Boston’s Linkage Policy: Background and Zoning Proposal

December 2022
What is a linkage policy?
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Boston’s Linkage Policy is a development impact exaction/fee charged to large commercial development.

New commercial uses create new jobs, which means that there is also a need to house those new workers.

In addition, to assure that current Boston residents can get some of those new jobs, job training is required.
History of the Linkage Policy

- 1983: Boston adopts housing linkage policy.
- 1986: Neighborhood Housing Trust created.
- 1986: Boston adopts jobs linkage policy.
- 1987: Neighborhood Jobs Trust created.
- 2019: City Council passes Home Rule Petition that would allow Boston to change Linkage Policy without state legislative action.
- 2021: Current fees established.
- 2022: Current nexus/feasibility study initiated.
Current Linkage Policy
Current Policy

- Applies to projects with 100,000 or more of square feet of commercial space.
- The first 100,000 square feet of space is exempt from the fee.
- Fees
  - $13.00/square foot for housing
  - $2.39/square foot for jobs
  - $15.39/square foot total
- Housing Payments:
  - Seven annual, equal payments
  - First payment is made at time of building permit (downtown), or the earlier of 24 months after construction start or at certificate of occupancy (rest of city)
- Jobs Payments:
  - Two annual, equal payments
  - First payment is made at time of building permit
Current Policy: Example

Example:

Commercial Square Footage: 250,000
100,000 Square Foot Exemption: -100,000
Square Footage covered by Fees: 150,000

Housing Contribution:

Square Footage: 150,000
Fee/Square Foot: x $13.00
Housing Fee $1,950,000

Jobs Contribution:

Square Footage: 150,000
Fee/Square Foot: x $2.39
Jobs Fee $358,500
Outcomes

Since its inception in 1986, the Neighborhood Housing Trust has awarded more than $227 million dollars in linkage funds for affordable housing, creating 9,183 new income-restricted housing units and preserving 6,057 existing income-restricted housing units.

Since its inception in 1987, the Neighborhood Jobs Trust has received over $55 million in linkage funds for job training, which provides industry-recognized job training and education programs crucial to economic mobility including the Tuition Free Community College program.
Proposed Linkage Policy
Proposed Linkage Policy

- Threshold and exemption lowered to 50,000 square feet
- Rates will differ between lab and other commercial uses
- Increases will be phased in over two years
- First half of payment made at building permit, remaining payment at Certificate of Occupancy
- New policy does not apply to any projects that have already filed with BPDA as of the date of adoption
# Proposed Linkage Policy: Summary of Changes

<table>
<thead>
<tr>
<th>Policy Area</th>
<th>Current Policy</th>
<th>1st Year Increase</th>
<th>2nd Year Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Jobs Linkage</strong></td>
<td>$2.39/sf</td>
<td>Lab: $3.59/sf</td>
<td>Lab: $4.78/sf</td>
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<tr>
<td></td>
<td></td>
<td>Commercial: $3.08/sf</td>
<td>Commercial: $3.76/sf</td>
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<tr>
<td></td>
<td>$3.59/sf</td>
<td>Lab: $4.78/sf</td>
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<td></td>
<td></td>
<td>Commercial: $3.76/sf</td>
<td>Commercial: $3.76/sf</td>
</tr>
<tr>
<td><strong>Housing Linkage</strong></td>
<td>$13.00/sf</td>
<td>Lab: $19.50/sf</td>
<td>Lab: $26.00/sf</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Commercial: $16.17/sf</td>
<td>Commercial: $19.33/sf</td>
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<td></td>
<td>$16.17/sf</td>
<td>Lab: $26.00/sf</td>
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<tr>
<td></td>
<td></td>
<td>Commercial: $19.33/sf</td>
<td>Commercial: $19.33/sf</td>
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<tr>
<td><strong>Total Linkage</strong></td>
<td>$15.39/sf</td>
<td>Lab: $23.09/sf</td>
<td>Lab: $30.78/sf</td>
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<tr>
<td></td>
<td></td>
<td>Commercial: $19.25/sf</td>
<td>Commercial: $23.09/sf</td>
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<td></td>
<td>$19.25/sf</td>
<td>Lab: $30.78/sf</td>
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<tr>
<td></td>
<td></td>
<td>Commercial: $23.09/sf</td>
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</tr>
<tr>
<td><strong>Square Footage Trigger</strong></td>
<td>100,000 SF</td>
<td>50,000 SF</td>
<td>50,000 SF</td>
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<td></td>
<td>$100,000 SF</td>
<td>50,000 SF</td>
<td>50,000 SF</td>
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<tr>
<td><strong>Square Foot Exemption</strong></td>
<td>100,000 SF</td>
<td>50,000 SF</td>
<td>50,000 SF</td>
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<td>$100,000 SF</td>
<td>50,000 SF</td>
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<tr>
<td><strong>Payment Schedule</strong></td>
<td><strong>Jobs Trust:</strong></td>
<td>2 equal, annual payments, triggered by permit</td>
<td>First half payment at permit, remaining payment at COO</td>
</tr>
<tr>
<td></td>
<td><strong>Payment Schedule:</strong></td>
<td><strong>Housing Trust:</strong></td>
<td>7 equal, annual payments (triggered at either permit or COO, depending on location)</td>
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<td>First half payment at COO</td>
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Proposed Policy: Example (2023 Rates)

Example:
Commercial Square Footage: 250,000
50,000 Square Foot Exemption: - 50,000
Square Footage covered by Fees: 200,000

Housing Contribution, Lab Use:
Square Footage: 200,000
Fee/Square Foot: x $19.50
Housing Fee $3,900,000

Jobs Contribution, Lab Use:
Square Footage: 200,000
Fee/Square Foot: x $3.59
Jobs Fee $718,000

Housing Contrib, Commercial (Non-Lab):
Square Footage: 200,000
Fee/Square Foot: x $16.17
Housing Fee $3,234,000

Jobs Contribution, Commercial:
Square Footage: 200,000
Fee/Square Foot: x $3.08
Jobs Fee $616,000
Next Steps/Public Process
Next Steps - Linkage

Public Process

- Citywide Public Hearings: Wednesday, January 11th, 6:30 pm

- Web Site
  - Comment period open until at least Friday, January 13th

BPDA Board vote, date to be determined

Zoning Commission vote, date to be determined