

MAYOR MARTIN J. WALSH
HOUSING A CHANGING CITY
BOSTON 2030
2018 YEAR END REPORT



2018: YEAR OF CHANGE

Boston is growing faster than predicted. In 2014, when Mayor Martin J. Walsh released ***Housing A Changing City: Boston 2030 (HB2030)***, the comprehensive housing strategy was designed to accommodate an expected population of 700,000 Bostonians in 2030. By early 2018, however, data indicated Boston’s 2030 estimated population would be nearly 760,000.

In 2018, Mayor Walsh reconvened the Housing Advisory Task Force to update **HB2030’s** goals and strategies, resulting in a new overall goal to produce 69,000 new units of housing. These 69,000 units include nearly 16,000 units of income-restricted housing, more than half reserved for those earning less than 60% of Area Median Income. By 2030, Boston will have 70,000 units of income-restricted housing in its inventory.

In addition, the City of Boston reaffirmed its plan to preserve 97% of all income-restricted units, and to redevelop and renovate 4,500 Boston Housing Authority units, which serve Boston’s poorest residents. Finally, **HB2030** pledges to protect those households most at risk for displacement by launching a 1,000 homes campaign to purchase rental units out of the speculative market and income-restrict them, to enact an eviction prevention strategy, and to promote housing stability and increase pathways to homeownership for 1,000 families over the next five years.

This report documents progress against these goals in 2018.



Overall HB2030 Goal: Create 69,000 units of housing by 2030.¹

Better channel this growth by creating priority areas for growth while preserving and protecting existing residential neighborhoods.²

2030 Target	69,000 Units
Target through 2018	21,829
Permits Issued through 2018	29,385
% of Target	135%

2018 Highlights:

Permits:

- 4,219 new housing units, including 721 (17.1%) income-restricted
- \$2.1 billion in residential development; 4,350 new construction jobs

Notable Permits Pulled in 2018:

- Largest Rental: **Garden Garage**, 469 units, 17 onsite income-restricted, 17 offsite income restricted, \$8,000,000 Inclusionary Cash-In-Lieu funds.
- Most Income-Restricted Units: **St Gabriel's Building 2+3 Rental**, 62 of 402 rental units are income restricted to households earning less than 70% of AMI.
- **150 Seaport Boulevard** was the largest condo development in 2018 with 116 units, including 25 offsite affordable elderly units in South Boston.



150 Seaport Boulevard

¹ Please note: housing production goals were updated in September 2018 to 69,000 units of housing to be created by 2030. Plan goals are based on the Metropolitan Area Planning Council's updated projected population and housing demand requirements from 2010-2030. All other goals are for the period 2014-2030.

² Imagine Boston identified six "Expanded Neighborhoods" where there is an opportunity to encourage housing and job growth. Planning efforts in Glover's Corner Dorchester, East Boston, Mattapan, and Downtown all will identify areas where new growth would be allowed, and where the existing residential fabric should be preserved.



2018 Highlights, continued

New BPDA Board Approvals:

- 4,363 new units (889 income-restricted); 892 preserved units

New Permit Applications to ISD:

- 5,291 units; 737 income-restricted. 2018 Permit applications shown below:

Share of 2018 Applications by IDP Zone Compared to Permitted Projects 2014-18

	Zone A	Zone B	Zone C
New Applications 2018	10%	38%	52%
Permitted 2018	43%	31%	26%
Permitted 2017	48%	27%	25%
Permitted 2016	36%	40%	24%
Permitted 2015	60%	23%	17%
Permitted 2014	56%	33%	11%

Inclusionary Development Policy Zone Designations

- Zone A
- Zone B
- Zone C
- Waterfront Parcels Designated as Zone A

Completions:

- 3,733 units completed; enough housing to accommodate 7,200 residents.
- **Largest Completion: 345 Harrison Avenue**, South End, 585 rental, 58 onsite income-restricted; \$11.8 million IDP Cash-In-Lieu.
- **Largest Affordable Completion: The Beverly** in Downtown Boston, 239 affordable units including 48 low-income and 191 middle-income.



345 Harrison Avenue



LOW-INCOME HOUSING PRODUCTION

HB2030 Goal: Create 8,300 units of low-income non-elderly housing by 2030; 1,900 of which are affordable to extremely low-income households.

Low-Income Units	
2030 Target	8,300
Target through 2018	2,396
Permits Issued through 2018*	2,106
% of Target	88%

Extremely Low-Income Units	
2030 Target	1,900
Target through 2018	688
Permits Issued through 2018*	618
% of Target	90%

*Targets are measured as permits issued

2018 Highlights:

Permits:

In 2018, 174 new low-income units were permitted including 69 extremely low-income units (<30% AMI). An additional eight buildings with 22 units were acquired in 2018, and will be income-restricted as low-income units.

Olmsted Green's Mixed-Income Rental Phase features 40 low-income units, including 16 extremely low-income units.



Olmsted Green



2018 Highlights, Low-Income Housing continued

Notable Permits Pulled in 2018:

- **General Heath Square:** 40 low-income units, including 18 extremely low income (ELI) units
- **The Clarion:** 27 low-income units, including 7 ELI units

Completions: 232 new low-income units completed

Notable Completions in 2018:

- **The Treadmark/Rental Phase:** with 51 low-income units, six of which are ELI units for the formerly homeless, this mixed-use project on Dorchester Avenue was the largest low-income development to be completed in 2018.

Pipeline:

Permit applications were filed in 2018 for 208 new low-income units, of which 39 are ELI units. In total, there are 1,019 new low income units in the active development pipeline.



48 Boylston

48 Boylston (Phase 1 - Rehab): includes 46 low-income units; 26 of which are ELI units. A new resident enjoys a living room in 48 Boylston St.

LOW-INCOME HOUSING PRODUCTION FOR THE ELDERLY

HB2030 Goal: Create 2,000 units of elderly low-income housing by 2030

Low-Income Elderly Units	
2030 Target	2,000
Target through 2018	620
Permits Issued through 2018	391
% of Target	63

2018 Highlights:

- To better meet targets for this much-needed housing, the City identified City-owned land to be used to create affordable elderly units in 2018, and also supported applications to the CPA funding round for 117 new elderly units.

Permits:

O'Connor Way 46 low-income units for seniors being built on BHA land and was funded by 150 Seaport Blvd and Pier 4, as offsite affordable units.

Pipeline Development:

- The BPDA Board and the Neighborhood Housing Trust approved a proposal for a new elderly development at **41 North Margin St** in the North End;
- Beacon Communities secured BPDA approval to build 55 elderly units at **9th and Mercer Streets**, in South Boston, funded as off-site units.

150 River Street:

The Planning Office for Urban Affairs was designated to develop this formerly City-owned one-acre site in Mattapan into 30 units of affordable elderly housing.



150 River Street



MIDDLE-INCOME HOUSING PRODUCTION

HB2030 Goals: Create 5,520 units of income-restricted middle-income housing and 20,700 units of market rate housing affordable to those earning middle-income wages, totaling 26,220 units middle-income housing by 2030.

Middle-Income Units			
	Total Middle-Income	Income-Restricted Middle-Income	Market-Rate Middle-Income
2030 Target	26,220	5,520	20,700
Target through 2018	8,245	1,660	6,585
Permits Issued through 2018	8,639	2,974	5,665
% of Target	104%	179%	86

2018 Highlights

Permits:

- 1,427 new units, including 501 income-restricted units, and 926 market units projected to come in at middle-income affordable prices.
- 72 new developments with 537 new deed-restricted middle-income units filed for permits with ISD in 2018.

Notable Permits Pulled in 2018:

- **Neighborhood Homes Initiative:** 19 new homes permitted; 34 middle-income affordable units.
- **Income-Restricted Units:** *St Gabriel's Buildings 2 & 3 Rental* in Brighton has 62 income-restricted middle-income units.



St Gabriel's



INCOME PROFILE OF MIDDLE-INCOME PERMITS 2018

	Income-Restricted	Market Generated	Total	Share
Moderate Income (60%-80% AMI)	385	141	526	37%
Middle Income (80%-100% AMI)	90	426	516	36%
Higher Middle (100%-125% AMI)¹	26	359	385	27%
TOTAL 2018	501	926	1,427	100%

¹ Includes a small number of downtown restricted units targeted to incomes >125% AMI

Affordability Mix of Middle-Income Units: The income-restricted units are concentrated in the lower range the middle-class and the market-generated units are mostly in the upper ranges. The combined effect is a reasonably balanced production mix serving a range of middle incomes.

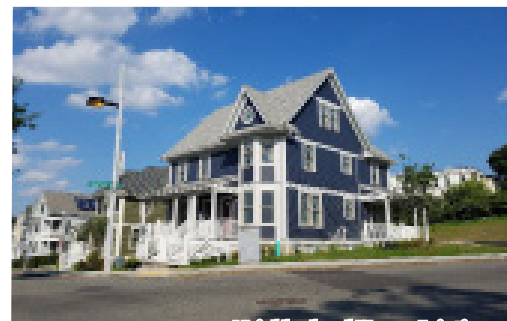
2018 Highlights:

Completions:

- 1,314 middle-income units completed, including 643 income-restricted units and 671 market-generated middle income units.

Notable Completions in 2018:

- Largest Number of Income-Restricted Middle-Income Rental Units: **345 Harrison Ave** in the South End had 58 income-restricted units affordable to moderate-income households at 70% AMI.
- **Neighborhood Homes Initiative:** 26 homes; 36 middle-income units.



Neighborhood Homes Initiative



PRESERVATION OF AFFORDABLE HOUSING

HB2030 Goal: Retain at least 97% of all income-restricted rental housing units (29,522 of 30,435 units), including at least 85% of the most 'at-risk privately-owned units.

Preservation of Affordable Units	
2030 Target	97% Retention
Target through 2018	13,719
Units Preserved through 2018	13,115
% of Target	96%

2018 Highlights:

Units Preserved/Lost in 2018:

- 651 units were preserved to 2030 or later; 41 units were lost.

Notable Preservation Projects 2018:

- **Pitts & GCT Portfolios:** 201 at-risk units acquired by the Jamaica Plain NDC with assistance from the City will be preserved as income-restricted in perpetuity.
- **Paul Revere Court** in the North End was lost (31 units).

Completed Recapitalizations in 2018:

Four significant recapitalization projects representing \$67 million in new investment were completed in 2018 including **Quincy Tower** (162 units), **Symphony Plaza East** (188 units), **Symphony Plaza West** (216 units) and **Warren Ave Apartments** (30 units).

Wilshire Apartments. 29 Units in Roxbury were recapitalized with \$750,000 from the City and will be preserved in perpetuity.



Wilshire Apartments



HOUSING BOSTON'S STUDENTS

HB2030 Goal: Create 18,500 new student housing dorm beds to mitigate the impact students place on Boston's housing market. Reduce the number of undergraduates living off campus in Boston by approximately 50 percent, to less than 12,000 undergraduate students.

Dorm Bed Production	
2030 Target	18,500
Target through 2018	6,541
Units Preserved through 2018	5,108
% of Target	78%

2018 Highlights:

Completions:

- 1,757 new dorm beds

Notable Completions in 2018:

- *Emmanuel College* completed the new Julie Hall with 691 new beds.

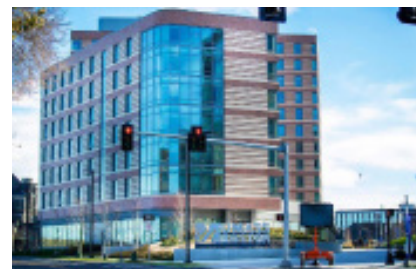
Approvals:

- The BPDA Board approved the use of 1047 Commonwealth Ave. as a dorm for Emerson College while the Little Building is rehabilitated.

Off Campus Undergrads:

- The number of undergraduates living off-campus in private market housing in Boston as of Fall 2018 was 19,726, with an additional 4,089 students living at home with family, bringing the total number of off-campus students not residing in student-specific housing to 23,815.

UMass Boston completed its very first dorm with 1,089 beds.



UMassBoston



PROMOTE FAIR HOUSING

HB2030 Goals: Complete the City’s Fair Housing Assessment and Action Plan. Address disparities in the homeownership sector. Address the backlog in executing Affirmative Fair Housing Marketing Plans for assisted housing.

2018 Highlights:

- Fair Housing Assessment:** Despite HUD’s decision to suspend submission of Assessments of Fair Housing in January of 2018, Boston has elected to complete their Assessment and has retained a consultant to assist the BHA and DND with completing a streamlined version of HUD’s AFH by April of 2019.
- Homeownership Disparities:** A 2017 report from the Massachusetts Community Banking Council showed that in 2016, only 24% of home purchase loans in Boston went to non-white borrowers, despite the fact that a majority of Boston’s population is non-white. To help close this wealth gap, the City employs a 2-part strategy: 1) help more non-white households buy their first home and start on the path toward wealth accumulation, and 2) prevent existing homeowners from losing their accumulated wealth to foreclosure.

2018 Homeownership Outcome	Households	% Non-White 1
New City-Assisted Homebuyers	265	77%
Foreclosures Prevented	181	82%

Affirmative Marketing Plans: In July 2018 DND assumed responsibility for the Affirmative Fair Housing Marketing Program to address the backlog of affirmative marketing plans resulting from the high volume of income restricted units being completed. In six months, the program has produced an unprecedented volume of work, approving 29 marketing plans, 40 advertising and outreach strategies, and 24 lotteries. The volume of projects requiring affirmative marketing remains high, and efforts to streamline the process will accelerate in 2019.



PROMOTE SUSTAINABLE AND CLIMATE-READY HOUSING

HB2030 Goals: Enable Senior homeowners to replace old high carbon-emitting furnaces with new clean-burning ones. Develop and implement housing development regulations through the BPDA to address sea-level rise and carbon impacts. Promote development in close proximity to transit hubs to reduce automobile utilization. Promote Energy Positive housing models.

2018 Highlights:

- **Senior Furnace Replacement:** In 2018, 42 senior homeowners with an average household income of \$37,000 replaced their furnaces with clean-burning ones. The City provided \$430,000 in financial assistance.
- **Transit-Accessible New Development:** 64% of all 2018 housing starts were within a half-mile of major transit. 57% were within a five-minute walk. Citywide, only 37% of housing in Boston is within a five-minute walk of major transit.
- **Climate-Ready Housing Development Policies & Regulations:** BPDA continues to administer the updated Resiliency Policy and Checklist as part of the development review process and is currently developing recommendations for a Flood Resiliency Zoning Overlay District and Resiliency Design Guidelines.

Energy-Positive Development: **36-38 Colonial Ave** in Dorchester was developed on City-owned land; producing three condos, with one income-restricted unit.



36-38 Colonial Ave

II. NEW INITIATIVES RESULTING FROM THE 2018 PLAN UPDATE

INCREASING HOMEOWNERSHIP

HB2030 Goal: Provide housing security to 1,000 renter households by helping them purchase their first home over the next 5 years.

Homeownership Units	
2023 Target ¹	1,000
Target through 2018	100
Home Purchases through 2018	132
% of Target	132%

¹ This is a new five-year goal to help 1,000 Bostonians become first-time homebuyers between 7/1/18 and 6/30/23. All measures here start at 7/1/18.

2018 Highlights (Jul-Dec)

- **Purchases Completed:** 132 new homebuyers purchased their first home including:
 - 17 buyers in Neighborhood Homes Initiative
 - 18 buyers in other City assisted affordable housing developments
 - 54 buyers of onsite Inclusionary Development Policy units
 - 22 purchases in the open market with Boston Home Center assistance
 - 21 purchases of BPDA and DND resale units by new income-qualified buyers
- Mayor Walsh convened a **Working Group** focused on developing innovative mortgage products that assist Bostonians in purchasing in this high-cost marketplace.



RESTORE BOSTON'S PUBLIC HOUSING

HB2030 Goal: Using a new development model that leverages the BHA's real estate assets to create new private investment, renovate or redevelop up to 4,500 BHA units by 2030.

Public Housing Units Redeveloped	
2030 Target	4,500
Target through 2018*	1,323
Permits Issued through 2018	583
% of Target	44%

*Target starts in 2014

2018 Highlights:

Permits:

- 5 BHA redevelopment projects with 288 units were permitted, including: **Camden Street Phase 1** in the South End (73 units), **Whittier Phase 1A** in Roxbury (43 units), **Whittier Phase 1B/Madison Melnea Apts** in Roxbury (33 units), **Orient Heights Phase 2** in East Boston (88 units), and **West Newton-Rutland Phase 1** in the South End (51 units).

Applications & Approvals:

- ISD Permit Applications: **BHA Clippership** (20 BHA replacement units and 16 new affordable units) BPDA Board approvals: **Old Colony Phase 3A** (135 units), **Old Colony Phase 3B/3C** (115 BHA units and 55 new affordable units) using Inclusionary Offsite funding from the Seaport Echelon development, **Amory Street Elderly** (199 units), and **Orient Heights Phase 3** (122 units).

Whittier Phase 1A in Roxbury will have 43 redeveloped units.



Whittier Phase 1A



REDUCING DISPLACEMENT AND SUPPORTING HOUSING STABILITY

HB2030 Goals: Implement a range of programmatic and legislative actions to reduce displacement:

- Acquire 1,000 market rate rentals and convert them to affordable housing units with long-term affordability protections
- Implement a displacement risk preference in subsidized housing for highly rent-burdened households
- Enact legislation requiring just-cause evictions for highly vulnerable populations
- Prevent the short-term rental industry from reducing the housing supply
- Intervene in evictions through Office of Housing Stability programs including homelessness prevention and subsidized housing retention services

Acquisition Opportunity Program Performance	
2030 Target	1,000
Target through 2018	92
Units Acquired through 2018	67
% of Target	72%

2018 Highlights:

- **Acquisitions:** Eight buildings with 22 units were acquired in 2018. These acquisitions cost \$6.2 million and were supported with \$1.8 million from the City. DND has submitted a request to the CPA Board to provide \$5 million in new funding to support the program.
- **Homelessness Prevention:** 1,296 households, 356 of which were seniors, successfully averted homelessness in 2018 through the efforts of City-funded non-profits.
- **Subsidized Housing Retention:** 646 households facing eviction from subsidized housing were able to retain their apartments.
- **Short-Term Rental Ordinance:** In January 2018 Mayor Walsh filed an Ordinance with the City Council to regulate Short Term Rentals. This was approved in an amended version in June of 2018. The legislation requires registration of short term rentals and limits participation to certain owner-occupied properties.



EXPANDING RESOURCES

HB2030 Goal: Raise over \$600 million in City-controlled resources between 2018 and 2030 to support the expanded affordable housing production agenda outlined in the 2018 Plan Update.

2018 Highlights:

- Funds Received For Affordable Housing Production From Existing Sources.** In 2018, \$38 million was raised toward the City's annual target of \$52 million needed to reach the City's cumulative target of \$600 million by 2030. More funding is anticipated in early 2019 from CPA awards.

Funding Source	Amount
Inclusionary Fund Collections, 2018	\$13,545,778
Housing Linkage Collections, 2018	\$10,081,263
Community Preservation Act Awards, 2018	\$1,500,000
HOME/CDBG Funds Received, 2018	\$7,885,565
Housing 2030 General Fund Appropriations	\$2,750,000
TOTAL 2018 FUNDING	\$37,762,606

- Funds Received For Other Housing Programs & Services.** In 2018 \$10 million was raised for housing programs and services such as homebuyer financial or technical assistance, senior homeowner programs, foreclosure prevention, lead paint abatement, and preservation of affordable rental housing.



EXPANDING RESOURCES, 2018 HIGHLIGHTS, Continued

Funding Source	Amount
HOME/CDBG Funds Received, 2018	\$5,176,059
Housing 2030 General Fund Appropriations	\$4,015,000
Lead Paint Abatement	\$1,229,000
TOTAL	\$10,420,059

- Pending Funding Requests from Existing Sources.** The City currently has a pending funding request before the Community Preservation Board for \$18 million in new funding, including \$5 million for an expanded Acquisition Opportunity Program, \$3.7 million for an enhanced homebuyer assistance initiative and \$9.3 million for development projects. A decision is expected in early 2019.
- Expanding Resources.** In late 2018 the City presented its 2019 legislative package that seeks to expand the resources available for affordable housing production and preservation, including:

 - Legislation to provide the City with the flexibility to set Linkage fees and to adjust them more frequently.
 - Legislation to transition the City's Inclusionary Development Policy from an executive order to a part of the City's Zoning Code. This would ensure that "as of right projects" would be subject to the IDP.
 - The City will also support legislation filed by the CPA Coalition to increase the state CPA match by increasing the Registry of Deeds recording fees.



PROMOTING HOUSING INNOVATION

HB2030 Goals: Expand the Additional Dwelling Unit pilot to new neighborhoods. Develop a strategic plan for building affordable housing along with redeveloping City owned real estate assets. Promote new tools to help older adults share their homes with students and other renters looking for reduced rents. Release a Compact Living Policy to guide the development of more affordable compact units. Test ways to help landlords who offer below-market rents continue to offer quality and affordable rentals.

2018 Highlights:

- **Housing with Public Assets:** A Request For Information asking whether combining housing and public assets (libraries, fire stations, community centers) would work in Boston was issued. The 24 responses were fruitful; planning is underway for the first Housing with Public Assets project in 2019.
- **Additional Dwelling Unit Pilot:** In one year, the program received 65 applications, issued 10 permits and 2 certificates of occupancy. An evaluation of the ADU pilot program received responses from 60% of applicants. Most were overwhelmingly positive, with improvement suggestions. The ADU Program will go citywide with increased Boston Home Center loans in 2019.
- **Compact Living Policy:** the Compact Living Policy was approved in October by the BPDA, allowing new buildings to include small, efficient housing units as long as they meet certain requirements outlined in the policy: well-designed units with storage and natural light, shared common areas, and transportation options that reduce car use.
- **Plug-In House:** This collaboration with the People's Architecture Office and Artists for Humanity included a showcase on City Hall Plaza. More than 2,000 visitors walked through the easily assembled house which demonstrated the possibility of adding housing in small difficult to develop areas like backyards.

The kitchen of the first completed **Additional Dwelling Unit** on **Saratoga Street** in East Boston.



Saratoga Street

