

# MEMORANDUM

JULY 16, 2013

**TO:** BOSTON REDEVELOPMENT AUTHORITY AND  
PETER MEADE, DIRECTOR

**FROM:** JAMES M. TIERNEY, CHIEF OF STAFF AND SPECIAL COUNSEL TO THE  
DIRECTOR

**SUBJECT:** TRANSFER OF INCLUSIONARY DEVELOPMENT POLICY  
RESPONSIBILITIES AND FUNDS TO THE DEPARTMENT OF  
NEIGHBORHOOD DEVELOPMENT

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**SUMMARY:** This Memorandum requests authorization to transfer from the Boston Redevelopment Authority to the City of Boston, Department of Neighborhood Development, certain obligations and assets related to the Inclusionary Development Policy.

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On February 29, 2000, Mayor Thomas M. Menino issued an Executive Order formally called "An Order Relative to Affordable Housing" that created what is known as the Inclusionary Development Policy in the City of Boston (the "City"). The Order requires that residential development projects meeting certain criteria either create on-site middle-income deed-restricted Affordable Housing units or make a contribution into an Affordable Housing fund to be used for the creation of middle-income deed-restricted Affordable Housing units in the City. Subsequent Executive Orders have modified the Inclusionary Development Policy, which is implemented by the Boston Redevelopment Authority (the "BRA"). Through Affordable Housing Agreements and Affordable Housing Contribution Agreements, the BRA ensures compliance with the Inclusionary Development Policy by residential developments subject to the policy. The BRA Board of Directors authorizes expenditures from Inclusionary Development Policy funds to create and/or improve Affordable Housing units in the City.

Since inception, the Inclusionary Development Policy is responsible for the creation of thousands of units of deed-restricted middle-income Affordable Housing as well as other improvements to the affordable housing stock in the City.

The City's Department of Neighborhood Development ("DND") is the entity within City government most involved in the creation of Affordable Housing. The absence of the administration of Inclusionary Development Policy funds from the DND portfolio creates a gap in the department's, and the City's, ability to more easily craft comprehensive housing policy. Moreover, DND already administers the Neighborhood

Housing Trust funds that are dedicated to the creation of Affordable Housing units with monies paid by Development Impact Projects pursuant to the Zoning Code.

To better accomplish the City's Affordable Housing goals, staff from the BRA and DND have been engaged in extensive conversations concerning the transfer of certain Inclusionary Development Policy obligations and funds from the BRA to DND. All existing commitments to the BRA for creation of Affordable Housing units and for agreements for contributions to the Inclusionary Development Policy fund will not be changed. DND will assume responsibility for administration of those funds currently held or that should be received pursuant to existing agreements. Going forward, the BRA will continue to enter into Affordable Housing Agreements and Affordable Housing Contribution Agreements with developers of projects subject to the Inclusionary Development Policy and share that information with DND. DND will monitor compliance with the Inclusionary Development Policy, collect and administer the funds received pursuant to the Inclusionary Development Policy and award funds for the creation and/or improvement of Affordable Housing Units.

Appropriate votes follow:

**VOTED:** That the Director be, and hereby is, authorized to transfer to the City of Boston, Department of Neighborhood Development, all uncommitted Inclusionary Development Policy funds for the purpose of making future financial commitments to affordable housing projects in the City of Boston; and

**FURTHER**

**VOTED:** That the Director be, and hereby is, authorized enter into any agreement with the City of Boston and/or the Department of Neighborhood Development necessary to implement the administration, transfer and collection of Inclusionary Development Policy funds and Affordable Housing units.