



**Department of Neighborhood Development (DND)  
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**BOSTON RESIDENT PREFERENCE POLICY  
in  
DND ASSISTED HOUSING**

**POLICY REVIEW & UPDATE- May 2015**

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**1) Background**

Since 1993, the Department of Neighborhood Development (DND) has required resident *preference* in the selection of buyers or tenants in its affordable housing developments.

In 2003, in response to a growing shortage of affordable housing opportunities for its residents and in recognition of the severe lack of affordable housing production in the suburbs, the City expanded its Resident Preference Policy to include all housing programs including its homebuyer assistance programs. With regard to homebuyer assistance programs, the preference policy was enacted as a Boston resident *requirement*, prohibiting all non-residents from participating in City-funded homebuyer assistance programs.<sup>1</sup>

In 2010, Boston received federal funds for a neighborhood stabilization program (NSP) to address a concentration of lender-owned foreclosed properties or REOs (real estate owned) properties in high foreclosure neighborhoods. The City negotiated with lenders and servicers to directly purchase foreclosed properties and provide assistance to

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<sup>1</sup> Nonresidents could participate in homebuyer programs not directly funded by the City, and could purchase units in State-funded housing developments.

homebuyers and responsible developers to purchase and rehabilitate these properties. To facilitate the stabilization program, the Boston Resident Policy was suspended for the homebuyer financial assistance (downpayment/closing cost), the educational programs through the Boston Home Center and the NSP program.

Today, greater Boston's overall population growth and strengthening economy continues to add demand for housing in the region. Strategies to address Boston's housing needs are formulated in Boston's current housing plan, ***Housing A Changing City: Boston 2030***, that focuses on creating access to homeownership and housing through innovative and diverse options. Consequently, DND will continue to implement a resident *preference* policy.

This policy will be reviewed periodically to determine its' effectiveness, its' impact on the marketing of affordable housing, and if housing market and public policy conditions have changed sufficiently to merit a reassessment.

## **2) DND Definition of Boston Resident**

An applicant or co-applicant that, at the time of application is a documented <sup>2</sup> full time <sup>3</sup> resident of the City of Boston.

## **3) Implementation of DND Boston Resident Preference Policy**

This policy update is effective immediately.

## **4) Applicability**

The Boston Resident Preference Policy will apply to the initial sale or rental of housing created as a result of DND-controlled funding and/or real estate (whether or not a below-market price for the real estate is being charged) with the exception of market rate unrestricted housing.

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<sup>2</sup> Generally documented in accordance with the same standards as required by the City of Boston for its employees to establish Boston residency (utility bills, bank statements, credit card bills, etc).

<sup>3</sup> Excludes temporary residency in university residence halls, or other similar temporary housing situations

While all developers of DND-owned properties will be required to implement this policy when they sell/rent housing they create, the initial selection of developers for DND-owned properties does not have a Boston Resident Preference requirement except where the developer plans to occupy the property themselves.

## **5) Exceptions to the Resident Preference Policy**

While it is DND's intent to implement this policy as broadly as possible, the effects of this policy may, at times, run cross-purposes to other important goals of the Department. Where DND determines that the overriding public interest is best served by modifying or waiving this policy, it reserves the right to do so.

In anticipation of some of these issues, the following exemptions have been identified:

- Requirements From Funders: Some funders may require modification or elimination of the resident preference policy as a condition of providing financial support for the project. Where DND determines that the financial viability of the project is at risk, DND will modify this policy to the least amount necessary to accommodate the requirements of the funders.
- Homebuyer Assistance Services: A Boston resident preference policy does not apply to the down payment/closing cost assistance and educational programs offered through the Boston Home Center.
- Homeless: Since the homeless do not, by definition, have a legal address, units set aside for the homeless are not subject to the Boston Resident Preference Policy.
- Units in Partially Vacant Properties: From time-to-time, DND funds the rehab of a partially vacant property. Generally these developments already have well-established waiting lists of prospective tenants. As long as the project has an established waiting list developed in accordance with fair housing requirements, the waiting list supersedes the resident preference policy. If no such approved waiting list is established, units will be marketed in accordance with this policy.