



# **An Equity Agenda for Boston: Framework for a Conversation**

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# An Equity Agenda for Boston: Framing the Conversation

This paper is designed to promote the use of equity principles in the City of Boston's policies and decision making. This section refers to the importance of equity and the following sections look at housing, jobs and transportation in more depth.

It is important to recognize the significance of using an equity lens when creating policy, because equity embraces an interconnective perspective that includes housing, jobs, transportation, health and education among other issues. Without this perspective it is impossible to create comprehensive solutions to the City's problems. Comprehensive approach ensures that:

- Environmental justice and social equity must be central components of local and regional development
- Public transit, affordable housing, good quality jobs and open space issues are closely linked and require integrated solutions at the local and regional level
- Displacement of low-income residents should be avoided through local and regional mechanisms that connect low-income communities to opportunities and to resources
- Equitable development is guided by policies that promote balance land use decisions across all jurisdictions, from neighborhoods to municipalities.

## Who we are

Action! for Regional Equity (Action!) was formed in 2002 to bring grassroots organizations and policy advocates together to create a region with an equitable approach to new community development<sup>1</sup>. Action! addressed generations of racism, social, and economic discrimination of most populations of color and the traditionally disenfranchised in Massachusetts by working to achieve regional equity throughout the state. Action! was designed to ensure that the voice of low income, working families of color and communities of color is both strengthened and included in policy conversations. Our foundational principles define low income at the level of a childcare worker and as such our work is defined by campaigns that are relevant to these constituencies.

In our era of increasing economic inequality, Action! is again playing a key role in bringing an equity lens to community development and policy decision-making across the region on key issues such as transit oriented development, gentrification, jobs and job quality that demand a new equity narrative. By uniting a coalition of base-building, activist organizations with policy advocates and showing how the

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<sup>1</sup> We define community development, not just as the physical infrastructure, but all the support systems that are needed for a healthy, safe, sustainable and thriving community such as access to quality food, good healthcare, good education, economic opportunities, cultural amenities, etc.

array of issues—transportation, housing and displacement, jobs—are interconnected, Action! for Regional Equity has the potential to change regional dynamics. Our definition of regional equity gives us both a goal and a set of strategies:

**We know what equity is—it is just and fair inclusion. An equitable society is one in which all can participate and prosper. The goals of equity must be to create conditions that allow all to reach their full potential. In short, equity creates a path from hope to change. Equity is designed to address the inequalities of race, class and gender as manifested in living wage jobs, viable housing choices, affordable public transportation, good schools, strong social networks, safe and walkable streets, adequate public services, safe and well maintained parks, access to healthy food and so on.**

**Four principles under-gird regional equity:**

- 1. Integration of strategies that focus on people with those strategies that focuses on improving places**
- 2. Reduction of local and regional disparities**
- 3. Promotion of investments that is equitable, catalytic, and coordinated**
- 4. Insuring meaningful community participation, leadership and ownership in change efforts**

Equity is not a singular approach. Rather it is an approach that needs to be applied to all policies and projects. Progress towards regional equity requires mechanisms that reverse the inequitable patterns of development that have concentrated poverty, segregated communities and limited opportunities for lower-income residents of the region. Regions grow healthier economically when all communities in the region are strong. Regional equity starts with local equity; the following looks at what we can do in Boston.

### **Why equity and why now**

Understanding equity is more important than ever. At a time when the gap between the haves and have-nots is widening, the unemployment rate for Blacks is the highest in 40 years and job equality is at its lowest level since 1928, we need more than ever to understand equity and to embrace it.

We are living in a very segregated city and region. We are seeing significant increasing violence in black neighborhoods as a result of some of these inequities. There are still lingering effects on our neighborhoods from the economic crash of 2008, yet; once again housing costs are spiraling out of control. According to the Brookings Institution, Boston has the fourth highest income inequality in the country. The Federal Reserve of Cleveland says we are the fastest gentrifying city in the nation. Is this the kind of Boston we want?

We must create a city with an equitable approach to new community development. An approach which balances the burdens and benefits of growth across jurisdictions so that people of all income levels, racial groups and capabilities can access the opportunities within our region and contribute to its

progress. In order to achieve this we must provide people with relevant information, policies strategies and opportunities for strategic actions which engage resident leaders on issues related to health education, education, fiscal infrastructure, equitable transit, environmental and housing policies across geographies and income groups.

Again, we would emphasize the importance of seeing the interconnections of these issues. Organizers and advocates from all these cross-sectors need to be at the table together to ensure that no harm or hindrance, unintentional or otherwise is done to each other. For instance, local Community Development Corporations have been lauding the fact that they are hiring local contractors and neighborhood residents to work on their projects. However, they now know that that is not enough, because by having jobs people at the table, it was pointed out that the jobs which are being created are low wage jobs with no benefits and do not create a pathway for upward mobility. Even within the same disciplines, it is important to have everyone at the table. The minimum wage and living wage people were at odds until they were brought together and decided they would fight for minimum wage now, understanding this was just the first step in the fight to achieving a living wage standard.

It is also important to reemphasize that race, class and gender bias is the cause of inequity in this nation. We must identify, admit and base our solutions on this truth. We also must understand the role capitalism has played in creating this mess as well. It will take innovative, amazing and extraordinary efforts to right generations of wrong. Other cities, such as Seattle and Portland, Oregon, have implemented innovative policies to create a more equitable society.

We are proposing that Boston develop an equity prism through which all city projects are viewed before approval. All departments must have an equity mission and framework. An equity office/commission to oversee this effort must be created and it must have enforceable authority. This is an opportunity for Boston to become an innovative and amazing place and the Mayor to be extraordinary.

# Housing Equity for Boston

## INTRODUCTION

Housing affordability problems in Boston occur within the context of long-term national economic instability and inequality, as well as local forces of uneven development. The private ownership and development of land have been crucial ingredients in these processes.

Over the past four decades, the Boston economy has undergone a dramatic transformation, writing off much of its declining commercial and manufacturing base, and, building upon its traditional strength in finance and higher education, becoming a regional, national and international center of high technology, medical and other services, as well as finance and education. A result has been the creation of an employment structure of high-paying technical, professional and managerial jobs on the one side, and low-wage service and clerical jobs on the other.

The result for the residential communities of Boston itself (and many older inner suburbs) has been waves of disinvestment and speculative reinvestment – at various rates and in various forms. Soaring rents and sale prices, condominium and luxury rental conversions and construction, “upscale” arson (to clear out tenants and generate cash for luxury rehab), expiring use restrictions and subsidies in for-profit subsidized housing, and predatory mortgage lending have swept across ever more neighborhoods. Lower-income households have been and continue to be displaced, and especially in communities of color this process has followed earlier rounds of redlining, abandonment and “downscale” arson.

The only sensible and workable alternative to the continuation of these processes is one that begins to deal with underlying causes: widening inequality of income and wealth; persistent racism in all aspects of housing; ownership and investment arrangements that encourage speculation rather than community well-being; overdependence on debt financing; and perverse public policies.

Although the structural changes required to fully solve the housing problem must occur nationally, local policies aimed at both the housing cost and income sides of the problem can begin to make an impact in Boston while serving as models for large-scale reform. City government under Mayor Walsh, working together with progressive community organizations, can exert great leadership and initiative nationally for a better understanding of the nature and causes of the housing problem, and thus for new kinds of policy directions to effectively address this profound problem of Boston and our entire society.

## A HOUSING PROGRAM FOR BOSTON

Many of the following policy proposals have been part of past and present organizing campaigns and platforms in Boston. The theme and commitment that unifies these proposals into a coherent program is “Housing as Human Right not a Speculative Commodity.”

### Goals:

- I. Regulate Private Rental Housing

- II. Facilitate Homeownership without Speculation
- III. Preserve and Upgrade Government-Assisted Housing
- IV. Produce Housing for Non-Speculative Ownership
- V. Generate and Channel Financing for Social Production and Ownership
- VI. Establish and Enforce a Local Housing Bill of Rights

## **Goal I. Regulate Private Rental Housing**

### ***Sub-Goal A. Protect tenants and enhance the viability and affordability of private rental housing***

1. Re-establish rent, eviction, and condominium-conversion controls.
2. Strictly enforce the City's Rental Inspection Ordinance and State Sanitary Code, with community and resident participation, using receivership where appropriate, and encourage the Housing Court to use non-profit community organizations as receivers.
3. Use city resources (IDP, etc.) for short-term financial assistance to protect tenants against displacement and homelessness.
4. Enact just cause for eviction protection for tenants who continue to pay their legally established rent and do not interfere with the rights of other tenants.
5. Legislatively recognized the rights of tenants to form unions and bargain collectively.
6. Strengthen the enforcement powers of the Boston Office of Equity and Fair Housing to protect the rights of renters in federal and state protected classes.

### ***Sub-Goal B. Reduce speculation and facilitate conversion of the private rental stock to non-speculative forms of ownership.***

1. Establish a right of first refusal for tenants in private rental housing (assignable to non-profit) purchase their properties at a discounted price, with forgiveness of back taxes, for conversion to non-speculative ownership.
2. Require lenders in the process of mortgage foreclosure on non-owner-occupied buildings to offer the tenants the right of first refusal (assignable to a non-profit) to acquire the building for the mortgage balance plus foreclosure costs (i.e., non-auction sale).
3. Accelerate conversion of multi-family buildings with irresponsible owners, by utilizing code enforcement and receivership with negotiated sale or condemnation.
4. Provide local resources and support increased state and federal resources for resident and non-profit entities that acquire existing private rental housing for permanently-affordable, non-speculative ownership and manage it for resident and community benefit.

5. Enact a tax on the speculative turnover of housing with the highest rate on rapid flipping.

## **Goal II. Facilitate Homeownership Without Speculation**

***Sub-Goal A.*** Enhance security of tenure and affordability for existing lower-income homeowners and improve the viability of the resident-owned housing stock.

1. Establish equity conversion options for low-income elderly homeowners, providing income for life, as well as lifetime security of tenure and maintenance services, in return for deeding the house to a non-profit entity.
2. Support and provide effective foreclosure relief and eviction protection for low and moderate-income homeowners.
3. Provide grants and low-interest loans for low-income homeowners to pay for repairs and weatherization.

***Sub-Goal B.*** Reduce speculation in the owner-occupied housing stock and increase individual and collective opportunities for non-speculative resident ownership

1. Enact a tax on the speculative transfer of housing.
2. Link homeowner relief programs, such as equity conversion, foreclosure assistance, and rehab grants with permanent resale restrictions to maintain non-speculative ownership.
3. Utilize the right of first refusal policy for rental properties to facilitate creation of non-speculative homeownership (limited-equity coops, mutual housing associations and land trusts).
4. Provide funds for technical assistance, seed money loans, equity grants, rehab financing, and operating assistance to entities that facilitate acquisition of housing for conversion to forms of non-speculative homeownership.

## **Goal III. Preserve and Upgrade Government-Assisted Housing**

***Sub-Goal A.*** Preserve the existing supply of publicly owned and state and federally-subsidized housing for lower-income people.

1. Prohibit private resale of public housing and conversion of subsidized housing to market-rate rentals or condominiums.
2. Require one-for-one equivalent replacement of assisted units that must be removed from the housing stock for socially-necessary reasons.

***Sub-Goal B.*** Protect tenants in government-assisted housing and enhance its affordability and viability.

1. Advocate and support more realistic rent formulas for public and subsidized housing, along with adequate operating subsidies.

2. Reduce property taxes and seek reduction of mortgage debt in privately-owned subsidized housing.
3. Strictly enforce the City Rental Inspection Ordinance and state sanitary code in for-profit subsidized housing.
4. Support and monitor security of tenure, collective bargaining rights, warranties of habitability, quality tenant services, and affirmative protection of the civil rights of residents of color in public and assisted housing.

***Sub-Goal C. Increase non-speculative ownership of government- assisted housing.***

1. Pressure HUD and Massachusetts Housing to foreclose on assisted properties whose owners do not responsibly manage them and then transfer to non-profit ownership.
2. Limit future local discretionary assistance, such as property tax reductions, rental assistance, and rehab grants, to subsidized projects owned by or optioned to limited-equity resident ownership, CDCs, and other non-speculative entities.
3. Advocate for a right of first refusal for tenants in subsidized developments to purchase their housing at a discounted price for conversion to limited-equity or non-profit ownership.

**Goal IV. Produce Housing for Non-Speculative Ownership**

***Sub-Goal A. Increase public and community control over land for housing use***

1. Require use of CLTs for permanent non-speculative ownership of land under all new housing that receives any form of public financial assistance.
2. Maintain existing public ownership of land suitable for housing, using the ground lease mechanism to facilitate and regulate development.
3. Discourage land speculation, through taxation and tax incentives to transfer land to CLTs for land-banking for eventual community-based development.

***Sub-Goal B. Support social development for non-speculative ownership.***

1. Promote development of new public housing (e.g., with state sec. 705 program).
2. Ensure that City resources for seed money, technical assistance, equity grants, rehab/construction financing, and operating assistance goes only to CDCs, regional non-profits and other social developers.
3. Ensure that community-based development for homeownership has long-term deed restrictions to maintain affordability.

4. Provide technical assistance, resources, and support to cooperatively owned or community-based non-profit materials suppliers and construction companies, including preferential purchasing and contracting by public agencies and publicly-assisted developers.

## **Goal V. Generate and Channel Financing for Social Production and Ownership**

*Sub-Goal A. Expand existing resources and develop new funding sources for the production and acquisition of affordable housing for non-speculative ownership.*

1. Strengthen the linkage formula and inclusionary development formula, and target the funds for development of permanently and deeply-affordable non-speculative housing.
2. Explore the use of a portion of municipal pension funds for financing new construction and substantial rehabilitation for non-speculative ownership.
3. Create new state or local trust fund revenues for affordable non-speculative housing through a property tax surcharge (e.g., Community Preservation Act), a tax on speculative real estate transfers, unearned interest on property tax and insurance escrows held by lenders, excess interest on security deposits, and other appropriate sources.
4. Actively support full funding for the National Housing Trust Fund.
5. Advocate for increased state funding for public housing (sec. 705), rental assistance (MRVP), and targeted funds for non-profit developers.
6. Promote the expansion and targeting of private social financing sources.

*Sub-Goal B. Better utilize available public funds to increase the production and preservation of affordable housing.*

1. Target capital grant and loan programs, discretionary local funds, and available subsidies to projects that are deeply and permanently affordable to the most needy low income households.

## **Goal VI. Establish and Enforce a Local Housing Bill of Rights**

2. Ensure security of tenure for all tenants who continue to pay their rent and do not interfere with the rights of other tenants, through rent, eviction and condo conversion controls.
3. Ensure security of tenure for low-income homeowners under equity conversion and foreclosure relief programs.
4. Ensure decent, safe and sanitary housing conditions through strict enforcement the City Rental Inspection Ordinance and state sanitary code, with community and resident participation, and use of receivership and condemnation where appropriate.
5. Strongly and visibly enforce and affirmatively further fair housing for all protected classes.

6. Legislatively recognize the right of tenants to form unions and bargain collectively.
7. Provide resources for public education, outreach, publicity, and technical assistance to housing residents and groups on their housing rights and how to exercise them individually and collectively.
8. All new development must be accessible by public transportation so as not to create gated communities.
9. Construction and maintenance of housing, including affordable housing, should provide opportunities for good quality jobs, especially for people of color, women and low-income residents of Boston.

# Jobs Equity for Boston

## **It's everyone's problem.**

At the same time as Boston is booming, with a AAA financial rating and 9<sup>th</sup> highest income at the 95<sup>th</sup> percentile in the country, we see the benefits are not shared:

- About a third of all jobs don't support a family<sup>2</sup>. Retail, food, office, personal services, property services jobs are low wage, part time, and unstable. People don't say they have jobs; they say they have hours. 20% of Boston's workers fall below federal poverty levels.<sup>3</sup>
- Bad jobs hurt the whole neighborhood. There is more violence, worse health outcomes, foreclosures, poor educational outcomes.
- But it is not a neighborhood problem. Most people—60% to 80% of people—work outside their neighborhoods, so we need look at the whole city and the whole region for our solutions.
- Low wage, unstable jobs are disproportionately held by people of color, immigrants, returning citizens, and women, so those jobs disproportionately impact communities of color. Improving those jobs is a direct path to increasing equity for our communities.<sup>4</sup>

We are not surprised by the income inequality (4<sup>th</sup> worst in the country) or the poverty of the working poor (9<sup>th</sup> worst)<sup>5</sup> or that 20% of Boston's workers fall below federal poverty levels.

So what do we need? We need to raise the standards of a significant share of existing low wage, bad quality jobs and we need to stop subsidizing and allowing the creation of new ones. We need to enforce those standards. And we need a shared vision of the future we all want. This paper provides details on the problem as we see it and the solutions we are proposing.

We look forward to working with the administration as we go forward together.

## **Bad jobs hurt everyone—we see it in our neighborhoods.**

With so many people in our neighborhoods in bad jobs, we see everyone and the whole neighborhood facing an array of problems.

- There is a persistent connection between poverty and poor health, with income one of the most consistent predictors of health and diseases. A new paper out last week, "White Paper on

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<sup>2</sup> BLS OES data for Massachusetts income levels by occupation, attached.

<sup>3</sup> American Community Survey, Census, 5 year, B17004

<sup>4</sup> "Economic and Equity Outcomes of a \$15/hr Minimum Wage in Seattle", Puget Sound Sage, April 2014. This report flags the equity impacts of a focus on improving low wage jobs.

<sup>5</sup> "All Cities Are Not Created Unequal", Berube, Alan, Brookings Institution, February 20, 2014.

Income and Health”, provides ample documentation.<sup>6</sup>

- Bad jobs do not provide health insurance and without health insurance, minor health problems become major problems and costs.<sup>7</sup> Having a low income makes it harder to access care in many ways. As Kate Walsh, CEO of Boston Medical Center, said “If you are a working poor person and you have to take a day off to go to the doctor, you don’t get paid.”<sup>8</sup> As just one example out of many, Latinos suffer from higher incidence of diabetes. Diabetes can be managed with care, but without care, leads to major medical problems and costs.<sup>9</sup>
- Bad jobs in the Financial District and Back Bay in Boston mean that parents are not getting to school conferences in Dorchester and children are not making progress in East Boston. Part time work at the airport means that in Mattapan, people with diabetes are not taking their medicine or checking their blood sugar. Bad jobs create long term costs for the economy.
- Children of workers with bad jobs fare significantly less well, with a documented link between part time jobs and children doing badly in school. Our children are our families, but also the future workforce. Children who fail in school will never be the workers technology firms in Massachusetts need in 2030.

A Boston Globe front page, above-the-fold headline reported that “MCAS scores appear stuck in stubborn income gap”.<sup>10</sup> Strategies for Children reports that 57% of low income students do not read at grade level in 3<sup>rd</sup> grade. Not reading in third grade is a documented predictor of academic failure, dropping out, incarceration, teen pregnancy, and welfare dependence. Children in low income homes have heard 20 million fewer words than children in high income homes by the time they are 3.<sup>11</sup> Richard Weissbourd, professor at the Harvard School of Education, founder of city-wide literacy initiatives in Boston including ReadBoston and WriteBoston, and a leading researcher into the achievement gap, reports that parents who work part time jobs don’t have the stable time to be with and talk to their children.<sup>12</sup>

- Neighborhood violence and incarceration are higher.<sup>13</sup> There are higher levels of neighborhood violence and delinquency in poor households and poor neighborhoods. Incarceration is more common among men with low income and little schooling.<sup>14</sup>

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<sup>6</sup> “White Paper on Income and Health”, Minnesota Department of Health, Center for Health Statistics, February 13, 2014.

<sup>7</sup> Massachusetts Executive Office of Health and Human Services, “Employers Who Have 50 or More Employees Using Public Assistance,” 2009 version [<http://www.mass.gov/eohhs/docs/dhcfp/r/pubs/10/50-plus-employers-appendices-5-and-6.xls>], downloaded 27 September 2012].

<sup>8</sup> The Boston Globe, 9.25.11

<sup>9</sup> NCLR Profiles of Latino Health

<sup>10</sup> The Boston Globe 9.25.11

<sup>11</sup> Strategies for Children. 65% in 2009 scored below proficient in MCAS, Turning the Page: refocusing MA for Reading Success

<sup>12</sup> NPR interview

<sup>13</sup> Boston Globe, map of 2013 shootings, page K9, April 13, 2014.

- Workers with bad jobs put off marriage, leading to less stable families. As with many of the costs of underemployment, this disproportionately impacts Latino and Black workers, families, and children.<sup>15</sup>
- Perhaps most insidious is the impact of under-employment and bad jobs on civic life. Underemployed workers live within what one community leader called “a vast mosaic of family crises.” Without time to go to teacher conferences, often moving, with cars breaking down, as MIT professor Paul Osterman writes “...they are distanced from the experience of (others).”<sup>16</sup>

To a great extent, problems such as foreclosures, violence in our communities, poor health, self-medication, and depression are results of the impacts of poverty not just on individuals but on whole communities, particularly communities of color. The data tells us if you can’t read by 3<sup>rd</sup> grade, you go to jail, and 57% of poor kids can’t read by 3<sup>rd</sup> grade.

We know this. We know the economy is polarized, with a huge return to the 1% and no increase in wages for most of us, with 63% of working households of color below the income needed to sustain a family – twice the rate of white working households.<sup>17</sup> The last time the income gap between the very rich and the rest of us was this wide was in 1928!<sup>18</sup>

The epidemic of bad jobs create conditions that disproportionately impact Boston residents—poor health including the public health impacts of stress, violence, homelessness, as well as foreclosure, impacts on educational outcomes—making this an issue that must be addressed by Boston’s leadership.

### **Impact on tax payer costs—hidden subsidies to low wage employers**

Failure to address the problem of bad jobs also creates its own continuing costs to the taxpayer and the city as a whole.

In 2011, Massachusetts spent \$760 million on health care for employees of large companies who do not provide health benefits or pay enough for workers to buy their own<sup>19</sup>. Just based on Boston’s population share, that is \$76 million or possibly twice that for Boston’s employment share. Based on Boston’s share of double the number of working poor than in the state overall, it is much greater. Based on the national figure of 52% of fast food workers receiving food stamps, there is additional hidden subsidy to low wage employers. There are about 250,000 restaurant workers of all kinds in the state.

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<sup>14</sup> “Do falling wages and employment increase US imprisonment?”

<sup>15</sup> “Reducing poverty and increasing marriage rates among Latinos and African Americans”, Algernon Auston, Issue Brief EPI, 9.8.11

<sup>16</sup> Osterman, Paul, *Good Jobs America*, 2011.

<sup>17</sup> Analysis of 2006-2010 American Community Survey Public Use Microdata Sample and Economic Policy Institute Basic Family Budget data for Greater Boston [[http://www.epi.org/page/-/old/datazone/fambud/xls/epi\\_basic\\_family\\_budgets\\_rev200807b.xls](http://www.epi.org/page/-/old/datazone/fambud/xls/epi_basic_family_budgets_rev200807b.xls), downloaded 19 September 2012]. EPI basic family budget amounts inflated to 2010 dollars.

<sup>18</sup> Hannah Shaw and Chad Stone, “Incomes at the Top Rebounded in First Full Year of Recovery, New Analysis of Tax Data Shows,” March 7, 2012. [<http://www.cbpp.org/cms/index.cfm?fa=view&id=3697>]

<sup>19</sup> “Employers Who Had Fifty or More Employees Using MassHealth, Commonwealth Care, or the Health Safety Net in State Fiscal Year 2010”, Commonwealth of MA, February 2013

What share are getting public benefits? How many are Boston residents? Or work in Boston?

Hidden subsidies to low wage employers also include the costs of bad health, violence, additional incarceration, and poor educational outcomes.

Boston must take a holistic, comprehensive view as it makes decisions. For example, should a new large, low wage employer be permitted, even if that employer will be a market in an area that could use one? Can we escape the either-or trap?

### **What solutions do we hear?**

Here are the solutions we hear, and while all of these are important, they are not enough.

- **Raise the minimum wage:** Raising the minimum wage is important but insufficient. Even \$11 is not a family sustaining wage—and nothing in the minimum wage law provides for full-time hours or health benefits.
- **Get an education:** Almost 60% of people with a 4 year degree or more cannot find a job that pays \$37,000 a year with benefits<sup>20</sup>. Too many people with an education chasing too few good jobs. Education is not enough
- **Organize a union:** Unions are the best solution if we could increase union density so that unionized employment was available to all working people. In today's restructured economy, we cannot rely on just one solution. We have to employ additional mechanisms for demanding and creating good jobs.

It is not just about fixing people or behaving charitably towards people—we have to make the jobs better.

**We know story about the problem. But we also have a story about the solution—this is about creating an upward spiral where good jobs are the motor forward that benefits everyone.**

Just as bad jobs hurt whole neighborhoods, improving bad jobs will disproportionately help neighborhoods. A preponderance of people with low wage, unstable jobs live in poorer communities—particularly in our communities of color. When people's income increases, not only do they spend it in their neighborhoods, but the multiplier effect can conservatively double the impact of the spending—creating more jobs in those neighborhoods.

As a very rough estimate, 200,000 jobs in Boston pay below \$17.50 with part-time or unstable conditions, with at least half of those going to Boston residents. Our challenge is to make a change at a large enough scale to have an impact in our neighborhoods:

- Make 50,000 bad jobs we already have into good jobs (jobs including retail, food service, health

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<sup>20</sup> Center for Economic and Policy Research—Where have all the Good jobs Gone? July 2012 (definition of a good job \$37k and health insurance)

care, property services, and construction, among others)

- Create access to 20,000 good jobs (jobs including health care, construction, and casino, among others)

To a substantial extent, what jobs pay is a social choice. Manufacturing jobs were bad, sweatshop jobs until people decide to demand higher standards. It was a social and political choice to use an occupational proxy to deny federal wage standards and workplace rights to Black workers in agriculture and domestic work and in specific states—we still feel the impact of those decision. It is our choice to shape the city we want today.

### **What do we want?**

1. Higher job quality standards. The fundamental characteristics of a family sustaining job include:

- It pays enough to sustain you and ideally a family—so it above the level of public benefits. People are starting to talk about \$15. Some studies cite \$17.50.
- It is full time—so you are earning the full annual wage. Or a majority of jobs under a specific contract are full time. For example, the commercial contracts at the airport for cleaners require 88% of the jobs to be full time.
- It provides basic benefits—including health insurance, some paid time off and sick time, maybe even a pension.
- It provides stable shifts, so you make the arrangements to go to school, have another job, or take care of your children.<sup>21</sup>
- For contracted workers, the jobs provide retention rights so that just because the contractor loses the contract, you still have stable rights to the work.
- Job access, including strengthening and improving the Boston Resident Jobs Ordinance and applying the hiring requirements to permanent as well as construction jobs, is also critical. None of this matters if there is no access to good jobs.

2. Leverage for change and higher standards. The city's strongest leverage lies in how it spends its own resources: procurement and direct subsidies or reduction in required payments. It's second level of leverage is through permitting in cases where there are state or other subsidies or where there is other public investment contributing to an economic entity—such as a new transit line or new roadways creating shopping access. Finally, given the cost of not raising job standards for the city, the city must consider raising the city's minimum wage above the new state level which will be low and other targeted policies for higher standards by district such as the Seaport or Downtown or category of job, such as big box retail, as has been considered in Washington DC.

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<sup>21</sup> "Tackling Unstable and Unpredictable Work Schedules: A Policy Brief on Guaranteed Minimum Hours and Reporting Pay Policies", Center for Law and Social Policy, Retail Action Project, and Women Employed, 2014.

Key new or expanded ordinances or requirements include:

- Strengthen the Living Wage standard with higher wages, requirement for minimum hours for individual workers and minimum share of full time workers for each contract, pro-rata share of health benefits, pro-rata share of 6 paid time off days that could be used for illness, child care or school visits or voting, and other stronger standards listed above.
  - Expansion of the Living Wage standard to all BRJP sites for permanent as well as construction jobs, all procurement without exception, all businesses that receive tax subsidies, all development funded with city investments including non-profit and affordable housing, and that receive any other financial support over a minimum amount.
  - Use the mechanisms that are already in place more aggressively. For example, apply prevailing wage standards to all situations—including security guards, retail, and similar jobs. Demand true responsible contractors and create procedures so that poor past performance overrides low bids. Limit or eliminate waivers.
  - Add fees or other penalties for all companies whose employees must resort to public benefits to live, as is being considered in some cities.
  - Demand standards of public and quasi-public economic engines that hire large numbers of Boston residents, including the airport, MBTA, and casinos, among others
  - Higher city minimum wage
3. Enforcement. Given what experts are now called “shockingly high” rates of non-compliance with wage and hour laws, overtime and other workplace laws in low wage industries, how can new models of enforcement help ensure we achieve the desired policy outcomes?<sup>22</sup> There is a serious national dialogue underway about the current level of non-compliance. New ordinances for living wage jobs or access standards often have limited enforcement provisions—Boston’s enforcement is no different. Increasing use of contracting and temporary staffing firms has led to a disconnect between the top tier firm with the deep pockets and the direct employer with statutory obligations, making compliance difficult. Low wage employers prey on both immigrant and returning citizen populations—people with both limited information about their rights and few employment options. No one thinks there will be an army of payroll inspectors paid for by taxpayers any time soon.

Based on both analysis of the components of compliance, deterrence, and enforcement embedded in the segment of the labor market under union contract and national current best practices for labor markets without unions, we are proposing the following and look forward to further conversation with the administration. This is put forward as an integrated systematic approach, rather than a laundry list to choose from. All or most components are needed to work together.

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<sup>22</sup> Michael Reich, Ken Jacobs, and Miranda Dietz; When Mandates Work: Raising Labor Standards at the Local Level; University of California Press; 2014.

- Create a unified city office of labor market enforcement for coordinated enforcement with an increased focus on public education and data analysis<sup>23</sup>, in partnership with the network of community-based programs described below. Staff in this office provide training to community-based programs. (This office would have the same relationship to an Office of Equity as all other city programs.)
- Embed private right of action including legal costs and triple damages in all standards, to reduce reliance on regulatory staff in enforcement.
- Create top tier accountability by including enforcement requirements in all licensing, procurement, subsidy, and permitting, including the requirement that requirements be included in the cascading commercial contracts including payment holdbacks and penalties.
- Pilot a network of community-based programs that include existing immigrant and black worker centers, programs for returning citizens, community organization diversity programs focused on 1<sup>st</sup> source hiring and monitoring, and other community-based advocacy programs, but expanded to cover all low income/people of color neighborhoods and language groups.<sup>24</sup>

Similar to Fair Housing Centers encoded in civil rights legislation, these programs will play a key role in public education about workplace rights which is the starting place for employer compliance. For this to work, these programs should be based within local organization tied to their constituencies and local leaders, so that the labor market information they gather becomes part of the knowledge–base of community leaders.

As a network, they will function as a key asset to the city in systematically tracking where enforcement efforts are needed and targeting scarce resources. Since the goal is to increase income to specific neighborhoods, these programs need a coordinated technology to ensure data on results is closely tracked. There is at least one possible federal funding source to explore to pilot this idea systematically.

4. A shared vision of equity. We need a long term comprehensive planning process for the city that provides a voice for everyone in the direction the whole city is taking and gets beyond neighborhood planning. Since the neighborhood’s economic viability is rooted in the jobs in the economic heart of the city, we all have a stake in the whole city and downtown. We need to have an opportunity to say that we want both affordable housing and good jobs—not low cost housing at the expense of poorly paid construction workers in unsafe jobs. We want good transit access that is not kept affordable on the backs of workers who now have part-time jobs instead of the full time employment with benefits they had for decades. And we want good transit, park land, good schools and still be able to stay in the neighborhoods we fought for.

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<sup>23</sup> San Francisco Office of Labor Market Enforcement, <http://sfgsa.org/index.aspx?page=391>

<sup>24</sup> San Francisco Office of Labor Market Enforcement, example of contracting with community organizations, <http://sfgsa.org/index.aspx?page=6085>

<b>MA OES 2011</b>								
<b>OCC_TITLE</b>	<b>TOT_EMP</b>	<b>#&lt;\$17.08</b>	<b>% &lt; \$17.08</b>	<b>H_PCT10</b>	<b>H_PCT25</b>	<b>H_MEDIAN</b>	<b>H_PCT75</b>	<b>H_PCT90</b>
Office and Administrative Support Occupations	502,190	125,548	0.25	<b>10.31</b>	<b>13.44</b>	17.57	22.65	27.78
Sales and Related Occupations	316,770	158,385	0.50	<b>8.66</b>	<b>9.41</b>	<b>13.30</b>	25.24	43.12
Food Preparation and Serving Related Occupations	261,630	196,223	0.75	<b>8.51</b>	<b>9.10</b>	<b>10.86</b>	<b>14.03</b>	17.99
Healthcare Practitioners and Technical Occupations	222,830	22,283	0.10	<b>16.30</b>	23.40	33.08	45.96	65.17
Education, Training, and Library Occupations	219,940	54,985	0.25	<b>11.41</b>	<b>16.81</b>	26.01	34.64	44.01
Management Occupations	183,900	0	0.00	26.82	36.95	50.94	70.89	#
Business and Financial Operations Occupations	172,320	0	0.00	19.69	24.96	32.91	43.81	58.29
Production Occupations	157,480	78,740	0.50	<b>9.62</b>	<b>12.16</b>	<b>16.29</b>	21.58	27.65
Transportation and Material Moving Occupations	152,110	76,055	0.50	<b>9.02</b>	<b>10.70</b>	<b>14.65</b>	20.31	26.09
Computer and Mathematical Occupations	125,010	0	0.00	23.98	31.56	41.22	52.13	63.55
Installation, Maintenance, and Repair Occupations	97,460	24,365	0.25	<b>13.25</b>	<b>17.08</b>	22.55	29.57	35.30
Building and Grounds Cleaning and Maintenance Occupations	97,170	48,585	0.50	<b>9.47</b>	<b>11.28</b>	<b>14.26</b>	17.90	22.11
Healthcare Support Occupations	94,430	47,215	0.50	<b>10.45</b>	<b>12.11</b>	<b>14.27</b>	17.60	21.81
Construction and Extraction Occupations	91,120	9,112	0.10	<b>14.24</b>	18.15	24.55	32.71	40.95
Personal Care and Service Occupations	81,170	60,878	0.75	<b>8.74</b>	<b>9.81</b>	<b>12.13</b>	<b>16.10</b>	23.00
Protective Service Occupations	75,000	18,750	0.25	<b>10.55</b>	<b>13.81</b>	21.61	28.97	34.73
Community and Social Service Occupations	71,890	17,973	0.25	<b>11.14</b>	<b>13.78</b>	19.49	27.03	33.61
Architecture and Engineering Occupations	70,840	0	0.00	20.90	27.28	36.74	48.68	61.42
Arts, Design, Entertainment, Sports, and Media Occupations	55,990	5,599	0.10	<b>12.66</b>	17.51	24.95	34.49	45.15
Life, Physical, and Social Science Occupations	43,590	4,359	0.10	<b>17.14</b>	22.19	31.44	44.52	59.14
Legal Occupations	24,770	0	0.00	18.51	26.33	39.68	64.24	#
Farming, Fishing, and Forestry Occupations	1,510	755	0.50	<b>8.53</b>	<b>9.17</b>	<b>11.73</b>	17.87	23.18
All Occupations	3,119,100	779,775	0.25	<b>9.60</b>	<b>13.06</b>	20.13	32.21	48.49
		949,808						

# Transportation Equity for Boston<sup>25</sup>

Transportation options connect people to jobs, medical care, healthy food outlets, and make our Boston neighborhoods safer and better. **Transportation equity is fairness in transportation that results in equal access and well-being for all people.**

**Transit oriented development (TOD)**, which is a strategy for addressing environmental, land use, and economic concerns in communities throughout the Commonwealth, links planning for affordable housing and transportation investment in ways that encourage pedestrian activity and connect residents to economic opportunities. **Yet low-income and communities of color in Greater Boston are being directly impacted by these benefits.** New communities reclaim the inner city and benefit from large public investment and renewal; existing residents suffer through lack of affordable housing, loss of jobs and lack of transit and transportation options as property values and rents elevate and become unaffordable for many residents of Greater Boston.

## **Problem Area: Gentrification/Displacement and Land Use**

The neighborhoods and historic communities of Boston are in need of improvement. But the redevelopment of formerly blighted neighborhoods have resulted in a significant rise in property values in Boston. 2/3 of current Boston residents rent in the city and rental rates in the region now average between \$2500.00-\$4000.00 dollars for 1-2 bedroom apartments, making Boston unaffordable for many families and working class individuals. Former redlined communities are experiencing drastic redevelopment under urban renewal programs, resulting in significant demographic shifts. New areas of concern for the region include Chinatown, Dorchester, Somerville, and Roxbury. CBS reports 8.6 percent rent hikes, presumably for two bedroom apartments “to an average of \$1,945 in Greater Boston, compared with the national average of \$1,066.” A report cited by WBUR states “the average cost per bedroom in 2013 is \$1,314. In 2011, the average cost per bedroom was \$1,141.” Cambridge rents increased 11 percent. Even as far as Revere, on the northern reaches of the greater Boston area, “there are nearly no rental units on the market, and any that are on the market are very high priced,” according to the Revere Journal

## **Problem Area: Transit Investment and Impact on Gentrification/Displacement**

Working class families and poverty tracts across the city are indirectly impacted by the development of mass transportation and the aforementioned TOD strategies---a recent study by MAPC and the Somerville Community Corporation in 2014 found that rent increases across the Green Line Extension

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<sup>25</sup> The transit section has been prepared by On the Move: The Greater Boston Transportation Justice Coalition with additional recommendations from RDM Study Group. To see the full RDM study go to [www.massdot.state.ma.us/rdm/](http://www.massdot.state.ma.us/rdm/).

will go as high as 67% and climb higher after 2018. Similar case studies have found the same impacts around current TOD projects in Dorchester (The Fairmount Line) and Roxbury (Dudley Circle). A study by the Dukakis Center at Northeastern University found that in 2010, there were 36 transit systems in the U.S. serving 41 metros. Nearly two-thirds of America's workers live within these metros, as do over 50% of blacks, 60% of Hispanics and 70% of immigrants. Simply, lower income residents, people of color, and renters have historically been clustered around transportation nodes. Gentrification threatens this racial and economic diversity, and thereby threatens to weaken the transit networks that people clamor to live near.

### **Equity Connection—Transportation and Jobs**

**Transportation creates jobs and provides a means to get to a job**—from the infrastructure of mass transportation to the development of highway and roads, the connection between jobs and transportation is undeniable. And low-income communities frequently do not have access to an automobile, which means effective public transportation is often crucial in bridging the gap between the inner-city locations of low-income populations and the increasingly suburban locations of job opportunities.

While innovations like the Fairmount Line provide hope for access and jobs for future Dorchester, Roxbury and Hyde Park/Mattapan residents, Greater Boston continues to suffer from lack of accessible and reliable transportation options as well as good paying job opportunities that provide benefits and a living wage. The MBTA, the Commonwealth's largest Regional Transit Authority, is in process of cutting hundreds of what have been full time jobs with benefits to part-time jobs without benefits. Workers are being pushed to work harder because the T is shifting to performance based contracting for cleaning stations to save money—giving cleaning contractors incentives to cut workers and hours. The Fairmount line stop at South Bay was intended to bring workers and customers to the shopping, but the jobs are generally low paid, unstable, part time without benefits. The green line extension to Assembly Square is creating high end housing and thousands of low end jobs. **The MBTA and City of Boston must create and sustain good paying jobs for the communities and residents that need them the most.**

### **Equity Connection—Transportation and Housing**

**Who will benefit from improvements in public transit? From new bicycle and pedestrian facilities? Unless we demand that sustainable transportation investments be linked to investments in neighborhood affordability, our biggest transit victories may become environmental justice disasters.** If we succeed in securing massive new investment in transit infrastructure, without doing something to control the price of housing that surrounds those improvements, one result might be more gentrification and displacement of existing residents. There may be better air quality and fewer cars in the city, but environmental justice cannot be achieved if residents in lower income areas are forced out and do not benefit from improvements.

For example, in the 1960s and 1970s, Somerville's Davis Square was a working class neighborhood with poor access to public transit. The positive and negative consequences of extending the Red Line to Davis Square could have been anticipated years before the station opened in 1984. Though land in Davis

Square remained relatively cheap, little or nothing was done to control housing costs or build new affordable housing in the neighborhood. Davis Square is a vibrant transit hub. However, housing prices in or near the Square have skyrocketed. Long-time family-owned businesses have been largely forced out.

### **Key Recommendations and Next Steps: Policy-Organizing-Institutional Change**

***Push for institutional change in local and state government around equity:*** (i.e. creation of Office of Equity in City of Boston) which has oversight of all City of Boston programs.

1. ***Investigate and Research the Boston Redevelopment Authority and push for municipal oversight on zoning impacts and community benefit agreements in current TOD projects in Roxbury, Dorchester, Mattapan, and Jamaica Plains.***
2. ***Develop Health Equity Impacts of Gentrification/Displacement*** in Regional Boston Metro area.
3. Collect all data, reports, mapping, studies from key institutions, academics and stakeholders in Greater Boston for ***creation and development of Greater Boston Regional Equity Atlas*** (see attachment on Regional Equity Atlas in Portland, OR)
4. ***Develop platform around economic development policy (mandatory inclusionary zoning) tied to parking reform*** for future housing development and incentive around TOD projects for working class families.
5. ***Explore local revenue costs around parking and parking reform in municipalities of Greater Boston*** and tie into transportation projects for development of community mitigation strategies to offset gentrification/displacement around transit corridors (i.e. Tenant relocation funds, etc...)
6. Work with active transportation groups (Bikes Not Bombs, LivableStreets Alliance) on ***creating equity analysis of Boston Bike Plan and implementation of Bike Lanes in Greater Boston.***
7. Work with key political stakeholders (Mass VOTE, PolicyLink, League of Woman Voters, etc...) on ***performing Equity Scorecard of State Legislature and Target Municipalities.***
8. ***City of Boston support the piloting of a UPASS model*** that provides a university-wide pass system and creates a dedicated revenue stream that would offset future fare hikes and provide opportunities to fund region wide plans.
9. ***City of Boston support moving operations of the Blue and Silver Line service to MASSPORT,*** which would alleviate MBTA costs and create a cost-share model for MASSDOT and transportation in Boston.
10. ***City of Boston support the Campaign against the Repeal of the Indexing of the Gas Tax,*** which was included in the 2013 Transportation Act and would provide state-wide and MBTA transportation funding for a real 21<sup>st</sup> century transportation system for Boston and the Commonwealth.

11. **Limited Stop/Express Bus Overlay Route on Route 28 Corridor.** A common critique during the 28X process was that MassDOT should simply introduce a limited stop bus service without all of the proposed infrastructure changes to Blue Hill Avenue and Warren Street that had proven to be unpopular.
12. **Study Circulation Patterns at Dudley Station and Identify Improvements.** Dudley Square is known for its dual identity as an important commercial district within the City of Boston<sup>23</sup> and a critical public transportation hub are inextricably linked. The ongoing renewal of Dudley Square will continue to depend on access to a very high level of service provided by the MBTA. A common concern raised in the Roxbury/Dorchester/Mattapan Study process about Dudley Station itself was the often circuitous routes that buses must follow as they enter and exit the station. The circuitous routing is required by the two one-way streets bordering the station (Washington and Warren Streets) and the circulation patterns within the off-street bus terminal. Ten of the 14 routes serving Dudley Station are not terminating at the station. Of the 19,874 average weekday passengers on those ten routes as they pull into Dudley Station and the 20,931 as they pull out, 43 percent of inbound riders and 45 percent of outbound are on the vehicle as it both enters and leaves Dudley. This significant number of passengers on board passing through the station but not exiting or transferring there, experience this circuitous routing and the delays caused by navigating multiple signalized intersections. The ongoing reconstruction of the Ferdinand Building which will relocate over 500 new jobs to the area, and the additional activity and traffic generated by this project and others in Dudley Square will only add to the congestion and potentially further extend MBTA trip times.
13. **Light Rail Extensions into the Roxbury/Dorchester/Mattapan Study Area.** Fixed rail options provide a better equity model than busses. It's more permanent, reduces air pollution in neighborhoods that have some of the highest asthma rates in the state and with dedicated right of way would provide a faster service.