

INCOME-RESTRICTED HOUSING IN BOSTON

2019



City of Boston
Mayor Martin J. Walsh



NEIGHBORHOOD
DEVELOPMENT

EXECUTIVE SUMMARY

Currently, there are 55,122 housing units in Boston that are income-restricted to low- and middle-income households. In the 2018 Update to Housing Boston 2030, the City increased the production goal for income-restricted units from 12,000 to 15,820. This will bring the total number of income-restricted housing units up from over 55,000 units to nearly 70,000 units by 2030.

To ensure that all of these units will be appropriately accounted for, the Department of Neighborhood Development (DND) maintains an inventory of all income-restricted units in Boston. This report provides a summary of Boston's current income-restricted housing stock to help residents and housing professionals better understand the geographic distribution, affordability levels, and other characteristics of this important sector of Boston's housing stock.

Since 2014, Boston has permitted 39 percent (4,749 units) of all the income-restricted units that have been permitted in the city during the last 25 years.

In 2019 alone, 895 income-restricted housing units were completed.¹

With high housing costs and a growing demand for housing, Boston is fortunate to have such a large number of income-restricted units – and the stock is growing. This stock is created and maintained by leveraging federal, state, and city funds as well as private residential and commercial development, and by implementing innovative new programs and policies.

In addition to our federal and state dollars, the City puts \$50 million per year towards the production of new affordable housing. In January of 2020, Mayor Martin J. Walsh announced an additional \$500 million over five years to help house Boston's low- and moderate-income residents. With federal resources waning and the need for affordable housing growing, this funding will have a significant impact.

Key Facts:

- **Over 55,000 units are income-restricted in Boston – that's nearly 20 percent, or one in five units in the city.**
- **Over two thirds (67 percent) of all of Boston's income-restricted units are affordable to low-income households making less than 50 percent of Area Median Income.**
- **The neighborhoods where income-restricted units make up the highest percentage of the housing stock are the South End/Lower Roxbury (46 percent), Roxbury (44 percent), Charlestown and Jamaica Plain (each 25 percent).**

¹54% of units affordable to households making less than 60% of Area Median Income (AMI), and 87% of units were affordable to households making less than 80% of AMI.



WHAT IS INCOME-RESTRICTED HOUSING?

Income-restricted rental housing, commonly referred to as affordable housing, has the rent capped at an affordable price for households who qualify based on income. For affordable homeownership units, the sales price is limited so it can remain affordable to buyers of a particular income.



Coppersmith Village Homeownership, East Boston
8 income-restricted ownership units @ 80% AMI

This type of affordable housing is referred to as income-restricted because the units have a restriction on their deed that requires them to be affordable for a defined time period, many in perpetuity. Some units in the city may be renting or selling at affordable market-rate prices, but data in this report reflects only those that have a legal covenant dictating their maximum rents or prices.



Old Colony Phase 3, South Boston

Housing for Boston's low-income residents continues to be redeveloped by the Boston Housing Authority.

Income-restricted units are important because they provide affordable housing options to Boston residents and help protect households against rising market prices that could potentially displace them from their homes and neighborhoods. Income-restricted housing helps both low- and middle-income households who are struggling to find units they can afford in Boston's expensive housing market.



PROFILE OF INCOME-RESTRICTED UNITS IN BOSTON

The income-restricted stock is comprised of both rental and ownership units. Of all rental units of the city, 27 percent are income-restricted, while only three percent of all ownership units are income-restricted (Table 1).

Table 1. Income Restricted Units as a Percentage of Total Housing Stock

	All Units	Rental	Owner
Total Housing Units in Boston ²	288,177	193,429	94,748
Total Income-Restricted Units	55,122	52,479	2,643
% Income-Restricted	19.1%	27%	3%

In Boston, 27 percent (27%) of all rental units are income-restricted. That is 52,479 of the 193,429 rental units in the city.

Table 2. Income-Restricted Units by Tenure

	All Units	Rental
Total Income-Restricted	55,122	100%
Rental	52,479	95%
Owner	2,643	5%

The income-restricted stock itself is mostly rental units (95 percent) (Table 2). That's a significantly higher share than the overall housing stock, where 65 percent of units are rental and 35 percent are ownership. This is largely because demand for rental housing among low- and moderate-income tenants is very high, and more funding sources

are available for rental development and preservation than there are for ownership housing development.

² Decennial Census (includes rented/sold occupied, rented/sold not occupied, and vacant for rent/sale) + permitting data (units completed between 2011-2019).



DATA & METHODS

DND maintains a database of all income-restricted units in the city. This data includes public housing owned by the Boston Housing Authority (BHA), privately-owned housing built with funding from DND and/or on City-owned land, privately-owned housing built without any City subsidy, e.g., created using Low-Income Housing Tax Credits (LIHTC) or as part of the Inclusionary Development Policy (IDP), and privately-owned properties with no City subsidy but with subsidy from HUD or DHCD, such as Section 202 elderly housing. Information is gathered from a variety of sources, including the City's IDP list, permitting and completion data from the Inspectional Services Department (ISD), newspaper advertisements for affordable units, Community Economic Development

Assistance Corporation's (CEDAC) Expiring Use list, and project lists from the BHA, the Massachusetts Department of Housing and Community Development (DHCD), MassHousing, and the U.S. Department of Housing and Urban Development (HUD), among others. Since many units are not required to report data to the City of Boston, DND is constantly working to verify and update the data.

The database only includes units that have a deed-restriction. It does not include tenant-based (also known as mobile) vouchers, which subsidize rent, but move with the tenant and are not attached to a particular unit. See the section below for more on tenant-based vouchers.



TENANT-BASED VOUCHERS

In addition to the 55,122 units that have a deed restriction attached to them, there are more than 17,500³ additional tenant-based vouchers in the city of Boston, which provide additional affordability to low- and moderate-income households. Tenant-based (or mobile) vouchers subsidize rent but move with the tenant and are not attached to a particular unit. These include federally funded vouchers through the Housing Choice Voucher Program (also known as “Section 8 Vouchers”), the HOPWA Program (Housing Opportunities for Persons with AIDS), and the Continuum of Care for supportive housing, as well as state-funded vouchers through the Massachusetts Rental Voucher Program. In January 2020, Mayor Walsh announced the creation of a city-funded rental voucher program. This program, currently in development, will provide hundreds of city-funded vouchers to those with the most need, including families

experiencing homelessness who are not eligible for the State’s Emergency Assistance, formerly chronically homeless individuals, and extremely low-income elderly and disabled households.

Anecdotally, we know that some households living in income-restricted units also use a mobile voucher to help pay for rent. Data on this is scarce, but HUD’s most recent report⁴ on LIHTC units shows that 18.9 percent of all households in LIHTC units also use a tenant-based subsidy. If we apply this rate to the income-restricted rental housing stock of 52,479 units in Boston, approximately 9,919 units would have a household also utilizing a mobile voucher. That would leave about 7,652 households using tenant-based vouchers only. These vouchers are not captured in DND’s inventory but are an important tool for increasing access to affordable housing options in Boston.

³ Approximately 15,000 HUD Housing Choice Vouchers (HUD eGIS), approximately 1,040 Massachusetts Rental Voucher Program vouchers administered by Metro Boston and Boston Housing Authority, 88 HOPWA vouchers, and 1,433 CoC vouchers. HOPWA and CoC vouchers were not included in last year’s report.

⁴ Understanding who the LIHTC Serves: Data on Tenants in LIHTC Units as of December 31, 2015. March 2018 (27 pages). <https://www.huduser.gov/portal/publications/LIHTC-TenantReport-2015.html>



GEOGRAPHIC DISTRIBUTION

Income-restricted units are distributed throughout the city, but some neighborhoods have much higher concentrations than others. The South End/Lower Roxbury has the most income-restricted units as a percent of its total housing stock (46 percent), followed by Roxbury (44 percent), Charlestown (25 percent), and Jamaica Plain (25 percent). West Roxbury has the smallest percentage (4 percent), followed by Back Bay/Beacon Hill (7 percent). Table 3, included below, and Map 1, on the next page, show the distribution of units by neighborhood.

In nearly every neighborhood, at least 10 percent of the housing stock is income-restricted, with the exception of Back Bay/Beacon Hill and West Roxbury.

The Massachusetts Comprehensive Permit Law (Chapter 40B) aims for every municipality in the state to income-restrict at least 10 percent of its housing stock for low- and middle-income households. Nearly every neighborhood in Boston meets this threshold, with the exception of Back Bay/Beacon Hill and West Roxbury. When considering the percentage of rental housing that is income-restricted, every Boston neighborhood is over 10 percent except West Roxbury, which has 9 percent.

Table 3. Income-Restricted Housing by Neighborhood

Neighborhood	Income-Restricted Units	Total Housing Units	% Income-Restricted
Allston/Brighton	4,185	33,269	13%
Back Bay/Beacon Hill	1,017	15,057	7%
Central	3,360	23,041	15%
Charlestown	2,326	9,310	25%
Dorchester	4,401	35,596	12%
East Boston	2,731	16,919	16%
Fenway/Kenmore	2,089	16,676	13%
Hyde Park	1,910	12,393	15%
Jamaica Plain	4,995	19,639	25%
Mattapan	3,049	13,497	23%
Roslindale	1,379	13,505	10%
Roxbury	11,731	26,372	44%
South Boston	3,718	22,384	17%
South End/Lower Roxbury	7,749	16,830	46%
West Roxbury	482	13,689	4%
CITYWIDE	55,122	288,177	19.1%

Source: DND Income-Restricted Housing Database; Total Housing Units from 2010 Decennial Census + housing units completed 2011-2019 from Permitting data. Rental and ownership totals do not add up to total housing units because tenure is unable to be determined for some units.

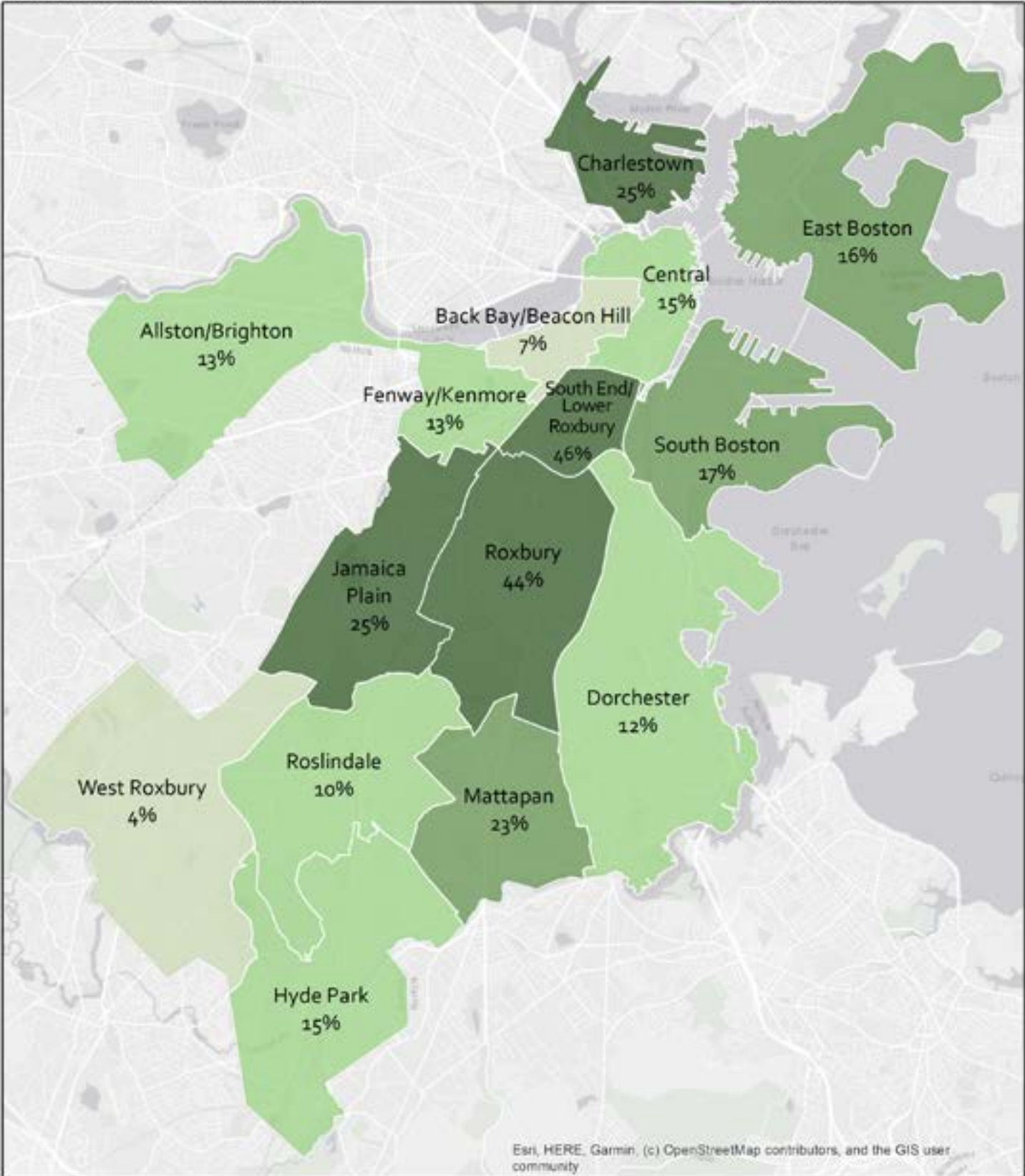


Concentration of Income-Restricted Housing by Neighborhood

Percent of Total Housing Stock



Source: DND Income-Restricted Inventory, PD&R



Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community



Neighborhoods are defined using DND's planning district boundaries.

The number of income-restricted rentals as a percentage of the total rental units varies across neighborhoods. Some neighborhoods, such as Fenway/Kenmore, have a large amount of rental stock, but not many of those units are income-restricted. In Fenway/Kenmore, 90 percent of the units are rentals, but only 14 percent are income-restricted. In other neighborhoods, high percentages of the rental stock are income-restricted, such as the South End/Lower Roxbury, where 65 percent of the stock is rental, and 63 percent of those units are income-restricted (Table 4).

Table 4. Share of Restricted Rental Units by Neighborhood

Neighborhood	% Total Rental Housing	% Income-Restricted Rentals	# Income-Restricted Rental Units
Allston/Brighton	80%	15%	4,080
Back Bay/Beacon Hill	64%	10%	991
Central	71%	19%	3,207
Charlestown	57%	42%	2,219
Dorchester	63%	18%	4,175
East Boston	72%	21%	2,586
Fenway/Kenmore	90%	14%	2,072
Hyde Park	40%	35%	1,883
Jamaica Plain	66%	35%	4,729
Mattapan	64%	32%	2,801
Roslindale	46%	20%	1,343
Roxbury	78%	54%	11,139
South Boston	61%	25%	3,431
South End	65%	63%	7,354
West Roxbury	36%	9%	469
CITYWIDE	65%	27%	52,479

Source: DND Income-Restricted Housing Database; 2010 Decennial Census; Permitting Data

Similarly, the neighborhoods with the most ownership units do not necessarily have the most income-restricted ownership units. West Roxbury, for example, has the highest percentage of ownership units (62 percent) but the lowest percent of income-restricted ownership units (0.15 percent, or only 13 units). Roxbury has one of the lowest percentages of ownership units (22 percent), but the highest percentage of income-restricted (10 percent) ownership units in the city (Table 5).



Table 5. Share of Restricted Ownership Units by Neighborhood

Neighborhood	% Total Ownership Housing	% Income-Restricted Ownership Units	# Income-Restricted Ownership Units
Allston/Brighton	21%	2%	105
Back Bay/Beacon Hill	36%	0%	26
Central	28%	2%	153
Charlestown	43%	3%	107
Dorchester	35%	2%	222
East Boston	27%	3%	137
Fenway/Kenmore	11%	1%	17
Hyde Park	56%	0.39%	27
Jamaica Plain	32%	4%	266
Mattapan	36%	5%	245
Roslindale	49%	1%	36
Roxbury	22%	10%	590
South Boston	39%	3%	284
South End	30%	8%	391
West Roxbury	62%	0.15%	13
CITYWIDE	65%	3%	2,619

Source: DND Income-Restricted Housing Database; 2010 Decennial Census; Permitting Data



LEVELS OF AFFORDABILITY

Income-restricted units are affordable because the rents are capped at prices affordable to households at specific income levels. A household must make under certain income levels to qualify. Table 6 helps explain income limits by household size. For example, a one person household making \$45,000 per year would fall in the 60 percent of Area Median Income (AMI) bracket, and would be income eligible for a unit restricted up to 60 percent of AMI.

A unit restricted at 60 percent of AMI would have the rent capped at a price that is affordable to them. The maximum affordable rent for income-restricted units is generally 30 percent of the income limit for that unit. So, a 1-bedroom unit at 60 percent of AMI would have a maximum rent of \$1,333 (Table 7). Maximum affordable rents vary by funding program, but Table 7 provides rent prices commonly used in DND and BPDA programs.

Table 6. 2019 Income Limits⁵

Percent of Area Median Income (AMI)	Household Size			
	1	2	3	4
30%	\$24,900	\$28,450	\$32,000	\$35,550
50%	\$41,500	\$47,400	\$53,350	\$59,250
60%	\$49,800	\$56,880	\$64,020	\$71,100
80%	\$62,450	\$71,400	\$80,300	\$89,200
100%	\$79,350	\$90,650	\$102,000	\$113,300
120%	\$95,200	\$108,800	\$122,400	\$135,950

Table 7. Maximum Affordable Rents⁶

Bedrooms	30% AMI	50% AMI	60% AMI	70% AMI	80% AMI	100% AMI	120% AMI
Studio	\$622	\$1,037	\$1,245	\$1,125	\$1,608	\$1,635	\$1,975
1	\$666	\$1,111	\$1,333	\$1,318	\$1,749	\$1,913	\$2,310
2	\$800	\$1,333	\$1,600	\$1,492	\$2,098	\$2,172	\$2,626
3	\$924	\$1,540	\$1,848	\$1,672	\$2,424	\$2,437	\$2,947
4	\$1,031	\$1,718	\$2,062	\$1,850	\$2,704	\$2,700	\$3,266

Sixty-seven percent of income-restricted units are set aside for low-income residents making less than 50 percent of AMI. 15,476 units (28 percent) are restricted for households making less than 30 percent of AMI, and 21,154 units (39 percent) are restricted for households making between 31-50 percent of AMI. This stock is integral in keeping those most in need of housing assistance safely and affordably housed.

Another 21 percent of units are affordable to moderate-income households making between 51-60 percent of AMI, and 9 percent are restricted to households between 61-80 percent of AMI. A small percentage (2.7 percent) are affordable to upper middle-income families (greater than

⁵DND Income Limits vary slightly from the BPDA income limits and maximum rents for IDP units

⁶DND maximum rents, except 120% AMI, which is the BPDA maximum rent.



80 percent of AMI). The bulk of income-restricted stock assists low-income households most in need of affordable housing, but also provides some affordable housing opportunities for those households should their income rise above their current income categories. It also provides options for current middle-income households struggling to afford rent. Units in the higher AMI brackets, particularly above 80 percent of AMI, are largely ownership housing opportunities for middle-income households.



Whittier Street Phase 1A, Roxbury
58 units (6 homeless, 22 @50% AMI, 15 @60% AMI, 8 @120% AMI, 7 market rate)

Increasing affordable housing opportunities for middle-income residents both in income-restricted units and in affordable market-rate units is important to ensure that middle-income households are not squeezed out of Boston. This is a shared responsibility between the public, nonprofit, and private sectors. Mayor Walsh recently called for more action and collaboration from the business and development communities, who will need to help create more housing that is affordable to middle-income residents.

Table 8. Units by Income Restriction

Income-Level (% of AMI)	Units	% Total
< 30%	15,476	28%
31-50%	21,154	39%
51-60%	11,650	21%
61-80%	5,004	9%
81-120%	1,508	2.6%
> 120%	143	0.3%
Unknown*	187	0.3%
TOTAL	55,122	100%

Note: Percentages add up to slightly over 100% due to rounding

*0.3% of the database does not have income-level information. Most of these are older projects and are likely restricted to low-income households, but DND continues to update this information as it is verified.



SPECIAL SET-ASIDES

Some units are set-aside for homeless, senior, and disabled households. These units are generally restricted to households with incomes of less than 30 percent of AMI. Three percent of the entire income-restricted stock is set aside for homeless households, 23 percent is set aside for senior households (age 62+), and a little over one percent is set aside for disabled households. In their efforts to increase the number of deed-restricted units accessible to disabled households, the Disability Housing Task Force worked with the BPDA over the past



Brookview House III, Mattapan
12 units for the formerly homeless

Table 9. Special Set-Asides

Unit Type	Units	% Total
Homeless	1,543	3%
Senior	12,842	23%
Disabled	684	1.2%
SROs	926	1.7%

Numbers are approximate given the best data available at the time of this report.

year to update the IDP policy. New developments over 20 units must now make 15 percent of the IDP units accessible to households with physical disabilities or sensory impairments. Many senior units, as well as Single Room Occupancy (SRO) units, which are single rooms with shared amenities like kitchens and bathrooms, are also available to persons with disabilities. There are approximately 926 SRO units restricted to households with incomes under 30 percent of AMI.



OWNERSHIP STRUCTURE



Walker Park, Roxbury
49 rentals (4 homeless, 3 @<30% AMI, 20@ <60% AMI)

Most of the income-restricted housing stock is privately-owned (77 percent), while 23 percent is publicly-owned by the Boston Housing Authority (BHA). About one percent of units have a public/private

partnership, where the BHA has partnered with the private sector to redevelop and manage public housing developments.

While affordability restrictions for most of the 39,663 private rental units are not at imminent risk of expiring, approximately 4,100 privately-owned rental units are considered at-risk of expiring before 2030 and have not yet been preserved with extended expiry dates. The City dedicates significant resources towards extending these restrictions and preserving units for all at-risk properties, ultimately protecting the low-income tenants. The City also works hard to maintain and preserve publicly-owned units, which house many of the City’s lowest income residents. The BHA has undertaken an ambitious reinvestment strategy to redevelop approximately 4,500 units, for which a significant amount of capital investment will be required to redevelop and preserve these critically important units. To date, 1,032 of those units have been redeveloped and preserved.

Table 10. Income-Restricted Units by Ownership Type

	Total Income-Restricted	% of Total	Rental	% Renter	Owner	% Owner
Private	42,295	77%	39,663	94%	2,632	6%
Public	12,262	22%	12,251	99%	11	<1%
Public/Private	565	1%	565	100%	0	0%



CONCLUSION

The city of Boston has the highest percentage of income-restricted housing in the country, with nearly 20 percent (55,122 units) of its stock income-restricted. In a city with high housing prices, and increasing population and job growth, maintaining a strong stock of income-restricted housing is integral for mitigating potential displacement and helping residents live affordably.

Of the 55,122 restricted units, 95 percent are rental and 5 percent are ownership units. The majority (67 percent) are affordable to households making less than 50 percent of

has the most income-restricted units as a percent of its housing stock at 46 percent, followed by Roxbury (44 percent), Charlestown (25 percent), and Jamaica Plain (25 percent). West Roxbury has the smallest percentage at four percent, followed by Back Bay/Beacon Hill at seven percent.

In the 2018 Update to Housing A Changing City: Boston 2030, the City increased its production goal for income-restricted units from 12,000 to 15,820. This will bring the total number of income-restricted units to 70,000 by the year 2030. Through the end

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AMI. 23 percent (12,842 units) are set aside for senior households (age 62+), and three percent (1,543 units) are set aside for the homeless. 77 percent are privately owned, 22 percent are publicly owned, and 1 percent are owned by a public-private partnership.

While income-restricted units are distributed across the city in every neighborhood, some neighborhoods have higher concentrations than others. The South End/Lower Roxbury

of 2019, 6,300 income-restricted units have been permitted toward this goal, accounting for nearly 20 percent of all units permitted. Another 5,148 income-restricted units are in the development pipeline. This long-term investment in further strengthening our income-restricted housing stock reinforces Boston's commitment to making our city more affordable and accessible for both current and future residents.

