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## STRONG, HEALTHY NEIGHBORHOODS

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The strength of Boston lies in its vibrant neighborhoods. To support the health and well-being of those neighborhoods, a housing plan must support stability, diversity, economic empowerment, and the health of all of Boston's residents.

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For Boston's neighborhoods to thrive, the City must address the needs of a growing and changing population. Planning for growth does not mean losing sight of the more than 600,000 Bostonians that are already living here, but instead means supporting housing that works for all income levels, and providing innovative solutions to house such diverse groups as emerging artists,

young entrepreneurs, families with or without children, our workforce, and our seniors.

The City has identified four key issues that are critical to maintaining strong neighborhoods: mitigating gentrification, foreclosure prevention and intervention, providing a diversity of housing choices, and strengthening the connection between homes and health.



## Building Strong, Healthy Neighborhoods: Key Issues

### Gentrification

Boston is becoming an increasingly successful city, with desirable neighborhoods that offer easy access to downtown, and strong neighborhood business districts. With such success, though, comes the potential for gentrification.

Gentrification is a condition in which higher-income households occupy an increasing share of a neighborhood's housing stock, while simultaneously, the share occupied by lower-income households declines. By this definition, Boston has several neighborhoods that show signs of gentrification.

Demographic projections indicate that households with incomes above \$125,000 will grow at a faster pace than all other non-senior demographic groups (Table 32).

Table 33 shows the occupancy changes by income in Boston's housing stock from 2000-2012. This

analysis reveals that there may be two levels of gentrification occurring: in six neighborhoods, only low-income households are declining, while another five neighborhoods appear to be losing both their low-income and middle-class households.

Although four neighborhoods do not appear to be gentrifying, the inclusion of the Fenway as a non-gentrifying neighborhood is most likely misleading, due to the large number of college students residing in off-campus housing in the neighborhood.

Gentrification puts increased pressure on moderately priced existing housing, making it less and less affordable to low- or middle-income households. This can quickly change the nature and dynamics of a neighborhood, and make it difficult for long-term residents to stay in their community. It is not acceptable that residents who worked diligently to strengthen their community could potentially be priced out of their neighborhoods.

TABLE 32: **Projected Growth of Workforce Aged (<65) Households 2010-2030**

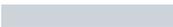
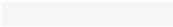
INCOME LEVEL	2010	2030	Growth	% Growth
<\$50,000	87,138	96,888	9,751	11%
\$50,000-\$125,000	80,631	91,071	10,440	13%
>\$125,000	42,914	49,380	6,466	15%
<b>TOTAL</b>	<b>210,683</b>	<b>237,340</b>	<b>26,657</b>	<b>13%</b>

Source: MAPC Household Projections, August 2014

TABLE 33: 2000-2012 Change in Share of Housing Stock by Income of Occupant

Planning District	Lower Income (<\$50K)	Middle Income (\$50K-100K)	Income Over \$100,000
CENTRAL	-21%	-8%	+29%
CHARLESTOWN	-12%	-17%	+28%
SOUTH BOSTON	-16%	-8%	+24%
SOUTH END	-16%	-8%	+24%
JAMAICA PLAIN	-10%	-7%	+17%
WEST ROXBURY	-41%	+8%	+33%
BACK BAY/BEACON HILL	-33%	+7%	+27%
HYDE PARK	-32%	+14%	+18%
DORCHESTER	-22%	+5%	+17%
ROSLINDALE	-21%	+4%	+17%
ALLSTON/BRIGHTON	-10%	0%	+10%
ROXBURY	+5%	-7%	+2%
MATTAPAN	+7%	-1%	-6%
EAST BOSTON	+5%	+5%	-10%
FENWAY/KENMORE	+27%	-8%	-18%
<b>CITYWIDE</b>	<b>-12%</b>	<b>-1%</b>	<b>13%</b>

**Legend**

	Low & Middle-income Gentrifying
	Low-income Gentrifying
	Not Gentrifying Significantly

Source: 2000 United States Census & 2012 American Community Survey Five-Year Estimates



### Foreclosures

While Boston weathered the foreclosure crisis of the late 2000s better than most cities, the issue has not been entirely solved. In 2013, 232 foreclosure petitions were filed by lenders; 56 percent of these petitions (131 homes) were against owner-occupant homeowners. In 2013, 94 homes were foreclosed upon, of which 37 percent (35) were owner-occupied. While foreclosures resulting from sub-prime resets are no longer a major issue, there are still foreclosure risks from job losses, unexpected health crises, and family emergencies. The challenge will be to prevent as many homeowner foreclosures as possible.

There are currently 224 lender-owned or real-estate owned (REO) properties in Boston, most of which are vacant. Many of these properties have been bank-owned for years. Lenders typically do not hold properties for extended periods, but many foreclosures also have title issues which can require a complete re-foreclosure to resolve. Meanwhile, buildings languish, often remaining vacant and negatively affecting the neighborhood. The challenge the City faces is to work with lenders to move these REO properties back into the housing supply quickly and insist that they are transferred to responsible owners.



556 Park Street first appeared on the tax-delinquency rolls in 1999, but was not foreclosed upon until 2011. It remained under appeal until 2014, but is currently in the first stages of assessment, pre-disposition.

### **Problem Properties**

Strong neighborhoods are created around a perception of safety and vitality. Unfortunately, there are some properties in Boston that diminish neighborhoods' quality of life due to neglect or outright disregard for the Commonwealth's building and housing codes. In some cases these properties may be epicenters of crime; in others, they may be visual blights that pose a safety hazard for the community. In all cases, the City must hold the owners of these problem properties accountable for making required improvements.

To do so, the City established a problem property task force, operated out of the Mayor's Office, with the power to levy fines against absentee landlords of blighted and crime-ridden properties. Upon designation as a problem property, the task force can levy \$300 fines per day per outstanding code violation, and can also charge owners the cost of the public safety response to their properties. In the coming years, the City must continue this effort.

Additionally, there several hundred properties in Boston that are consistently tax-delinquent. The City must continue to prioritize foreclosures on the tax-taking list that have remained blighted and vacant for multiple years with no resolution.

### **Diverse Housing Choices**

A healthy neighborhood is one that provides a variety of housing options to support a diversity of ages, incomes and races. Communities with opportunities for both homeownership and rental are more stable; so too are neighborhoods that create a balance between housing for lower-income households and housing that serves middle- and higher-income populations.

Boston is one of America's most diverse cities racially, culturally, and economically. However, separation by race, culture and income is significant. Some neighborhoods have heavy concentrations of affordable housing, while others are below the citywide average. To improve diversity throughout Boston, the City must increase production of affordable housing in sections of the city with lower levels of affordable housing. In neighborhoods where there is already a high concentration of affordable housing, the City will encourage mixed-income development.

Strong housing policy must also support the creation of housing that helps communities foster economic growth – for example, creating opportunities for young, emerging artists to have live-work space, or creating innovative spaces where young entrepreneurs can cluster together to engage in their work.



Lastly, neighborhoods maintain their sense of history and strength when they are able to provide options for long-time residents to remain in their communities as they age, either in their own homes, or in more supported environments. These housing options must be developed across the city, helping to mitigate the impacts of growth and gentrification.

### Housing and Health Connections

Boston's world-renowned healthcare industry makes it an ideal setting to forge new partnerships that support the connections between health, housing, and economic opportunity in our neighborhoods.



The City should explore convening leaders from Boston's hospitals, insurance companies, and healthcare providers, along with members of the affordable housing development community, for the purpose of developing a strategy to make Boston the nation's leader in connecting housing to health.

Currently, the Metropolitan Area Planning Council, the Conservation Law Foundation, the Massachusetts Housing Investment Corporation, and others are developing tools and metrics to support and track health benefits derived from housing development efforts. These tools should supply new data which will aid informed decision making and support innovation going forward.

The City will continue to support housing-related health programs through the Healthy Homes Initiative. This initiative, a partnership between the Boston Public Health Commission, the Inspectional Services Department, and the Office of Fair Housing and Equity, is targeted to reduce lead paint poisoning in children. Despite significant progress, lead paint remains an issue. Not only is it a public health concern, but it also limits housing options for families with small children. The City will establish a joint City agency initiative to focus on expanding housing access for families by increasing the number of lead-safe, healthy homes, encouraging lead-safe renovation practices, and increasing public awareness of de-leading resources and best practices.

## Strong, Healthy Neighborhoods: Goals

### 1. Mitigate the impacts of gentrification

Working with its partners, the City will accomplish this using targeted homebuyer assistance programs, strategic acquisitions, community land trusts, and expanded tenant and senior services.

### 2. Reduce the number of foreclosures on home owners to fewer than 20 per year

The City will continue its foreclosure assistance and prevention efforts.

### 3. Reduce the lender-held REO inventory by at least 50 percent by the end of 2016

Working with banks and other lenders, the City will establish clear timetables for the disposition of REO properties.

### 4. Support the creation of mixed-income developments and communities

### 5. Successfully resolve problem properties using all available regulatory tools

The City must address blight by aggressively using code enforcement, the City's Problem Property Task Force, and the tax foreclosure process when applicable.

### 6. Form new connections between housing and health

Leveraging Boston's leadership in healthcare, the City will build on its Healthy Homes Initiative to support improved health incomes for all Bostonians.





## Strong, Healthy Neighborhoods: Actions

### 1. Mitigate the Impacts of Gentrification

#### ***Expand Homebuyer Assistance Programs***

Enhanced neighborhood stabilization can be achieved by facilitating home purchases in areas that are showing early signs of gentrification, but still have a relatively affordable housing stock. The expansion of programs should include funding for post-purchase repairs to give buyers more options at the lower end of the housing market (Chapter 3).

#### ***Provide neighborhood stability through non-profit acquisitions***

The City, working with its funding partners, will create a new acquisition/conversion program that makes it easier to acquire existing rental properties and convert them into permanent affordable housing. This new program will seek to provide access to privately funded acquisition capital, and offer out-of-round gap funding from affordable housing programs (Chapter 1).

#### ***Explore the use of community land trusts***

In gentrifying neighborhoods, the City will work with non-profit and quasi-governmental funding entities to help community-based organizations acquire land. This land will then be held for future affordable and mixed-income housing development. Community land trusts have been used in Boston

with proven success. For example, for the past thirty years, the Dudley Street Neighborhood Initiative (DSNI) land trust has ensured that new development in the community serves a broad range of income levels and needs.

#### ***Mitigate the impacts of condominium conversions through an extension of the Condominium Conversion Ordinance***

Although condominium conversions can have negative impacts on tenants in any neighborhood, this activity may be a significant source of gentrification-induced displacement. While the Condominium Conversion Ordinance cannot legally limit condominium conversions, it can provide increased tenant protections.

#### ***Explore options to support senior homeowners in gentrifying areas***

Low-income senior homeowners may face excessive tax bills because their property is in an area where taxes are rising. These seniors may sell and move if rising taxes become a financial burden. Options exist for tax deferrals, and there are State circuit breaker laws that can help mitigate the tax impacts on seniors. In order to support use of these programs, the City will establish, under the leadership of the City of Boston's Commission on Elderly Affairs, a program of outreach and education for senior homeowners.

## **2. Maintain foreclosure prevention and assistance programs**

Although the volume of foreclosures has declined from the 2008 peak, there continues to be some demand for foreclosure prevention services. The City will continue to closely monitor all foreclosure activity and to work through its network of non-profit partners to assist homeowners who are delinquent with their mortgage payments. In addition, foreclosure prevention programs must be continually updated to ensure they are current with all legal and financial assistance available.

## **3. Partner with lenders to reduce REOs**

The City will work with lenders to get a firm schedule as to when they will dispose of the 200 properties remaining in their REO portfolios. Lenders will be asked to engage in dispositions that create opportunities for owner occupants and/or responsible investor-owners.

## **4. Support housing creation that meets the needs of a diverse community**

The City must encourage and support housing developments that provide rental and ownership opportunities and serve a range of incomes, ages and needs.

In addition, to promote greater diversity in all of Boston's neighborhoods, the Office of Fair Housing and Equity will use its affirmative marketing

programs and services to inform residents about housing opportunities throughout Boston and the region. Through the establishment of a Fair Housing Advisory Committee, the City will also explore ways to improve the Low-Income Housing Tax Credit Program to make those units available to residents with the most need, and ways to make the Housing Choice Voucher Program the mobility tool it was intended to be within Fair Housing guidelines. The City will also enhance its homebuyer education courses with Fair Housing rights training to aid good home ownership outcomes among persons of color.

## **5. Reduce the number of problem properties**

Some of the City's worst landlords view code enforcement fines and bad publicity from police activity as the cost of doing business. Therefore, at the small number of designated problem properties owned by these bad actors, the City should use the power of the Problem Property Task Force to charge owners \$300 per day per uncorrected violation, as well as to bill the owners for the costs of the public safety response to the property. These measures are designed to make it financially infeasible to negligently operate a blighted property in the City. To ensure this tool is used effectively to turn around blighted properties, the City should maintain a list of the 25 most problematic properties in the city and focus on the aggressive implementation of these financial penalties.



Additionally, the City should use the tax foreclosure process to strategically acquire vacant and blighted property. While Boston consistently maintains a property tax collection rate of nearly 99 percent, at any given time, there are several hundred properties citywide with tax delinquencies of two years or more where the City has filed a tax taking to reserve the right to foreclose if the delinquency remains unpaid.

In cases where blighted and vacant properties have remained on the tax taking list for multiple years with no resolution, the City will continue to move to prioritize these foreclosures. Once in the City's inventory, the City can control the sale of these properties, not only returning them to productive use, but where appropriate, using the sale as an opportunity to create deed-restricted affordable and middle-income housing.

## **6. Support new connections between Boston's health care industry and housing development**

The City will work with stakeholders to bring policy makers and practitioners in the healthcare fields together with nonprofit and private community development professionals. Convening this conversation will result in new programs and pathways that support the connection between housing and health benefits.

Boston must partner with local experts and institutions to help find new ways to direct resources towards housing quality improvements, and to ensure that communities with demonstrated health disparities reap the benefits of the Affordable Care Act's requirements for health care industry investment.

In addition, working with the Inspectional Services Department, the Boston Public Health Commission, the Office of Fair Housing and Equity, and others, the City must continue to support the success of Boston's Healthy Home Initiative in order to promote good health outcomes for Boston's children and families.