



October 4, 2019

Tim Davis  
Boston Planning and Development Agency  
City Hall  
Boston, MA 02201

Dear Tim,

Thank you for taking the time to meet with the MACDC Boston Committee to discuss possible changes to the city's Inclusionary Development program. We also appreciate the opportunity to serve on BPDA's technical advisory committee reviewing the program and recognize all the ways in which BPDA is seeking public input about the program.

MACDC believes the City of Boston's Inclusionary Development program has been highly successful at producing new affordable housing, diversifying buildings and neighborhoods and generating revenue to support the production and preservation of affordable housing throughout the City. The program's flexible design allows the City to maximize the power of the program, producing on-site units whenever possible but also using off-site and buy-out provisions to serve more households, reach lower income families, build larger units for families, and achieve other high priority goals for specific neighborhoods. The program has been a success and we think now is a good time to build on that success.

MACDC believes the Boston housing market is strong enough to leverage more resources from private development. We also think the affordable housing challenges are serious and large enough to warrant an increase in the IDP requirements, especially for the larger projects being built in and near downtown. Once these large parcels are developed there will not be a second chance to leverage those sites for maximum community benefit. It's important to seize the opportunity now. We strongly believe that the current requirements of 13% on-site and 18% off-site should be increased, as well as the cash out amounts. That said, we are not recommending a specific percentage or dollar amount at this time, pending the results of the technical advisory committee's work.

The Boston Committee does want to offer some recommendations related to other issues being considered by the BPDA to strengthen the program.

- We believe that the threshold for IDP requirements should be lower than 10 units and that every effort should be made to ensure that the required unit is on-site.

- We do not think the off-site program should be eliminated since it provides valuable flexibility that allows the City to maximize the impact of the program while helping to diversify local neighborhoods.
- We like the suggestion of using square footage as the basis for the requirement rather than units where it would allow the program to either produce more units, larger family-sized units or achieve other goals consistent with the purpose of the IDP program.
- We continue to believe that the requirement for off-site and cash-out contributions should be higher than the requirement for on-site units. The current split of 13% and 18% offers a strong incentive to developers to include on-site units, while giving the City the ability to serve more people in those circumstances where off-site or cash-out is used. We think the “delta” should be at least five percentage points; perhaps a bit higher.
- While it is preferable to have IDP units on-site, cash out or offsite should be seriously considered where there is a very specific and significant benefit to the neighborhood in which the market-rate project is located, such as (1) serving significantly more households; (2) building larger family-sized units; (3) reaching lower income levels; (4) preserving vital expiring use projects in the immediate vicinity of the market rate development, or (5) other critical housing needs for that particular neighborhood. To ensure that the program continues to promote neighborhood diversity we believe off-site units should usually be located within ½ mile of the market rate project and always within ¾ mile.
- We support the current approach of dividing the city into three zones with customized requirements for each zone. While the boundaries of these zones should be updated based on current market data, the basic structure in place today makes sense. However, the city should establish a minimum city-wide cash out amount that is sufficient to produce a comparable unit off-site. The current requirement of \$200,000 in Zone C is insufficient to produce even a single affordable unit so it fails to achieve the goals of the program.
- We support adjusting the income requirement such that the IDP units serve an average of 70% AMI rather than having all units at 70% AMI. By using the averaging approach, we can serve more families at lower incomes, expand our marketing window and create more diverse communities.

We also strongly support the City’s Home Rule petition to incorporate the IDP program into our zoning code. We will continue to work with the City and others to enact this legislation in the State House.

Please feel free to reach out to me if you have any questions about this letter. MACDC and our members remain available for further discussion about changes to the IDP program.

Thank you again for taking the time to meet with us and for your consideration of our recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read 'JKL' with a stylized flourish at the end.

Joseph Kriesberg  
President and CEO