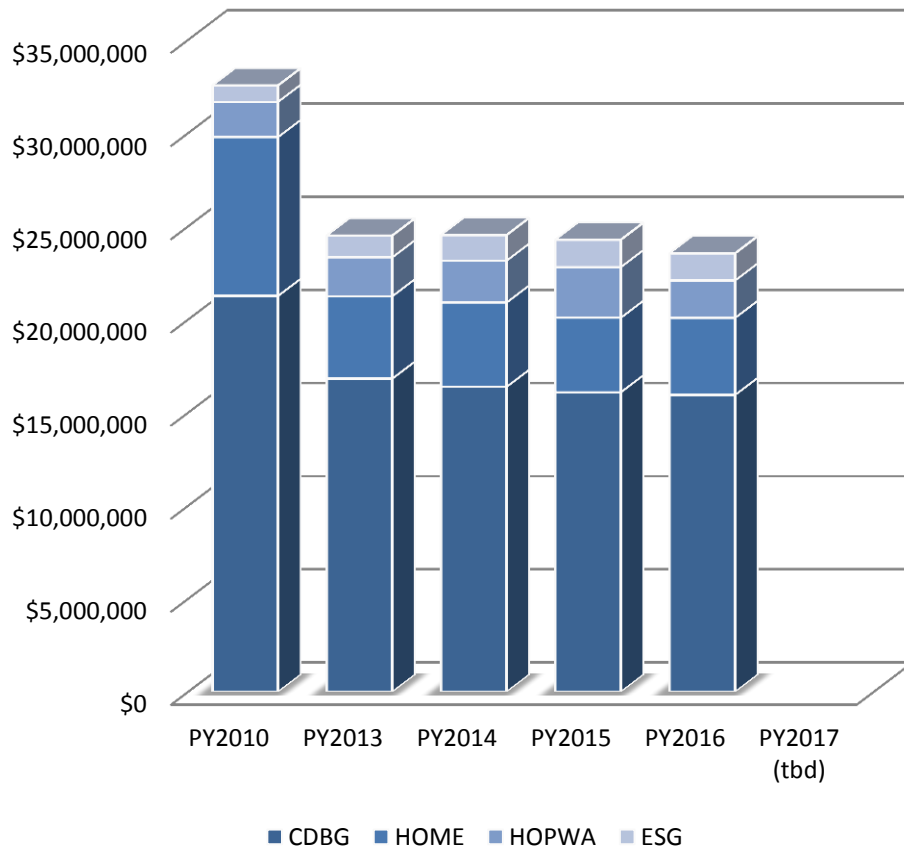


Regional response

- 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

HUD Allocations 2010 - 2016



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

Strategic planning areas



- 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