



CITY OF BOSTON • MASSACHUSETTS

MARTIN J. WALSH  
MAYOR

EXECUTIVE ORDER  
OF  
MAYOR MARTIN J. WALSH

RECEIVED  
CITY CLERK'S OFFICE  
2015 DEC -9 P 4: 56  
BOSTON, MA

An Order Relative to Inclusionary Development

I, Martin J. Walsh, Mayor of Boston, order that any residential development project, undertaken or financed by the City of Boston ("City"), or to be developed on property owned by the City, or that requires relief from any provision of the Boston Zoning Code (the "Code"), or that proposes to include ten or more units of housing ("Proposed Project"), shall require, as a condition of approval, that for rental projects, no less than 13%<sup>1</sup> of the total units be income restricted as affordable to households earning less than 70% of the metropolitan-area median income ("AMI"),<sup>2</sup> and that for home-ownership projects, no less than 13% of the total units be income restricted as affordable, of which no less than 50% of these total units be made affordable to households earning not more than 80% of AMI and, that no more than 50% of these total units be made affordable to households earning more than 80% of AMI and not more than 100% of AMI, that is in effect on the date the units are leased or sold. I request that the Boston Redevelopment Authority ("BRA") adopt this order as its Inclusionary Development Policy ("IDP") in connection with Proposed Projects reviewed and/or approved by it, and request that all Proposed Projects that file either a Letter of Intent ("LOI") with the BRA or, if they have not filed a LOI, have filed an application for Zoning Relief<sup>3</sup>, or receive a commitment for City financing, or are designated as a developer of City or BRA land, after January 1, 2016 are subject to the provisions herein, in place of previous requirements.

I further order that, any income-restricted units created by this IDP ("IDP Units") built within a Proposed Project ("On-Site") must be comparable in size, number of bedrooms, and quality to the market-rate units within the Proposed Project and that they include provisions that ensure long term affordability for the maximum period permitted by law.

To address the non-uniform quality of the City's housing market, I order that the BRA establish three zones based on the most current market data available. These three zones shall be Zone A, where market values are substantially above other areas of the City, Zone B, where market values are more comparable to City averages, and Zone C, where market values are substantially lower than other parts of the City. Each zone

<sup>1</sup> Where the 13% calculation results in a fraction of a unit, if that fraction is less than .5 it shall be converted into a monetary contribution, otherwise it will be rounded up to create an additional unit.

<sup>2</sup> Area Median Income as defined by the U.S. Department of Housing and Urban Development

<sup>3</sup> As defined in the Boston Zoning Code

shall have specific requirements related to any IDP Units built at locations outside of the originally Proposed Project ("Off-Site") as well as cash in lieu contributions ("IDP Contribution").

I further order that, developers may propose to achieve their IDP obligations through the direct construction of new units at a different location or through the purchase, rehabilitation, and restriction of existing units, which shall be income-restricted to the same or lower income levels, and shall be located in the vicinity of the Proposed Project in an amount greater than or equal to 18% of the total number of units in the Proposed Project in Zone A and Zone B or, subject to the approval of the heads of relevant City departments and agencies, equal to or greater than 15% of the total number of units in the Proposed Project in Zone C. Developers may propose to create Off-Site IDP Units outside of the vicinity of the Proposed Project only when delivering a substantially superior affordable housing outcome and only with the approval of the relevant City departments and agencies. All IDP Units in these Off-Site developments must meet or exceed the City's Department of Neighborhood Development ("DND") construction guidelines for affordable housing and must include provisions that ensure long term affordability for the maximum period permitted by law.

I further order that, for rental projects, subject to the approval of the heads of relevant City departments and agencies, developers may propose to satisfy their IDP obligations by making a dollar contribution to the fund which administers IDP Contributions (the "IDP Fund") based on multiplying the number of required IDP Units (18% of the total number of units in the Proposed Project for projects in Zone A and Zone B and 15% of the total number of units in the Proposed Project for projects in Zone C) by a minimum per unit IDP Contribution to the IDP Fund ("IDP Zone Factor") of not less than \$380,000 per unit in Zone A, \$300,000 per unit in Zone B, and \$200,000 per unit in Zone C. The aforementioned payments shall be paid in no more than seven equal annual installments, made to the City's Treasury Department (the "Treasury"), with the first payment required within 30 days after the issuance of the initial Building Permit by the City's Inspectional Services Department ("ISD").

I further order that, for ownership projects in Zone A and, for ownership projects in Zone B and Zone C, subject to the approval of the heads of relevant City departments and agencies, developers may propose to satisfy their IDP obligations by making an IDP Contribution determined by multiplying the number of required IDP Units (18% of the total number of units in the Proposed Project for projects in Zone A and Zone B and 15% of the total number of units in the Proposed Project for projects in Zone C) by the greater of either the relevant IDP Zone Factor of not less than \$380,000 per unit in Zone A, \$300,000 per unit in Zone B, and \$200,000 per unit in Zone C, or half the differential between the affordable price determined by the BRA for each unit size<sup>4</sup> and the full

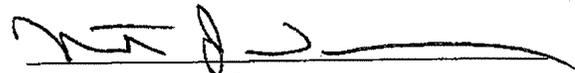
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<sup>4</sup> By number of bedrooms

market value of those units, or whichever is greater. The aforementioned IDP Contribution shall be made in three installments, with the first installment being one-fourth of the minimum possible IDP Contribution, based on the relevant IDP Zone Factor, made to the Treasury within 30 days after receipt of the initial Building Permit issued by ISD, the second payment being three-fourths of the minimum IDP Contribution, based on the relevant IDP Zone Factor, made to the Treasury within 30 days after the receipt of the final Certificate of Occupancy, and the final payment being the balance between the minimum possible IDP Contribution and the final total IDP Contribution, as determined by the BRA based on actual sales prices and the above formula, made to the Treasury no later than one year after the receipt of the final Certificate of Occupancy, or no later than two years when the BRA deems it financially necessary.

I further order that, renting any IDP Units intended for ownership is strictly forbidden, that the disbursement of funds from the IDP Fund be managed by DND, and that projects funded by the IDP Fund meet or exceed the affordability requirements set forth herein for On-Site and Off-Site IDP Units. I order that for Proposed Projects in Zone C that otherwise would be infeasible, and subject to the approval of the heads of relevant City departments and agencies, that On-Site IDP Units may be made affordable to households with incomes up to 100% of AMI. I order that for rental Proposed Projects containing at least 40% deed-restricted affordable units, the market rate units be exempt from IDP provided that the market-rate and affordable units are part of the same financial entity.

To ensure that this Executive Order responds to changing market conditions, I order that, at least every three years, on the anniversary of this Executive Order, the BRA may review and update the zones based on updated market data, and inflation-adjust the IDP Zone Factors based on an index linked to housing and construction costs.



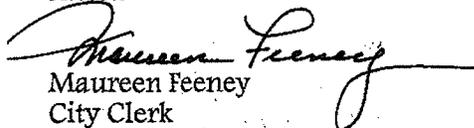
Martin J. Walsh  
Mayor of Boston

Dated: 12-9-15

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A True attested copy 12/09/2015

Attest:



Maureen Feeney  
City Clerk