HOUSING BOSTON’S LOW-INCOME, NON-ELDERLY HOUSEHOLDS

2030 GOALS:

• Increase housing production for low-income, non-elderly households by 50 percent, to create 6,500 new affordable housing units

• Ensure that 1,700 of these new, affordable units are accessible to extremely low-income households

• Increase the ability of low-income and highly rent-burdened households to access new and turnover affordable housing units

• Improve access to housing that will accommodate non-elderly persons with disabilities
PERFORMANCE TO DATE

LOW-INCOME PRODUCTION 2011-2015

With 1,374 low-income non-elderly units permitted from 2011-2015, low-income production is currently running at 112% of the target rate needed to create 6,500 new units by 2030.

361 extremely low-income units have been permitted to date, representing 112% of the target pace needed to create 1,700 units by 2030.

LOW-INCOME PRODUCTION RATE

With 364 units permitted in 2015, low-income production is currently running at 63% above the pre-2014 pace, exceeding the City’s target of a 50% increase.

With City development approvals for future low-income non-elderly housing up from 364 units in 2014 to 673 units in 2015, maintaining this increased pace of production should be possible, provided developers can secure the necessary state and private funding these projects require to proceed to construction.

LOW-INCOME DEVELOPMENT PIPELINE

In addition to the 1,374 units permitted to date, another 1,103 units have entered the City of Boston’s development pipeline. Those 2,477 units represent 38% of the 2030 target of 6,500 units.

DEVELOPMENT PIPELINE: LOW INCOME, NON-ELDERLY HOUSING

<table>
<thead>
<tr>
<th>Status</th>
<th>Units</th>
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<tbody>
<tr>
<td>Permitted or Complete</td>
<td>1,374</td>
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<tr>
<td>City Approved for Funding/Real Estate</td>
<td>753</td>
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<td>DND Pipeline</td>
<td>350</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,477</strong></td>
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2015 HIGHLIGHTS

**NEW UNITS COMPLETED**

401 new low-income units were completed in 2015, including:

- One Greenway: 95 units in Chinatown
- Jackson Commons: 29 units in Roxbury
- Saint Kevin’s: 80 units in Dorchester
- Northampton Tower: 185 low-income units created in the South End via acquisition/conversion

396 of these units were in government-assisted projects that received $21,000,000 from the City, which leveraged another $116,000,000 in other public and private resources. The other five low-income units were Inclusionary units created without public funding at Olmsted Place.

**NEW UNITS PERMITTED**

364 new low-income units were permitted in 2015, including:

- The Riverway: 60 rental units in Mission Hill
- Patriot Homes: 24 veterans’ units in the former South Boston Police Station
- Bridgeview Center: 61 units with supportive services for low income families with disabilities and homeless households in Charlestown
- 75 Amory Ave: 39 units for low-income households and homeless families in Jamaica Plain
- Ashmont TOD II: 48 rental units in Dorchester
- 17 Court St Veterans: 37 new single person occupancy rooms for homeless veterans in downtown Boston

**NEW UNITS FUNDED**

In 2015, the City awarded funds or designated real estate to 19 low-income affordable housing projects, including 673 low-income non-elderly units. Significant projects include:

- Residences at Brighton Marine: 108 new affordable units targeted to veterans, 76 units for low-income
- 48 Boylston Phase I: 46 new low-income units for the homeless in Downtown Boston
- Cote Village: 70 new rental units in Mattapan, 63 of which are low-income
- Coppersmith Village: 56 new rental units in East Boston, 41 of which are low-income
To maintain the pace of the planned 50% increase of low-income housing production, it will be necessary to lower the costs of production and to secure additional resources.

To control costs, the City has revised its design requirements, permitted new approaches to bidding, and reduced unit size requirements; however, the current market boom is pushing materials and labor costs higher, offsetting these savings.

One option with great potential to generate low-income affordable units at lower costs is the acquisition and conversion of existing housing stock into deed-restricted affordable housing. To date, 344 low-income units have been created in this way at an average per unit cost of $270,000, which is about 30 percent less than new construction.

The Northampton Tower project shown here produced 185 low-income affordable units, including 25 for the homeless.

The most important potential new Federal resource for low-income housing is the National Housing Trust Fund (NHTF). After years of delays, there is some positive movement. The Federal Office of Housing and Urban Development (HUD) will begin implementation in 2016. NHTF will provide grants to States to produce and preserve the supply of rental housing for extremely low- and very low-income households. As currently proposed by HUD, each site would receive a minimum of $3 million out of a $150 million initial allocation. This would likely fund three or four projects statewide.

At this funding level, the NHTF is a relatively minor resource, but its funding source (Fannie Mae and Freddie Mac profits) offers the potential for expansion in the future.
CHALLENGES & OPPORTUNITIES

To ensure that Boston’s housing plan remains current and relevant, the City, along with the Housing Task Force, will review new policies annually with an eye toward making course corrections and improvements. Below are some challenges and opportunities that could impact the City’s ability to meet the needs of its low-income residents.

Turning the Development Pipeline Into Housing
Currently, the City has a significant pipeline of low-income units that have received funding awards from the City, but require State funding commitments before they can proceed to construction.

The City is working with the State and Mass Housing to design an accelerated pathway to funding for mixed-income developments of significant size that can move into construction quickly, increasing the supply of affordable and moderately priced housing, and easing some of the pressure in the housing market.

Increased Regional Action
Providing housing for low-income, non-elderly residents is not simply an issue for Boston. With a strong regional real estate market, many neighboring cities and towns are also grappling with the issue of ensuring that economically vulnerable residents have safe, affordable places to call home. As discussed in the previous chapter, Mayor Walsh signed the Greater Boston Regional Economic Compact in December of 2015, along with the chief executives of Boston, Braintree, Cambridge, Chelsea, Quincy, and Somerville in hopes of taking a regional approach on Housing, among other issues.

Launching the Acquisition Opportunity Program
This affordable housing production strategy offers the greatest potential for creating long-term affordable housing more quickly and at lower cost. It can act as an important hedge against gentrification by preventing the displacement that can occur when real estate changes hands.

An understanding of this reality has guided the design of the Acquisition Opportunity Program. As currently designed, up to $7 million in City funds will be available on a rolling basis along with access to project-based rental assistance vouchers from the BHA. This may be paired with 30 year, 3.5% interest debt financing being offered by first mortgage lenders willing to provide long term financing at reasonable terms.

Enhancing Access to Affordable Housing for Those Most in Need
The City remains committed to the principle that scarce affordable housing opportunities should go to those who are most in need by prioritizing the most rent-burdened tenants. This issue, along with the issue of allowing preference to neighborhood residents who have been displaced through the forces of gentrification is an ongoing discussion between HUD and Fair Housing officials.