

HOUSING A CHANGING CITY: BOSTON 2030



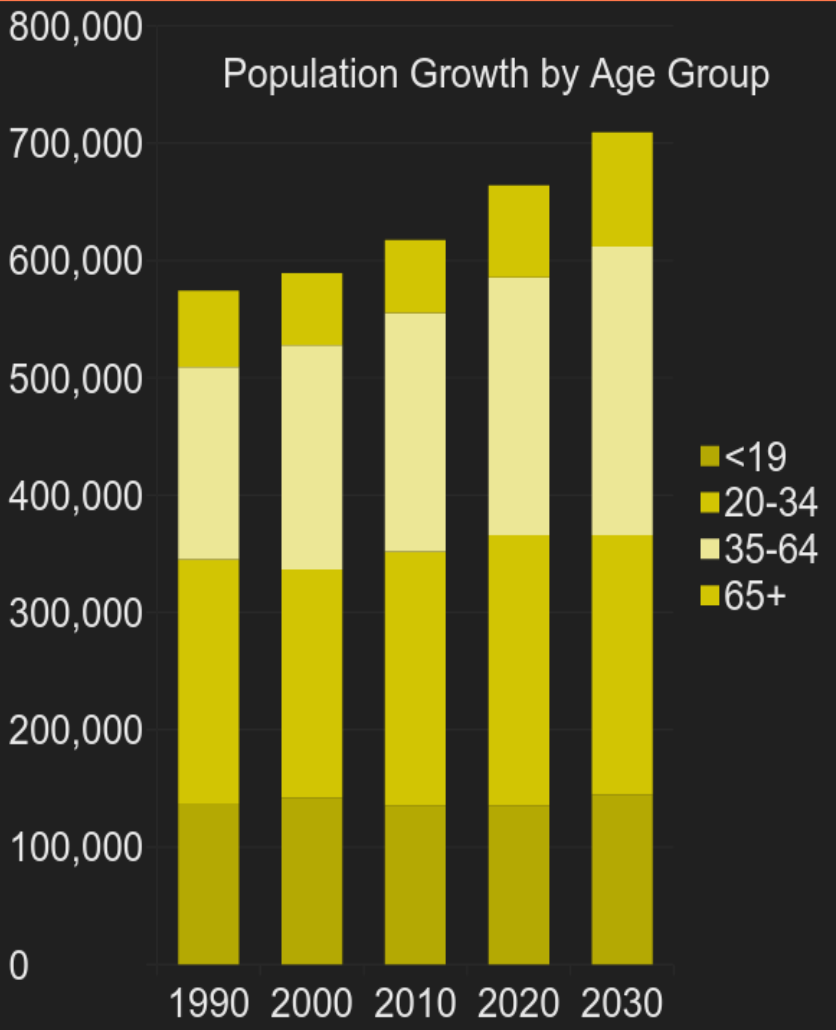
BOSTON IS GROWING

- Projected to host 830,000 jobs – a 20 percent increase since 2010
- 39 percent of those who work in Boston also live in the city
- Our population will grow by 90,000 ➔ 700,000
 - 1st time since 1950's
 - Elderly: +22,000 (fastest growing cohort)
 - Workforce +27,000

- Accommodating this growth will require **53,000 new units by 2030**
 - 44,00 workforce
 - 5,000 for seniors
 - 4,000 vacancy rate for stability
- This represents a **20 percent increase** in housing stock



ENSURING BOSTON GROWS RESPONSIBLY

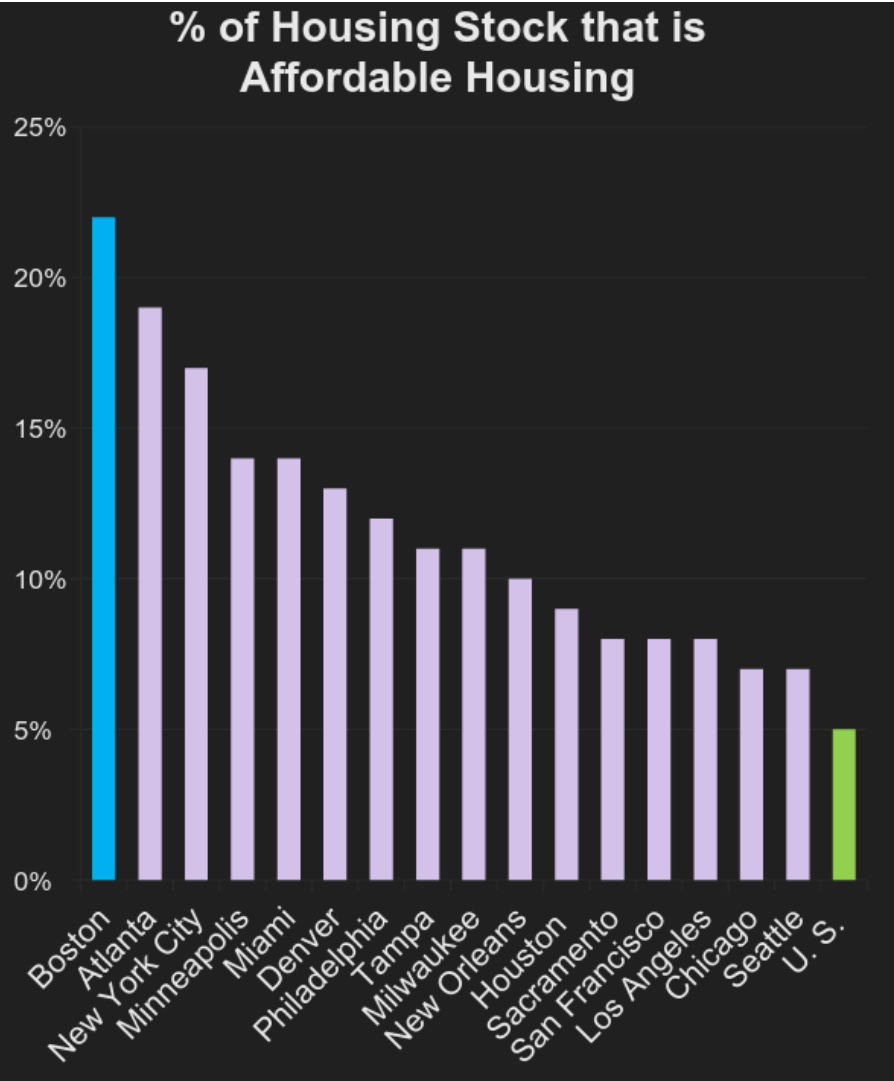


4 key areas:

- Champion low-income affordability
- Strengthen middle class options
- Support and house student population
- Assist senior households



NATIONAL LEADER IN LOW-INCOME AFFORDABILITY



By 2030, we will need more than 38,000 affordable units

- 28,400 households today; additional 9,700 by 2030

Resources: a growing challenge

- CDBG -33%; HOME -48%
- 202 eliminated completely



AFFORDABLE HOUSING: GOALS & STRATEGIES

- Increase the rate of production by 50% per year
- Create 6,500 new low-income affordable units by 2030; additional 1,500 low-income senior units
- Maximize occupancy at BHA properties; preserve 97% existing units

- Acquisition/conversion program
- New city financing product
- Simplify access to affordable housing for low-income households – new housing portal
- Find additional resources, e.g. increasing IDP and Linkage
- Regional response



WORKFORCE AFFORDABILITY



What's happening in the middle?



20% of Units Citywide
preserved for Affordable
Housing

78% of new units
completed in 2014 were
in high end markets

→ 36% of Boston's population is in the workforce:

- \$50,000 - \$125,000 annual household income
- 2012 median household income: \$53,136

→ At an income of \$80,000 a middle class household can only afford:

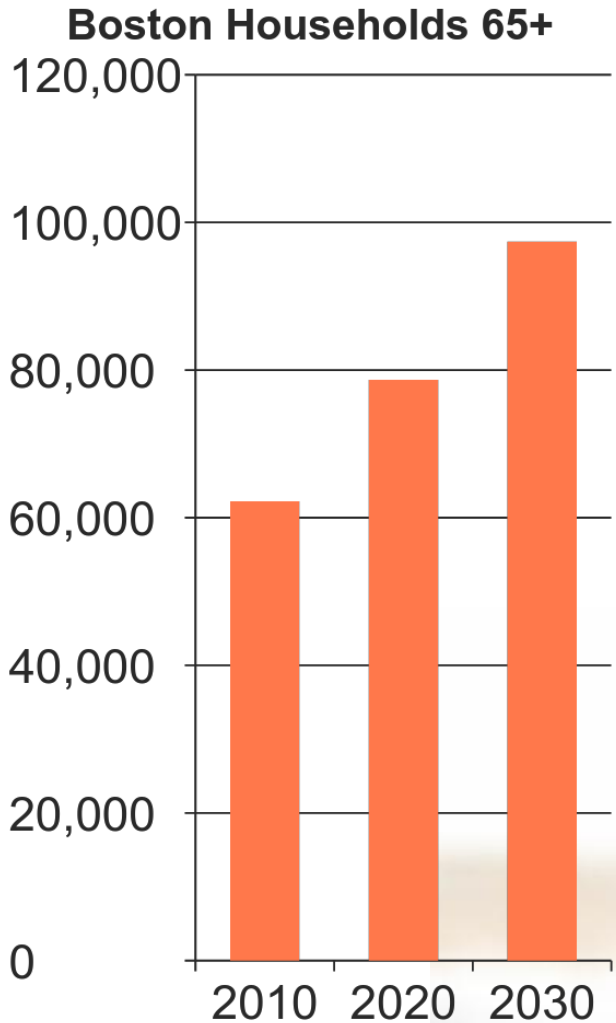
- Rental Housing: 50% of the market
- Homeownership: Only the bottom 25% of the market.

MIDDLE INCOME HOUSING GOAL: CREATE **20,000 WORKFORCE UNITS** BY 2030

- Establish high-density growth zones
- Create residential tax incentives for developers
- Work with trades to establish workforce housing labor rate
- Streamline permitting systems
- Leverage publically-owned land (City and State)
- Enhance programs to assist new homebuyers



SENIOR HOUSEHOLDS: FASTEST-GROWING DEMOGRAPHIC



- Elders are Boston’s fastest-growing demographic: will add 22,000 by 2030
- Maintain historic pace of creating new low-income senior housing -- despite termination of Section 202 funding : 1,500 units
- Encourage the market to develop 3,500 units of new senior housing
- Increase housing stabilization and support for seniors, so they can age in their communities



STUDENTS **PRESSURE THE MARKET**; AT RISK FOR **UNSAFE HOUSING**



- 150,000 students in Boston-based programs
 - 75,000 living in Boston; of these
 - 38,000 are living off-campus
- Clustered in 3 neighborhoods, with high rents and high competition for housing
- Over 14,000 students living in condos or 1-3 family housing units
- Student dorm creation is a workforce housing strategy



STUDENT HOUSING: GOALS

- Create 18,500 new undergraduate student dorm beds
 - Reduces number of undergrads living off-campus by 50%
 - Returns 5,000 units of housing to the workforce
 - Total development cost of \$2.2 billion
 - 7,000 units already in master plan pipeline
- Unlock greater dorm production through public-private partnerships
- Work with universities to set specific student housing commitments
- Passed University Accountability Ordinance and use inspections to improve living conditions for off-campus students



PROGRESS TO DATE



HOUSING PRODUCTION **UPDATE**

- New housing starts running at 119% of the pace to create 53,000 units by 2030.
- 14,247 units complete or in construction
- 9,029 approved
- 4,535 more under review
- In total, about 27,800 of the 53,000 units are already underway.



LOW INCOME + SENIOR PRODUCTION

Low-income housing ahead of target



LOW INCOME PRODUCTION TARGET 2030	6,500
Units Permitted through 6/30/15	1,204
% of 6/30/15 Target* Achieved	114%

*6/30/15 target is 1,054 units – proportionate to the 22.5% of the 20-year period timeframe for this goal (2011-2030) that has passed to date

Senior affordable on target; market rate is a challenge



SENIOR AFFORDABLE UNITS BY 2030	1,500
Units Permitted though 6/30/15	284
% of 6/30/15 Target* Achieved	84%

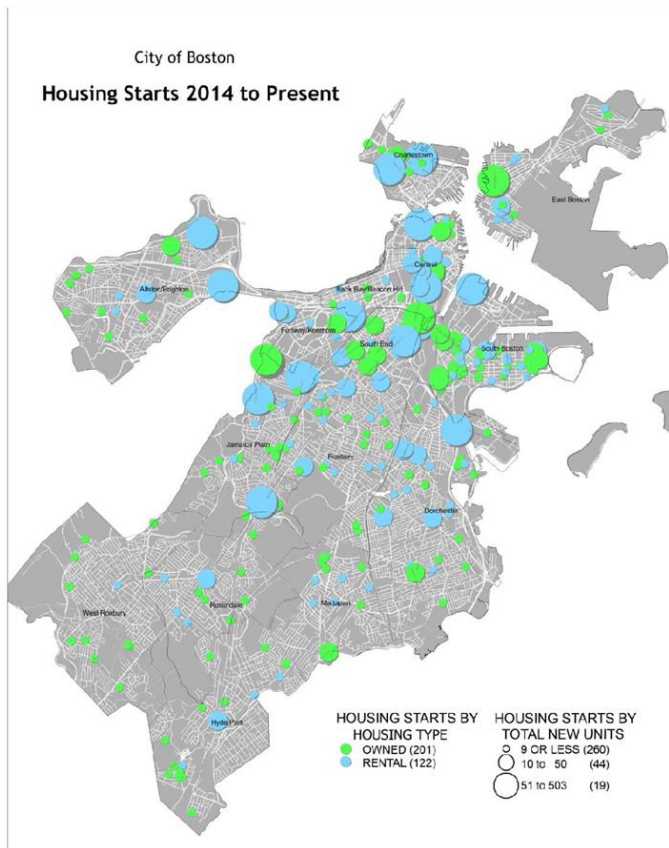
*6/30/15 target is 338 units

SENIOR MARKET RATE UNITS BY 2030	3,500
Units Permitted though 6/30/15	7
% of 6/30/15 Target* Achieved	1%

*6/30/15 target is 788 units



MIDDLE INCOME PRODUCTION



Q2 MIDDLE INCOME PRODUCTION	DEED-RESTRICTED	PRIVATE MARKET	TOTAL
TARGET NEW UNITS BY 2030	4,000	16,000	20,000
Units through 6/30/15	1,146	2,769	3,915
% 2015 Target*	127%	77%	87%

*6/30/15 target is 900 restricted units and 3,600 private market units – proportionate to the 22.5% of the 20-year period that has passed to date

- Interestingly, nearly half of all housing starts Q1 were affordable to middle income buyers compared to 26% middle income affordable in all of 2014.
- 62% of housing starts Q1 were either low-income affordable or middle-class housing
- Seeing a shift from higher priced downtown real estate to more moderately-priced neighborhoods.

STRATEGY RECAP

- Publicly-owned land for development
 - Neighborhood Homes Initiative
- Increasing City resources for development in FY16:
 - Linkage
 - Operating
 - IDP
- Growth Zones:
 - Two preliminary SPAs
 - Process launched July
- Privately-developed student housing
- Construction Costs/Methods (Bloomberg i-Team)
- Permitting and zoning reform



QUESTIONS?

@SheilaADillon

@BostonNeighbor

#Boston2030

dnd.cityofboston.gov

