

Examples of Inclusionary Housing Program Characteristics, Boston & Surrounding Suburbs

	Year of Inception	Affordable Units Produced	Threshold Number of Units	Set-aside Requirement	Target Population	Development Covered	Control Period & Mechanism	"In lieu of" payment/ Off-site Development	Density Bonus	Cost Offsets
Boston	2000	68	<10 units seeking zoning variance or using City \$\$	10% units	_ units must be <80% BSMA, _ units may be 80-120% BSMA	New construction or rehabilitation	Maximum allowable by law	May build off site if 15% units affordable In-lieu payment permitted	Not explicit. Zoning variance may increase height or FAR.	Tax break
Brookline	1987	Approx. 54 bet. 1995-2002 ¹ (rental & ownership)	>6 residential units & >10-lot subdivisions seeking density increases ²	15% units set aside (25% for low-income, 50% for moderate income, & 25% upper moderate-income ³)	Low = <50% BSMA ⁴ Moderate = 51-80% BSMA Upper = 81-100% BSMA ⁵	New construction or adaptive reuse	Permanent restrictive covenant. Town of Brookline has right of first refusal. Income-eligible buyer required. Subsequent sale price limited.	May make cash contribution to Brookline Housing Trust if developing <16 units. ⁶ If >16 units, must build units unless Town opts for cash, off-site, or land/building conveyance	20-30% total floor area (applies only to developments >20,000 ft ²)	Number of parking spaces otherwise required for affordable units may be reduced by 20%
Cambridge	1999	88 units	>10 units OR if <10 units, developments w/ >10,000 ft ² (1000 ft ² = 1 unit)	15% units (if >10 units) OR 15% square footage (if <10 units)	<80% of BSMA	New construction/conversions (not rehab)	Permanent deed restriction. City of Cambridge has right of first refusal at sale or transfer. Income-eligible buyer required. ⁷ City retains mortgage on property transferred to subsequent owners.	Cash-out (but not off-site) offered only if demonstrate "significant hardship." Reviewed by Affordable Housing Trust & Planning Board. ⁸	15% for market rate units AND 15% for affordable units (total 30% per development)	Developer not required to seek zoning variance for construction of affordable unit(s)
Newton	1977 ⁹ (amended 1987)	225 units ¹⁰ (only rental units permitted ¹¹)	Units requiring special permit (all development >2 units, not incl. subdivisions) ¹²	25% of bonus units under special permit ¹³ (i.e. 25% of units over 2 permitted by right)	Low-income only (Section 8 eligible) ¹⁴	New construction or rehabilitation.	Developer retains ownership of affordable units for 40-year period. ¹⁵ Leased through Newton Housing Authority. ¹⁶	In-lieu fees permitted for 2 to 9 units. In-lieu fee for <10 units less burdensome than on-site requirement for >10 units, resulting in <10 unit developments & \$1M in revenue. ¹⁷	Up to 20%	None.
Lexington	1985	111 ¹⁸	> 10 units must provide "public benefit" (may include affordable units)	Varies based on negotiations bet. developer & planning board ¹⁹	<80% of BSMA	New construction or rehabilitation.	Independently recorded covenant. Some units purchased by Lexington Housing Authority & leased as affordable.	If planning board determines units cannot be built on-site, may accept off-site construction or in-lieu fee of 3% sales price of all units	Up to 25% (at Planning Board's discretion)	None.
Somerville	1990 (amended 2000)	N/A	>8 units requires special permit (incl. density bonus & set-aside requirement)	12.5% units must be affordable (10% prior to amendment) If fractional unit <50%, developer must pay % of whole unit. If fraction >50%, developer must build unit.	Rental units: <80% BSMA Ownership: ²⁰ 50% units for low-moderate (<80% BSMA) 50% units for moderate (81-110% BSMA)	New construction, substantial rehabilitation or adaptive reuse	Permanent deed restriction, covenant, or contractual arrangement. City of Somerville has right of first refusal at sale or transfer. Income-eligible buyer required (waiting list held by City).	No in-lieu unless City prefers cash payment, conveyance of land/buildings, or off-site units (i.e. off-site provides better public transportation access, new units unsuitable for families). Off-site must be built in same ward.	If 12.5% affordable units: Permitted to go beyond by-right lot area per dwelling area ratio If > 12.5% affordable: Permitted to build 2 market rate units for every affordable unit above 12.5% up to 20% of lot area per dwelling unit ratio	Fast-tracking permit process. Fee waiver. ²¹

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¹ Thirty-one units currently occupied; 23 units permitted and under development. No units produced during 1987 – 1995.

² Brookline is currently considering reducing the 10-lot special permit requirement to 6 lots.

³ At discretion of Board of Appeals, developers may be allowed to set aside less than 15% of the units (but no fewer than 10%) or may be required to set aside up to 20% of the units, depending on (1) percentage of units targeted toward low- and/or moderate-income households, (2) percent of multi-bedroom units suitable for families, and/or (3) availability of public subsidies.

⁴ Boston Standard Metropolitan Statistical Area

⁵ Brookline is considering raising the upper ceiling of this category from 100% to 120% of BSMA.

⁶ As of May 24, 2001, the Brookline Housing Trust had received \$1,905,747. By December 2002, the Trust expects to receive an additional \$3,059,850, for a total of \$4,965,327 (including interest). In lieu payments range from 3% of the sales price over \$100,000 for six-unit developments to 6% for fifteen-unit developments. Town of Brookline, “Affordable Housing Requirements Under the Zoning By-Law” (May 2001).

⁷ Owner must sell to income-eligible buyer on City of Cambridge’s list of potential buyers unless owner identifies income-eligible buyer subsequently certified by the City of Cambridge.

⁸ Significant hardship is defined as the property being unable to physically accommodate the units and/or related requirements. To date, Planning Board has rejected all request for in-lieu payment. If granted, the developer would be required to pay equivalent of value of provision of an on-site affordable unit, payable to Affordable Housing Trust.

⁹ Newton informally began requiring a 10% affordable housing set-aside in 1969 and adopted this policy as an ordinance in 1977.

¹⁰ Due to limited affordability preservation mechanisms in the original version of the inclusionary zoning ordinance (which restricted affordability only during a 15year period), 50 of these units are no longer affordable.

¹¹ Under Newton’s proposed revised ordinance, affordable units may be rental or ownership.

¹² Newton is considering requiring developers of more than four units to apply for a special permit, which would permit greater density and require an inclusionary housing set-aside.

¹³ A currently pending revision recommends a required set-aside of 15% of all units created (not only bonus units), with fractional units greater than .5 rounded up.

¹⁴ Newton is considering adopting a revision establishing the ordinance’s target population as 0-120% of median family income, with additional requirements that where a single affordable unit is provided the MFI cannot exceed 80% and where multiple units are provided, the average of all affordable units’ MPFI cannot exceed 65%.

¹⁵ Newton’s proposed revised ordinance would preserve affordability of rental and ownership units in perpetuity. The rental units’ affordability might be terminated by a two-thirds vote of the Board of Alderman, with the Mayor’s signature.

¹⁶ This arrangement requires the developer to retain ownership of affordable units (including heating the units & paying condo fees) even when all market rate units in the development are sold.

¹⁷ Newton is considering lowering bar for the in-lieu option to developments of six units or less and raising the in-lieu cash contribution requirement to 7.5% of total market price for all units in the development.

¹⁸ This figure does not include units purchased with funds obtained via in-lieu payments by developers.

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¹⁹ Under Lexington's "Inclusionary Housing Policy" (included in the Housing Element of the City's Comprehensive Plan), developers may negotiate with the Planning Board to provide one of the following: (1) 5% low-income units donated by gift to the Lexington Housing Authority, (2) 15% low-income units purchased by the Lexington Housing Authority at HUD allowable cost for Boston area, (3) 25% moderate income units to be purchased or rented by eligible households, or (4) 40% middle income units to be purchased by eligible households.

²⁰ If only one affordable unit is constructed, it must be provided to a low-moderate income buyer.

²¹ If a development provides 14-24% affordable units (including a minimum 7% low-income), permit and hearing fees may be waived at twice the percentage of affordable housing provided (ex. 14% affordable units produces 28% of fees waived). If a development includes 25% or more affordable units, 100% of the fees may be waived.