

---

## Explaining Housing Affordability and Displacement in JP/ROX

The following draft document was created as a joint effort between The Department of Neighborhood Development (DND), The Mayor's Housing Innovation Lab, and The Boston Redevelopment Authority (BRA) to better explain in detail housing affordability and displacement in JP/ROX.

This is not to be mistaken for the final planning document for PLAN JP/ROX. You can expect a shortened version of this finalized document as an element of the planning document for PLAN JP/ROX, along with other elements on transportation, urban design, jobs/business, public realm, open space, etc.

We are providing this document because housing affordability has been a very strong component in our PLAN JP/ROX discussions. Writing this document has allowed us to take a step back and review the work and analysis that have gone in to the draft JP/ROX recommendations for housing thus far, and better explain them to you.

We hope you will spend some time with this document and give us your feedback.

### Table of Contents

I.	Introduction and Goals	Page	1
II.	Current Conditions	Page	2
III.	Strategies for Achieving Housing Affordability	Page	6
IV.	Tools to Address Rent Increases in Market Rate Housing	Page	7
V.	Deed Restricted Affordable Housing Overview	Page	10
VI.	Tools for Creating Deed Restricted Affordable Housing	Page	12
VII.	Density Bonus Analysis	Page	15
VIII.	Possible Scenarios	Page	17
IX.	Additional Tools to Support Housing Affordability in JP Rox	Page	19
X.	Conclusion	Page	21
XI.	Appendix	Page	23

# PLAN JP/ROX: Housing Affordability and Displacement

---

## I. INTRODUCTION & GOALS

While PLAN JP/ROX seeks to achieve multiple goals, the BRA and the City have heard clearly from many people of JP and Roxbury that **the central focus of the plan must be addressing housing affordability and preventing displacement of low and moderate income residents, particularly people of color.** The Boston Redevelopment Authority, the Department of Neighborhood Development, and all participating Departments of the Walsh Administration stand firmly with the community and pledge to make housing affordability and preventing displacement the central goal of this planning process going forward.

Boston and the JP/ROX Corridor are facing a housing crisis. If we do not act quickly, we will completely lose the most important element of the character of our neighborhoods - the people! Many of the residents that have made Egleston Square, Jackson Square and Forest Hills their homes for generations are being forced out due to rising rents and the cost of housing. To preserve and strengthen the fabric of the community, we must focus first on retaining these long term families and individuals and creating an opportunity for them to thrive.

This imperative has been at the forefront of community planning process and has guided the Housing and Affordability component of PLAN JP/ROX.

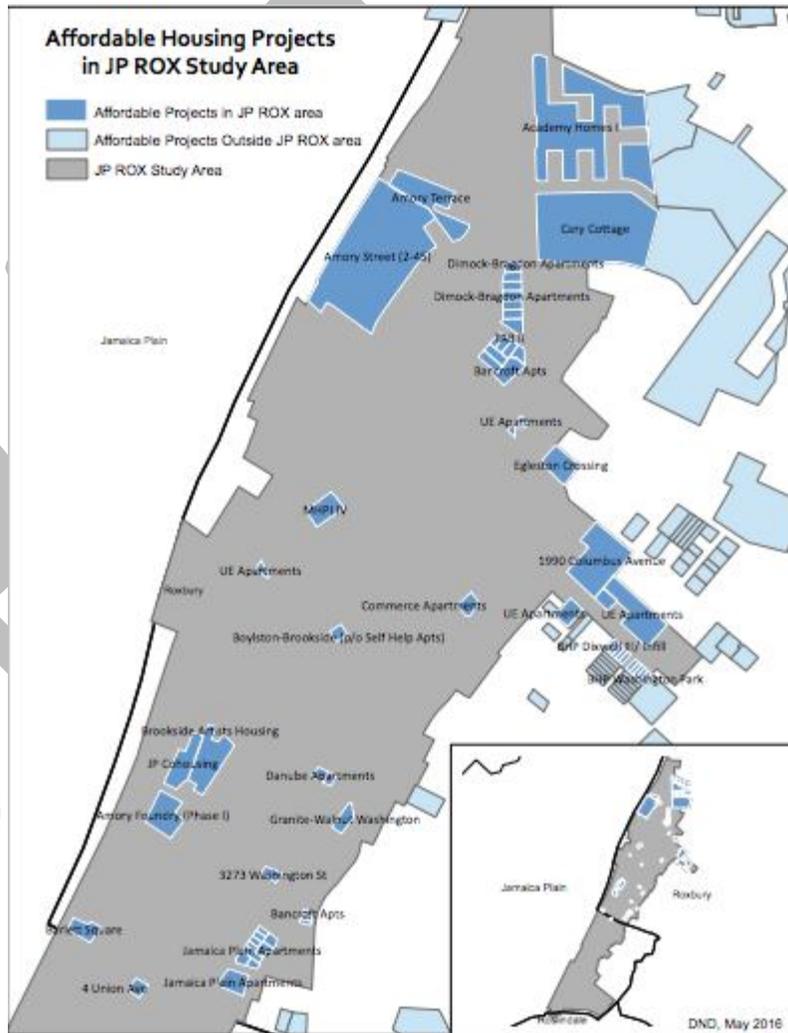
Based on the assessment of the current situation, contributing factors, and the community feedback gathered over the past 11 months, **this document outlines a proposed strategy and a set of tools to address displacement and housing affordability in the PLAN: JP/ROX area.** In the spirit of transparency and collaboration, this document summarizes the analysis, assumptions, and conclusions that have guided the Housing and Affordability component of the plan.

This document is still in draft form and the BRA and City are seeking your continued feedback and ideas, for it is only by working together we can overcome the current housing crisis.

## II. CURRENT CONDITIONS

The JP/ROX Corridor is a dynamic and diverse neighborhood and, as such, is an extremely attractive place to live. Unfortunately, the increased desirability and demand for homes in the neighborhood, in conjunction with a limited increase in supply of housing, means the cost of rent is quickly rising. In fact, the average rent in JP has increased by 11% since 2014<sup>1</sup>. This has resulted in increasing cost pressures on low and moderate income renters who have long called the area home. Currently, the number of households who are cost burdened (paying more than 35% of their income to housing) in the area is 32%. Of the cost burdened households 72% of them are renters who make below \$50,000,<sup>2</sup> -- these are the households most at risk of displacement.

The housing stock within the JP/ROX Corridor is predominately rental housing, with renters making up 70% of the area's 2,579 households. Of these 1,813 renter households,<sup>3</sup> 983 of them are living in deed restricted<sup>4</sup> affordable rental units. The map to the right shows the deed restricted units within the JP/ROX boundary (see appendix A for a detailed list). While these households have low and moderate incomes, they are safe from displacement as deed-restricted affordable housing units have capped rents which are not subject to market pressures.



<sup>1</sup> Calculations based on Q1 2016 average rent in JP was \$2050. In 2014 average rent in JP was \$1850.

<sup>2</sup> Calculations based on 2010-2014 American Community Survey data for Block Groups in the JP/ROX area.

<sup>3</sup> 2010 Census.

<sup>4</sup> A discrepancy was discovered in the initial demographic analysis. As a result calculations have been modified from earlier presentations to more accurately match to the PLAN: JP/ROX boundary. Previous versions of this analysis reported a smaller number of deed-restricted units within the boundary.

Among the households living in unrestricted market rate rental housing, there are a wide range of income levels. An estimated 302 households make less than \$50,000, 150 households make between \$50,000 - \$75,000, 169 make between \$75,000-\$100,000, and 209 households make above \$100,000. **It is the 302 households in rental housing making less than \$50,000 that are at the greatest risk of displacement.** The City and the BRA have heard repeatedly from the community that it is this low and moderate income population that should be the target of new affordable housing opportunities. These renters are at the highest risk of being displaced through rising rents. Therefore, **to effectively prevent displacement, we must focus on new affordable housing production and target rents that households making less than \$50,000 can afford.**

In addition, the 150 renter households making between \$50,000 and \$75,000 could also face significant displacement pressure if rent prices continue to rise. While the community has voiced a clear preference for prioritizing resources to low-income renter households in the greatest need, additional support, where possible, should target these moderate income renters at risk as well.

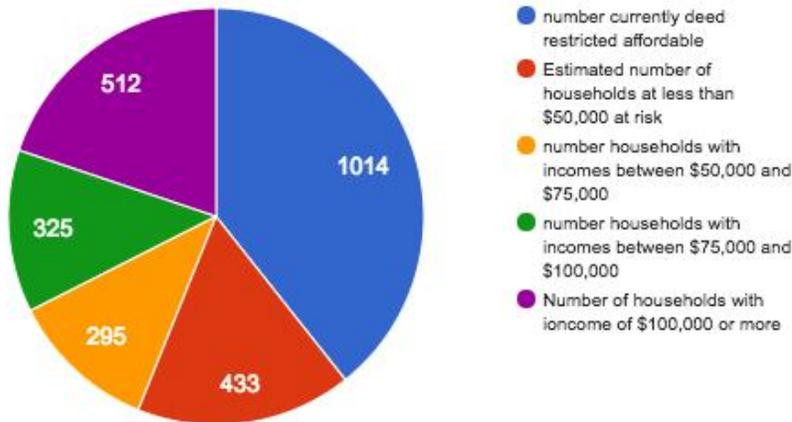
At risk households:

RENTERS		HOMEOWNERS	
number of renter households	1813	number of homeowner households	766
number of households with income of \$100,000 or more	209	number of households with income of \$100,000 or more	303
number households with incomes between \$75,000 and \$100,000	169	number households with incomes between \$75,000 and \$100,000	156
number households with incomes between \$50,000 and \$75,000	150	number households with incomes between \$50,000 and \$75,000	145
number households with incomes below \$50,000	1285	number households with incomes below \$50,000	162
number currently deed restricted affordable rentals	983	number currently deed restricted affordable homeownership	31
number of rental households at less than \$50,000 at risk	302	number of homeowner households at less than \$50,000 at risk	131

It should be noted that the JP/ROX area has a number of low and moderate income homeowners as well. The latest data suggests that there are approximately 131 homeowner households (not in deed-restricted affordable housing) making less than \$50,000 per year. These households certainly face displacement pressures, but with somewhat less intensity than renters.

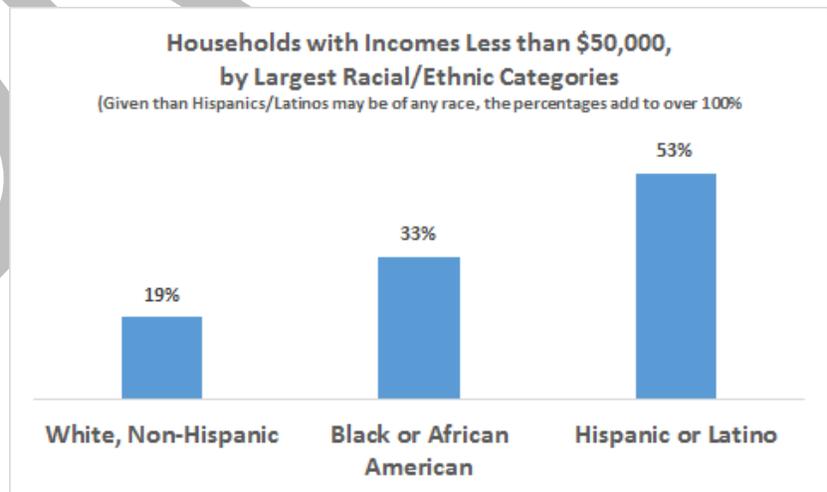
Homeowners generally face displacement when the costs to maintain and retain their homes exceed their ability to pay. Therefore, the best tools for assisting these households include the City's robust home repair, foreclosure prevention, and tax abatement strategies (see section VIII for more detail on these programs). Since these homeowner households generally face less short

term displacement pressures and the majority of JP/ROX households are renters, the majority of the strategies in this document target rental housing affordability. However, the City and the Department of Neighborhood Development’s Boston Home Center have staff available to help homeowners in the area retain and maintain their homes.



To fully understand the income diversity of the JP/ROX Corridor we should look at all households in the neighborhood - both homeowners and renters. According to the latest Census Bureau data, 51% of all households in the study area are low- and moderate-income and have incomes of less than \$40,000. An additional 6% of households have incomes between \$40,000 and \$50,000. As a result, 57% of households have incomes less than \$50,000. However, the majority of these low income households currently reside in the area’s 1,014 deed restricted affordable housing units and are therefore protected from displacement. This leaves 433 households in market-rate rental or homeownership units making less than \$50,000.

It is also clear that people of color are those most affected by increasing housing costs. According to recent Census Bureau data for the three census tracts that contain the study area, 81% of households with incomes less than \$50,000 are persons of color, and over half (53%) are Hispanic or Latino households.<sup>5</sup>



<sup>5</sup> U.S. Census Bureau, 2010-2014 American Community Survey, Census Tract estimates.

Participants in the JP/ROX planning process, as well as the larger community, have continued to place a tremendous emphasis on social and racial equity in both the housing goals and the larger vision of PLAN JP/ROX. **In order to prioritize housing resources in the most socially equitable manner, the plan must first seek to prevent the displacement of these 433 at-risk low-income households with a particular emphasis on the 302 of these that are in rental housing.**

DRAFT

**III. STRATEGIES FOR ACHIEVING HOUSING AFFORDABILITY**

Jamaica Plain and Roxbury are attractive places to live, which means the demand for housing in these neighborhoods continue to increase. Unfortunately, as demand for housing increases and exceeds supply, rents increase, and more and more households face the threat of displacement. To address housing cost pressures that come from new people relocating to the JP/ROX Corridor, the City and the community must take action to reduce instances of displacement by providing greater access to housing affordability. There are two ways that City policy can create greater housing affordability:

- 1) By taking action to **moderate rent increases in market rate housing**. Because Massachusetts state law prevents cities from regulating rents in market rate housing, the best tool the City has to control rent growth is to add a significant amount of new housing supply. As new units come online to match the growth in demand, the overall growth in rents should decrease. In addition, the City can pursue policies that incentivize landlords to keep rents in market rate units affordable to low and moderate income households. Both of these options are discussed in the next section.
  
- 2) By creating **deed-restricted affordable housing units**. These are units that have price caps on the rent or purchase price and only households making below certain threshold incomes are allowed to rent or purchase these homes. These housing units are insulated from market forces that cause rent increases, and therefore the households living in these units are protected from displacement. The following sections of this plan suggest mechanisms for maximizing deed-restricted affordable housing creation.

## IV. TOOLS TO ADDRESS RENT INCREASES IN MARKET RATE HOUSING

To protect low and moderate income households from displacement due to rising rents, the safest and most reliable strategy is to help these households access deed-restricted affordable housing units. As mentioned above, these units are protected from market forces which lead to increasing rents. However, there are actions the City and the community can take to moderate rent increases in market rate housing. These fall into two categories:

1. **Increasing Housing Production:** Rents increase when the demand for housing outpaces the growth in supply. Therefore, one of the most effective tools for moderating rent increases is to dramatically accelerate the supply of housing. That said, the housing market is regional, so supply must be added across greater Boston in order to truly impact the housing costs in any one neighborhood. For this reason, Mayor Walsh's housing plan calls for dramatic increases in the pace of housing production - including a goal for producing 53,000 new units in Boston by 2030 and working with regional partners to increase housing supply in other communities as well.

In addition, the Mayor's housing plan targets increasing housing supply for particular demographic groups that are causing increased rents in some neighborhoods. For example, the Mayor's plan calls for the production of 18,500 new student dormitory beds in order to move students out of neighborhoods and return the units they are living in today to Boston's workforce. The Mayor's housing plan also calls for the creation of over 5,000 new units of housing for Boston's senior population - the City's fastest growing demographic. Seniors often live in larger housing units with multiple bedrooms even after their children have aged and moved out of the house. By creating new units targeting seniors who want to age-in-place in their communities, but are willing to downsize to a new unit, the City is creating a mechanism to free up the larger units for young families.

Finally, it is important to note that when new housing stock comes online, it most often rents out at the top of the market. While this means that these new units may be out of reach for many families in the immediate neighborhood, it does provide an important relief valve for upward rental pressures. If new households moving into a neighborhood choose new construction, it can prevent these new households from displacing renters in existing housing stock.

2. **Policy Tools to Prevent Displacement:**

To effectively combat the displacement of long time households from our neighborhoods Boston needs both a robust set of development policies that ensure “development without displacement” and a strong set of policy tools that protect tenants and preserve diversity. Recognizing this need for additional policy tools, in his 2016 State of the City address, Mayor Walsh called for the establishment of a Office of Housing Stability within City government to advocate for solutions for Bostonians in housing crisis.

Both in the community feedback during the PLAN: JP/ROX process and in early conversations with community leaders held by the Office of Housing Stability, there has been support for the policies already in place that protect residents and a clearly articulated need for stronger and more coordinated responses to the housing crisis.

Existing policies include:

- Assistance to tenants facing eviction through programs that provide rent arrearage payment assistance, mediate landlord-tenant disputes, and provide access to legal services at housing court.
- Support and financing of advocacy groups through the Boston Tenants Organizing Program (BTOP) to assist groups that organize tenants, advocate for tenant rights, and provide housing search to households in crisis
- A condo conversion ordinance which requires up to a five year notice period prior to eviction of tenants, provides tenants the opportunity to purchase the condo, and provides relocation benefits.
- Enforcement of Fair Housing laws that ensure fair and equitable access to housing opportunities.
- Assistance to homebuyers through the Boston Home Center and other community programs that help low, moderate and middle income Bostonians purchase their first home.
- Assistance to homeowners to help avoid foreclosure, access funding for home repair and renovation, improve the energy efficiency of their homes and address the property tax burdens of their properties.

In response to the overwhelming need for additional support for people in housing crisis, the Office of Housing Stability is also working to pursue additional policy supports including:

- Improved coordination of case management between government and nonprofit agencies that provide services to households in crisis, so as to prevent unnecessary hand-offs and ensure no family “falls through the cracks”.
- Gain access to comprehensive data on evictions within the City of Boston, including both housing court records and early pre-court eviction documentation.
- Expansion of Community Land Trusts, which prioritize the creation of affordable housing through community control of development.

- Exploring policies to address unjust evictions, such as the eviction of long term tenants for the purposes of flipping properties or condo conversions.
- Preferences for those facing eviction and displacement in affordable housing lotteries.
- Economic development policies (covered in other chapters of PLAN: JP/ROX) to provide greater access to jobs, address wealth disparities, and support locally-owned businesses to start-up, grow, and thrive.

DRAFT

## V. DEED RESTRICTED AFFORDABLE HOUSING OVERVIEW

Deed restricted housing provides the greatest assurance that a housing unit is going to remain affordable to a household at a particular income over many decades. While low-income households benefit greatly from state and federal housing voucher programs, which allow a tenant to rent in the private rental market, these vouchers do not pay sufficient rent for a tenant to rent in all neighborhoods, and as rents rise, the choices available to a voucher holder declines, and displacement can still occur. When a restriction is placed on a property at the Registry of Deeds, the owner of the property is held accountable for keeping the property affordable, and is monitored by either the affordable housing lender, or, as with Inclusionary Development Policy (IDP) units, by an agency such as the City of Boston Department of Neighborhood Development or by the Boston Redevelopment Authority. These deed restrictions are generally for 50 to 99 years, allowing the affordable housing resource to continue to exist within a neighborhood for years to come, providing stability for many families and their communities.

Affordable housing units are generally classified against the Area Median Income (AMI),<sup>6</sup> which is \$98,100 for a family of four in the greater Boston area<sup>7</sup>. While the median income of households in the JP/ROX area is less than \$40,000 this includes a large number of households living in deed-restricted affordable housing. These households are already safely housed, so they do not need to access newly created affordable housing resources. If we assume that most of the households with incomes less than \$50,000 are those living in affordable housing, then an estimated 77% of the households in market rate housing have incomes greater than \$50,000.

Program regulations vary, but in general, a property is considered to be affordable if no more than 30% of a household's income goes towards household expenses. The chart below depicts the affordable rental and sales prices of a 2 bedroom home for households making between 30% AMI and 100% AMI, as defined by the Boston Redevelopment Authority for the Inclusionary Development Policy.<sup>8</sup> For example, a household of 3 making \$44,150 annually would pay \$1,013 per month on a 2 bedroom apartment.

---

<sup>6</sup> The "Area Median Income" or "AMI" is calculated by the U.S. Department of Housing and Urban Development on an annual basis, using Census Bureau survey data for households in an area generally similar to the metro area within I-495. AMI has become the standard measuring stick for Federal, state, and City affordable housing programs. While we also use the AMI standard, an examination of local incomes and needs are taken into account before setting the required AMI of certain programs, such as the City of Boston's Inclusionary Development Policy.

<sup>7</sup> U.S. Department of Housing and Urban Development, 2016 Income Limits, Boston-Cambridge-Quincy MA-NH HUD Metro FMR Area.

<sup>8</sup> BRA Income & Price Limits 2016 <http://www.bostonredevelopmentauthority.org/housing/income-price-limits>

This chart also elaborates on traditional funding sources. Low income housing tax credits and City of Boston funding is most often used to create units affordable to households which can afford to pay approximately \$1,200 and below in monthly rent. The Inclusionary Development Policy, which leverages private development to create deed-restricted units, creates rental units which rent at around \$1,420 for a two bedroom. A density bonus is a new tool for the City of Boston where developers provide additional deed restricted units in exchange for additional density. Based on feedback through the JP/ROX planning process we have determined that to address the 433 households in JP/ROX at greatest risk of displacement, the units created through the density bonus should target rents at around \$1,000 per month.

2 Bedroom Rent Cap for 2016	\$665 per month	\$1,017 per month	\$1,221 per month	\$1,424 per month	\$2,035 per month
Income Maximum (you must make under this limit to qualify for the unit)	\$20,700 if a 1 person household \$29,550 if a 4 person household	\$34,500 if a 1 person household \$49,250 if a 4 person household	\$41,350 if a 1 person household \$59,100 if a 4 person household	\$48,250 if a 1 person household \$68,950 if a 4 person household	\$68,950 if a 1 person household \$98,500 if a 4 person household
Terminology for this unit type	30% AMI units (because the income limit are 30% of the greater Boston median income)	50% AMI units (because the income limit are 50% of the greater Boston median income)	60% AMI units (because the income limit are 60% of the greater Boston median income)	70% AMI units (because the income limit are 70% of the greater Boston median income)	100% AMI units (because the income limit is equal to the greater Boston median income)
How are these units funded	A rent of \$665 is rarely enough to cover the maintenance costs of the building - therefore these units require both the sources on the right as well as a project-based subsidy paid monthly or yearly to the owner	Created through combination of low income housing tax credits and City of Boston funding.  In JP/ROX, all density bonus units will be created at this level.	Created through combination of low income housing tax credits and City of Boston funding.	Most often created through inclusionary housing set-asides within market rate developments. Occasionally created with City of Boston funding.	Occasionally created through inclusionary housing set-asides. While no rental units are planned at this level in JP/ROX, in South Boston the community asked for density bonus units in their area to target this level.

## VI. TOOLS FOR CREATING DEED RESTRICTED AFFORDABLE HOUSING

Boston has a long history of advocacy that has positioned our community as a national leader in affordable housing. Nearly 20% of the City's Housing stock is deed restricted affordable. Yet as housing prices continue to rise, more deed restricted affordable housing is necessary to help prevent displacement of Boston residents. As we have discussed above, in JP/ROX this new housing can help prevent displacement of the most vulnerable residents who make less than \$50,000 per year. Tools for creating deed restricted affordable housing fall into two main categories:

1. **Subsidy tools** fund the creation of affordable housing through community development projects. Subsidy tools include **tax credits**, **affordable housing development funds** and the disposition of **publicly-owned land**.

Tax credits and affordable housing development funds are limited and therefore competitive. Federal Low Income Housing Tax Credits (LIHTC) are managed by the State, alongside a smaller pool of State Low Income Housing Tax Credits. Projects across the state contend for these credits making the process very competitive. Even for those projects that are funded, there is generally at least a two-year wait. Affordable housing development funds include Community Development Block Grants (CDBG) and HOME Investment Partnership funds from the U.S. Department of Housing and Urban Development (HUD), the Housing Innovation Fund, and the Housing Stabilization Fund from the State of Massachusetts, and Inclusionary Development Policy (IDP) funds and Neighborhood Housing Trust funds from the City of Boston. These funds are managed by the Massachusetts Department of Housing and Community Development and the City of Boston Department of Neighborhood Development and awarded to local (mostly non-profit) developers to build affordable housing projects. Each funding sources comes with specific regulations about the level of project affordability required.

Publically-owned land (City, State, Federal) typically have affordable housing requirements as part of any land sale. On City owned land sold via the Department of Neighborhood Development, the expectation is that the percentage of deed-restricted affordable housing will be determined by the community - up to 100% of the project. In the study area, there are nearly 150 acres of publicly-owned City and State land; however, the vast majority of it exists as current community assets, including schools, existing affordable housing, and open space. The map in appendix B shows the publically owned land that could be potentially redeveloped into housing. The greatest near-term potential for new affordable housing is at 125 Amory Street where the Boston Housing Authority is working with a non-profit developer to add units affordable to a range of incomes next to existing public housing, and at the MBTA Arborway Yard,

which has a commitment of 50% of the units being affordable. In total, there are 656 income restricted/affordable units expected from the current pipeline (see appendix C for the full list).

2. **Affordable housing set-asides** are created in private development sites through the Inclusionary Development Policy or through the creation of a Density Bonus option in the zoning.

The current **Inclusionary Development Policy** (IDP) was redesigned in December 2015. It has been a City policy since 2000. The IDP requires that 13% of all units in private market-rate developments be deed-restricted affordable housing units. Developers may also seek to make a contribution to the IDP Fund (which is used to create affordable housing) or create units off-site instead of creating the affordable units on-site, and for the Jamaica Plain portion of study area, the requirements for these options were increased in 2015. The IDP is triggered by the creation of 10 or more housing units and one or more variances to be obtained by the Boston Zoning Board of Appeal (ZBA). The City's long-term goal is to require the IDP for all projects of 10 or more housing units, even those that do not require variances. In order to do this, the City of Boston's Zoning Enabling Act will need to be amended. While the City seeks this change from the State, the City will use existing zoning tools to include inclusionary development within the zoning for the study area.

A **density bonus** is where a developer opts to incorporate public benefits into a project, such as affordable housing units, and in exchange, the developer is allowed to create additional density in a development. The outcome is that each project that opts to provide a density bonus will result in additional affordability, with a base affordability of 13% at 70% AMI (modeled on Citywide IDP), plus an additional set aside at 50% AMI. The additional set aside discussed in the May 11th JP/ROX meeting was 4%. We have been working with financial analysts to evaluate the possibility of increasing the set aside further. This is explained further in the next section.

The tool to achieve the density bonus is through a Residential Development Area (RDA) Plan, which opens up opportunities to provide additional affordable housing and residential uses overall. The developer is only eligible to create a RDA Plan and thereby opt for a density bonus in the following zoning subdistricts: neighborhood shopping (NS), local convenience (LC), and local industrial (LI) in the Corridor. The density bonus may not exceed the maximum heights established through the JP/ROX plan (see appendix D) and developments must incorporate design guidelines.

There is over 1/2 million square feet of privately-owned land in the study area being used for warehousing/storage, repair garages, surface parking, auto salvage yards, or is vacant. Many of these areas might be opportunities to create a RDA Plan and provide additional

affordable housing to the Corridor. Approval of a RDA Plan requires a full public process which includes community meetings hosted by the BRA, a 45-day comment period, and public hearings in front of the BRA Board and the Boston Zoning Commission. If approved, the Mayor signs the RDA Plan, and it becomes the new zoning for the site.

DRAFT

## VII. DENSITY BONUS ANALYSIS

As new housing at higher densities is built in the PLAN: JP/ROX area, the community's stated preference is to capture as much of the benefits of this new investment as possible and turn it into affordable housing, while still maintaining developers motivation to build.

Achieving this goal requires sophisticated financial analysis. The density bonus analysis for JP/ROX is based on the financial modeling developed by the Byrne-McKinney consulting firm, a highly-respected authority on development finance that has consulted for many large and small corporate and governmental entities on residential and commercial development finance.

Byrne-McKinney established a floor rate of return criteria ("Entrepreneurial Return") of 6.0% measured as the ratio of Net Operating Income relative to Total Production Cost. This is the rate of return that investors or bankers will need to see if they are to fund the development. At rates below this level, developers may not be able to finance their project and will need to hold the land and speculate that market conditions improve. Rates of return above this level mean that the City has not fully captured all of the benefits of increased density and those benefits are flowing to the developers and/or landowners. (Note: this is a model similar to the Yield on Cost analysis done by New York City to establish that municipalities inclusionary housing policy).

A few modifications have been made to the initial analysis presented to the community in February to maximize potential benefits and reach a higher total set aside. These include some modifications to the construction costs assumptions and a slight increase in market rent estimates to average \$3.65 per net square foot. For a full report on assumptions and findings please see the report, "Affordable Density Bonus Program for the JP/ROX Planning Area".

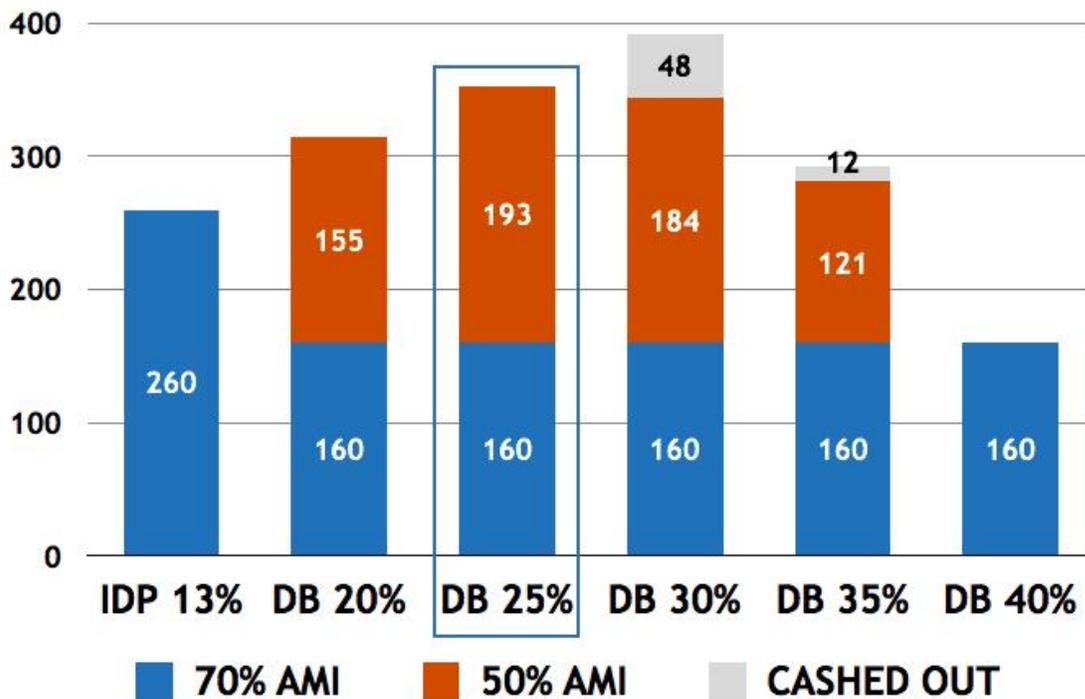
*[Note the assumptions and modeling below are being actively refined and reviewed. Feedback on this information is very helpful and the specific numbers are subject to change.]*

Another change in this model is calculating the bonus set aside on the bonus FAR, instead of the total FAR as was proposed at the last community meeting. In this model the base zoning assumes a 2.0 Floor Area Ratio (FAR) and IDP requirements of 13% set aside at 70% of AMI on this base level. The additional set aside from the density bonus is calculated on the additional density above 2.0 FAR with the affordable units set at 50% of AMI. For example a project that takes the bonus density will be required to set aside 13% of the base units at 70% of AMI and an additional set aside at 50% of AMI for the bonus density.

The results below show the market effects of increasing the set aside required through a density bonus in order to determine the maximum set aside in which developers will still choose the bonus. The developer decision-making process is shown clearly here. Up to a 25% affordability

rate, all developers take the bonus and still receive an entrepreneurial return of 6% or higher. Once the density bonus requires 30% of the additional density to be set aside, a few developments must seek the Cash-In-Lieu option to achieve a 6% rate of return. When the bonus requires 35% of the additional density, some developers begin to reject the bonus option and build at the base scenario. At 40%, developers also all developers would reject the bonus altogether and building to base IDP. At this point the total units built begins to decline.

### JP/ROX FULL BUILDOUT: LOW-INCOME OPTIMIZING OPTIONS



Based on this analysis we recommend a 25% set aside for the density bonus units, with continued use of the 13% set aside for the base units. The combination of these two yields a total set aside of 20%. This option optimizes onsite deed restricted affordable unit production. Requiring a greater set aside of 30% triggers cash-in-lieu deals, which is a benefit to the City at large, but could not guarantee new deed restricted unit creation in JP/ROX.

Based on this analysis we believe any set aside greater than 30 to 35% of the bonus density cool the market and limit development. This would not only mean less market rate development, but less affordable units as well that could offer protections for at risk households pressured by rising rents. In addition, as discussed in Section VIII, additional tools will be used to meet the overall goal that 30% of new housing unit in the study area will be deed restricted.

## VIII. POSSIBLE SCENARIOS

SCENARIO 1 Continue Current Growth Trends	SCENARIO 2 Guide Growth Through PLAN: JP/ROX and 30% affordable goal	SCENARIO 3 Expanded housing affordability goal of 70% affordable
<ul style="list-style-type: none"> <li>- No new zoning or design guidelines</li> <li>- Zoning relief required for most new development</li> <li>- Projects requiring zoning relief must follow IDP requirements of 13% set aside at 70% AMI</li> </ul>	<ul style="list-style-type: none"> <li>- PLAN: JP/ROX includes design guidelines, max heights, and new density bonus zoning</li> <li>- Developers who choose the density bonus are required to meet a <b>20% set aside</b></li> </ul>	<ul style="list-style-type: none"> <li>- PLAN: JP/ROX includes design guidelines, max heights, and new density bonus zoning</li> <li>- No projects are approved unless they include 70% set aside at or below 50% AMI</li> </ul>
<b>What is the estimated growth in this scenario?</b>		
<p><b>MODERATE</b> - This scenario assumes the current growth trajectory, without modifications to the zoning. We expect a medium level of growth in this scenario because there is market demand in JP/ROX, which is currently leading to development interest.</p>	<p><b>HIGH</b> - This scenario includes a density bonus option that exchanges density increases for higher affordable housing set asides. As a result the growth projections are higher than the other scenarios.</p>	<p><b>LOW</b>- Our analysis shows requiring set asides at or above 27.5% will have a cooling effect on the market as more developers determine larger development projects to be infeasible and choose to develop what is allowed as of right or hold onto land until market conditions improve.</p>
<b>What is the estimate amount of deed restricted affordable housing generated in this scenario?</b>		
<p><b>MODERATE</b> - The private development built in this scenario have the lowest set aside of the three scenarios. However, since the expected growth is between scenario 1 and 3 we expect this scenario would lead to a moderate number of affordable units.</p>	<p><b>HIGH</b> - The private developments built in this scenario will have a greater set aside than scenario 1, but lower than scenario 3. However, since the total growth expected in this scenario is much higher than scenario 1 we expect the largest overall number of affordable units from this scenario.</p>	<p><b>LOW</b>- The projects that are built will require significant public subsidy in order to be feasible, but will have a greater % of affordable units in each project. Due to overall cooling of the market and subsidies required to make these projects feasible the total number of affordable units is likely to be less than in scenario 1 or 2.</p>
<b>What is the estimated displacement risk for low, moderate and middle income households?</b>		
<p><b>MODERATE RISK</b>- With moderate increases in affordable housing some low and moderate income households could be provided more stable housing.</p>	<p><b>LOWER RISK</b>- Since the total number of affordable units is likely to be higher a greater number of the low and moderate income households would be protected.</p> <p>This higher growth scenario can also help to stabilize rents as supply begins to meet demand. This can help prevent middle income households from risk of displacement.</p>	<p><b>HIGH RISK</b>- Since the total number of affordable units is likely to be lower a greater number of the low and moderate income households will be at risk of displacement.</p> <p>It is also possible that under this scenario many middle income households will also be at risk of displacement as stifled development could lead to even greater pressure on the existing stock as demand continues to rise.</p>

**Below is an initial housing outcome analysis based on scenario two, note that further modeling is necessary.** This model incorporates two components (1) The PLAN: JP/ROX development scenarios used to estimate total buildout with associated set asides and (2) an analysis of publicly subsidized affordable housing units either proposed or in the planning stages.

To reach the scenario 2 goal of having 30% of the total new development affordable a combination of set asides in private development and publicly subsidized projects are needed. The buildout analysis shows that an estimated 353 affordable units could be built through a combination of IDP and density bonus projects. In addition there are currently 184 affordable units in the pipeline. In order to reach the 30% goal, 497 units would need to come from additional sources, the most promising of which is Arborway Yards, which committed to 50% of new units being affordable.

Source Of Units	Affordability Level	AFFD	TOTAL	% AFFD
<b>Affordable housing set asides in private development</b>				
IDP Exempt Projects (less than 10 units)	No affordable requirement	0	75	0%
Base Zoning Projects - IDP Required 13%	13% @ 70% AMI	56	431	13%
Density Bonus Projects - IDP Requirement plus 25% set aside on bonus FAR	IDP @ 70% AMI + Bonus Density at 50% AMI	297	1568	19%
	<i>Sub total</i>	353	2075	17%
<b>Publicly subsidized affordable housing in pipeline</b>				
Jackson Sq (Site III, Phase 3, Building M)	All <60% AMI	44	44	100%
52 Montebello Road (all <60% AMI)	All <60% AMI	6	6	100%
Jackson Square (Site III, Phase 3, Building N)	All Afford <60% AMI	25	100	25%
BHA Amory St: Market Phase	70% AMI Onsite	26	103	25%
BHA Amory St: Market/LIHTC Phase	All Afford <60% AMI	35	143	24%
BHA Amory St: UE/LIHTC Only Phase.	All <60% AMI	48	48	100%
	<i>Sub total</i>	184	444	41%
<b>Additional sources of subsidized affordable housing</b>				
Arborway Yards/ TBD	TBD but likely 60% AMI	472	944	50%
Additional City/NPO Projects		25	37	68%
	<i>Sub total</i>	497	981	51%
	<b>TOTAL JP/ROX</b>	<b>1034</b>	<b>3500</b>	<b>30%</b>

**[Reminder: the density bonus assumptions and modeling are being actively refined and reviewed. Feedback on this information is very helpful and the specific are subject to change.]**

## IX. ADDITIONAL TOOLS TO SUPPORT HOUSING AFFORDABILITY IN JP/ROX

Regardless of the development scenarios selected by the community during this planning process, the City and the BRA are committed to prioritizing additional affordable housing resources in PLAN:JP/ROX. The policies and programs listed below include just some of the innovative and community-driven affordable housing tools that we are committed to advancing. It should be noted that some programs require access to limited pools of funding which must be divided across neighborhoods in a fair and equitable manner, while other tools are either specific to JP/ROX or are envisioned to be piloted in JP/ROX before being expanded Citywide:

- **Affordable Housing Financing:** Through the Department of Neighborhood Development's funding rounds which are coordinated with the Commonwealth's award of LIHTC funds, the City will continue to support affordable housing developments in the JP/ROX Corridor and beyond. The list of existing affordable housing projects and the pipeline of active and proposed future affordable housing projects in the area is provided in Appendix A and C.
- **Acquisition Opportunity Program:** this \$7.5 million program recently launched by the Department of Neighborhood Development makes funds available from the IDP Fund to community development organizations to purchase market-rate housing and convert it to deed-restricted affordable housing. This will serve to take existing housing out of the speculative market and protect tenants for rent increases.
- **Inclusionary Zoning:** Today in Boston, all inclusionary housing mandates for affordable housing are done through zoning board of appeals process. Developers are notified that if they wish to seek a zoning variance for a proposed development, they will need to comply with the City's Inclusionary Development Policy (IDP). While the IDP is a strong and influential policy for creating affordable housing, it does not apply to as-of-right projects. To address this challenge, the City will be filing legislation with the State that will allow the City to write inclusionary development into the base zoning. This will ensure that every future development, regardless of whether or not it is as-of-right, will be subject to the IDP. During the interim period before this legislation is passed, the JP/ROX rezoning will use existing tools to ensure that all projects greater than ten units will be required to participate in the IDP and the density bonus program for affordable housing.
- **Diversity Preservation Preference:** In order to preserve neighborhoods with substantial racial and ethnic diversity, this proposed policy will allow for up to 50% of newly created

affordable housing units in a project to be preferentially award (via lottery) to residents living near the project who are at risk of displacement.

- **Office of Housing Stability:** As discussed above, the newly launched Office of Housing Stability within the Department of Neighborhood Development will provide case management, coordination and advocacy for Bostonians facing displacement and housing crisis.
- **Compact Living Incentive:** The Compact Living Voluntary Program seeks to diversify housing types and increase middle income housing into the neighborhood. The voluntary program will allow developers to build 20% smaller compact studios, one-bedroom, two-bedroom, and three-bedroom units in exchange for an additional 4% set aside of deed restricted units at 100% AMI onsite. In addition to creating more deed restricted units, the new compact units may be more affordable than standard sized new units in the neighborhood.
- **Accessory Dwelling Units:** This pilot program will provide owner-occupied landlords with permitting assistance to alter their homes to meet changing needs. Households will be able to modify their homes to create a new dwelling unit for an aging parent, growing family, young adult, or rental property to increase household income. More detail on the pilot program will be available July 1st, 2016.

## X. CONCLUSION

We must address housing affordability and prevent displacement of low and moderate income residents, particularly people of color. This is a central focus for PLAN: JP/ROX. We know there are at least 433 households currently at risk of displacement - with 302 at severe risk because they are renters making below \$50,000 per year. We know gentrification is occurring at an accelerating rate. We know the price of rent and homeownership are skyrocketing. These factors cause great concern but also inspire us to collaborate and quickly find the best solution.

Using the most recent (5/11/16) development scenarios for JP/ROX which illustrated an approximate 3,000 new housing units overall, a 30% Corridor-wide affordability goal would amount to approximately 1,000 new deed-restricted affordable housing units with approximately 2/3 of the units from publicly subsidized affordable housing and approximately 1/3 from set asides in private housing. Meeting this commitment will ensure that 30% of all new housing is deed restricted affordable.

The City has a set number of properties on which it can build affordable housing. We will maximize the potential for affordable housing on these properties and we will work with community groups to acquire more community controlled land for affordable housing.

However, City funded development is not enough. Once those properties have been utilized, we must turn to private developers to assist in increasing the availability of affordable housing. Private developers must be able to make a modest profit on their projects. That profit is not possible if we demand too high of a set aside for affordable housing units. By identifying the maximum threshold of set aside units we can motivate a developer to build, we are creating a critically effective tool in preventing displacement. If we request any higher a percentage we simply would not be able to achieve the same kind of displacement protection we can with the 30% goal. As such, our conclusion is that PLAN: JP/ROX's 30% affordability is the best option because it most effectively prevents displacement.

# DRAFT HOUSING RECOMMENDATIONS

## PLAN JP/ROXBURY



### GOAL

30% (1,000 new unit\*) corridor wide income restricted housing goal to prevent displacement and achieve a balanced + diverse community.

### PUBLIC

ASSISTED DEVELOPMENT  
(500 units\*)

1. Preserve affordable housing units
2. Prioritize Public Land for affordable housing development
3. Identify & fund affordable housing developments

### PRIVATE

DEVELOPMENTS  
(500 units\*)

1. Base units / IDP (375 units\*)  
(13% of units - 70% ami)
2. Density Bonus (125 units\*)  
(4% of units - 50% ami)

### OTHER STRATEGIES: affordable housing development and support services for homeowners + renters

1. Compact Unit (4% of units - 100% ami)
2. Accessory Dwelling Units
3. Office of Housing Stability - provide case management + policy support
4. Boston Home Center - help homeowners with home repair + property tax

\* All numbers are approximated based on develop scenarios

**EARLY WORKING DRAFT FOR DISCUSSION**

DETAILS SUBJECT TO CHANGE AND EDITING THROUGH COMMUNITY FEEDBACK AND ADDITIONAL ANALYSIS

## **X1. APPENDIX LIST**

- A. List of current affordable housing projects
- B. Map of publicly owned vacant land which is developable for housing
- C. Affordable housing pipeline
- D. Map of PLAN: JP/Rox max heights if opting to use a Density Bonus
- E. Housing Poster from May 11th JP/ROX workshop

DRAFT

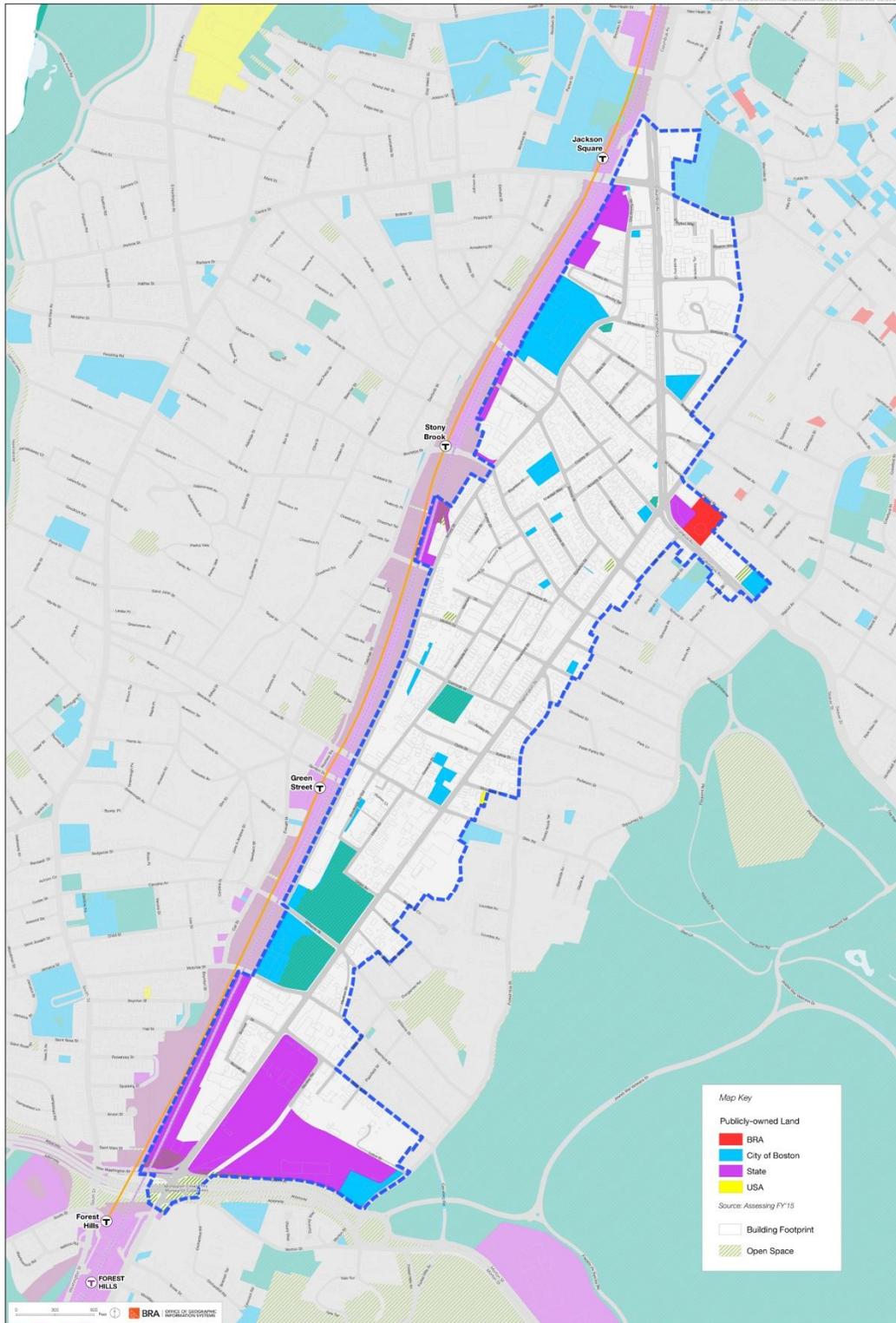
Appendix A - List of current affordable housing projects

Project Name	Parcel Address	Zip	Parcel Units	Parcel Affordable Units	Affordable Rent Units	Affordable Owner Units	Parcel Owner Units	Parcel Rental Units
3273 Washington St	3273 Washington St	2130	3	3	2	0	1	2
Dimock-Bragdon Apartments	1853 Columbus Ave	2119	8	8	8	0	0	8
UE Apartments	1901 Columbus Ave	2119	3	3	3	0	0	3
TAB II	60 Bragdon St	2119	6	6	6	0	0	6
TAB II	56 Bragdon St	2119	6	6	6	0	0	6
Bancroft Apts	1 Bancroft St	2119	14	14	14	0	0	14
Dimock-Bragdon Apartments	1865 Columbus Ave	2119	8	8	8	0	0	8
Dimock-Bragdon Apartments	1849 Columbus Ave	2119	8	8	8	0	0	8
Commerce Apartments	3115 Washington St	2130	6	6	6	0	0	6
MHPI IV	3 Boylston Pl	2130	16	16	16	0	0	16
BHP Washington Park	2035 Columbus Ave	2119	3	3	3	0	0	3
BHP Washington Park	2043 Columbus Ave	2119	3	3	3	0	0	3
Boylston-Brookside (p/o Self Help Apts)	2 Brookside Ave	2130	6	6	6	0	0	6
Bancroft Apts	55 Forest Hills St	2130	3	3	3	0	0	3
Jamaica Plain Apartments	3304 Washington St	2130	3	3	3	0	0	3
4 Union Ave	4 Union Ave	2130	59	59	59	0	0	59
Cary Cottage	41 Dimock Street	2119	10	10	10	0	0	10
2000 Columbus Ave	2000 Columbus Ave	2119	5	5	5	0	0	5
Academy Homes I	1596 Columbus Ave	2119	202	150	150	0	0	202
Bancroft Apts	6 Ernst St	2119	8	8	8	0	0	8
Dimock-Bragdon Apartments	1841 Columbus Ave	2119	8	8	8	0	0	8
BHP Dixwell III/ Infill	2029 Columbus Ave	2119	96	96	96	0	0	96
BHP Washington Park	2037 Columbus Ave	2119	3	3	3	0	0	3
BHP Washington Park	2045 Columbus Ave	2119	3	3	3	0	0	3
UE Apartments	2030 Columbus Ave	2119	34	34	34	0	0	34
Danube Apartments	27 Montebello Rd	2130	6	6	6	0	0	6
Bancroft Apts	51 Forest Hills St	2130	3	3	3	0	0	3
Bancroft Apts	53 Forest Hills St	2130	3	3	3	0	0	3
Jamaica Plain Apartments	3306 Washington St	2130	1	1	1	0	0	1
Jamaica Plain Apartments	3298 Washington St	2130	3	3	3	0	0	3
Jamaica Plain Apartments	3296 Washington St	2130	3	3	3	0	0	3
Jamaica Plain Apartments	3316 Washington St	2130	18	18	18	0	0	18
Egleston Crossing	3033-3089 Washington St	2119	64	63	63	0	0	64
TAB II	2 Ernst St	2119	6	6	6	0	0	6
Bancroft Apts	1871 Columbus Ave	2119	6	6	6	0	0	6
Dimock-Bragdon Apartments	1857 Columbus Ave	2119	7	7	7	0	0	7
Dimock-Bragdon Apartments	1861 Columbus Ave	2119	7	7	7	0	0	7
BHP Washington Park	2031 Columbus Ave	2119	3	3	3	0	0	3
BHP Washington Park	2033 Columbus Ave	2119	3	3	3	0	0	3
BHP Washington Park	2047 Columbus Ave	2119	3	3	3	0	0	3
1990 Columbus Avenue	1990 Columbus Ave	2119	12	12	12	0	0	12
Jamaica Plain Apartments	4 Woodside Ave	2130	35	35	35	0	0	35
Jamaica Plain Apartments	3308 Washington St	2130	1	1	1	0	0	1
UE Apartments	1899 Columbus Ave	2119	3	3	3	0	0	3
Bancroft Apts	10 Ernst St	2119	8	8	8	0	0	8
Dimock-Bragdon Apartments	1845 Columbus Ave	2119	8	8	8	0	0	8
Amory Terrace	10-20 Amory St	2119	64	64	64	0	0	64
Amory Street (2-45)	125 Amory St	2119	181	181	181	0	0	181

UE Apartments	1989 Columbus Ave	2119	18	18	18	0	0	18
BHP Washington Park	2041 Columbus Ave	2119	3	3	3	0	0	3
BHP Washington Park	2049 Columbus Ave	2119	3	3	3	0	0	3
Danube Apartments	29 Montebello Rd	2130	6	6	6	0	0	6
UE Apartments	2 Jess St	2130	6	6	6	0	0	6
Granite-Walnut Washington	3222 Washington St	2130	18	18	18	0	0	18
Jamaica Plain Apartments	3302 Washington St	2130	3	3	3	0	0	3
Jamaica Plain Apartments	3300 Washington St	2130	3	3	3	0	0	3
Jamaica Plain Apartments	3294 Washington St	2130	3	3	3	0	0	3
33 West Walnut Pk.	33 West Walnut Park	2119	1	1	0	1	1	0
3273 Washington St	3273 Washington St	2130	3	3	2	1	1	2
Barlett Square	156 Green St	2130	13	2	0	2	13	0
Amory Foundry (Phase I)	83 Brookside Ave	2130	23	5	0	5	23	0
Brookside Artists Housing	57 Brookside Ave	2130	21	18	0	18	21	0
JP Cohousing	65 Cornwall	2130	30	3	0	3	30	0
			<b>Totals</b>	<b>1014</b>	<b>983</b>	<b>30</b>		

DRAFT

Appendix B - Map of publicly owned vacant land which is developable for housing



## Appendix C - Affordable housing pipeline

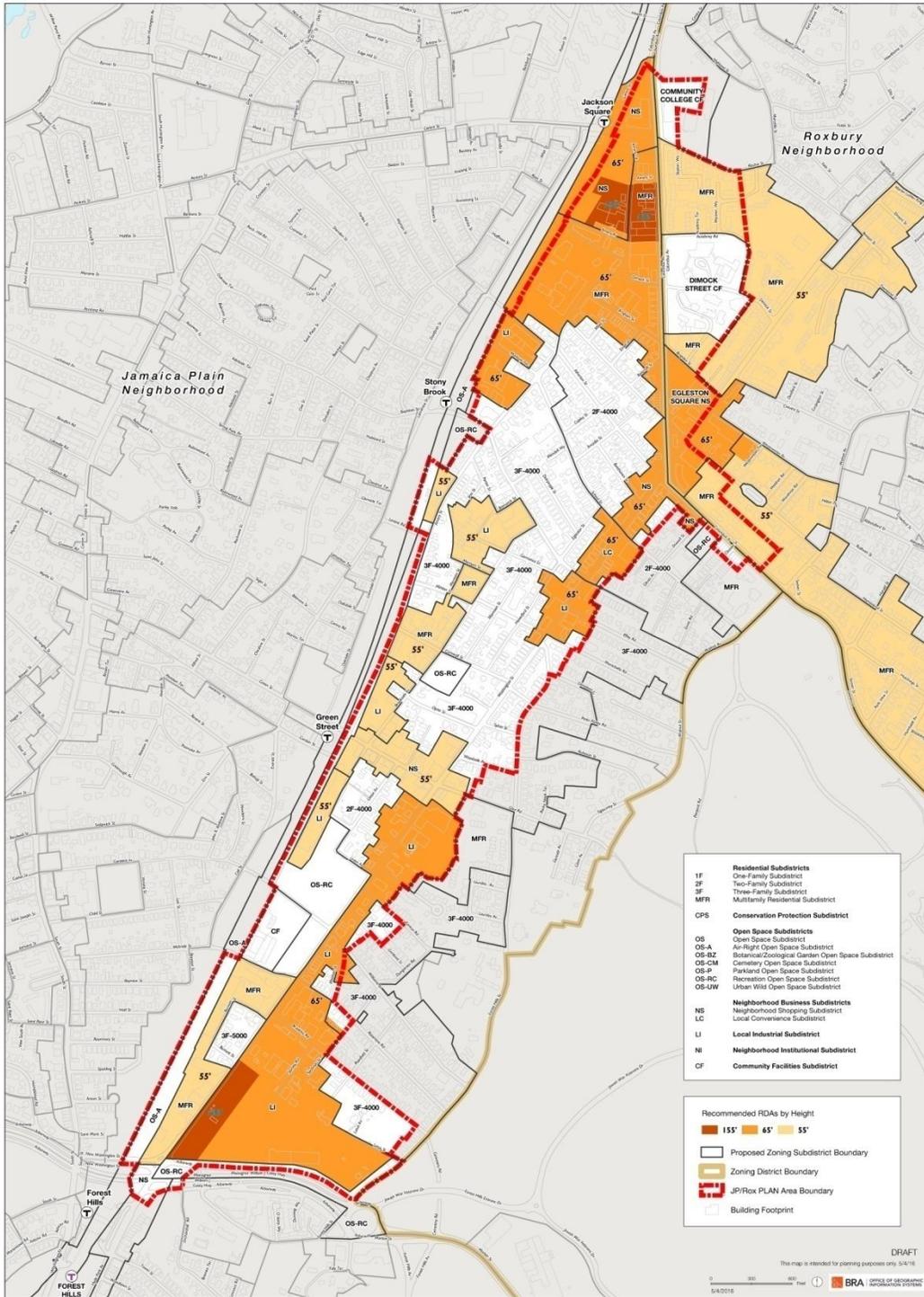
PROJECT	Agency	Street Number	Street Name	Total New Units	Afford New Units	Market Rate New Units	Current Project Status
Jackson Square (Site III, Phase 3, Building M)	DND	25	Amory St	44	44	0	DND/Under Review
52 Montebello Road	DND	52	Montebello Rd	6	6	0	DND/Designated
Jackson Square (Site III, Phase 3, Building N)	DND	250	Centre	100	25	75	DND/Pipeline
BHA Amory St: Redevelopment Phase	BHA	125	Amory St	*		0	BHA/Pipeline
BHA Amory St: Market Phase	BHA	125	Amory St	103	26	77	BHA/Pipeline
BHA Amory St: Market/LIHTC Phase	BHA	125	Amory St	143	35	108	BHA/Pipeline
BHA Amory St: UE/LIHTC Only Phase	BHA	125	Amory St	48	48	0	BHA/Pipeline
Arborway Yards	BRA	3600	Washington	944	472	472	DND/Pipeline
<b>Pipeline</b>				<b>444</b>	<b>656</b>	<b>260</b>	

DRAFT

Appendix D - Map of PLAN: JP/Rox max heights if opting to use a Density Bonus

5. Areas Eligible for Density Bonus

PLAN: JP/ROX



# PLAN: JP/Rox Washington Street

Preserve. Enhance. Grow.



## Emerging Housing Recommendations



**GOAL**  
30% (1,000 new units\*) corridor wide income restricted housing goal to prevent displacement and achieve a balanced + diverse community.

- PUBLIC ASSISTED DEVELOPMENT**  
(500 units\*)

  1. Preserve affordable housing units
  2. Prioritize Public Land for affordable housing development
  3. Identify & fund affordable housing developments

**PRIVATE DEVELOPMENTS**  
(500 units\*)

  1. Base units / IDP (375 units\*) (13% of units - 70% am)
  2. Density Bonus (125 units\*) (4% of units - 50% am)
- OTHER STRATEGIES: affordable housing development and support services for homeowners + renters**
1. Compact Unit (4% of units - 100% am)
  2. Accessory Dwelling Units
  3. Office of Housing Stability - provide case management + policy support
  4. Boston Home Center - help homeowners with home repair + property tax
- \* All numbers are approximated based on development scenarios.

**BRA and Affordable Housing**

- Preserves access to affordable housing opportunities in all of Boston's neighborhoods
- Requires that all development projects of ten or more units, requiring zoning relief, include affordable units on-site, off-site or make a cash contribution towards future affordable units
- Not funded by public money, rather utilizes private development for affordable housing opportunities

**DND and Affordable Housing**

- Utilizes multiple funding sources to provide housing opportunities for residents of varying need and income resources
- Provides loans to non-profit and for-profit developers to create new housing units for low, moderate-income households through new construction, rehabilitation or adaptive re-use of vacant buildings
- Provides affordable rental or ownership opportunities to income qualified households

**NO ACTION TAKEN = DISPLACEMENT**

In this scenario, when there is will be new development based on current zoning. The increased pressure on the existing housing will make housing prices increase. The JP/Rox area will lose all market affordable units and becomes a neighborhood of luxury homes (77.5%) + deed-restricted units (22.5%).

CURRENT	JP/ROX in 2030
	

each house represents 500 units in the area

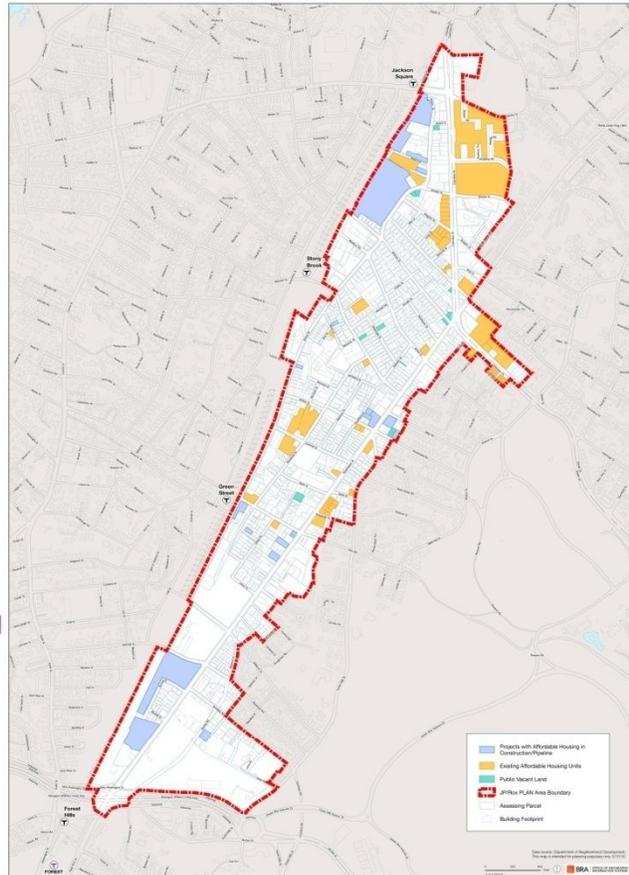
■ market affordable units  
■ deed-restricted units  
■ market rate apartments

**PLAN JP/ROX Proposal**

In this scenario, the current JP/Rox area grows by 3,500 units but maintains a diverse neighborhood. There is a mixture of deed-restricted affordable units (30%), market affordable, middle income, and luxury units.

CURRENT	JP/ROX in 2030
	

Affordable Housing PLAN: JP/ROX



- There are nearly 150 acres of publicly-owned City and State land in the study area; however, much of it exists as a current community asset. Greatest near-term potential for new affordable housing is 125 Amory Street (BHA, mixed-income proposal) and the MBTA Arborway Yard
- There is over 1/2 million sf of privately-owned land in the study area being used for warehouse/storage, repair garage, surface parking, auto salvage yard or is vacant
- There are approximately 750 deed-restricted affordable housing units in the study area
- There are approximately 225 deed-restricted affordable housing units either under construction or in the pipeline

