



Leading The Way III

QUARTERLY PROGRESS REPORT: MAR 31, 2012

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HIGHLIGHTS

Significant Accomplishments

Public Housing. The BHA completed renovations on 3,099 units of public housing this quarter, and has now exceeded all of its goals for *Leading The Way III*. In total, the BHA has renovated or redeveloped 7,190 units of public housing at a cost of \$352 million. This work has also generated more than 1.3 million hours of construction sector employment.

Foreclosures. With only 103 foreclosure deeds this quarter, foreclosure activity is now at the second lowest rate seen since the crisis began in 2007. Despite this positive trend, there are still more than 1,000 homeowners with seriously delinquent mortgages that could face foreclosure, and there was a 30% increase in foreclosure petition activity this quarter. The City will need to remain vigilant in its foreclosure prevention efforts to keep the foreclosure rate down.

Home Values. At a median price of \$360,000, citywide home prices are now *above* what they were in 2008 although they have not yet reached the 2005 market peak of \$390,000. The strongest sector is in the centrally-located neighborhoods with a median price of \$568,500 – prices are now above the previous market peak of \$549,000 achieved in Q2 2008. The weakest sector is in the high-foreclosure neighborhoods: after losing \$58,000 in home values since 2008 in the market slide, homeowners have gained \$35,000 of it back, but home values are still \$23,000 below what they were in 2008.

Homelessness. After rising steadily during most of 2010 and 2011, family homeless is down 12% from its peak in Q3 2011. The number of individuals in emergency shelter is down by 7% from the same quarter a year ago.

Affordable Housing Production. With 82 new affordable rental units started this quarter, the City now has 95% of its 1,000-unit target in construction or complete and anticipates that it will reach its target by Q2 2012.

Challenges

Condominium Market. Although there has been improvement in most sectors of the housing market, the condominium market in the high-foreclosure neighborhoods is still very weak: the average condo price dropped from \$260,000 in 2007 to just \$79,000 in 2009. Prices are back up today to \$131,000, but are still only half of what they were in 2007. Any homeowner that bought or refinanced around 2007 is still seriously underwater and at much higher risk of going into foreclosure. Foreclosures in smaller condominium properties can also seriously undermine the financial stability of the entire association putting all the other homeowners in the building at greater risk, too. It is believed that one reason more of these seriously underwater condominium owners are not walking away from their mortgages is the tight rental market – with its tax benefits, it may still be cheaper to service an underwater mortgage than it is to rent in this market.

Market-Rate Housing Production. Only two relatively small (both under 20 units) development projects broke ground this quarter. With so many rental units going into construction in 2011 (1,263 new units), developers may be pulling back on rental production in the downtown area until the market absorbs these new units. New production in 2012 will likely depend on a much healthier condominium market than we saw in 2011 when only 55 condominium units broke ground. The conditions for a resurgent condominium market (outside the high-foreclosure neighborhoods) appear to be developing – prices are strong and sales volumes are rising. It remains to be seen if developers and their bankers will now respond to this improving market by moving some of the more than 5,000 units of already BRA-approved projects into construction.

GOAL 1: HOUSING BOSTON'S WORKFORCE

2012 Target: Complete construction on at least 80% of the market-rate units and 100% 2,739 dorm beds that were permitted but not complete at the start of LTW-III

Current Status:

GOAL ACHIEVED: 1,843 (97%) of the 1,908 market-rate units, and 100% of the 2,739 dorm beds permitted at the start of *LTW-III* have been completed

2012 Target: Permit 3,000 new units of market-rate housing primarily in the centrally located neighborhoods where market conditions are strongest

Current Status:

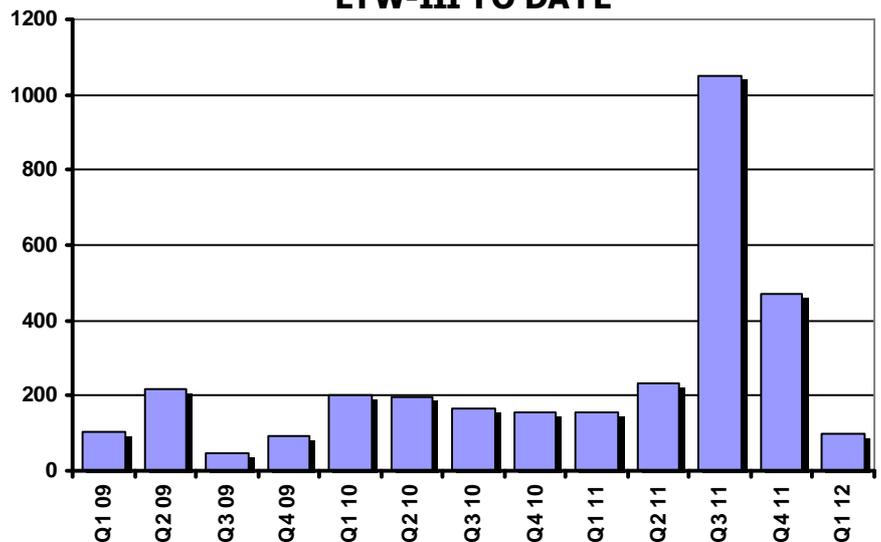
Q1 2012 Target: 2,438 new market-rate units permitted

Q1 2012 Performance: 2,398 units (98% of target)

MARKET-RATE UNITS PERMITTED	Q1 2012	LTW-III To Date
Market-rate Units Permitted – BRA (Large/Article 80)	31	1,613
Market-rate Units Permitted – DND (City Assisted)	7	92
Market-rate Units Permitted – ISD (Small Projects)	61	693
TOTAL	99	2,398

With only 99 new market-rate units permitted this quarter, Q1 2012 represented the lowest housing production rate in more than two years. This follows on two quarters significantly improved production rates in the second half of 2011, and the City remains on target to meet its market rate housing production target. Notably, both new significant private developments this quarter were condominium projects, indicating that the financing environment for condominiums may finally be easing.

**HOUSING STARTS BY QUARTER:
LTW-III TO DATE**



LARGE PRIVATE PROJECTS PERMITTED 1/1/2009-3/31/2012	TOTAL	AFFORD	MARKET
770-774 East Third St	18	2	16
1100 VFW Parkway (Gordon's Wood)	42	5	37
1255 Adams St (Baker Chocolate)	17	0	17
Wingate Jesuit Retirement Home	72	0	72
687-697 Massachusetts Ave	40	2	38
255-257 Northampton Phase 2 (The Modern Phase II)	37	7	30
154-160 Green Street Mixed-Use Project	13	2	11
Russia Wharf	86	5	81
9-23 Griggs St	100	12	96
Charlesview Apartments	29	12 ¹	19
The Victor (Simpson Parcel 1)	286	10 ²	276
First + First (3 Dorchester St - Phase II)	22	2	20
Avalon/Exeter (Prudential)	188	24 ³	182
Kensington	381	0 ⁴	381
5-10 St. George Street	33	0 ⁵	29
348 Bremen Street	14	4	12
Hayward Place	265	3	265
360 West Second St	19	2	16
Warren Green (CANA Parcel 3)	17	2	15
TOTAL	1,679	92	1,613

DORMITORY CONSTRUCTION

No new dormitories started or completed construction this quarter. There are currently 1,791 dorm beds in construction in four projects (Mass College of Art, BU Medical Graduate Dorm, Grandmarc at St Botolph, and Berklee College of Music). Two projects with 701 units are expected to be completed later in 2012 with the other two projects coming on line in mid-2013.

NEW DORMITORY CONSTRUCTION	Q1 2012	LTW-III To Date
Net New Dorm Beds Started	0	1,925
Net New Dorm Beds Completed	0	2,978

¹ 4 onsite affordable rental units and 8 offsite affordable rental units at 1298-1302 Commonwealth Avenue

² Also made a \$5.6 million Cash-Out payment

³ 6 onsite affordable rental and 18 offsite affordable units elsewhere in the Prudential residences

⁴ Made \$7 million Offsite Cash-Out payment for Hong Lok House, a 75-unit affordable development in the same area

⁵ Is making a \$10 million Cash-out payment

MARKET TRENDS & OUTLOOK FOR MARKET-RATE HOUSING

From the outset of *LTW-III*, the City has identified three different housing submarkets in Boston: 1) the Walk-To-Work Neighborhoods of Back Bay/Beacon Hill, Central Boston, Charlestown, Fenway/Kenmore, Seaport and South End, 2) The Stable Market Neighborhoods of Allston/Brighton, Jamaica Plain, Roslindale, South Boston outside the Seaport District and West Roxbury, and 3) The High-Foreclosure Neighborhoods including East Boston, Dorchester, Hyde Park, Mattapan and Roxbury. While there are certainly variations between neighborhoods within these submarkets, for the most part the housing market moves in similar ways within these submarkets and in very different ways between these submarkets.

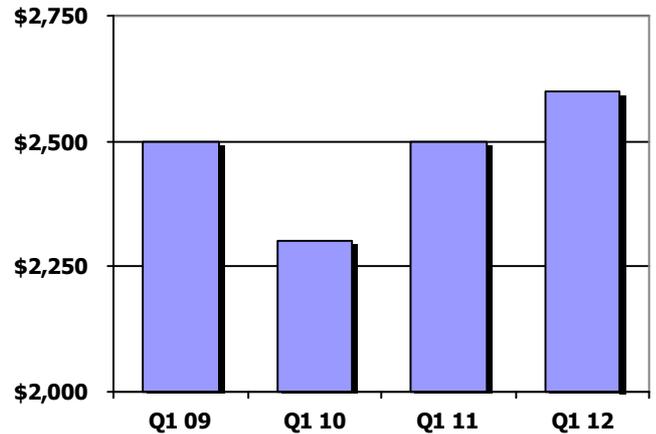
WALK-TO-WORK HOUSING MARKET

It was predicted at the start of *LTW-III*, that this market would be the first to rebound from the housing market slump, and the housing starts of 2011 have born out that prediction. However, with so many rental units now in construction developers may be more cautious about adding even more rental stock until the market has absorbed the new supply. A healthier condominium market will be needed if production rates are to be sustained in 2012.

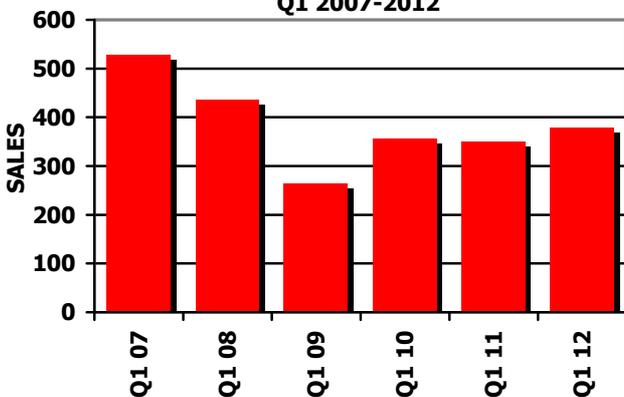
Rental Market. The rental market continues to show strength with asking rents now at \$2,600 – up 13% since Q1 2010. This strength is likely to continue until the new units permitted in 2011 come on line. Reflecting this tight market, the listing volume is also down sharply – 55% below what it was in Q1 2010.

Ownership Market. With a median price of \$568,500, the condominium market continues its upward swing with prices 15% above what they were at the bottom of the market in 2009. Sales volumes are also up by 8% from a year ago but are still well below what they were at the top of the market in 2007. The overall picture for the Walk-To-Work ownership market is one of gradual improvement that should provide greater confidence to developers thinking about moving forward with their stalled condominium projects.

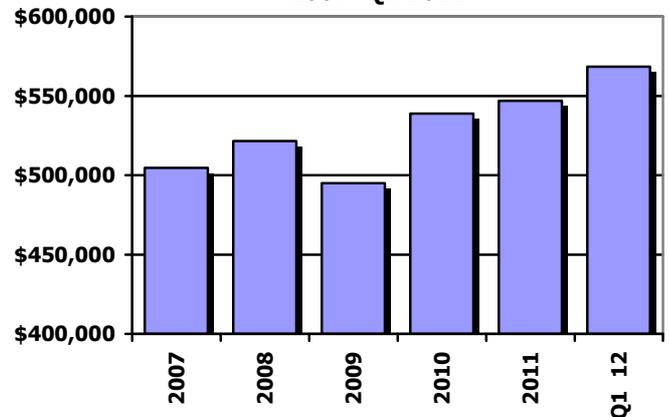
ASKING RENTS IN CENTRALLY-LOCATED NEIGHBORHOODS: Q1 2009 - Q1 2012



SALES IN CENTRAL NEIGHBORHOODS: Q1 2007-2012

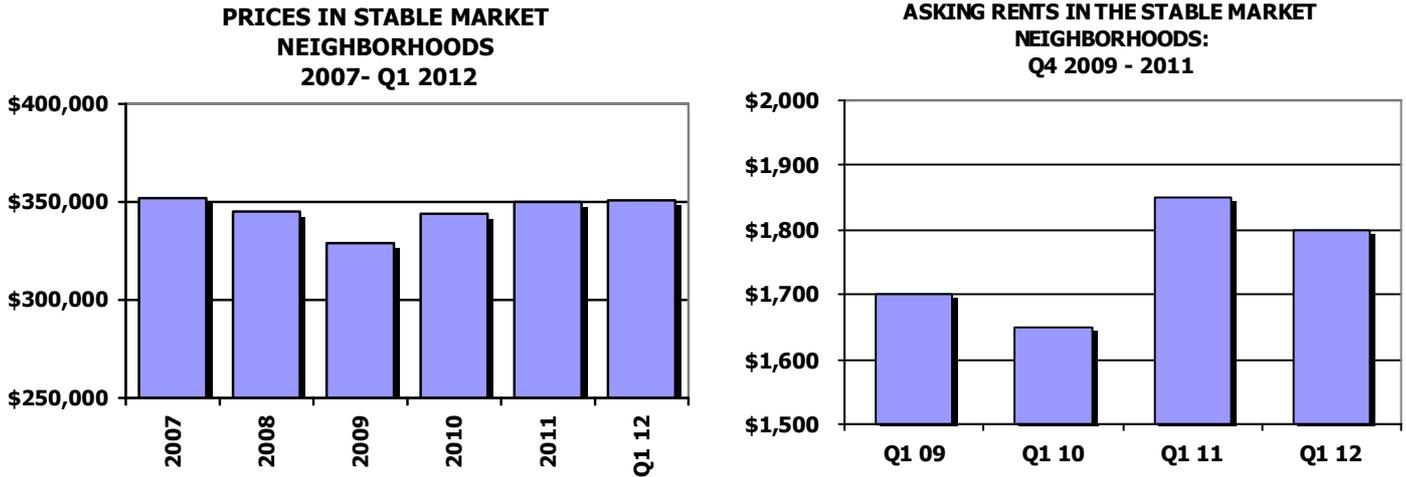


PRICES IN CENTRAL NEIGHBORHOODS 2007- Q1 2012



STABLE NEIGHBORHOODS HOUSING MARKET

These neighborhoods were identified as the “Stable” neighborhoods in *LTW-III* largely because they were, compared to other parts of the City, much less affected by the turmoil in the housing market in 2008. They had neither the large numbers of foreclosures that destabilized prices elsewhere in the City, nor did they have excessive concentrations of condominiums that were vulnerable to the difficulties in that sector. The housing market in these neighborhoods continues to show its inherent resilience three years later. Asking rents remain strong at \$1,800 and home prices, at \$350,750, are now back to where they were in 2007 before the market decline.



HIGH FORECLOSURE NEIGHBORHOODS HOUSING MARKET

The housing market for the high-foreclosure neighborhoods is discussed in more detail under Goal 2: Solving The Foreclosure Crisis.

2012 Target: Create 1,500 New Homeowners Primarily By Helping Homebuyers Access a More Affordably-Priced Existing Housing Stock

NEW HOMEBUYERS ASSISTED	Q1 2012	LTW-III To Date
Homebuyers Receiving Downpayment & Closing Cost Assistance	17	390
Purchases of New Covenanted Units Without Downpayment Assistance	1	117
Completed Affordable Resales – DND	3	46
Completed Affordable Resales – BRA/Inclusionary	1	57
TOTAL	22	610

Current Status:

Q1 2012 Target to Date: 1,219 new homebuyers

Q1 2012 Performance: 610 homebuyers (50% of target)

Despite low prices and low interest rates, homebuyers were not able to benefit from these market conditions in significant numbers. Tight credit requirements, especially for condominiums which is a key stock for entry-level purchasers, has kept homebuyers out of the market. Competition from

bargain-seeking investors has kept homebuyers out of the REO market as well – only 32% of properties that went into REO between 2006 and 2010 are now owner-occupied. The volume of government-assisted or Inclusionary affordable homeownership units on the market has also declined significantly as most new housing produced over the last three years has been rental housing.

In March 2012, the City launched a new initiative to promote and stabilize the City’s Triple Decker stock. An iconic element of Boston’s housing stock, Triple Deckers were severely buffeted by the market swings of the last ten years. First, as prime properties for new condominium conversions, they experienced explosive value growth during the housing bubble. This was followed by a destructive round of foreclosures as those new condominiums lost over 70% of their value, and investors walked away. This new initiative will provide up to \$30,000 in purchase and renovation assistance for owner-occupied Triple Deckers, and should help increase the number of new homebuyers that the City is able to create.



2012 Target: Permit 1,000 New Units of Rental Housing that is Affordable to Boston’s Lower-Wage Service Industry Workers.

Current Status:

Q1 2012 Target: 813 affordable rental units permitted

Q1 2012 Performance: 950 units (117% of target)

NEW AFFORDABLE RENTAL UNITS PERMITTED	Q1 2012	LTW-III To Date
New Affordable Rental Units Permitted – DND	82	887
New Affordable Rental Units Permitted - BRA	0	63
TOTAL	82	950

Affordable rental housing continues to be produced at a rate that will ensure that the City exceeds its 1,000-unit production target by the end of 2012. The largest project to start construction this quarter

was the 70-unit Cheriton Heights senior housing project in West Roxbury. This development contains 63 affordable units including 7 units set aside for homeless seniors. 88.3% of the affordable rental units permitted to date have been affordable to households with incomes at or below the average Boston income, or 60% of the Area Median Income.



AFFORDABILITY LEVELS OF RENTAL UNITS PERMITTED TO DATE (BY %AMI INCOME GROUP)	<30%	30-50%	50-60%	60-80%	80-100%	100-120%	TOTAL
PERMITTED UNITS	313	168	358	79	0	32	950
% TOTAL	32.9%	17.7%	37.7%	8.3%	0.0%	3.4%	100.0%

Affordable Housing Completions: This was the best quarter to date for completions of REO properties with eight REO properties completing construction, creating 16 new affordable units. Seven were City-acquired properties and one was a privately-acquired REO that was assisted with City funds.

ECONOMIC IMPACTS GENERATED BY THE HOUSING SECTOR

Although private-sector housing starts were down substantially this quarter, the winter quarter is typically the slowest of the year. Compared to the same quarter in 2011, private-sector housing investment is actually up, so 2012 may yet prove to be as active as 2011 when more than \$1 billion in housing went into construction. City-sponsored housing investments did not experience the seasonal lull this quarter. Consequently, two-thirds of all new construction jobs created this quarter were in City-sponsored developments.

TOTAL INVESTMENTS IN HOUSING DEVELOPMENT SECTOR	Q1 2012	LTW-III To Date
Private Sector Housing Development	\$31,015,423	\$1,625,016,919
City-Sponsored Housing Development	\$61,794,877	\$695,783,672
TOTAL HOUSING DEVELOPMENT SECTOR	\$92,810,300	\$2,320,800,591

HOURS OF CONSTRUCTION EMPLOYMENT CREATED	Q1 2012	LTW-III To Date
City-Sponsored Housing Development – DND	186,188	1,800,458
Public Housing Renovation and Redevelopment – BHA	0	1,474,699
SUBTOTAL PUBLICLY-SPONSORED INVESTMENT	186,188	3,275,157
Large Scale Housing & Dormitory Development – BRA	39,195	6,426,209
Small Scale Housing Development – ISD	59,451	1,013,476
SUBTOTAL PRIVATELY-SPONSORED INVESTMENT	98,646	7,439,685
TOTAL	284,834	10,714,842
PUBLIC SHARE OF JOB CREATION	65%	31%

GOAL 2: SOLVING THE FORECLOSURE CRISIS

2012 Target: Prevent Home Foreclosures by Providing Financial Education to 15,000 Homeowners and Homebuyers, and Directly Prevent 1,000 Homeowners from Losing Their Homes to Foreclosure

Current Status:

Q1 2012 Target: 12,190 homebuyers/homeowners completed financial education

Q1 2012 Performance: 11,827 participants (97% of target)

Q1 2012 Target: 813 foreclosures prevented

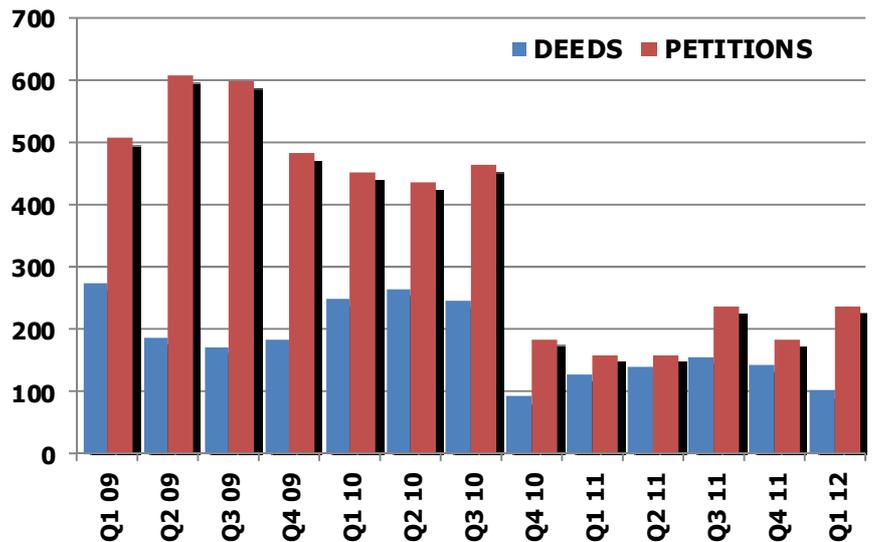
Q1 2012 Performance: GOAL ACHIEVED: 1,777 foreclosures prevented

FORECLOSURE PREVENTION ACTIVITY	Q1 2012	LTW-III To Date
Homebuyers/Homeowners Completing Financial Education	400	11,827
Foreclosures Prevented	140	1,777

**Owner-Occupied Foreclosures
2009 - Q1 2012**



**Foreclosure Deeds & Petitions
2009 - Q1 2012**

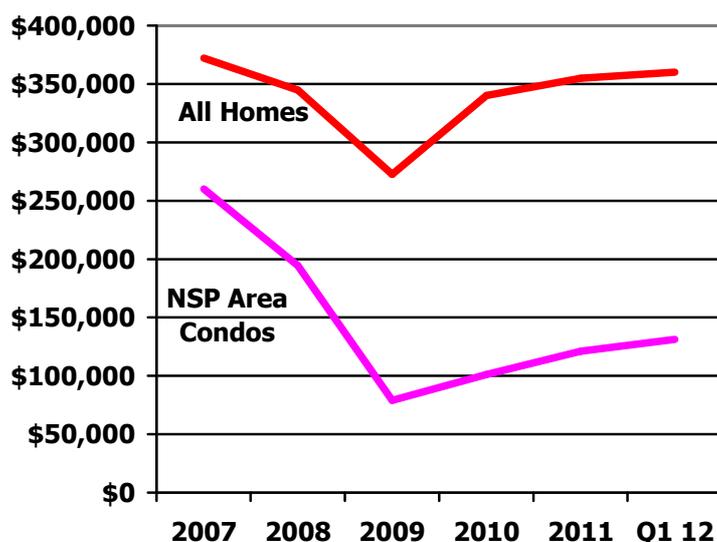


The City's foreclosure intervention efforts continue to prevent foreclosures more than double the rate that banks are completing them. With only 103 foreclosure deeds this quarter, foreclosure activity is now at the second lowest rate seen since 2007. The City estimates that there remains more than 1,000 mortgages on owner-occupied homes in Boston that are over 90 days delinquent that have not commenced the foreclosure process. This pool of unresolved foreclosures represents a serious potential threat to the housing market if lenders decide to move to foreclose on these delinquent loans. The 30% jump in foreclosure petitions this quarter (58% of which were on owner-occupied homes) may be an early indicator that banks may indeed be starting to do just that.

While it is hoped that a strengthening economy and rebounding market will encourage lenders to pursue non-foreclosure resolutions such as workouts and short-sales, there is no guarantee that they will choose that course. Significantly, there is legislation at the State House that would substantially alter what lenders do with these delinquent loans. Under this legislation, lender would be required to offer a loan modification with principal reduction where the cost to the lender of doing so would be less than the cost of foreclosing and reselling the property. While this appears to be common-sense legislation that helps homeowners and does not harm the lenders financial interests, the lending community has concerns about it. It is believed that many “underwater” homeowners with mortgages worth much more than their home that are still keeping up with their mortgages could see this legislation as a new point of leverage with their bank to force a loan modification and get a principal reduction by going voluntarily into foreclosure.

Nowhere are there more of these underwater homeowners than in the condominium market in the high-foreclosure neighborhoods. As shown here, while the overall housing market in Boston has regained almost all of the value lost since 2007, the condominium market in the high-foreclosure neighborhoods is not faring nearly as well. In those neighborhoods, the average condo price dropped from \$260,000 in 2007 to just \$79,000 in 2009. Prices are back up today to \$131,000, but are still only half of what they were in 2007. Any homeowner that bought or refinanced around 2007 is still seriously underwater. If homeowners are going to walk away from their homes because they have lost too much equity, this is where it will be. When a condo owner does go into foreclosure, it also affects all the other condo owners in their building. The loss of common-area maintenance fees during the foreclosure undermines property upkeep. The foreclosure can also make the property ineligible for conventional homebuyer financing because it fails to meet the owner-occupancy and reserve requirements of the secondary market. This makes it much harder for the remaining unit owners to sell their homes if they wanted to. These conditions make life harder for the remaining owners, and may even encourage some of them to finally walk away from their mortgages, too. For these reasons, the City believes that the problems in this part of the condominium market are going to persist and require City attention long after the overall housing market has largely repaired itself.

HOME PRICES 2007 - Q1 2012



New resources to support the City’s efforts are being made available through the Massachusetts Attorney General’s Office from the interstate banking settlement reached earlier this year. The City will be requesting funding to support: 1) expanded foreclosure prevention counseling services to reach some of those 2,000 seriously delinquent mortgage-holders, 2) homelessness prevention assistance to rehouse very low-income families being evicted as a result of a foreclosure, 3) assistance to homebuyers to purchase REO and short-sale properties and 4) a condominium stabilization pilot to help condominium associations rebuild themselves. Applications are due in May, 2012.

2012 Target: Reclaim 500 Units of REO Housing with City Assistance

Current Status:

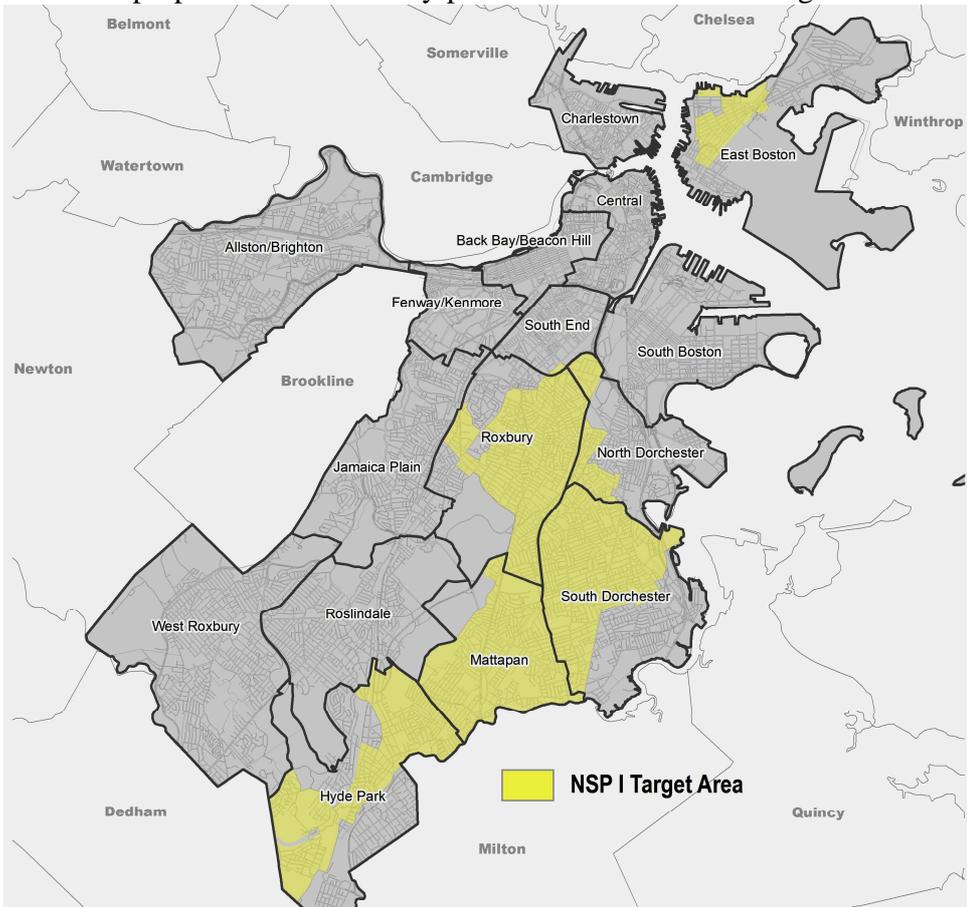
Q1 2012 Target: 407 units of foreclosed housing reclaimed

Q2 2012 Performance: 368 units (90% of target)

UNITS OF REO HOUSING RECLAIMED	Q1 2012	LTW-III To Date
Units of Distressed REO Housing Permitted – Private/NPO Developers	8	108
Units of REO Housing Purchased – City-Assisted Homebuyer Purchases	4	152
Units of Pre-REO Housing Reclaimed Through Short Sales to Homebuyers	3	27
Units of Post-REO Housing Completed – City-Assisted Post-Purchase Rehab	2	81
TOTAL REO Units Reclaimed	17	368

The pace at which the City is reclaiming REO properties is declining. The City has not directly purchased any REO properties for more than a year, focusing its attention on renovating the properties it has already purchased. The Federal Neighborhood Stabilization Program (“NSP”), the

primary funding source for the City’s REO redevelopment program also has been discontinued. This will mean that the current reduced pace of REO reclamation will continue through 2012. As a result, the City will likely fall short of its 500-unit target by the end of the year.



In May 2012, the City will be submitting an application to the Attorney General’s Office for funding out of the multistate settlement with the lending industry. A component of that application will fund homebuyer purchases of REO and short-sale properties. If funded, this should result in higher REO reclamation rates late in 2012 and into 2013.

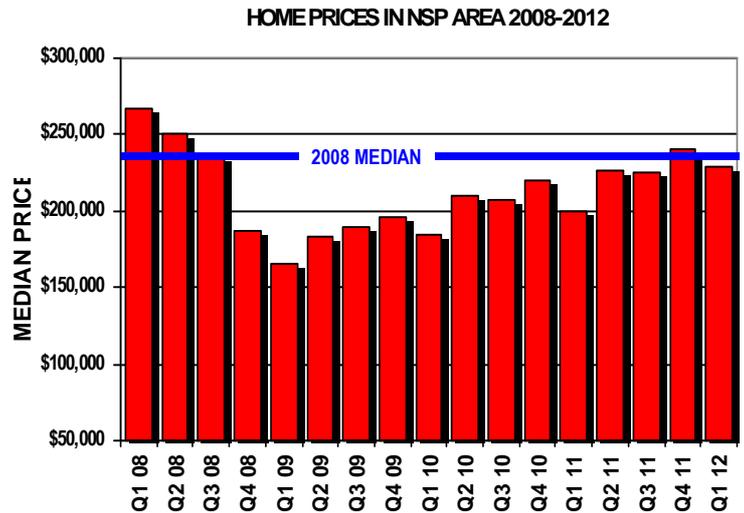
2012 Target: Stabilize the Housing Market in the High-Foreclosure Neighborhoods and Work to Bring Values Back up to Pre-LTW-III (2008) Levels.

Current Status:

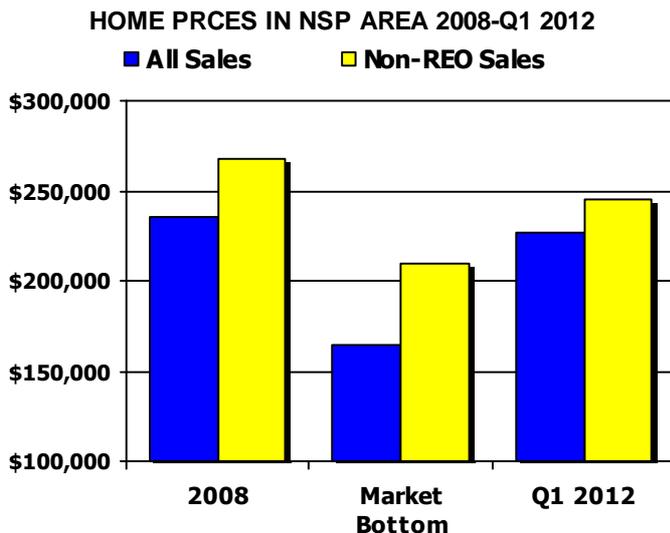
Q1 2012 Target: Return home prices in high-foreclosure neighborhoods to \$235,000 (2008 median)

Q1 2012 Performance: Median price: \$226,450 (96% of Target)

After bottoming out in Q1 2009, overall home prices in the high-foreclosure, or Neighborhood Stabilization Program (“NSP”, see map) neighborhoods have gradually rebounded. After reaching its goal of bringing prices back up 2008 levels in Q4 2011, prices fell this quarter. Prices typically are somewhat lower during the winter quarter, so this drop is not unexpected nor is it indicative of a reversal of the upward trend in values.



These market trends do not, however, accurately reflect the market that the average homeowner or homebuyer is experiencing. Low-priced REO sales bring down the overall market averages, but unless you are a banker trying sell an REO or an investor looking to buy one, these properties are not that relevant to most homebuyers or home sellers. The non-REO market is what most property owners are looking at.



As shown here, the non-REO market has not been as volatile as the overall market. However, the market rebound is not as pronounced in the non-REO market as it was in the overall market. After losing \$58,000 in home values in the market slide, homeowners have gained \$35,000 of it back, but home values are still \$23,000 below what they were in 2008. There is clearly still a long way to go before the City can claim that the housing market in the NSP area is back to 2008 levels.

GOAL 3: REVERSING THE RISE IN HOMELESSNESS

2012 Target: House 100% of the 569 individuals that were homeless for a year or more in 2009⁶.

Current Status:

Q1 2012 Target: Reduce the number of long-term homeless individuals in shelter by 462

Q1 2012 Performance: Long term homeless count reduced by 415 (90% of target)

2009 Long Term Homeless Count	October 2009	2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	TOTAL LTW to Date
Placed Into Housing		140	28	26	3	16	3	216
Returned to Shelter After Being Housed						18		18
Left Shelter System			-	-	-	217		217
Remaining Count	569	429	401	375	372	157	154	154

Of the 569 individuals that were homeless for a year or more in October 2009, 216 have been placed into permanent housing by the City and its partners of which only 18 (8%) have fallen back into homelessness. On net, 198 long-term homeless remain permanently housed. Another 217 have left the shelter system without assistance from the City. It is not known if these people left shelter because they found housing or simply moved to another shelter system outside the city or even to another state. In total, only 154 of the original 569 long-term homeless individuals remain in Boston shelters.

It has, however, now been more than two years since the 2009 list was created, and there are new people that have been in shelter for more than a year. In December 2011, the City identified 255 more individuals that were homeless for more than a year. Combined with the remaining 154 from the 2009 list, there are now 409 long-term homeless in Boston’s shelter system. This “2011 List” will now become the focus for the City’s placement efforts.

Actions To Reduce The Total Number of Individuals in Shelter

Beyond the primary goal of housing its long-term homeless, the City has two distinct strategies to reduce the overall count of individuals in emergency shelter: 1) Placement Strategies to move people out of shelter and into permanent housing, and 2) Prevention Strategies to keep people from entering shelter in the first place.

The Placement Strategy includes 1) the BHA’s homeless priority policy for the allocation of its rent subsidies and 2) The Rapid Rehousing Strategy where the City and shelter providers focus on getting the newly homeless back into their previous housing or into alternate arrangements before those options disappear over time. As shown below, the combined results of these two efforts has been to house 1,964 homeless individuals over the last three years. The BHA’s homeless priority placement system includes individuals that are not currently in Boston’s shelter system (e.g. living

⁶ This goal has been restated to more clearly define the City’s target for housing its long term homeless. It has also been tied to the first complete census of the long-term homeless in October 2009 rather than the estimated count as of December 2008.

on the streets, living in other temporary housing, or living in a shelter outside Boston) so not all placements will directly reduce Boston’s shelter counts.

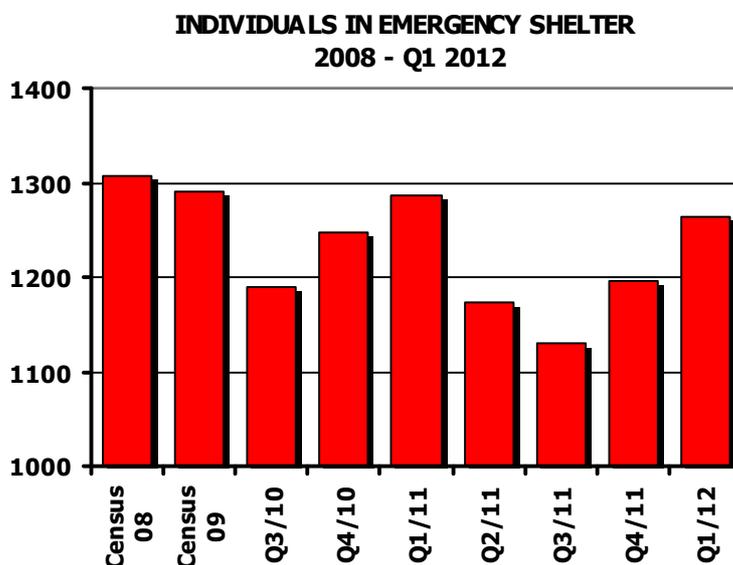
Homeless Individuals Placed In Housing 2009 -2012	2009	2010	2011	Q1 2012	TOTAL LTW to Date
Individuals Placed in BHA Housing	564	559	430	127	1,680
Individuals Rapidly Rehoused	0	140	122	22	284
Total Individuals Housed	564	699	552	149	1,964

In May 2012, the City is submitting an application to the Attorney General’s office for funding out of the interstate banking settlement to support rapid rehousing of people who are being evicted as a result of foreclosure. If the application is funded, this will provide some additional short-term funding for rapid rehousing services.

The Prevention Strategy includes 1) preventing homelessness by helping the most at-risk retain their and stabilize their housing before they enter shelter and 2) homelessness diversion which involves rehousing people as they seek to enter shelter. As shown below, since 2010, the Prevention strategy has kept 439 individuals from entering the emergency shelter system. As federal resources to support prevention and diversion programs have declined precipitously in 2011, priority has been placed on diversion programs while most prevention programs are being wound down.

Individuals Prevented From Entering Shelter 2010-2012	2010	2011	Q1 2012	TOTAL LTW to Date
Homelessness Prevention	269	50	16	335
Homelessness Diversion	31	59	14	104
TOTAL	300	109	30	439

The net result of these efforts can be seen in total count of individuals in emergency shelter. Starting in 2010, the Homeless Management Information System was able to generate daily and quarterly counts that track this population much more precisely than the once-a-year census that had been used previously. As can be seen here, there is a lot of seasonality in the shelter counts with peak counts in the winter quarter and the lowest counts during the summer. Given this seasonality, the best way to determine an overall trend is to compare the current quarter’s count with the same quarter the year before. For Q1 2012, there were 1,195 individuals in shelter, 7% below the 1,286 that there were in Q1 2011.



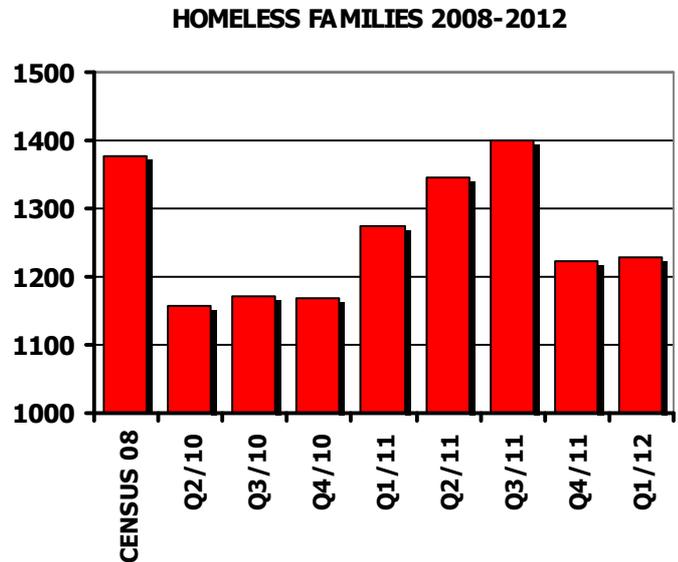
2012 Target: Reduce Family Homelessness By 50%: from 1,378 families to 689

Current Status:

Q1 2012 Target: Reduce family homeless count by 560

Q1 2012 Performance: Family count down by 148 (26% of target)

Homeless Families	2008 Census	Q1 2012 Est
Homeless Family Count	1,378	1,230
Change from 2008		-148
% Change from 2008		-10.7%



Using a combination of data from the annual census updated with quarterly figures of the hotel/motel populations from 2010 forward, the City believes that it can estimate the quarterly family counts with greater accuracy than it has in the past. The family count also does not have the seasonal variation that is seen with individuals because no families are on the streets, even in the summer.

This data reveals that while the family counts have been rising since 2010, the last two quarters have shown a reversal of this trend with the number of homeless families now 10.7% below 2008 levels. This is still far below the City’s target of reducing family homelessness by 50%.

As with homeless individuals, the City’s strategy to house its homeless families includes a Placement Strategy and a Prevention Strategy.

Family Homeless Placements. The initiatives include the BHA’s homeless priority policy that has placed 1,516 homeless priority families in BHA housing since 2009, and the Rapid Rehousing Program where shelter operators have been able to place 391 homeless families since 2010.

Homeless Family Placements 2009-2012	2009	2010	2011	Q1 2012	TOTAL LTW to Date
Families Placed: BHA	474	411	494	137	1,516
Families Rapidly Rehoused	0	174	188	29	391
Total Family Placements	474	585	682	166	1,907

Family Homelessness Prevention. The end of the Federal HPRP (Homeless Prevention and Rapid Rehousing Program) program has resulted in dramatic reductions in homelessness prevention service levels in starting 2011. Additional resources coming from the new Federal Emergency Solutions Grant program will partially offset these cuts later in 2012, but prevention services will certainly not return to 2010 levels.

Family Prevention & Diversion Services 2010-11	2010	2011	Q1 2012	TOTAL LTW to Date
Homelessness Prevention	551	80	4	635
Homelessness Diversion	85	35	0	120
TOTAL	636	115	4	755

Additional Measures: Production of Housing for Boston’s Homeless

Since 1997, the City has also created units that are specifically targeted to the homeless through its Homeless Set-aside Policy that requires 10%-20% of the units in any new or preserved rental development be targeted to the homeless. In addition, homeless units are created in some homeless-only developments where on-site supportive services are usually integrated into the development plan. This quarter, 26 homeless setaside units were created in four developments: 14 were created in the preservation and renovation of Lucerne Gardens and Urban Edge Apartments, and another 12 were created in the Cheriton Heights and Uphams West developments.

UNITS OF HOMELESS SETASIDE HOUSING CREATED	Q1 2012	LTW-III To Date
Homeless Setaside Units Created: New Production	12	234
Homeless Setaside Units Created: Rental Preservation	14	59
TOTAL HOMELESS SETASIDE UNITS CREATED	26	293

GOAL 4: PRESERVING AFFORDABLE RENTAL HOUSING

2012 Target: Start Construction Renovating or Redeveloping 5,000 Units of Public Housing

Current Status:

Q2 2012 Performance: GOAL ACHIEVED. 7,070 Units Started (141% target)

2012 Target: Complete Construction on Renovations to 5,000 Units of Public Housing

Current Status:

Q2 2012 Performance: GOAL ACHIEVED. 7,196 Units Completed (144% target)

Units of Public Housing Renovated or Redeveloped	Q1 2012	LTW-III TO DATE
BHA Units In Construction	0	7,070
BHA Units Completed	3,099	7,190

With almost 3,100 units of public housing renovations completed this quarter, the BHA has now exceeded all of its goals for *LTW-III*. Only two projects, Bromley Heath and Cathedral remain in construction.

2012 Target: Preserve 5,000 Units of Privately Owned Affordable Rental Housing

Current Status:

Q1 2012 Target: 4,063 units preserved

Q1 2012 Performance: 3,804 units preserved (94% target)

There were four significant preservation projects this quarter. Two Expiring Use Restriction (“EUR”) properties were preserved: Charlame Park I & II (41 units) extended its affordability until 2032 and Weld Park Apartments (14 units) was extended until 2017. The City also funded the refinancing and renovation of two developments: Urban Edge Apartments in Jamaica Plain (82 units) and Lucerne Gardens in Mattapan (45 units). Fourteen low-income rental units also entered into affordability agreements as a result of the Lead Paint Abatement Program.

Units of Affordable Rental Housing Preserved For 5+ Years	Q1 2012	LTW-III TO DATE
EUR Rental Units Preserved (of the 5,583 units at-risk by 2012)	55	3,265
Non-EUR Affordable Rental Units Preserved	141	497
TOTAL PRIVATE RENTAL PRESERVATION	196	3,762

2012 Target: Lose No More Than 15% of 5,583 Federal/State Units Due to Expire by 2012

Current Status:

Q1 2012 Target: Lose less than 676 units⁷

Q1 2012 Performance: 553 units lost

No EUR units were lost this quarter and the City continues to be on track to limit affordable rental losses no more than 15% of the at-risk stock. Unfortunately, it appears very likely that 44 units of affordable housing will be lost next quarter as Rutland Housing reaches the end of its Section 8 contract at the end of May 2012. The owner has resisted all efforts by the City and tenant groups to extend its affordability.

Units of At-Risk EUR Housing Lost	Q1 2012	LTW-III TO DATE
EUR Units Lost	0	553
EUR Units Lost as Percentage of the 5,583 units at risk by 2012	0.0%	9.9%

⁷ 15% of 5,583 is 837 units, or 52 units per quarter over the four years of LTW-III