

ADVISORY PANEL

Initial Meeting May 20, 2013

MAYOR THOMAS M. MENINO, CHAIR

TODAY'S AGENDA

I WELCOME, OVERVIEW, AND CHARGE TO THE PANEL

Thomas M. MeninoMayor

II INTRODUCTION OF THE PANEL + GOALS

Sheila Dillon Department of Neighborhood

Development

III Housing Boston 2020: Our Opportunities +Challenges

Peter Meade Boston Redevelopment Authority

William McGonagle Boston Housing Authority

Sheila Dillion Department of Neighborhood Development

INITIAL FEEDBACK; DISCUSSION + FORMATION OF WORKING GROUPS

V WRAP UP + NEXT STEPS





HOUSING BOSTON 2020 OPPORTUNITIES AND CHALLENGES

LEADING THE WAY SINCE 2000



- Leading the Way transformed Boston's housing economy
- Balanced growth agenda serving all Bostonians
- From 2000 to 2010
 - Completed more than 20,000 units of housing
 - Injected \$7b of investment into the economy
 - 6,100 of these units affordable; nearly 500 for homeless
 - Created more than 10,000 new dorm beds, freeing up apartments for neighborhood families





ECONOMIC GROWTH AND HOUSING



Aggressive job growth

- Projections: Job base grows 100,000 by 2020
- In 2011, base grew by more than 14,000;
 virtually all recession losses recovered

Requires significantly more housing

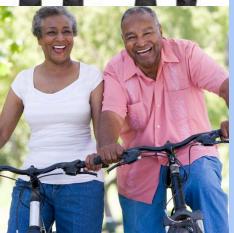
- Demand for 29,000 new units by 2020
- If more workers choose Boston, number could be higher
 - Since 2000, share of workers living in Boston risen from 34 to 39 percent
 - If rise continues, could require 4,000 more units





GROWTH DEMOGRAPHICS





20-34 year olds

- Colleges are a magnet
- In-migration of more than 70 thousand in the 2000's.
- Growing, well-educated workforce
- To retain: right kind of housing: price and location

Retirees

- High retention rates: 80 percent of retirement age population stayed in Boston
- Boomers retiring in 2010's increase retiree numbers by 13 thousand
- Many remain in their homes; their jobs will be open, but their housing will not, adds to tight market
- Those who move need the right kind of housing: location, services, layout





DEMOGRAPHICS TO STRENGTHEN



Families

- Downtown: jump in number of children
 - Back Bay/Beacon Hill: Up 30 percent; South End: Up 15 percent.
- 20-34's hit childbearing age in 2010's
- Need right-size housing, right neighborhoods, appropriate price

Middle Class (\$50K - \$100K)

- Losing share lower in Boston than state + US
 - 26 percent v. 29 percent state and 30 percent US
- Hardest-hit by foreclosures
- Privately-developed housing out of reach
- Too well-off for government assistance
- Both sectors must serve this group





THE DEVELOPMENT AGENDA



30,000 units

Building the Town of Brookline + more.

Current pipeline

• 19,000, including 1,600 dorm beds

The challenges

- Support the right kind of growth
- Protect quality of life





THE STATE OF PUBLIC HOUSING

SERIOUS CHALLENGES



- Taking steps forward, but seriously underfunded.
- 12,000 public housing + 11,000 vouchers for leasing
- Greatest challenge: Finding funding
 - Operations + capital
 - Leased housing
 - Unmet capital need: \$500m
 - Available capital funds: below \$10m
 - Facing \$25m in 2013 cuts to public + leased housing
- Non-profit service programs supporting residents facing cuts as well.





POSITIVE STRIDES AND OPPORTUNITY



- Improvement in occupancy rates:
 98 percent
- \$200m capital improvements in past five years
- Nationally recognized redevelopment initiatives
- Innovative approaches to energy + sustainability
- Resident empowerment initiatives in place





PRIVATE AFFORDABLE HOUSING

CURRENT STATUS



- Boston exceeds target of 10 percent affordable, has 20 percent of MA affordable housing stock
- **30 percent** of new production since 2000
- Cost is massive challenge: 1 in 5 Bostonians spends half their income on housing: 46 thousand households
- Recent lottery: 1500 applicants for 25 units





CHALLENGES: AFFORDABLE HOUSING



Resources + outputs declining

- CDBG down 36 percent; HOME down 46 percent
- Linkage was down during recession; seven years since adjusted for inflation
- Inclusionary development cash-outs declined during housing slump

Rising cost of new units

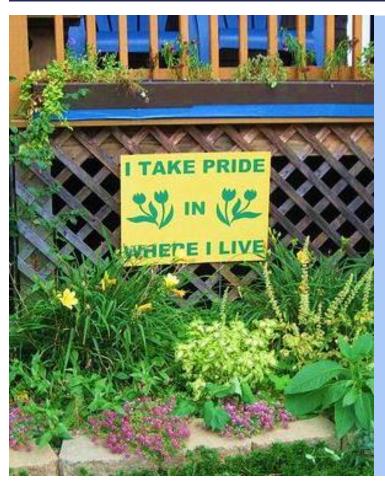
49 percent increase since 2000





CHALLENGES +TOOLS

CHALLENGES



- Growing city
- At-risk public housing system
- Rent-burdened individuals
- Middle income
- Aligning families with housing stock
- Attractive retirement city





OUR TOOLS



- Article 80
- 121A
- Real Estate
- Linkage/IDP/Leading the Way
- Excellent transit system
- Innovative, enthusiastic development community





DISCUSSION + QUESTIONS