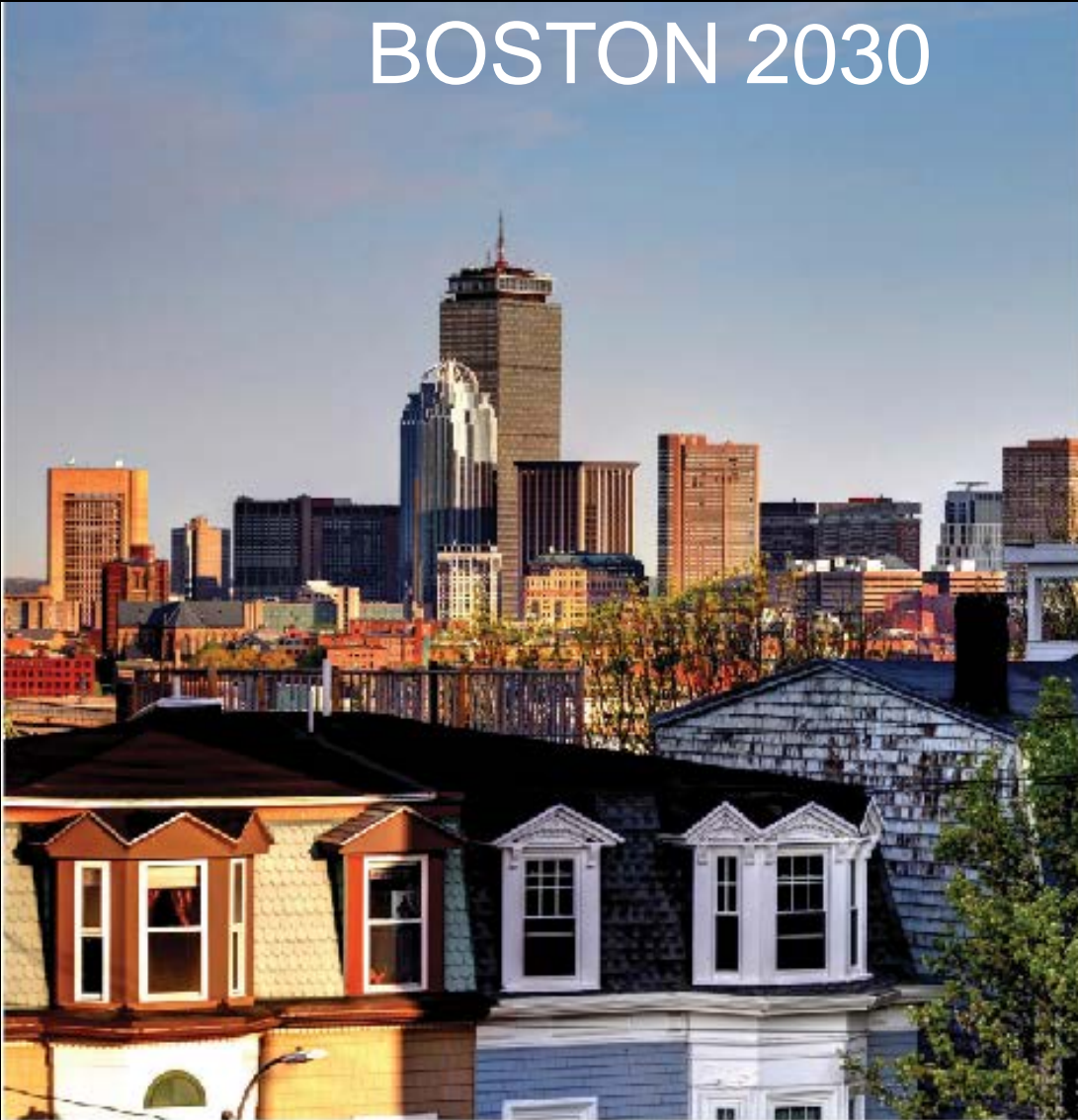


# HOUSING A CHANGING CITY: BOSTON 2030



# Boston's key housing issues

## Growth

- Since beginning of Walsh administration:
  - 5.9m sf of new commercial space completed; 3.8m sf in construction; 10m approved
- Since last Census, Boston has been gaining between 10 – 15,000 new residents annually
- This requires 4,000 – 6,000 new units of housing per year

## Demographics

- Will reach 700,000 for the first time since the 1950's, when household sizes were much larger
- Number of seniors are growing
  - 53 percent increase in senior population between 2010 – 2030
  - 22,400 fewer units of housing available for Boston's workforce
- Students, millennials, and individuals are living in traditional workforce housing
  - 101,013 individuals in the city are sharing housing, driving up rents and sale prices
- By 2030, the city will see an increase of 9,750 low income households. In total, there will be 38,200 households in need of affordable housing

## Maintaining the middle class

- A household with income at the midpoint of the middle class can only afford one-quarter of the homeownership market in Boston.
- Limited incentives to develop housing that is accessible to the middle class.



# How we're responding

## October 2014: released Housing a Changing City: Boston 2030

- 53,000 new units by 2030
- 20,000 middle income
- 6,500 affordable
- 5,000 seniors
- 18,500 dorm beds (5,000 middle income)

## We are seeing results

- New housing starts: **122 percent** of the pace needed to reach our goals.
- Q3: broke 15-year record for housing completions: **3,292 units**, representing **\$1.4b** of development
- Q3: Set record for dorm production -- **1,200 beds** permitted to date in 2015
- Affordable housing ahead of schedule: **1,243 units** started, which is **109 percent** of pace
- Middle income: **83 percent** of rate of production for middle income: **4,009 units** permitted to date.



# What's working?

## Market response at all levels

- Record-setting production numbers:
  - 15,375 units are complete or in construction
  - 9,1718 approved through the BRA or DND;
  - 3,787 are under review.
- Boston's housing stock is growing faster than any time in the last 15 years
- Increased interest in middle-income markets as developers move out of the downtown core
- More than 1/3 of production in more moderately priced neighborhoods

## City agencies collaborating to increase production

- Extra ZBA hearings for small projects
- Technical upgrades at ISD have shortened timelines and streamlined process
- BRA has embarked on planning exercises for strategic growth areas



# What's working?

## Quickly moving resources for affordable housing

- City has put nearly \$50m on the street to fund affordable housing this year
- More than 1.4m sf of City-owned land either currently on the market or under agreement with developers; this will result in approximately 600 new units of mixed-income housing

## Transit oriented development

- 74 percent of housing starts from 2014 to date have been within a 5 minute walk to transit; the strategic growth areas will increase this number

## Healthy dorm pipeline has been established

- More than 3,500 beds permitted to date
- Seeing a pipeline of private development beginning to take shape



# Challenges

## Costs

- Cost to build has risen more than 40 percent in past 10 years while gap funding for affordable housing rose 118 percent

## Resources

- Lost 33 percent of CDBG; 48 percent of HOME; 100 percent of Section 202

## Helping the middle class

- Tools to help the middle class are coming on line more slowly
- Homeownership programs can not offset higher costs



# Challenges

## Senior housing

- Only one market rate senior housing project currently in the pipeline

## Need to see more innovation in the industry

- Smarter ways to produce at lower costs

## Regional response

- Nearly 20 percent of Boston's housing stock is deed-restricted affordable; the highest in the nation.
- Out of the 31 cities and towns that make up the Greater Boston area, only 8 municipalities meet or exceed the 10 percent threshold set out by 40b.
- If every community in Greater Boston met the 10 percent requirement, there would be an additional 11,500 more affordable units; if every community matched Boston's rate, there would be 56,700 more.



# Looking forward

## **Push forward on all components of the housing plan**

- Make any needed course corrections

## **Helping the Middle Class**

- Housing Innovation Lab: feasibility of potential solutions: density bonuses, accessory dwelling units, parking alternatives, land trusts, etc.

## **Focus on seniors**

- New \$1.8 m senior line item in FY16 budget
- Building new pipeline of senior projects

## **New production models**

- Acquisition/conversion
- 4 percent LIHTC

## **Make Boston the most livable city in the nation**

