



**Testimony of Joseph Kriesberg
President & CEO**

On

Petition for a special law re: An Act to Further Leverage Commercial Development to Build Housing, Create Jobs, and Preserve Inclusionary Development.

**Presented to the
Boston City Council Committee on Government Operations
March 26, 2019**

Chairman Flaherty and Members of the Committee, thank you for the opportunity to testify regarding the petition for a special law re: An Act to Further Leverage Commercial Development to Build Housing, Create Jobs, and Preserve Inclusionary Development, sponsored by Mayor Marty Walsh.

I am here both as President of MACDC and as a resident of the City of Boston to express strong support for this petition.

MACDC represents 20 CDCs in the City of Boston, which collectively have built over 8,000 affordable homes across the city. Our members are governed by local residents who serve on their boards of directors. CDCs in Boston are dedicated to long-term affordability, high-quality property management, and robust resident services. We make a strong commitment to hiring firms – contractors and sub-contractors – that are owned by people of color and woman and are committed to hiring community residents and people of color for these construction projects. And, we recycle our developer fees and other earned revenue into further community programming and services.

Boston is a national leader in affordable housing, with over one-third of our rental housing stock reserved for people of low- and moderate-incomes. In total, the city has 54,000 homes with long-term affordability restrictions – a portfolio made possible by years of investment and hard work by many people and institutions. Yet, we know that we have much more work to do.

According to the 2018 update of the City's "Housing Boston 2030" plan, 22% of all Boston households pay more than half their income for housing – of which more than 34,000 are low-income, non-student households. We continue to see rising rents, displacement, and homelessness across the city.

We strongly embrace Mayor Walsh's goal of creating nearly 16,000 net new affordable homes by 2030. This is an ambitious goal that will require policies, programs, and investments scaled to match the challenge.

To meet this goal will require new resources – significant new resources. And our organization is working hard to secure some of the resources from state government by advocating for a substantial increase in state support for affordable housing, including an increase in matching funds for the Community Preservation Act. However, we can not rely on state resources to meet our needs and we certainly can't wait for the Federal Government to return to its historical role in funding affordable housing. The City is going to have to generate more resources itself.

This petition would help us do just that by strengthening two of our most successful programs – the Linkage Program and the Inclusionary Development Program.

For more than 30 years, the Linkage program has effectively ensured that downtown development and the growth of our largest institutions also yields benefits for Boston residents and neighborhoods. In total, the program has helped provided \$197 million to leverage over \$3.8 billion in total funding to finance 12,887 units of affordable housing. The Linkage Program has also provided millions of dollars to job training and adult education programs over the years, enabling Boston residents to take advantage of the new jobs being created through these real estate development projects.

Unfortunately, the state law that enabled the Linkage program restricts the ability of the City to make the adjustments necessary over the course of time. As a result, the program has not kept up with inflation or the changing needs of our City. This petition would simply enable the City to control its own destiny and adjust the program as our economy and needs dictate.

Given the strength of our economy and the real estate market, we believe the City should raise the linkage fees considerably. Higher fees are also necessary to offset the dramatically rising costs for the construction of affordable housing. Research by a consultant for the Boston Planning and Redevelopment Agency has demonstrated that the fee can and should be increased significantly. We also believe the program should be expanded by lowering the threshold at which buildings must contribute from the current level of 100,000 square feet to

perhaps 50,000 square feet. Finally, it makes sense to shorten the period over which the payments are made from seven years to a shorter period. We are thankful to Councilor Edwards for filing a thoughtful petition that would make adjustments to the Linkage Program along these lines. While these details can be worked out after the enactment of this legislation, it is important for the Council and The Administration to begin work now so we can implement the changes as soon as legal authority is provided.

The Mayor's petition would also give the City the authority to incorporate the Inclusionary Development program into our zoning code. This is critical for the city's future. Currently, when the City decides to up-zone an area for higher density, we give up our ability to require inclusionary units in the development. This makes no sense but is necessary because IDP can only be done through a variance. It is important that the City be able to rezone certain neighborhoods as we work to meet our overall housing needs and respond to the dangers of climate change. We must have the ability to implement smart zoning with inclusionary housing requirements.

The State Legislature is currently considering legislation filed by the Governor to make it easier for cities and towns to adopt changes to their zoning laws. We are simply asking for the legal authority to make such changes to our linkage and inclusionary programs here in Boston. Surely, Boston should have the same rights and abilities as other cities and towns in the Commonwealth.

Thank you for the opportunity to testify in support of this proposal. We stand ready to work with the Council and our other elected officials to move this forward.