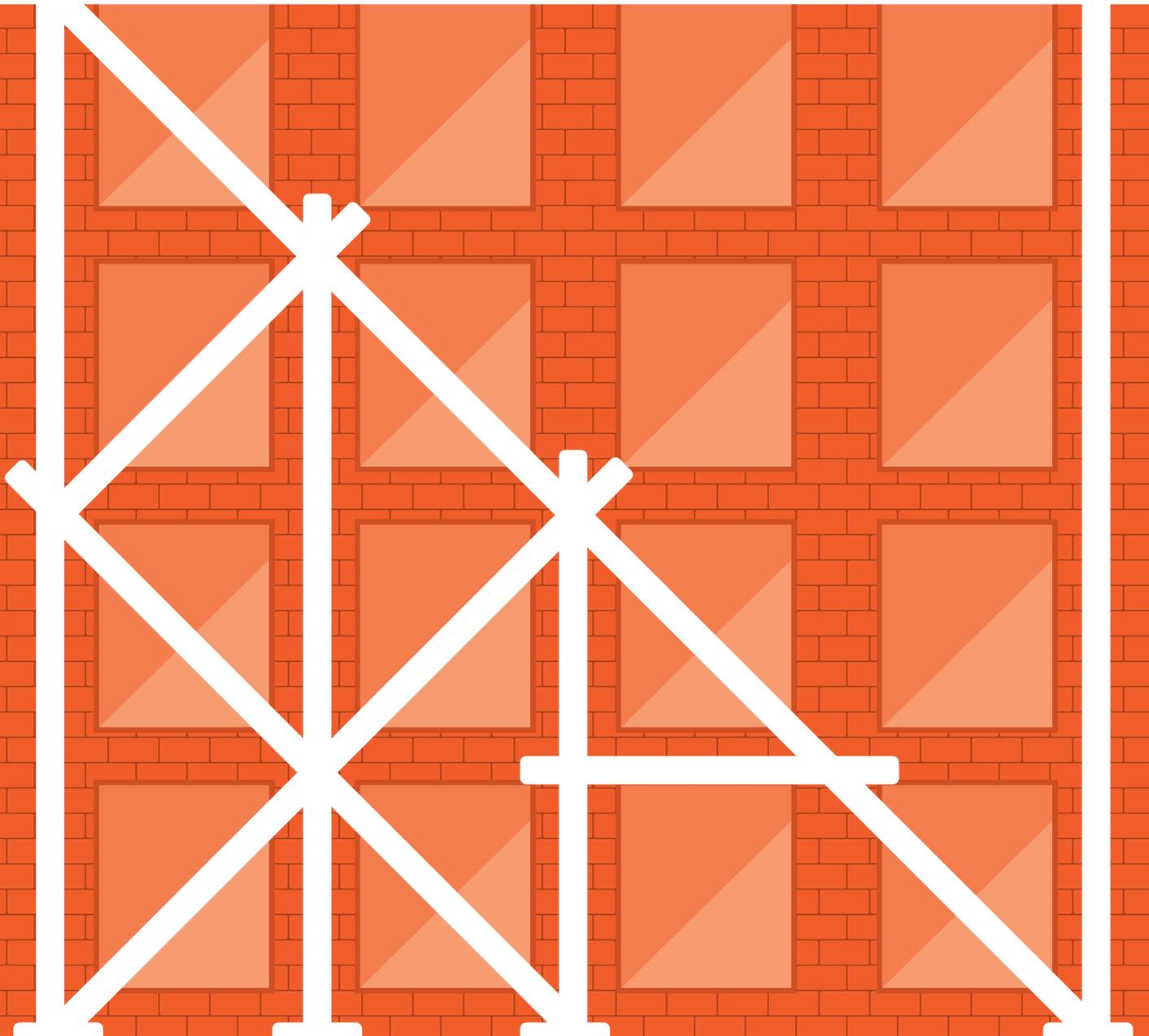
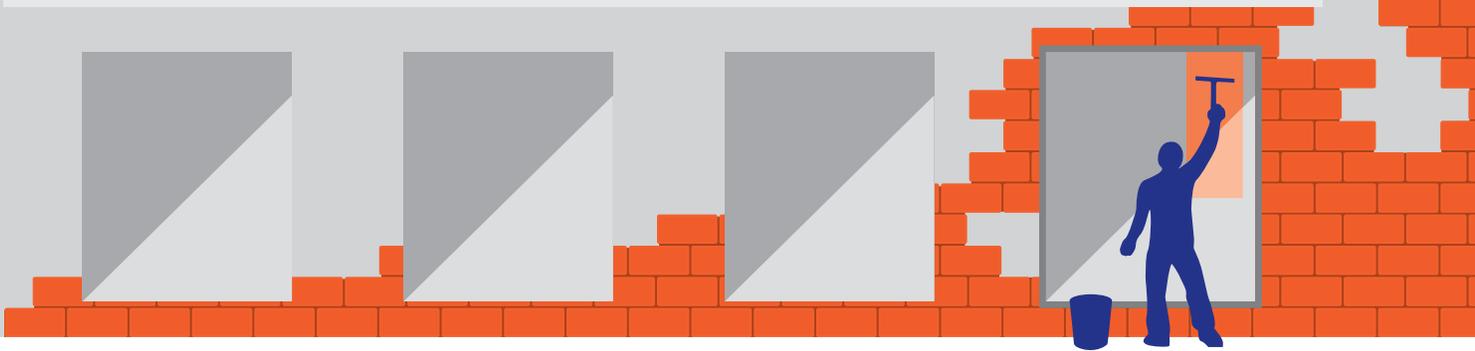


# BUILDING THE NEW BOSTON REDEVELOPMENT AUTHORITY





BOSTON REDEVELOPMENT AUTHORITY/  
ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATION

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—  
**MISSION STATEMENT**

The Boston Redevelopment Authority plans Boston's built environment while respecting the City's communities and their history. The BRA's mission is to drive economic growth and socioeconomic progress in order to build a more prosperous, resilient, and vibrant city for all.

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For more information about items discussed in this report, please contact the BRA's Communications Department, by email at [BRAMarketing@boston.gov](mailto:BRAMarketing@boston.gov) or by telephone at 617.918.4426.

<b>DIRECTOR'S NOTE</b> <i>Letter from Brian Golden</i>	<b>4</b>
<b>IMPROVING</b> <i>Policies &amp; Protocols</i> <i>Managing the Inclusionary Development Policy (IDP)</i> <i>Improving Transparency and Accountability in the Article 80 Development Review Process</i> <i>Ensuring Better Public Process for Land Takings and Transfers</i> <i>Making Greater Accessibility for Persons with Disabilities a Primary Consideration During Article 80 Review</i> <i>Expediting Design Review for Small Residential and Commercial Projects</i> <i>Evaluating Proposals for Exterior Commercial Signage on Large Buildings</i> <i>Creating an Application Process for Community Benefits</i> <i>A Protocol for Granting and Extending Development Designations on BRA/EDIC Land</i>	<b>6</b>
<b>MODERNIZING</b> <i>Systems &amp; Organizational Structure</i> <i>Better Orientation, Training, and Recognition for Employees</i> <i>Elevating Planning and Rezoning Efforts to Meet Current Needs</i> <i>Implementing Technological Solutions to Improve Productivity, Workflow, and Transparency</i> <i>Providing Actionable Knowledge Through Research</i>	<b>11</b>
<b>MAXIMIZING</b> <i>BRA/EDIC Assets &amp; Enhancing Fiscal Accountability</i> <i>A Renewed Focus on Compliance and Asset Management</i> <i>Update on Receivables Balances</i> <i>Preparing Underutilized BRA/EDIC Parcels for Development</i> <i>Improving Collection Efforts of the Boston Local Development Corporation</i> <i>Better Accounting of Linkage Money</i>	<b>16</b>
<b>NURTURING</b> <i>Opportunity &amp; Financial Empowerment</i>	<b>21</b>



# BRIAN GOLDEN

Letter from the Director

Since our inception, the Boston Redevelopment Authority (BRA) and the Economic Development and Industrial Corporation (EDIC) have helped to transform Boston into a world-class city that is synonymous with innovation, global business, and economic opportunity. Cities around the world are growing, and Boston stands out as one of the most prominent ones on the rise. \$4 billion worth of new construction broke ground in 2014, and a total of 14.5 million square feet of space – the equivalent of 12 Prudential Towers – is currently under construction. (To underscore the significance of this statistic, in 2012, there were 4.5 million square feet under construction.) Our population, expected to eclipse 700,000 by 2030, continues to grow. And we are a serious contender to host what is perhaps the biggest of international spectacles, the Olympics. We are proud to have played a role in shaping this success.

“...our charge is to reinvent the way we do business in order to create an agency that is reflective of the world-class city it has helped to build.”

Looking back, however, we also acknowledge our failures, such as the urban renewal strategy of the 1950s that razed entire neighborhoods and displaced thousands of residents. Sixty years later, we have an opportunity to apply the tools of urban renewal more judiciously to foster growth in a way that is thoughtful and respectful towards the community. We don't seek to erase past blemishes or hide our faults. We seek to learn from them.

While Boston has become a leader in innovation, certain policies and systems that underlie the work of the BRA/EDIC have for too long lagged woefully behind. **KPMG's performance review of our agency**, released last July, was abundantly clear about the level of change required to bring our operation into the 21<sup>st</sup> century. Guided by this assessment, we swiftly implemented reforms to address issues raised by KPMG, and we made a host of other improvements beyond the scope of the KPMG analysis.

Infused with the fresh energy of the Walsh administration, our charge is to reinvent the way we do business in order to create an agency that is reflective of the world-class city it has helped to build.

We refocus on the opportunities ahead and on the heart of our mission – to build Boston's future while respecting its history. As we undertake this effort, it is imperative that we ask critical questions of ourselves.

How do we better engage neighbors, community members, and developers in our work? How can we help

create economic opportunity in every neighborhood of Boston? What policies, procedures, and systems need to evolve to meet the challenges we face today? How do we bring about reforms in a way that makes planning and economic development in Boston more predictable and cuts bureaucratic red tape? And what lessons can we learn from other thriving cities?



Our answers to these important questions will be guided by several core values, including trust, fairness, transparency, accountability, and foresight. Building trust in our work with the community and other stakeholders is perhaps our most important task. The level of trust we establish affects our ability to create consensus and effectuate progress. While our work will often involve contention, we are intent on being transparent, fair, and accountable in our actions. Finally, in a city as dynamic as Boston, we have a responsibility to look ahead and thoughtfully plan for the changing needs of our residents and neighborhoods.

This document is a roadmap of the improvements underway at the BRA/EDIC and the ones to come in the months ahead. It contains four sections:

- 1) Improving Policies and Protocols;
- 2) Modernizing Systems and Organizational Structure;
- 3) Maximizing BRA/EDIC Assets and

Enhancing Fiscal Accountability; and  
 4) Nurturing Opportunity and Financial Empowerment among Residents.  
 Where possible, we cite when a given reform or initiative was implemented or when it is anticipated to be complete. In addition to reading this report, we encourage people to visit our website [BostonRedevelopmentAuthority.org](http://BostonRedevelopmentAuthority.org) for the latest updates about our work.

By enhancing our operations, protocols, and organizational culture, we strive to be regarded as the people’s BRA and seek to encourage development that benefits all Bostonians.

Sincerely,

**BRIAN P. GOLDEN**

*Director*

Boston Redevelopment Authority and  
 Economic Development and Industrial Corporation



Photographed by Peter Vanderwarker

# BUILDING THE NEW BOSTON REDEVELOPMENT AUTHORITY

*Reforming policies, procedures, systems, and culture to create a fairer, more accountable, and forward-thinking organization*

JANUARY 2015

## IMPROVING

Policies and Protocols

Sound policies and protocols are fundamental to high-performing organizations, and they are especially important for a public agency like the BRA/EDIC. KPMG's report noted deficiencies in multiple policy areas, such as the Inclusionary Development Policy (IDP), developer designations and the extension of such designations on BRA/EDIC land, and the review and approval of proposals for exterior signage on large buildings.

Under the leadership of Director Brian Golden and the Director of Development Review and Policy, the agency has implemented several new policies and is in the process of formulating others to improve transparency and accountability. Summarized below are the significant policy changes that have been implemented since January 2014 or are currently underway.



Barry's Corner, a mixed-use residential development currently under construction in Allston, will contain 42 affordable housing units as a result of the Inclusionary Development Policy.

### MANAGING THE INCLUSIONARY DEVELOPMENT POLICY (IDP)

The BRA is responsible for enforcing the **Inclusionary Development Policy**, the City of Boston's affordable housing ordinance. IDP requires development projects with ten or more market-rate housing units to have at least 13 percent of the units be affordable based on predefined income restrictions. Developers are encouraged to construct the affordable units on-site. However, in certain instances, they are allowed to fulfill their IDP obligations by constructing affordable units off-site or by paying into a fund to support the creation of affordable housing by other entities elsewhere in the city.

The Department of Neighborhood Development (DND) and the BRA signed a memorandum of agreement in July to improve the management of IDP funds. Whereas the BRA previously allocated IDP funding on an ad hoc basis to support affordable housing creation, DND now takes a more systematic and predictable approach to managing the fund. This arrangement allows the BRA to focus on developer compliance with IDP, while DND (the city agency charged with housing development) maintains direct control over how and where funding is allocated for off-site affordable housing creation.

The first phase of this reform dates back to October 2013, when the Boston City Council authorized the BRA to transfer the balance of IDP funds (approximately \$26 million at the time) to DND. The BRA now notifies DND about all new IDP contributions within seven days of their receipt and expedites the transfer of those funds to the City of Boston's Treasury Department for use by DND.

### **IMPROVING TRANSPARENCY AND ACCOUNTABILITY IN THE ARTICLE 80 DEVELOPMENT REVIEW PROCESS**

**Article 80** of the **City of Boston's Zoning Code** guides the BRA's evaluation of development proposals for large and small projects, overlay zoning districts, and master plans for academic and medical institutions in Boston. To help improve transparency and accountability during development review, the BRA's Board of Directors authorized new policy measures in August that clarify the approval process for planned development areas (PDAs) and enhance rules around the disclosure of beneficial interests by development entities.

The Board approved changes to strengthen the integrity of PDAs, which are overlay zoning districts that may be established under Article 80 when a development that is well-suited to its location cannot be accommodated by the general zoning for the area. The PDA designation provides flexibility in zoning as well as public benefits for the surrounding neighborhood. The designations were never intended to be used as a way of circumventing the Zoning Board of Appeal, however, and the recently enacted policy will help preserve the original intent of the tool by strengthening the criteria for how and when PDAs are granted.

The BRA/EDIC Board also took action to discern potential conflicts of interest during the Article 80 review process by requiring proponents to submit more thorough and timely disclosure statements. A loophole in the previous disclosure policy made it possible for a project to receive Article 80 approval without the BRA knowing all of its investors or their potential conflicts of interest. The new disclosure statements mandate that anyone with a beneficial interest in significant development projects identifies the extent of those interests as soon as a project is filed. In doing so, the BRA hopes to enhance public trust and minimize potential conflicts.

### **ENSURING BETTER PUBLIC PROCESS FOR LAND TAKINGS AND TRANSFERS**

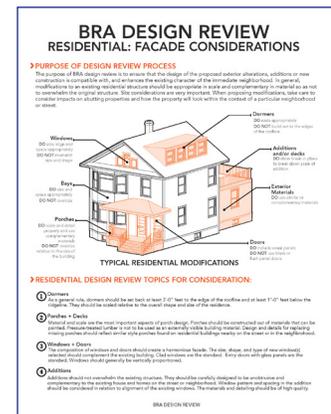
The BRA's land disposition protocol typically requires the issuance of a request for proposals (RFP) and a community process that allows for input from stakeholders. In the past, there were rare instances when an RFP was not issued and a community process did not occur. To close this loophole, the BRA adopted a new policy in August that allows stakeholders to provide feedback about proposed land dispositions before they are taken to the Board of Directors for approval. Developers requesting takings and property transfers will now be required to provide the BRA with a map and description of the proposed project and their strategy for redevelopment. Land transfers involving BRA-owned parcels are subject to the same documentation requirements. This information will be available on the BRA's website, and staff will host a community meeting regarding each proposal, followed by a public comment period lasting for ten business days thereafter. Comments will then be reviewed by staff and reported to the Board for consideration before any further action is taken.

## MAKING GREATER ACCESSIBILITY FOR PERSONS WITH DISABILITIES A PRIMARY CONSIDERATION DURING ARTICLE 80 REVIEW

In June, the BRA Board adopted new **Accessibility Guidelines** and an **Accessibility Checklist** for development proposals undergoing Article 80 review. The documents encourage developers to incorporate best practices in a project's design so that accessibility measures exceed existing state and federal mandates. Representatives from the City of Boston's Commission for Persons with Disabilities now attend early review meetings with developers and BRA staff in order to make recommendations about accessibility before a building's design matures and becomes too difficult to change. All development projects subject to Article 80 review must complete the checklist.

## EXPEDITING DESIGN REVIEW FOR SMALL RESIDENTIAL AND COMMERCIAL PROJECTS

In October, the Urban Design Department released a **six-page user guide** describing the design review process for small-scale residential and commercial projects that are subject to Zoning Board of Appeal (ZBA) and BRA approval. The documents explain how permits and variances can be obtained and how design review, which ensures that exterior alterations to a property are compatible with or enhance the character of the immediate neighborhood, works. Prior to the issuance of this guidance, no written protocol existed to explain the design review process to homeowners and businesses.



The illustrated guide provides basic do's and don'ts for a variety of small construction projects, such as installing porches, bays, and windows on a home or altering a store's façade. BRA Urban Design staff now respond to proponents within five business days at each stage of a given review to determine the next steps in the approval process, and phone calls regarding ZBA cases are returned within one business day.

Senior members of the Urban Design Department and the Planning Division have also worked with commissioners from the ZBA to reduce the number of ZBA small projects that require design review. Prior to ZBA meetings, a working group reviews pending cases to identify projects that can bypass design review, thereby decreasing approval times for those proponents.

## EVALUATING PROPOSALS FOR EXTERIOR COMMERCIAL SIGNAGE ON LARGE BUILDINGS

KPMG's performance review noted that, while the BRA's Urban Design Department oversees the review and approval process, no written policy exists to govern the evaluation of proposed commercial signage near the top of large buildings. Typically, to receive approval for such a sign, the building must be a company's headquarters, and the company must completely occupy the space. The city's skyline is regarded as part of the public realm, and the BRA traditionally has sought to limit commercial branding near the top of large buildings so that distinctive architecture, rather than signage, defines Boston's skyline.

The Urban Design Department is currently drafting a written protocol to evaluate future signage proposals. The new guidelines will apply to buildings that are 200 feet or taller. The draft guidance stipulates that signage be used primarily to assist with

wayfinding and to identify a building's anchor tenant, not for promotional campaigns. The policy considers several issues, including how signage is incorporated into a building's architecture, the use of electronic and/or moving signs, what happens if the anchor tenant associated with a sign moves out of the building, and sensitivity to signage in historic districts. The BRA Board of Directors will be asked to review and approve the new guidelines before they take effect. A draft policy is expected to go before the Board in the first quarter of 2015.

### **CREATING AN APPLICATION PROCESS FOR COMMUNITY BENEFITS**

In order to gain approval, large development proposals typically include a set of community benefits that are negotiated and agreed upon by neighborhood stakeholders, the BRA, and project proponents to offset the impacts of construction and enhance physical and social conditions in the impacted area. Community benefits agreements often specify particular organizations or programs that will receive support. However, when an agreement includes discretionary funding, the process for disbursing this money to the community is often cumbersome and unpredictable.

To standardize the process, the BRA is developing an application that will allow eligible organizations to request funding in a more transparent manner. Applicants will be expected to develop their own programs and funding priorities, and all submissions will be reviewed according to a set of common criteria that require an applicant to demonstrate the overall neighborhood benefit of a proposal. Proposals must address an urgent need or problem in the community and should not duplicate existing efforts. The Office of Jobs and Community Services, a BRA affiliate with a strong track record in grant management, will assist the BRA in evaluating proposals and making funding recommendations.

Prior to receiving funds, applicants will be required to submit a budget and a plan for how the money will be used in a way that produces a measurable impact. The BRA will then monitor and evaluate all organizations and programs that receive funding through this mechanism. The community benefits application will debut by the spring of 2015.

### **A PROTOCOL FOR GRANTING AND EXTENDING DEVELOPMENT DESIGNATIONS ON BRA/EDIC LAND**

The agency is drafting a protocol that would be used by staff members and the Board of Directors to guide the manner in which BRA/EDIC land is designated for development to outside entities. A developer's financing, the complexity of a project, and other considerations will be taken into account when recommending the length of any new designation or the extension of an existing one. The policy will also address when it is appropriate to allow a tentative designation to expire if the designated developer has not achieved sufficient and timely progress on a project.

As KPMG observed, no written policy currently exists to guide the granting or extending of development designations. The BRA/EDIC expects to enact a formal policy by the spring of 2015. ■

# MODERNIZING

Systems and Organizational Structure

**M**odernizing the BRA/EDIC to better meet the needs of Boston's growing economy has been a primary focus of Mayor Walsh since he assumed office. In conjunction with the administration, and particularly the City's Chief of Economic Development John Barros, Director Golden has implemented several structural changes this year.

The BRA's Business Development Office was disbanded in March to allow the agency to refocus on its core mission, and Chief Barros now directly oversees the business development function of city government. To rein in operating expenses, the BRA/EDIC Board of Directors approved a recommendation last May from then Acting Director Golden to limit the amount of vacation and sick time employees can accumulate. A new Chief of Staff and Director of Development Review and Policy were named in early in 2014, and a new General Counsel, Director of Communications, Compliance Program Manager, Lease Administrator, and other leadership roles have been filled in recent months.

To improve communication between divisions of the BRA/EDIC, which have been criticized in the past for their siloed operations, Director Golden implemented weekly senior staff coordination meetings. Such gatherings rarely occurred in prior years. The meetings include the Director, Chief of Staff, Director of Development Review and Policy, Director of Planning, Director of Research, General Counsel, Director of the Office of Jobs and Community Services, Director of Finance, Chief Information Officer, Director of Communications, and the Director of Engineering and Facilities Management. Senior staff members are able to share information more easily in this setting and work to address challenges that cut across divisions of the organization.

The Board of Directors, which is fundamental to holding the agency accountable, received an infusion of new talent this past fall when Mayor Walsh appointed Dr. Theodore Landsmark, President Emeritus of Boston Architectural College, as a board member. Dr. Landsmark provides expertise in architecture and urban planning as well as a fresh perspective on the Board. The Board's leadership also changed last February when Timothy Burke was appointed Chairman.

## **BETTER ORIENTATION, TRAINING, AND RECOGNITION FOR EMPLOYEES**

A highly motivated, capable, and invested workforce is essential to every thriving organization, and the Human Resources Department must be the driving force for success in this regard. Senior staff has placed a renewed emphasis on employee development by introducing a comprehensive and regular employee evaluation system for the first time in many years, a robust summer internship program, a professional development lecture series, and an improved new-hire orientation program. The agency is currently seeking a new Director of Human Resources to proactively lead these and other initiatives.



**INNOVATION**  
EXCELLENCE AWARD

Building a positive organizational culture and improving employee morale has happened in smaller ways as well. Human Resources personnel and senior staff now share announcements about new employees and employee achievements and milestones with the entire agency. These updates are disseminated through regular all-staff emails and intranet postings. An internal innovation award was also created to recognize the positive contributions of employees at all levels of the organization.

### **ELEVATING PLANNING AND REZONING EFFORTS TO MEET CURRENT NEEDS**

KPMG's report recommended that a separate analysis of the BRA's Planning Division be conducted in order to identify opportunities for improving workflow, predictability, and transparency in the planning process. Planners at the BRA work closely with community members and other experts to create long-term visions for how areas of the city should be developed.

In September, the BRA released a request for proposals to hire a consultant to carry out the secondary review. The consultant will be tasked with accomplishing four primary goals: 1) identify organizational issues and develop plans for change and improvement within the Planning Division; 2) address performance, transparency, and efficiency in the Planning Division in order to improve functionality for staff and the general public; 3) assist in identifying a process that reexamines the mission of the Planning Division; and 4) assist in identifying a visioning process for citywide planning that is suitable for the current and future needs of the City of Boston. The BRA/EDIC Board of Directors in December approved a recommendation to hire McKinsey & Company to undertake this work, with the goal of completing the review by spring 2015.

The Planning Division will undertake some of the BRA/EDIC's most important work in 2015, as it will begin developing a comprehensive citywide master plan for the first time since 1964. Ultimately, the BRA and Mayor Walsh's administration hope to work with the community to formulate a strategy that guides responsible growth through the year 2030, which coincides with the timeframe used in Mayor Walsh's recently released **vision for housing in Boston**. This plan will delineate ways to preserve, enhance, and grow the city by updating economic development and planning policies and offering a framework to implement the strategy.

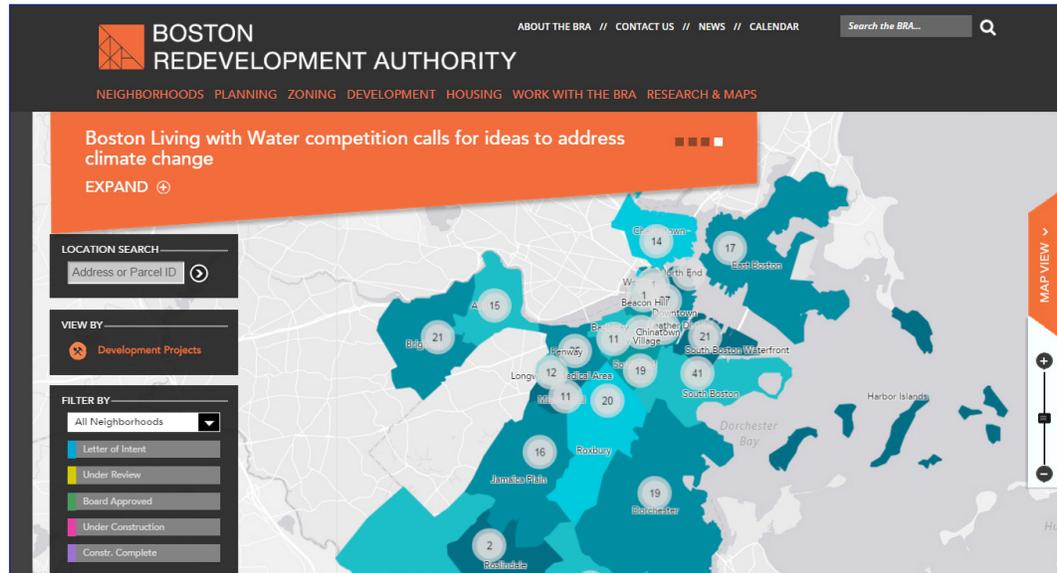
In parallel with the citywide planning effort, the Planning Division has been reviewing and prioritizing a number of neighborhoods for more in-depth planning in order to address the emerging economic development priorities of the administration. The goal of these strategic planning areas is to create new zoning that aligns the aspirations of the community with predictable, as-of-right development conditions that will enhance the overall livability of these areas. The BRA expects to initiate three to five of these strategic planning studies in 2015.

Meanwhile, the Senior Advisor for Regulatory Reform and the Deputy Director for Zoning are addressing inefficiencies in the city's zoning code and implementing improvements to the permitting and Zoning Board of Appeal processes. They have consolidated 23 categories and over 250 individual use codes into a much more manageable nine categories and 60 uses. They are identifying the top ten single-item variance requests, which account for about a third of all Zoning Board of Appeal applications, with the goal of reducing or eliminating the need for such variances by creating a new citywide use table. Staff is also formulating a new business catalyst strategy that would remove the "conditional" or "forbidden" use designation for certain types of businesses as a basis for broader rezoning efforts.

### **IMPLEMENTING TECHNOLOGICAL SOLUTIONS TO IMPROVE PRODUCTIVITY, WORKFLOW, AND TRANSPARENCY**

KPMG's performance review was highly critical of antiquated systems and technologies being used by the BRA/EDIC. Investments in this area were an essential component of reforms in 2014. The foundation for this work began in the fall of 2013 when a new Chief

Information Officer was hired. Since then, the IT staff was overhauled entirely, and the BRA/EDIC launched an award-winning website, upgraded and standardized hardware and software throughout the organization, created a work order management system for IT and research requests, and made information and documents more readily accessible to the public. The following are significant projects that have been completed, are underway, or planned for the near future.



- ✓ **NEW WEBSITE**  
Launched in October 2013, [BostonRedevelopmentAuthority.org](http://BostonRedevelopmentAuthority.org) is the hub of the BRA/EDIC's online presence and a dramatic upgrade over the organization's previous website. The new site provides visitors with detailed information about planning initiatives and development proposals, interactive mapping tools, a robust research and data section, a regularly updated newsroom, the ability to submit public comments about projects under review, and streaming live video of BRA/EDIC board meetings. Planners and project managers also post public meeting notices on the website, which are then automatically emailed to stakeholders who sign up to receive them. For employees, the IT department redesigned the intranet to encourage better information sharing and collaboration.
- ✓ **HARDWARE/SOFTWARE UPGRADES**  
The IT department has implemented an inventory management system for all software and hardware in order to assist with tracking and maintenance. Computers running the outdated Windows XP operating system have been replaced with new computers running Windows 7. Computers purchased from now on will be of the same make and model and include a set of standard software so that there is consistent configuration for machines across the organization.
- ✓ **WORK ORDER MANAGEMENT**  
A new work order management system has been introduced for both research and IT service requests. The Research Division uses the platform to track information requests from BRA/EDIC staff and the public. The system provides a knowledge base that allows research staff to process requests more efficiently and refer to previously produced documents and datasets so that work is not duplicated in the event that similar but separate requests are received. IT service requests from BRA/EDIC staff are similarly tracked and managed in order to reduce the turnaround time for fixing issues.

- ✓ **DIGITAL ASSET MANAGEMENT**  
IT and graphic design staff partnered to create WebDAM (digital asset management), a cloud-based repository of photographs, renderings, and other images that employees can now quickly access for a variety of uses. The tool was launched in November in conjunction with a series of trainings to educate staff.
- ✓ **ONLINE SUBMISSION OF ARTICLE 80 DOCUMENTS**  
With a goal of being more user-friendly, transparent, and green, the BRA launched an online portal in September to accept Article 80 documents from developers filing information about their projects. All Article 80 filings are now required to be submitted electronically so that they can easily be placed on the BRA's website for public review. Ultimately, the goal is to implement a solution that will allow all information regarding a development project to be centrally located and easily searchable. This information is currently fragmented on separate databases maintained by multiple city departments that have a role in the development approval process.
- ✓ **ELECTRONIC TRACKING FOR PROCUREMENT DOCUMENTS**  
The BRA/EDIC periodically hires outside consultants to provide services to assist the agency with its work. Such firms are most commonly hired through a competitive public bidding process that requires multiple authorizations from the Board of Directors, online and in-print advertisements, and thorough vetting by a selection committee. Anyone can now **download and review open and recently awarded bids**, and the BRA's website provides a status for each project. Visitors can also subscribe to receive email updates about bidding opportunities.
- ✓ **ZONING VIEWER**  
To provide easier access to and visualization of zoning information for the public, the BRA launched a revamped online **Zoning Viewer**. The web application offers assessing and zoning information for parcels of land in Boston. The tool provides basic parcel information, zoning district, sub district, and applicable overlay districts for a given location. By the end of the first quarter of 2015, the agency will have a new mobile-friendly platform for searching and sharing sections of the City's zoning code.
- ✓ **BRA/EDIC BOARD MEETINGS**  
Starting last April, BRA/EDIC board meeting agendas and associated memoranda were made available online at least 48 hours in advance of monthly meetings. The meetings can be streamed live on the BRA's website, and board documents are integrated with the video feed to allow viewers to easily follow agenda items. Following a meeting, all of the documents are time stamped and synched with the taped recording so that the public can conveniently review board proceedings.

### **PROVIDING ACTIONABLE KNOWLEDGE THROUGH RESEARCH**

The Director of Research has been working with his staff to reimagine the function of the Research Division and reinvigorate its role within the agency. The division will now be charged with providing in-depth knowledge and strategic insight into social and economic issues facing Boston in order to offer the administration, businesses, institutions, and local leaders actionable ideas for effective policymaking. BRA researchers will collaborate with other organizations to convene practitioners, policymakers, and community members from around the city to cultivate a learning network of partners.

The division will also increase its ability to forecast future changes in the city's population by hiring a demographer to develop models and projections. The position, which never existed until now, is currently posted, and applications are being accepted. ■

# MAXIMIZING

BRA/EDIC Assets and Enhancing Fiscal Accountability

KPMG's performance review of the BRA/EDIC uncovered many examples of poor accounting, asset management, and compliance practices. The organization generates much of its revenue through land holdings and leasing, and KPMG found several instances where receivable balances were overdue for prolonged periods of time. The BRA/EDIC owns parcels of land – primarily in the Boston Marine Industrial Park and the Charlestown Navy Yard – that KPMG found to be underutilized, in the sense that they were not generating revenue for the agency.

Since July, the agency has taken meaningful steps to address these issue by hiring a new Controller, Compliance Program Manager, and Lease Administrator. The Finance Department has worked with tenants in properties that the BRA/EDIC leases to recover overdue receivables, and staff members are formalizing a strategy so that underutilized parcels owned by the agency begin to produce revenue.

## A RENEWED FOCUS ON COMPLIANCE AND ASSET MANAGEMENT

In November, the BRA hired a new Compliance Program Manager to overhaul a department that KPMG described as being “inadequate” and unable to achieve its stated mission. The person will be in charge of the BRA/EDIC’s risk management functions, overseeing compliance related to developer commitments, affordable housing, leases, legal agreements, ethics, and environmental issues. Moving forward, the Compliance Department will produce a manual to train staff and other stakeholders on the organization’s compliance responsibilities, and there will be regularly scheduled reviews to ensure that policies and procedures are being followed correctly.

The antiquated Microsoft Access-based system currently used to track compliance issues will be replaced with a more modern tool. The Compliance Department is in the process of working with the IT division to develop a comprehensive solution for managing compliance that will be integrated with a new system to manage the “development pipeline,” which contains pertinent information about projects that are under review, approved, or in construction. This will enable more seamless tracking of mitigation funds, housing agreements, and other monitoring responsibilities of the department.

A cross-departmental working group formed four months ago meets weekly to address leasing issues. This team of BRA/EDIC leasing, legal, finance, and IT experts has developed a standardized lease policy and workflow process, identified and purchased **Yardi** (lease administration software), and begun digitizing nearly 120 leases in order to upload them to Yardi. By the end of February, the group will have completed its review of all leases, including an effort to abstract key information from those documents in order to facilitate better compliance.

## UPDATE ON RECEIVABLES BALANCES

KPMG's performance review noted substantial unpaid balances, as of April 2014, for many of the tenants in BRA/EDIC leased properties. At the time, the EDIC's listing of overdue receivables had an unpaid balance of almost \$4.3 million, and the BRA's listing had an unpaid balance of almost \$800,000. Since then, the Finance Department has aggressively collected hundreds of thousands of dollars in overdue funds from tenants and updated its accounting practices so that inter-company payments are categorized as grants instead of loans. As of November 30, 2014, balances due to EDIC totaled \$517,000, and those due to the BRA totaled \$431,000. Receivable balances over 90 days old have also been reduced from almost \$2.8 million to \$258,000 for EDIC, and from \$370,000 to \$304,000 for the BRA.

Below is an updated accounting of balances due to the BRA and EDIC of over \$10,000 as of the KPMG report. The following tables, like those presented in KPMG's report, show the balance over 90 days old. The figures are current as of November 30, 2014.

### EDIC LISTING

LESSEE	BALANCE <i>Owed as of April 2014</i>	AMOUNT <i>Over 90 Days Old as of April 2014</i>	BALANCE <i>Owed as of November 2014</i>	AMOUNT <i>Over 90 days as of November 2014</i>
Bitwise*	\$18,840	\$11,308	\$0	\$0
Comcast	28,333	28,333	10,416	4,583
Copy Cop	213,859	166,196	102,012	102,012
Geekhouse Bicycles**	86,162	62,704	92,696	86,162
Mad Props*	46,286	46,286	0	0
National Color	93,118	7,537	0	0
New Boston Seafood	126,098	98,654	43,458	16,164
Newport Construction	30,834	30,834	0	0
Zoom	276,852	23,328	0	0

\* Companies went out of business, and collection efforts ceased.

\*\*The Finance Department is developing a workout program with Geekhouse Bicycles to recoup the unpaid balance.

### BRA LISTING

LESSEE	BALANCE <i>Owed as of April 2014</i>	AMOUNT <i>Over 90 Days Old as of April 2014</i>	BALANCE <i>Owed as of November 2014</i>	AMOUNT <i>Over 90 days as of November 2014</i>
Boston Harbor Cruises	\$43,959	\$7,904	\$0	\$0
Cooper Condo Trust	25,213	12,656	12,526	4,155
Richard Natale	17,400	17,400	9,500	0
Pappas Enterprises*	295,908	295,908	295,908	295,908
Harborview at the Navy Yard	32,500	32,500	0	0

\*The Finance Department is in negotiation with Pappas Enterprises to settle debt on an overdue note.

### PREPARING UNDERUTILIZED BRA/EDIC PARCELS FOR REDEVELOPMENT

The agency has formed a Property Opportunities Committee to determine the best course of action for properties within its portfolio that do not currently generate revenue. The committee will meet quarterly with other city agencies, such as the Department of Neighborhood Development, Parks and Recreation, and Property and Construction Management, to discuss transferring properties to those entities where appropriate.

In the coming months, the BRA plans to transfer over 20 parcels that could be used for housing creation to the Department of Neighborhood Development. By the end of the fiscal year in June 2015, the BRA expects to transfer Shipyard Park and Thomas M. Menino Park (both in Charlestown) to the Department of Parks and Recreation for operation and maintenance, as that agency is much better suited to carry out this work. The BRA is also in the process of transferring a parcel used for parking at the Edwards Middle School in Charlestown to the Boston Public Schools because managing such a lot is not consistent with the core mission of the BRA/EDIC.

The BRA/EDIC is currently working with **Utile, Inc.** to update the master plan for the Boston Marine Industrial Park (BMIP), which was last revised in 2000. The 191-acre park has experienced considerable change in the last 15 years, and an updated plan will guide future opportunities for growth. The BRA and Utile will conduct an economic analysis of the park's port facilities and identify their relative position in the regional maritime economy. The team will also examine how future land uses might relate to the flurry of development activity underway in the nearby South Boston Waterfront Innovation District.

The following is an update on underdeveloped parcels in the BMIP (map on next page):

- **PARCEL A**

The agency hired real estate broker CB Richard Ellis to market the site and request proposals for its development. Four proposals are currently being evaluated. The BRA hopes to issue a tentative development designation in early 2015.

- **PARCEL C1**

The agency invested over \$1.2 million to remove a structurally deficient deck and building from this site and backfill the area to create a 170-space parking facility that will serve the busy Boston Convention and Exhibition Center and Black Falcon Cruise Terminal. This use will generate revenue for the BRA in the short-term while the agency formulates a long-term strategy for the parcel's redevelopment.

- **PARCEL C2**

The agency invested over \$50,000 to make sidewalk and other infrastructure improvements that will be complete by the beginning of 2015. Two-thirds of the parcel will support the parking facility on Parcel C1 by creating an additional 80 spaces (also a short-term use). The remaining third is being leased to Massport for \$40,000 annually to support operations at the cruise terminal.

- **PARCEL M**

The agency is preparing a request for interest that will be issued once a user is determined for the adjacent Parcel N. This timing will provide greater flexibility to develop the parcel for the highest use after a user for Parcel N is determined.

- **PARCEL N**

The agency issued a request for interest for this parcel and received five proposals. The proposals are being reviewed, with the goal of recommending a tentative designation in early 2015.

- **PARCEL Q1**

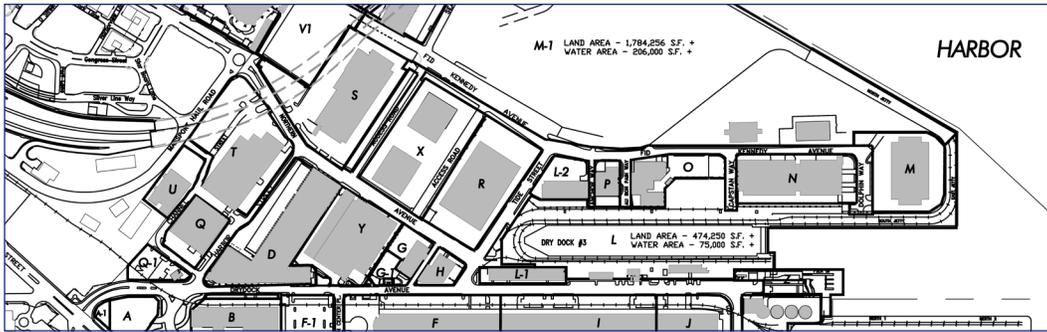
This parcel, which was marketed along with Parcel A by CB Richard Ellis, will also be tentatively designated in early 2015.

- **PARCEL R**

The agency is in the final stage of lease negotiations with a developer for the parcel.

- **PARCEL V AND V1**

These parcels are a major focus for the team updating the BMIP master plan, and the agency will use the results of that process to determine their best and highest use.



### IMPROVING COLLECTION EFFORTS OF THE BOSTON LOCAL DEVELOPMENT CORPORATION

The Boston Local Development Corporation (BLDC) works to increase employment opportunities for Boston residents by providing small business loans with a focus on commercial, industrial, and service companies. A private 501(c) (3) non-profit corporation governed by an independent board of trustees, the BLDC is overseen by the BRA's Finance Department.

In August, the Boston Globe wrote about the BLDC's inconsistent collection and documentation practices. While the BLDC intentionally operates as a patient lender that provides funding to allow its borrowers to leverage financing from other sources, management has taken steps to strengthen operations and better document collection efforts based on recommendations from the U.S. Economic Development Administration. Delinquent borrowers will now receive a series of past-due letters that escalate in severity in accordance with the status of a loan, culminating in a final demand letter that provides evidence of a loan being in default. Previously, collection efforts relied almost exclusively on in-person visits or phone calls from a BLDC representative to a borrower, and these attempts were not always formally documented. More rigorous collection efforts have resulted in a significant reduction in the balance of loans that are over 90 days past due.

### BETTER ACCOUNTING OF LINKAGE MONEY

The **Office of Jobs and Community Services** (JCS), an affiliate of the BRA, has engaged in a comprehensive review of the linkage process as it relates to the Neighborhood Jobs Trust. Large real estate development projects are required to make linkage contributions to support the jobs trust as a way of providing direct benefits to Boston residents in the form of job placement, training, and related services.

The JCS review included an analysis of BRA Board memoranda from January 2009 through July 2014, interviews with key stakeholders in the jobs trust linkage process, and an analysis of 38 **Development Impact Project**<sup>1</sup> agreements. As a result of this comprehensive review, JCS suggested implementing project naming conventions and digitizing Article 80 documentation to enhance transparency and accountability in the linkage process. The review team also recommended better documentation of internal policies and increased information sharing among the departments involved in linkage (i.e. the BRA, JCS, Department of Neighborhood Development, City of Boston's Collector-Treasurer's Office, and the Inspectional Services Department).

The BRA is currently convening an inter-departmental working group to optimize the linkage workflow and process. ■

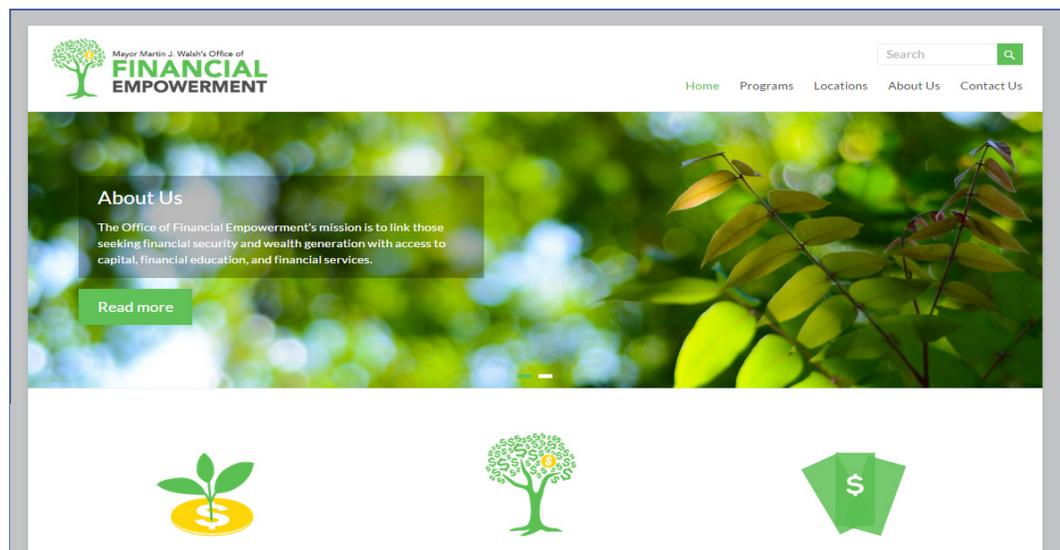
<sup>1</sup> Development Impact Projects (DIPs) require zoning relief and include one or more Development Impact Uses (i.e. office, retail business, service, public service, institutional, educational, hotel, motel, or other uses that result in the reduction of the supply of low- and moderate-income dwelling units). Projects that qualify as DIPs must pay into the linkage fund, which assists with the creation and preservation of housing and workforce development programs.

While the BRA/EDIC’s core mission is to shepherd planning and economic development efforts for the City of Boston, this report concludes with a discussion of another important responsibility of the organization – fostering opportunity and empowering the financial wellbeing of residents. This task is led by the Office of Jobs and Community Services (JCS), an affiliate of the BRA/EDIC that promotes economic self-sufficiency for residents of Boston.

Over the past year, JCS has refocused its mission around wealth-building for residents. In October, Mayor Walsh launched the JCS-led Office of Financial Empowerment to address poverty and income inequality in Boston with the help of several partners. The collaborative effort, part of Mayor Walsh’s pledge to tackle systemic inequality, will allow the city and its partners to better align their work on the issue, develop creative strategies, and deliver coordinated services to the community.

Members of the partnership include the Corporation for Enterprise Development (CFED), Cities for Financial Empowerment, the Federal Reserve Bank of Boston, Jewish Vocational Services, The Midas Collaborative, Local Initiatives Support Corporation (LISC), United Way of Massachusetts Bay and Merrimack Valley, and Citi Foundation.

Below is a snapshot of the Office of Financial Empowerment’s portfolio of work. These initiatives are well underway and are expected to be fully operation by the fall of 2015.



- **BOSTON TAX HELP (FORMERLY KNOWN AS THE EARNED INCOME TAX CREDIT COALITION)**

The Office of Financial Empowerment is working to increase the number of free tax preparation sites in Boston from 24 to 27. The new sites will be located in East Boston, downtown, and South Boston. This expanded capacity will help put an estimated \$24.7 million annually back into the pockets of 12,670 households. Boston Tax Help provides services in the following seven languages other than English: Chinese, Vietnamese, Spanish, Somali, Cape Verdean Creole, Haitian Creole, and Portuguese. Four new financial check-up sites, which offer free credit reports and one-on-one financial wellness checks from trained volunteers, are also in development. The new sites will increase the number of locations from six to ten.

- **ROXBURY CENTER FOR FINANCIAL EMPOWERMENT**

Based in Dudley Square, the former Roxbury Resource Center was transformed into the Roxbury Center for Financial Empowerment in October. In addition to offering traditional employment assistance, tax preparation services, and financial check-ups, the center will also provide 200 clients annually with more intense “bundled” services. Four key financial outcomes will be measured for this cohort: change in net worth, change in net income, change in credit scores, and job retention. **Twin accounts**, a vehicle for families with poor or no credit, will be incorporated into the service strategy to help people save and build a credit history.

- **JEWISH VOCATIONAL SERVICE’S (JVS) CENTER FOR ECONOMIC OPPORTUNITY**

The center, which will open in the heart of Boston’s Financial District, will help create a bridge to the city’s rising innovation economy for thousands of residents whose limited education, English fluency, and employment skills leave them unable to compete for jobs that can support a family. The one-stop shop will provide access to career counseling, industry-sponsored trainings, adult education and college access programs, state-of-the-art instructional technology, and integrated support services. JVS will offer information and resources to thousands of drop-in visitors and intensive financial coaching to over 300 individuals.

- **SOUTH BOSTON CENTER FOR FINANCIAL EMPOWERMENT**

Similar to the former Roxbury Resource Center, the South Boston Resource Center will be transformed into a Center for Financial Empowerment by the fall of 2015. The first phase of this effort will result in on-site tax preparation and asset building services for the 2014-2015 tax season. The center will eventually serve 150 clients, with the goal of returning \$300,000 in tax credits and refunds to them. These clients will receive financial check-up services as well.

- **FINANCIAL EMPOWERMENT LEARNING INSTITUTE**

A training institute supported by LISC, United Way of Massachusetts Bay and Merrimack Valley, The Midas Collaborative, and the Working Families Success Network currently provides technical assistance and training to workforce development practitioners, case managers, and essential service delivery staff members so that they can increase their knowledge of credit building, financial coaching, debt management, and other asset development strategies for policy and programmatic implementation. The Office of Financial Empowerment will expand the institute’s reach through a network of partner organizations to train hundreds more practitioners to serve thousands of additional residents. ■



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