



# Leading The Way III

QUARTERLY PROGRESS REPORT: SEPT 30, 2012

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### HIGHLIGHTS

#### Significant Accomplishments

**Housing Market In The High-Foreclosure Neighborhoods.** With over \$25 million of City funds invested generating almost \$110 million in home purchases and renovations, the market in the high-foreclosure neighborhoods is rebounding. Median house prices in these neighborhoods jumped by almost \$44,000 this quarter to \$265,000. This exceeds the City's target of returning values to 2008 levels (\$235,000) and prices are now \$100,000 above what they were at the bottom of the market in Q1 2009.

**Public Housing.** With 128-unit Phase 2 of the Old Colony redevelopment breaking ground this quarter, the BHA has substantially exceeded its 5,000-unit target for public housing renovations and redevelopments: 7,199 units are in construction or complete.

**New Housing Production.** With 517 new market-rate units going into construction this quarter, there are now 2,696 market-rate units in 218 projects currently in construction in Boston. These developments represent over \$1.5 billion in new housing investment. Housing sector construction employment is now at its highest level since 2007.

**Rising Home Equity.** While the Stable Market neighborhoods (Allston/Brighton, Jamaica Plain, South Boston, Roslindale, West Roxbury) saw almost no devaluation during the foreclosure boom, they also experienced no home equity growth until now. Values in these neighborhoods rose by \$20,000 to an *all-time* record of \$375,000. Sales volumes were also up 34% over the same quarter last year.

**Affordable Housing.** With another 33 units starting construction this quarter, The City has achieved 115% of its 1,000-unit affordable rental housing production target. For the first time in

*LTW-III*, units created this quarter through the Inclusionary Policy outpaced the number of units created in City-funded developments, reflecting the renewed vigor of the market-rate sector this year.

**Homeless Individuals.** The number of long term homeless individuals is down 39% from 2009. 76% of the individuals who were long-term homeless in October 2009 are now no longer in Boston's shelters.

## **Challenges**

**Rents.** Rents in the Stable Market neighborhoods set a new all-time record of \$2,100/month and are up 11% over last year and 24% over two years ago. Rents in the centrally-located neighborhoods also set an all-time record of \$2,950/month in Q2 2012. There are over 2,500 rental units under construction, but it will be the latter part of 2013 year before most of those units come on the market. With tight credit keeping more middle-income people out of the ownership market, they are adding pressure at the higher end of an already tight rental market.

**Homebuying.** Although there is considerable interest from would-be buyers in the City's homebuyer classes, there are fewer and fewer successful homebuyers in the City's programs. 2012 is lining up to be the worst of the four years of *LTW-III* for new homebuyers. Year-to-date home purchases in 2012 are 10% below the same period in 2011, 51% below 2010 and 34% below 2009. This also means that rental units that would have come on the market as first-time homebuyers moved out are not coming available, further restricting the rental listing supply.

**Homeless Families.** While trending downward over the last couple of years, the number of homeless families remains persistently high. Although primarily a State-run function, the City will need to look for more effective ways to address this situation going forward.

**Foreclosure Petitions and REO Properties.** While foreclosure deeds are at their lowest level since 2006, foreclosure filings have not dropped in a similar manner and, if pursued through to foreclosure, could undermine the gains of the last two years. The banks also appear to be having difficulty selling their REO properties: between Q1 2009 and the Q3 2012 the number of foreclosure deeds dropped by 76% but the number of REO properties is only down by 40%. There are currently 460 REO properties in Boston. These properties pose a risk to the market if they come on the market too quickly now.

# 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:** 1,900 (98%) of the 1,943 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***

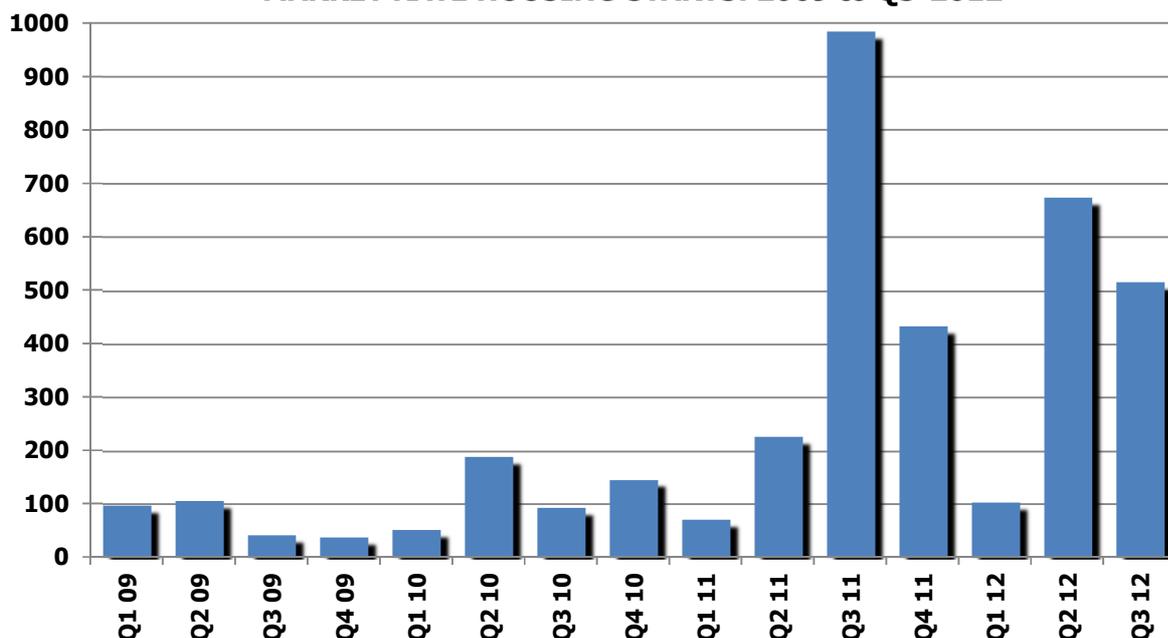
**Current Status:**

**GOAL ACHIEVED: 3,775 units permitted**

2012 continues to show remarkable strength with 517 new market rate units going into construction this quarter. There are now 2,696 market-rate units in 218 projects currently in construction in Boston. These developments represent over \$1.5 billion in new housing investment.

MARKET-RATE UNITS PERMITTED	Q3 2012	LTW-III To Date
Market-rate Units Permitted – BRA (Large/Article 80)	411	2,693
Market-rate Units Permitted – DND (City Assisted)	6	103
Market-rate Units Permitted – ISD (Small Projects)	100	979
<b>TOTAL</b>	<b>517</b>	<b>3,775</b>

**MARKET RATE HOUSING STARTS: 2009 to Q3-2012**



**375 MARKET STREET, 39 RENTAL UNITS, ALLSTON/BRIGHTON**



**120 KINGSTON ST (DAINTY DOT)  
240 RENTAL UNITS  
DOWNTOWN/CHINATOWN**

**Larger (BRA/Article 80) Housing Developments Permitted LTW-III to Date**

PROJECT NAME	TOTAL UNITS	AFFORD UNITS	MARKET UNITS
770-774 East Third St	18	2	16
1100 VFW Parkway (Gordon's Wood)	42	5	37
1255 Adams St (Baker Chocolate)	17	0 <sup>1</sup>	17
Wingate Jesuit Retirement Home	72	0 <sup>2</sup>	72
687-697 Massachusetts Ave	40	2	38
Paradigm @ Blakemore Project (T Parcel)	12	0	12
255-257 Northampton Phase 2 (The Modern)	37	7	30
154-160 Green Street Mixed-Use Project	13	2	11
Russia Wharf	86	5	81
9-23 Griggs St	100	12 <sup>3</sup>	96
Charlesview Apartments	29	10	19
The Victor (Simpson Parcel 1)	286	10 <sup>4</sup>	276
Ridgecrest Village Apartments	48	0 <sup>1</sup>	48
First + First (3 Dorchester St - Phase II)	22	2	20
Avalon/Exeter (Prudential)	188	24 <sup>5</sup>	182
Kensington	381	0 <sup>6</sup>	381
5-10 St. George Street	33	4	29
Residences At Belgrade Place	39	5	34
348 Bremen Street	14	2	12
Hayward Place	265	0 <sup>7</sup>	265
360 West Second St	19	3	16
Warren Green (CANA Parcel 3)	17	2	15
Eleven West (Lechmore Point)	50	6	44
West Square	256	33	223
319 A Street (Boston Wharf Tower)	202	22	180
100 Arlington St (Former Renaissance Charter)	128	0 <sup>1</sup>	128
63 Melcher Street	38	5	33
120 Kingston (Dainty Dot)	240	0 <sup>8</sup>	240
637 East First St	18	0 <sup>1</sup>	18
75 West School Street	99	13	86
375 Market Street	39	5	34

*Shaded projects started construction this quarter.*

<sup>1</sup> As-Of-Right: Exempt from Inclusionary Requirements

<sup>2</sup> Group Living/Dorm: Exempt from Inclusionary Requirements

<sup>3</sup> 4 onsite and 8 offsite at 1298-1302 Commonwealth Ave

<sup>4</sup> Also \$5.6 million Cash-Out payment

<sup>5</sup> 6 onsite and 18 offsite elsewhere in Prudential Residences

<sup>6</sup> Cash-Out payment of \$7 million to Hong Lok House (75 affordable units)

<sup>7</sup> Also \$10 million Cash-Out payment

<sup>8</sup> Offsite units will be in Oxford Ping On (37 affordable units)

## DORMITORY CONSTRUCTION

No new dormitories started construction this quarter. There are currently 1,533 dorm beds in construction in three projects (Mass College of Art, Grandmarc at St Botolph, and Berklee College of Music).

NEW DORMITORY CONSTRUCTION	Q3 2012	LTW-III To Date
Net New Dorm Beds Started	0	1,925
Net New Dorm Beds Completed	0	3,186

### BU MEDICAL ALBANY FELLOWS DORM COMPLETED SPRING 2012



## HOUSING MARKET CONDITIONS

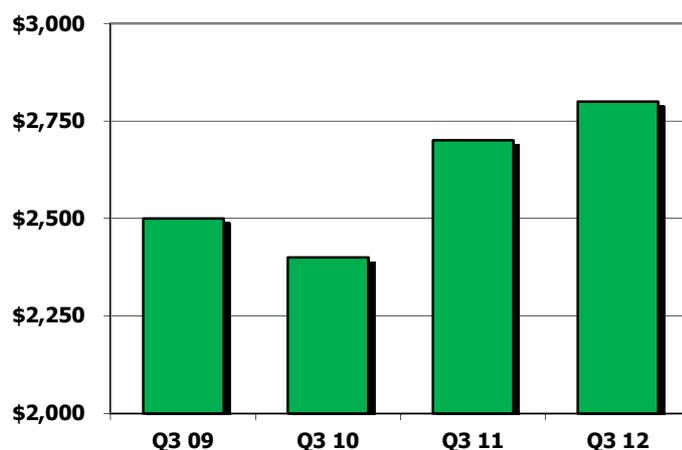
From the outset of *LTW-III*, the City has identified three different housing submarkets in Boston: 1) the Walk-To-Work Neighborhoods of Back Bay/Beacon Hill, Central Boston, Charlestown, Fenway/Kenmore, Seaport and South End, 2) The Stable Market Neighborhoods of Allston/Brighton, Jamaica Plain, Roslindale, South Boston outside the Seaport District and West Roxbury, and 3) The High-Foreclosure Neighborhoods including East Boston, Dorchester, Hyde Park, Mattapan and Roxbury.

### WALK-TO-WORK HOUSING MARKET

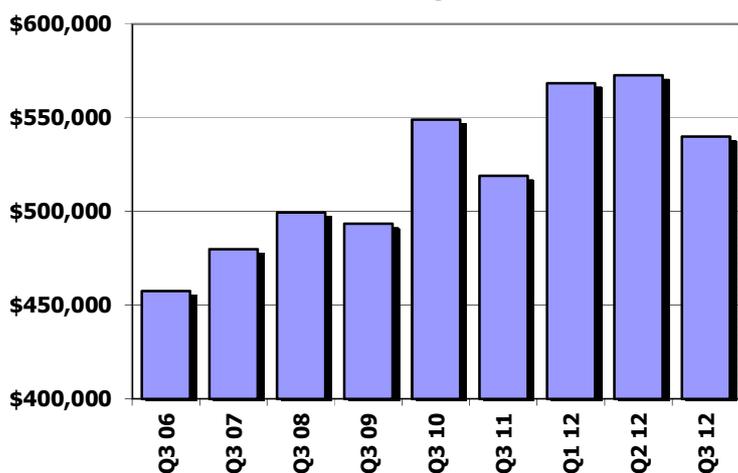
**Rental Market.** Listing rents dropped from their record-setting level set last quarter (\$2,950/month) to \$2,800/month this quarter. This is a 4% increase over the same quarter last year and a 17% increase from two years ago. The volume of listings was also up 16% over last year, which may help abate some of the market pressure on rents.

**Ownership Market.** Prices in the Walk-To-Work neighborhoods fell \$30,000 from their record-setting pace last quarter to a median price of \$540,000 this quarter. Prices remain well above what they were at in 2006 and 2007 before the recession. Sales volumes are up 14% over the same quarter last year, and are up 38% over two years ago. Sales this quarter are currently at a 4-year high. Two years of rising sales and strong prices should help make new condominium development much more attractive to finance in 2013. There are more than 2,000 units of proposed new condominium developments that are already approved by the BRA.

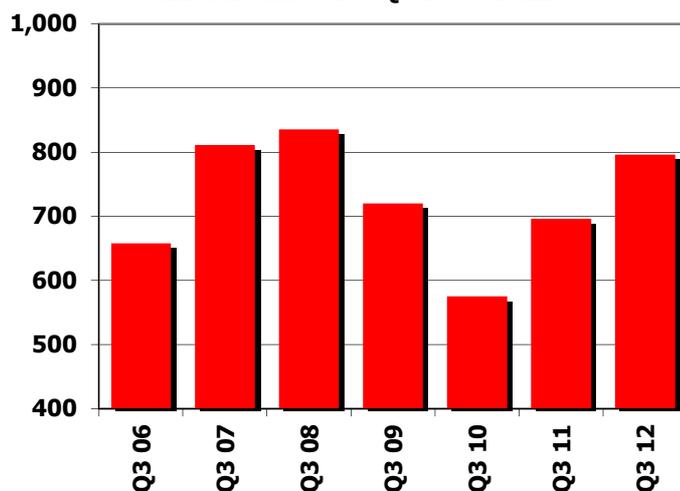
**LISTED RENTS IN WALK-TO-WORK NEIGHBORHOODS:  
Q3: 2009 - 2012**



**PRICES IN WALK-TO-WORK NEIGHBORHOODS Q3 2006-2012**



**SALES IN WALK-TO-WORK NEIGHBORHOODS: Q3 2006-2012**

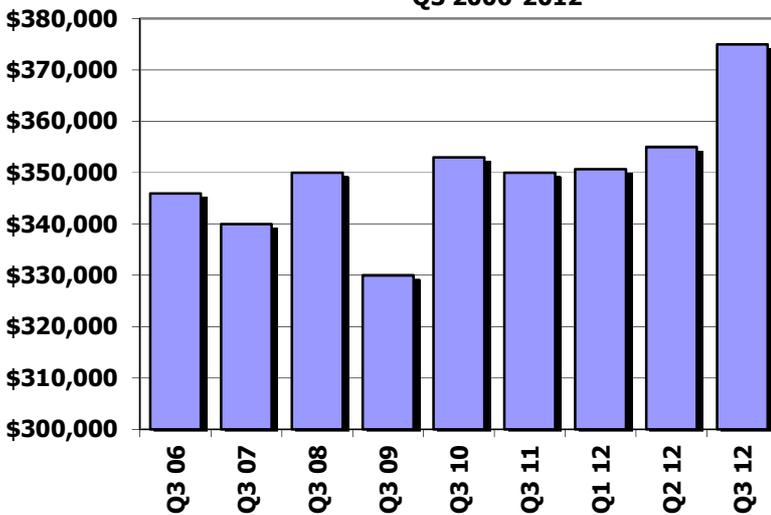


**STABLE NEIGHBORHOODS HOUSING MARKET**

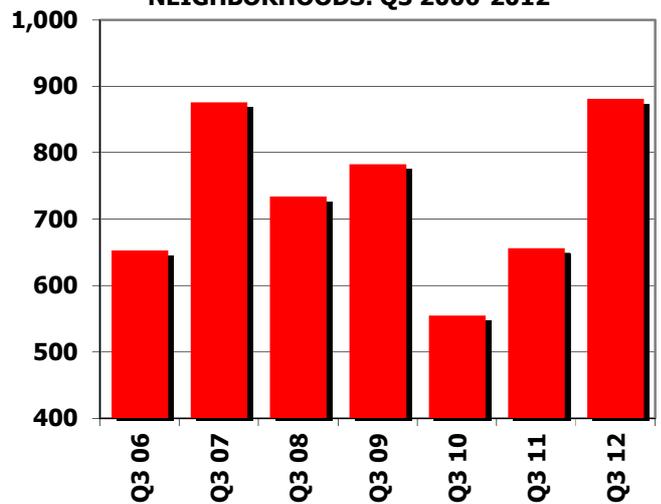
These neighborhoods were identified as the “Stable” neighborhoods in *LTW-III* largely because they were, compared to other parts of the City, much less affected by the turmoil in the housing market in 2008. They had neither the large numbers of foreclosures that destabilized prices elsewhere in the City, nor did they have excessive concentrations of condominiums that were vulnerable to the difficulties in that sector.

**Ownership Market.** After six years of remarkable market stability, home prices jumped by \$20,000 this quarter to \$375,000. This is a new *all-time* record price. Sales volumes for this quarter are up 34% over last year and are up 59% over two years ago.

**PRICES IN STABLE MARKET NEIGHBORHOODS  
Q3 2006-2012**

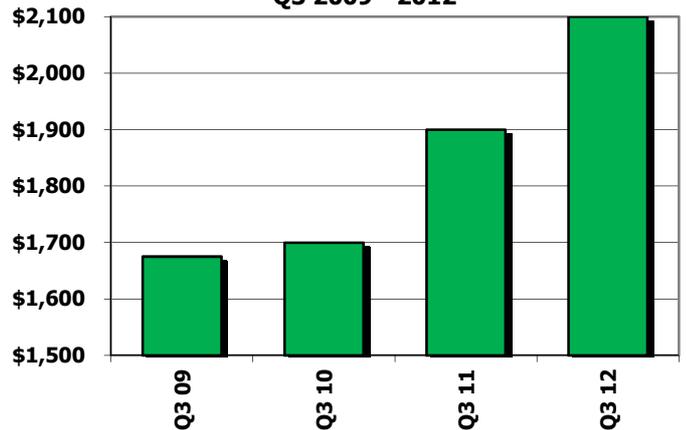


**SALES IN STABLE MARKET NEIGHBORHOODS: Q3 2006-2012**



**Rental Market.** For the first time ever, the median listing rent in these neighborhoods exceeded \$2,000/month. In Q3 2012 there was a new all-time record price of \$2,100/month. That rent level is 11% above last year and 24% above two years ago.

**ASKING RENTS IN STABLE MARKET NEIGHBORHOODS: Q3 2009 - 2012**



**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**

<b>NEW HOMEBUYERS ASSISTED</b>	<b>Q3 2012</b>	<b>LTW-III To Date</b>
Homebuyers Receiving Downpayment & Closing Cost Assistance	19	424
Purchases of New Covenanted Units Without Downpayment Assistance	3	118
Completed Affordable Resales – DND	6	57
Completed Affordable Resales – BRA/Inclusionary	8	71
<b>TOTAL</b>	<b>36</b>	<b>670</b>

**Current Status:**

**Q3 2012 Target to Date: 1,406 new homebuyers**

**Q3 2012 Performance: 670 homebuyers (48% of target)**

Although house prices have been stable and rising in most areas for two years and there is considerable interest from would-be buyers in the City’s homebuyer classes, there are fewer and fewer successful homebuyers in the City’s programs. 2012 is lining up to be the worst of the four years of *LTW-III* for new homebuyers. Year-to-date home purchases in 2012 are 10% below the same period in 2011, 51% below 2010 and 34% below 2009.

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

**Current Status:**

**GOAL ACHIEVED: 1,115 affordable rental units permitted (115% target)**

<b>NEW AFFORDABLE RENTAL UNITS PERMITTED</b>	<b>Q3 2012</b>	<b>LTW-III To Date</b>
New Affordable Rental Units Permitted – DND/Assisted	10	963
New Affordable Rental Units Permitted - BRA /Inclusionary	23	152
<b>TOTAL</b>	<b>33</b>	<b>1,115</b>

This quarter, for the first time in *LTW-III*, the number of affordable units created through the City’s Inclusionary Development Policy outpaced the City’s assisted housing production rate. There were no major affordable housing developments breaking ground this quarter, and a resurgent market-rate rental sector is generating increasing numbers of affordable inclusionary units.



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	325	170	404	176	0	40	1,115
% TOTAL	29.1%	15.2%	36.2%	15.8%	0.0%	3.6%	100.0%

80.5% 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.

### Affordable Housing Completions:

While there were not a lot of newly started affordable units this quarter, 125 new affordable units came on line as 9 projects were completed this quarter. Since *LTW-III* began, 695 new affordable units have been completed including 95 affordable ownership units and 601 rental apartments.

COMPLETED PROJECTS Q3 2012	Affordable Units	Affordable Ownership	Affordable Rental
270 Centre Street	30		30
Mt. Pleasant Home Inc.	18		18
HEARTH at Olmsted Green	59		59
35 Nightingale St (REO)	2	1	1
24 Alpine St (REO)	3		3
10 Cameron St (REO)	3		3
87 Adams St (REO)	3		3
First + First (Inclusionary)	2	2	0
Residences At Belgrade Place (Inclusionary)	5		5
<b>TOTAL Q3 2012 COMPLETIONS</b>	<b>125</b>	<b>3</b>	<b>122</b>



10 Cameron St – Former REO



87 Adams St – Former REO

## ECONOMIC IMPACTS GENERATED BY THE HOUSING SECTOR

More than a quarter billion dollars of public and private housing started construction this quarter generating 1.6 million hours of construction sector employment. As of September 30<sup>th</sup> 2012, there is currently \$1.9 billion of housing in construction in Boston – more than at any time in the last five years.

<b>TOTAL INVESTMENTS IN HOUSING DEVELOPMENT SECTOR</b>	<b>Q3 2012</b>	<b>LTW-III To Date</b>
Private Sector Housing Development	\$205,159,000	\$2,186,800,000
City-Sponsored Housing Development	\$73,902,000	\$844,255,000
<b>TOTAL HOUSING DEVELOPMENT SECTOR</b>	<b>\$279,061,000</b>	<b>\$3,031,055,000</b>

<b>HOURS OF CONSTRUCTION EMPLOYMENT CREATED</b>	<b>Q3 2012</b>	<b>LTW-III To Date</b>
City-Sponsored Housing Development – DND	29,767	1,974,955
Public Housing Renovation and Redevelopment – BHA	364,232	1,838,931
<b>SUBTOTAL PUBLICLY-SPONSORED INVESTMENT</b>	<b>393,999</b>	<b>3,813,886</b>
Large Scale Housing & Dormitory Development – BRA	895,626	9,251,103
Small Scale Housing Development – ISD	306,311	2,048,470
<b>SUBTOTAL PRIVATELY-SPONSORED INVESTMENT</b>	<b>1,201,937</b>	<b>11,299,573</b>
<b>TOTAL</b>	<b>1,595,936</b>	<b>15,113,459</b>
<b>PUBLIC SHARE OF JOB CREATION</b>	<b>25%</b>	<b>25%</b>

## 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:**

**Q3 2012 Target:** 14,063 homebuyers/homeowners completed financial education

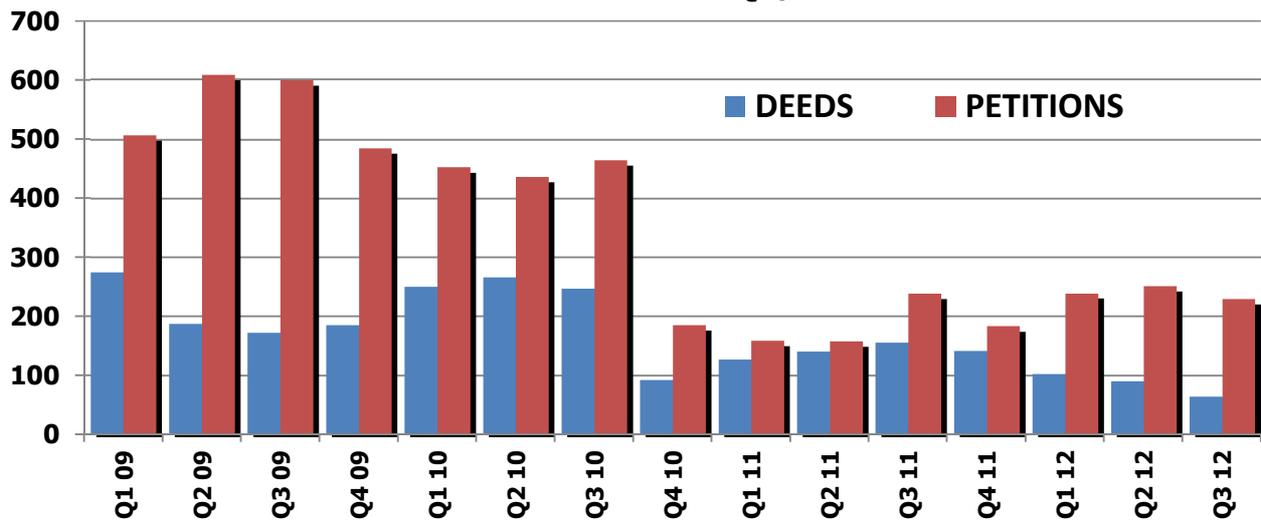
**Q3 2012 Performance:** 13,436 participants (96% of target)

**Q3 2012 Target:** 938 foreclosures prevented

**Q3 2012 Performance:** **GOAL ACHIEVED:** 2,049 foreclosures prevented

FORECLOSURE PREVENTION ACTIVITY	Q3 2012	LTW-III To Date
Homebuyers/Homeowners Completing Financial Education	771	13,436
Foreclosures Prevented	145	2,049

**FORECLOSURES 2009-Q3/2012**



With only 65 foreclosure deeds this quarter (only 29 of which were on owner-occupied properties), foreclosure activity for this quarter is now at the lowest rate since 2006. In addition to the City’s direct foreclosure prevention efforts (that passed the milestone of preventing 2,000 foreclosures since 2009), two new factors are now coming into play: 1) values are rising making workouts more feasible and lenders are now more aggressively pursuing non-foreclosure resolutions, 2) the Attorney General’s office is also aggressively recruiting clients and providing foreclosure prevention assistance with Settlement Funds.



The persistently high rate of foreclosure filings in 2012 reflects the backlog of foreclosures that developed as lenders deferred actions pending the Interstate Banking Settlement. With the Settlement in place in early 2012, lenders appear to be catching up.

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

**Current Status:**

**Q3 2012 Target: 469 units of foreclosed housing reclaimed**

**Q3 2012 Performance: 438 units (93% of target)**

<b>UNITS OF REO HOUSING RECLAIMED</b>	<b>Q3 2012</b>	<b>LTW-III To Date</b>
Units of Distressed REO Housing Permitted – Private/NPO Developers	11	132
Units of REO Housing Purchased – City-Assisted Homebuyer Purchases	11	179
Units of Pre-REO Housing Reclaimed Through Short Sales to Homebuyers	1	30
Units of Post-REO Housing Completed – City-Assisted Post-Purchase Rehab	9	97
<b>TOTAL REO Units Reclaimed</b>	<b>32</b>	<b>438</b>

32 units of REO housing were reclaimed this quarter with most of these units coming from assistance to individual homeowners to purchase or renovate an REO or Short Sale property. With very little remaining NSP funds from the Federal Government and only 6 more major REO redevelopment projects in the City’s pipeline, the redevelopment of highly distressed REOs will be an increasing small share of the City’s REO reclamation efforts.

The banks appear to be having difficulty selling their REO properties: between Q1 2009 and the Q3 2012 the number of foreclosure deeds dropped by 76% but the number of REO properties is only down by 40%. There are currently 460 REO properties in Boston. These properties pose a risk to the market if they come on the market too quickly now.

The City’s two applications to the Attorney’s General office for funding from the multi-state settlement with the banks were both partially funded. Funding for additional assistance to homebuyers for the acquisition and renovation of REO properties was approved for \$330,000, and funding for preventing homelessness resulting from foreclosures was funded for \$165,000. The City’s request for funding to stabilize condominium associations in buildings with foreclosed units and the City’s request to expand foreclosure prevention services to underserved populations were denied. The Attorney General’s office efforts to ramp up its direct foreclosure prevention activities should, however, help offset the prevention funding decision. With the condominium market in the high-foreclosure neighborhoods being the weakest and most unstable housing market segment in Boston, the lack of funding for condominium stabilization is much more problematic.

**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:**

**Q3 2012 Target:** Return home prices in high-foreclosure neighborhoods to \$235,000 (2008 median)

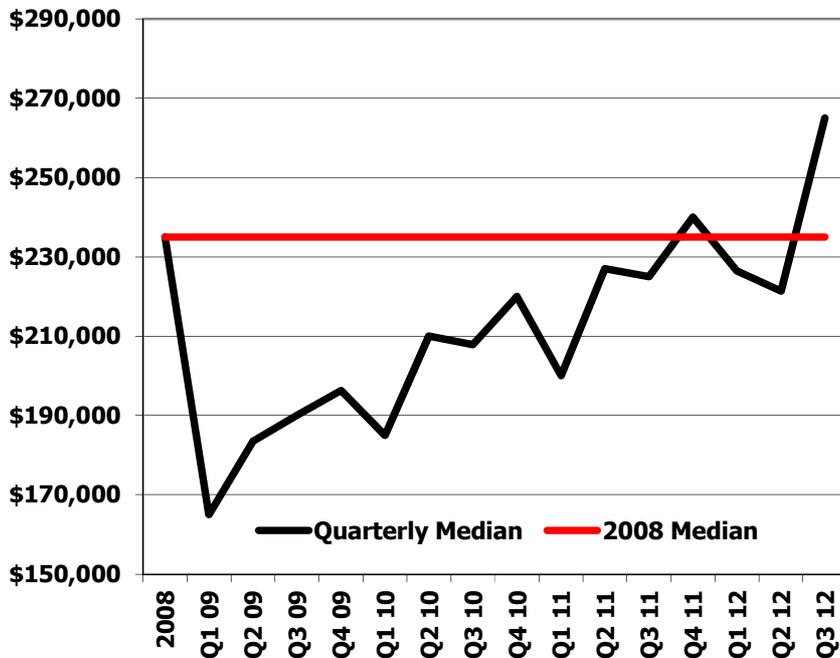
**Q3 2012 Performance:** Median price: \$265,000 (113% of Target)

<b>CITY INVESTMENTS IN HIGH-FORECLOSURE NEIGHBORHOODS</b>	<b>Q3 2012</b>	<b>LTW-III To Date</b>
Units Renovated With City Assistance	79	1,338
REO Units Reclaimed	27	359
Homes Purchased With City Assistance	12	300
City Funds Invested	\$2,864,152	\$25,689,459
Total Public & Private Investments	\$6,740,353	\$109,579,846

With over \$25 million of City funds invested generating almost \$110 million in home purchases and renovations, the market in the high-foreclosure NSP (Federal Neighborhood Stabilization Program) area is rebounding.

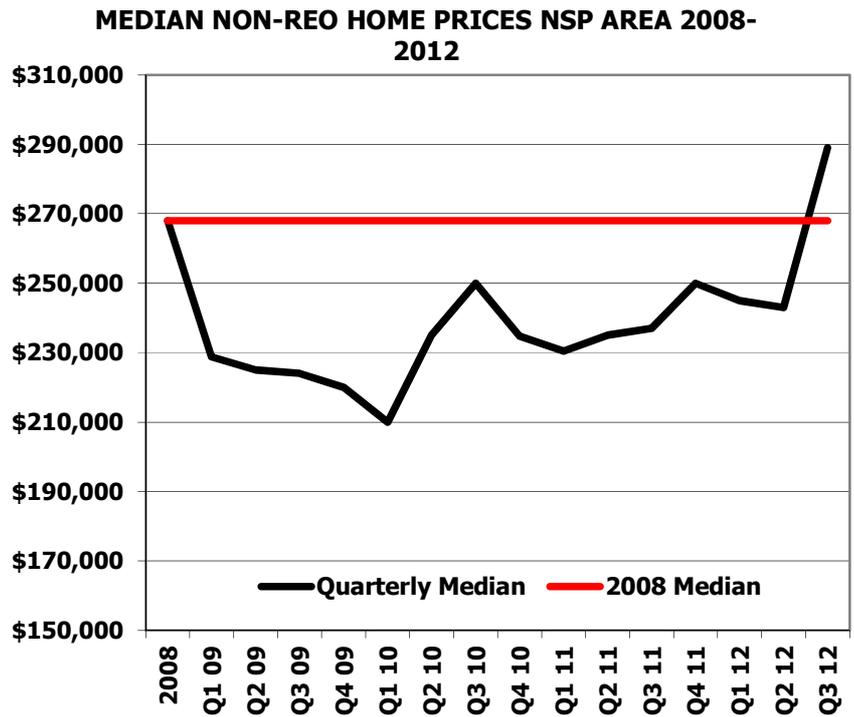
After two quarters of softening prices, home values jumped by more than \$40,000 this quarter and are now \$30,000 above what they were in 2008 and \$100,000 above what they were at the bottom of the market in 2009. REOs are now only 15% of home sales. The last time REOs were such a small part of the market was Q3 2007 -- five years ago.

**MEDIAN HOME PRICES NSP AREA 2008-2012**



Unlike previous quarters when the condo market was pulling down the overall prices, this quarter every property type, including condos, showed at least a \$30,000 increase in prices over last quarter. However, the condo market in the NSP is still very weak in terms of sales. In 2007, there was an average of 160 condo sales per quarter representing 48% of the market. In Q3 2012, there were only 49 condo sales constituting only 22% of the market.

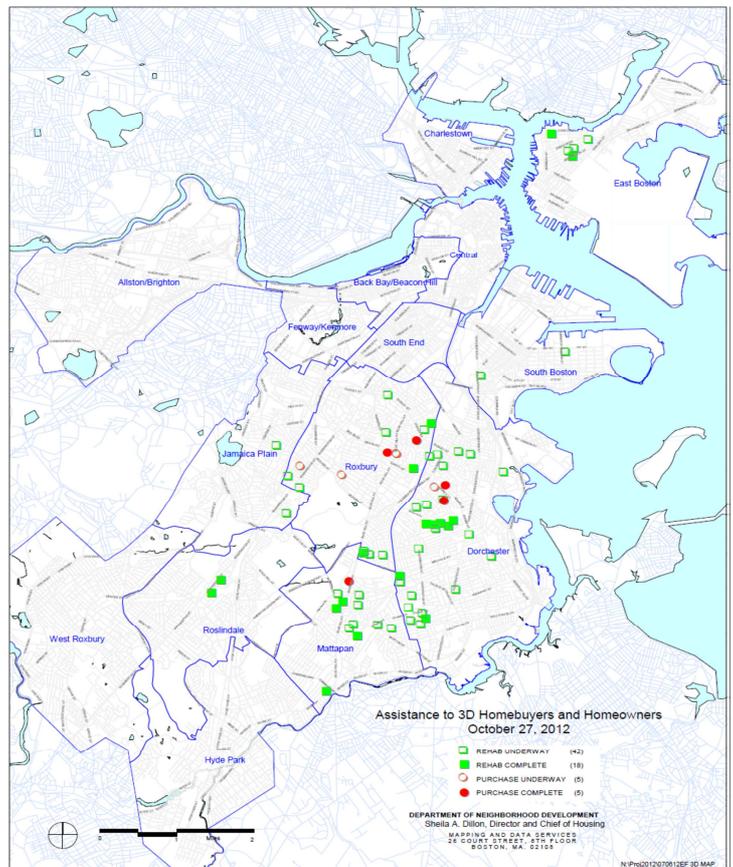
**Non-REO Home Values In NSP Area.** While overall prices represent the market in general, most homeowners are not buying or selling an REO property, and the true market they are facing is the market for non-REO properties. Looking just at this market, the average home price is currently \$289,000 -- \$24,000 higher than the overall market price of \$265,000. After four years of very weak value growth, homeowners have finally got back all of the home equity that they lost since 2008. It remains to be seen if this value growth will be sustained – we had a jumps like this in 2010 and 2011, only see prices fall back soon after.



**Supporting The NSP Housing Market Through the 3D Initiative**

In March 2012, the City launched a new initiative to promote and stabilize the City’s Triple Decker stock. These properties, largely concentrated in the high-foreclosure parts of the city, are an iconic element of Boston’s housing stock that were severely buffeted by the market swings of the last ten years. The *3D Initiative* provides homeowners and homebuyers with up to \$30,000 toward the purchase and/or rehabilitation of a Triple Decker. To date, 235 owners of Triple Deckers and condos in Triple Deckers have become 3D members. 24 3D properties have been purchased and/or renovated with City assistance, 19 of which are in the NSP area.

Prices of 3-family homes in the NSP area are up \$61,500 over the same quarter in 2011 (from \$275,000 to \$361,500). The last time a 3-family was worth that much was five years ago – Q4 2007.



## GOAL 3: REVERSING THE RISE IN HOMELESSNESS

**2012 Target: House 100% of the 569 individuals that were homeless for a year or more in 2009<sup>1</sup>.**

### Current Status:

**Q3 2012 Target: Reduce the number of long-term homeless individuals in shelter by 533**

**Q3 2012 Performance: Long term homeless count reduced by 433 (81% of target)**

2009 Long Term Homeless Count	October 2009	2010	2011	Q1 2012	Q2 2012	Q3 2012	TOTAL LTW to Date
Placed Into Housing		140	73	3	11	7	234
Returned to Shelter After Being Housed			18				18
Left Shelter System			217				217
<b>Remaining Count</b>	<b>569</b>	<b>429</b>	<b>157</b>	<b>154</b>	<b>143</b>	<b>136</b>	<b>136</b>

### 2009 Long Term Homeless

Of the 569 individuals that were homeless for a year or more in October 2009, 234 have been placed into permanent housing by the City and its partners of which only 18 (8%) have fallen back into homelessness. On net, 209 long-term homeless remain permanently housed. Another 217 have left the shelter system without assistance from the City. In total, 433 individuals, or 76% of the original 569, are no longer in Boston's shelters.

### Total Long Term Homeless

In December 2011, the City identified 255 more individuals that were homeless for more than a year bringing the total number of long-term homeless to 412. Targeted efforts to house these newly identified individuals began in Q2 2012 with 44 of them being housed to date. The total number of long-term homeless in Boston currently stands at 363 -- a 39% decline since 2009.

Long Term Homeless Individuals	October 2009	Q4 2010	Q4 2011	Q1 2012	Q2 2012	Q3 2012	TOTAL LTW-III to Date
2009 LT Homeless	569	429	157	154	143	136	136
2011 LT Homeless			255	255	255	255	255
Placed Into Housing					35	9	44
Returned to Shelter							0
Left Shelter System							0
<b>Total Long Term Homeless</b>	<b>569</b>	<b>429</b>	<b>412</b>	<b>409</b>	<b>363</b>	<b>347</b>	<b>347</b>

<sup>1</sup> 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.

**Actions To Reduce The Total Number of Individuals in Shelter**

The City has, since 2010, implemented three supplemental strategies to reduce the overall count of individuals in emergency shelter: 1) Homelessness Prevention by helping the most at-risk retain their and stabilize their housing before they enter shelter, 2) Homelessness Diversion which involves rehousing people as they seek to enter shelter and 3) Rapid Rehousing 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. These initiatives have housed 870 individuals since 2010.

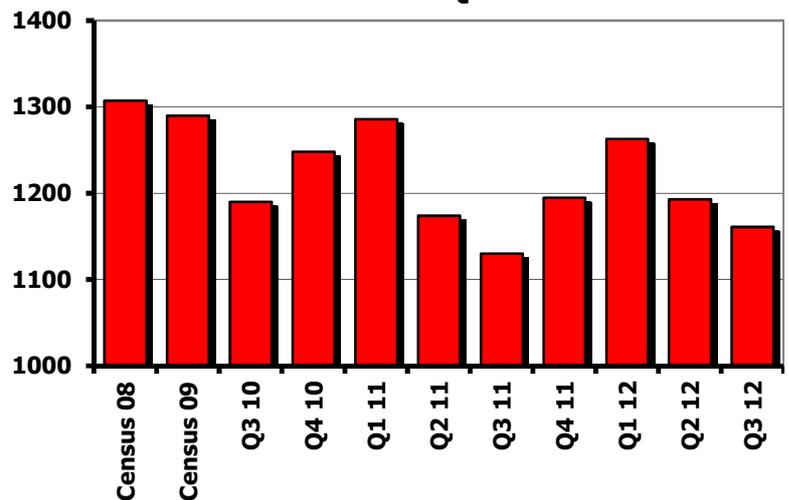
Individuals Housed	2009	2010	2011	Q1 2012	Q2 2012	Q3 2012	TOTAL LTW-III to Date
Homelessness Prevention	0	269	50	16	21	23	379
Homelessness Diversion	0	31	59	14	13	19	136
Rapid Rehousing	0	140	122	22	42	29	355
<b>Total Individuals Housed</b>	<b>0</b>	<b>440</b>	<b>231</b>	<b>52</b>	<b>76</b>	<b>71</b>	<b>870</b>

These initiatives were initially supported by the one-time federal Homelessness Prevention and Rapid Rehousing Grant in 2010 that, by 2011, had been largely spent down. The City continues to support these initiatives with other federal funds, although at a reduced level, with the most significant reductions coming in homelessness prevention services.

The City was notified in September 2012 that it had been awarded \$165,000 from the Attorney General’s Office for homelessness prevention services in foreclosed properties. These funds will be coordinated with the other prevention services being funded by the City, and services should be in place early in 2013.

**Total Shelter Count:** 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. The high seasonality of the shelter counts (more in winter, fewer in summer) means that the best way to determine an overall trend is to compare the current quarter’s count with the same quarter the year before. For Q3 2012, there were 1,161 individuals in shelter, 2.3% *above* the 1,130 that there were in Q3 2011, but 2.4% *below* the count in Q3 2010. It appears that despite good results with the long-term homeless, the declining resources for prevention services in 2012 is more than offsetting those gains, and we are holding pretty much even on our homeless individual counts.

**INDIVIDUALS IN EMERGENCY SHELTER  
2008 - Q3 2012**



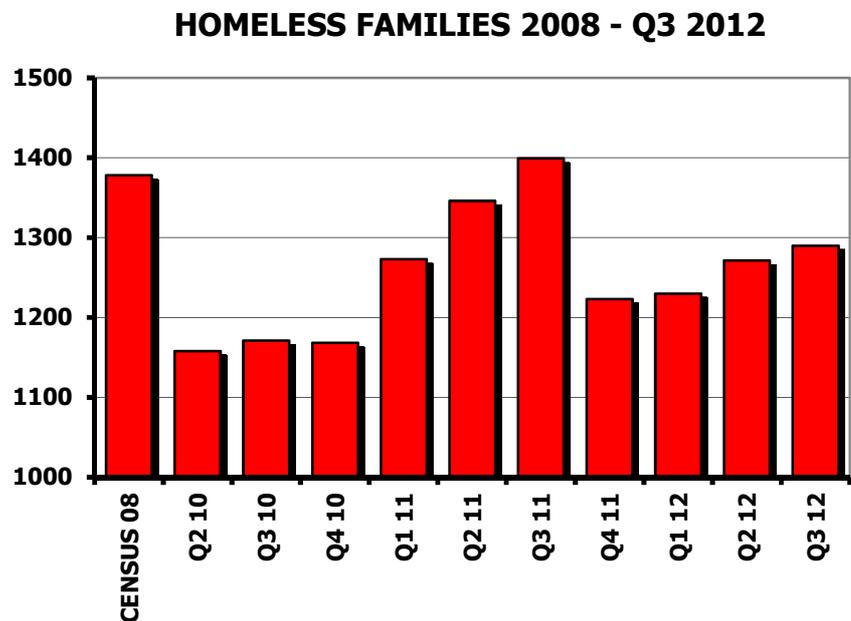
**2012 Target: Reduce Family Homelessness By 50%: from 1,378 families to 689**

**Current Status:**

**Q3 2012 Target: Reduce family homeless count by 646**

**Q3 2012 Performance: Family count down by 88 (14% of target)**

Of all the goals of *LTW-III*, the goal to reduce family homelessness by 50% has always been the most challenging because in large part the emergency shelter system for families is a State function. The City has substantially less capacity to track and influence family homelessness compared to individual homelessness.



As shown below, although the number of homeless families is currently 6% below the 2008 count, the count is once again rising with 19 more hotel/motel families compared to last quarter.

<b>HOMELESS FAMILIES</b>	<b>Q4 08</b>	<b>Q4 09</b>	<b>Q4 10</b>	<b>Q4 11</b>	<b>Q1 12</b>	<b>Q2 12</b>	<b>Q3 12</b>
Hotel/Motel	517	409	165	270	277	318	337
Congregate/ Scattered Site	604	690	766	756	756	756	756
Non-Shelter Families	257	270	237	197	197	197	197
<b>TOTAL</b>	<b>1378</b>	<b>1369</b>	<b>1168</b>	<b>1223</b>	<b>1230</b>	<b>1271</b>	<b>1290</b>

**Actions To Reduce The Total Number of Homeless Families**

As was the case with homeless individuals, the City has, since 2010, implemented three strategies to reduce the family homeless count: 1) Homelessness Prevention, 2) Homelessness Diversion and 3) Rapid Rehousing. To date, almost 1,600 families have been housed through these initiatives.

<b>Families Housed</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>Q1 2012</b>	<b>Q2 2012</b>	<b>Q3 2012</b>	<b>TOTAL LTW-III to Date</b>
Homelessness Prevention	0	551	80	4	12	6	<b>653</b>
Homelessness Diversion	0	85	35	0	0	0	<b>120</b>
Rapid Rehousing	0	174	188	29	270	138	<b>799</b>
<b>Total Families Housed</b>	<b>0</b>	<b>810</b>	<b>303</b>	<b>33</b>	<b>282</b>	<b>144</b>	<b>1,572</b>

Similar to the situation with homeless individuals, there was a substantial decline in service levels in 2011 after the one-time federal grant funds were exhausted. The declines in service appear more extreme than seen with homeless individuals because, as a State-run system, any funds to make up for the declining federal funds would come from the State and are not reported to the City.

**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, 8 homeless setaside units were created as part of the renovation and refinancing of Codman Square Apartments in Dorchester.

<b>UNITS OF HOMELESS SETASIDE HOUSING CREATED</b>	<b>Q3 2012</b>	<b>LTW-III To Date</b>
Homeless Setaside Units Created: New Production	0	246
Homeless Setaside Units Created: Rental Preservation	8	70
<b>TOTAL HOMELESS SETASIDE UNITS CREATED</b>	<b>8</b>	<b>316</b>

## GOAL 4: PRESERVING AFFORDABLE RENTAL HOUSING

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

**Current Status:**

**GOAL ACHIEVED. 7,199 Units Started (144% target)**

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

**Current Status:**

**GOAL ACHIEVED. 7,220 Units Completed (144% target)**

Units of Public Housing Renovated or Redeveloped	Q3 2012	LTW-III TO DATE
BHA Units In Construction	128	7,199
BHA Units Completed	0	7,220

Phase 2A and 2B of the redevelopment of the Old Colony Development in South Boston (128 units) started construction this quarter. This \$70.7 million project is expected to generate over 350,000 hours of construction employment over the next 12-18 months.



View Down Joseph Agri Street



View Down Patterson Way



View from Old Colony Avenue



View Down Patterson Way

**Old Colony Phase Two**  
Boston Housing Authority | Boston, MA

Rendered Perspectives

January 31, 2012  
DEVELOPER : Boston Community Services LLC  
ARCHITECT : The Architectural Team

**tat** | the architectural team

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

**Q3 2012 Target: 4,688 units preserved**

**Q3 2012 Performance: 3,994 units preserved (85% target)**

Of the original 5,583 Expiring Use Restriction (EUR) units, 3,346 have been preserved and 1,681 remain at risk. These units remain at risk because they have only executed short term (under 5 years) extensions of their subsidy contracts, or they are non-subsidized units that have neither executed extensions of their affordability agreements nor have they proceeded to terminate those agreements. Of the units remaining at risk, 712 units are considered at greatest risk because they are for-profit owned.

Another 160 non-EUR affordable rental units were preserved this quarter. The most notable of these was Codman Square Apartments (80 units) and the agreement between Northeastern University and the Massachusetts Housing & Shelter Alliance to preserve 67 homeless units for 20 years at the YMCA Hastings Wing Building.

<b>Units of Affordable Rental Housing Preserved For 5+ Years</b>	<b>Q3 2012</b>	<b>LTW-III TO DATE</b>
EUR Rental Units Preserved (of the 5,583 units at-risk by 2012)	0	3,346
Non-EUR Affordable Rental Units Preserved	160	648
<b>TOTAL PRIVATE RENTAL PRESERVATION</b>	<b>160</b>	<b>3,994</b>

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

**Current Status:**

**Q3 2012 Target: Lose less than 785 units<sup>2</sup>**

**Q3 2012 Performance: 597 units lost**

No EUR units were lost this quarter and the City expects to substantially exceed its target of ensuring that no more than 15% of the at-risk units were lost.

<b>Units of At-Risk EUR Housing Lost</b>	<b>Q3 2012</b>	<b>LTW-III TO DATE</b>
EUR Units Lost	0	597
EUR Units Lost as Percentage of the 5,583 units at risk by 2012	0.0%	10.7%

<sup>2</sup> 15% of 5,583 is 837 units, or 52 units per quarter over the four years of LTW-III