



Income-Restricted Housing in Boston



City of Boston
Mayor Martin J. Walsh



NEIGHBORHOOD
DEVELOPMENT

Income-Restricted Housing in Boston

Overview

The City of Boston has the highest percentage of income-restricted housing of any major city in the country, with nearly 20% of its total housing stock designated as income-restricted. Through federal, state, and city funds, as well as leveraging private development, Boston has placed affordable housing creation at the forefront of its housing policy. Since 2014, Boston has permitted 38 percent (3,661 units) of all the income-restricted units permitted in the last twenty five years. In the **2018 Update to Housing Boston 2030**, the City increased the production goal for income-restricted units from 12,000 to 15,820. Doing so will bring the total number of income-restricted housing units up from the current 54,000 units to nearly 70,000 units in 2030. To ensure that all of these units will be appropriately accounted for, now and in the future, the Department of Neighborhood Development (DND) has been gathering data on all income-restricted units in Boston. This report provides a summary of information on Boston's current income-restricted housing stock to help residents and housing professionals better understand how many units there are, where they are located, and to whom they're affordable.

Key Facts:

- More than 54,000 units are income-restricted -- that's nearly 20 percent, or one in five units in the city.
- The majority (66 percent) of income-restricted units are affordable to low-income households making less than 50 percent of Area Median Income (AMI).
- The neighborhoods where income-restricted units make up the highest percentage of the housing stock are the South End/Lower Roxbury (48 percent), Roxbury (45 percent), Charlestown and Jamaica Plain (both 25 percent).

Income-Restricted Housing: Defined

Income-restricted rental housing, commonly referred to as affordable housing, has a rent capped at an affordable price for a household whose income qualifies. For affordable homeownership units, the sales price is limited so as to remain affordable to buyers of a particular income. This type of affordable housing is referred to as income-restricted because these units have a restriction on their deed that requires them to be affordable for a defined time period, many in perpetuity. Some units in the city may be renting or selling at affordable market-rate prices, but data in this report reflects only those that have a legal covenant dictating their maximum rents or prices.



Income-restricted units are important because they provide affordable housing options to Boston residents and helps protect households against rising market prices that could potentially displace them from their homes and neighborhoods. Income-restricted housing helps both low- and middle-income households who are struggling to find units they can afford in Boston's expensive housing market.

Data & Methods

DND maintains a database of all income-restricted units in the city. This data includes public housing owned by the Boston Housing Authority (BHA), privately-owned housing built with funding from DND and/or on land that was formerly City-owned, and privately-owned housing built without any City subsidy, e.g., created using Low-Income Housing Tax Credits (LIHTC) or as part of the Inclusionary Development Policy (IDP). Information is gathered from a variety of sources, including the City's IDP list, permitting and completion data from the Inspectional Services Department (ISD), newspaper advertisements for affordable units, Community Economic Development Assistance Corporation's (CEDAC) Expiring Use list, and project lists from the BHA, the Massachusetts Department of Housing and Community Development (DHCD), MassHousing, and the U.S. Department of Housing and Urban Development (HUD), among others. The data is meant to be as exhaustive and up-to-date as possible, but since many units are not required to report data to the City of Boston, DND is constantly working to verify and update it.

The database only includes units that have a deed-restriction. It does not include tenant-based (also known as mobile) vouchers, which subsidize rent, but move with the tenant and are not attached to a particular unit. There are more than 16,000¹ tenant-based vouchers in the city of Boston which provide additional affordability to low- and moderate-income households not accounted for here.

Income-Restricted Units in Boston

Boston currently has 54,247 income-restricted units in its housing stock; that's nearly 20 percent of all units, or one in every five units. The income-restricted stock is comprised of both rental and ownership units. Twenty seven percent of all *rental* units in the city are income-restricted, while only three percent of all *ownership* units are income-restricted (Table 1). The income-restricted stock itself is comprised of mostly rental units (95 percent) (Table 2); that's a significantly higher share than the overall housing stock, where 65 percent of units are rental and 35 percent are ownership. This is largely because there is very high demand for rental housing among low- and moderate-income tenants, and many more funding sources

¹ 15,000 HUD Housing Choice Vouchers (HUD eGIS), and approximately 1,000 Massachusetts Rental Voucher Program vouchers.



available for rental development and preservation than there are for ownership housing development.

Table 1. Income-Restricted Units as a Percentage of Housing Stock by Tenure

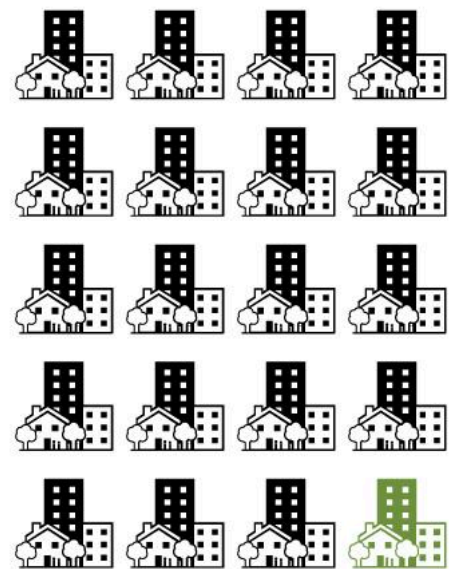
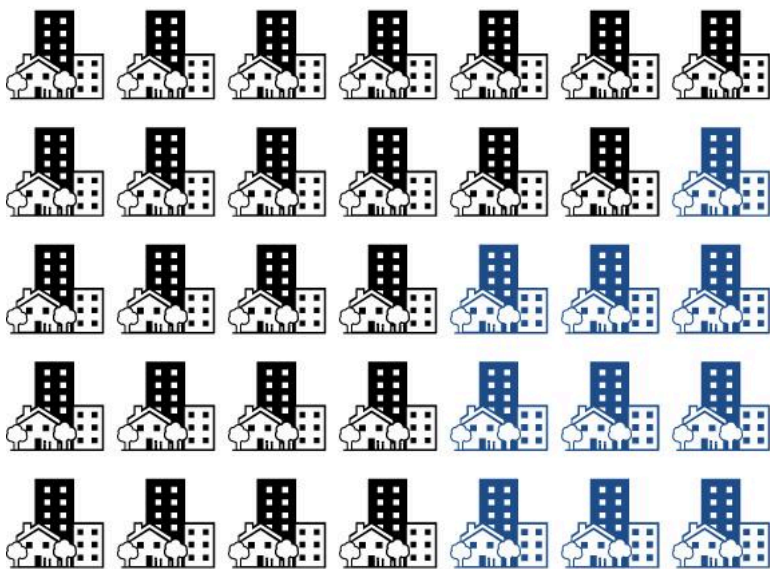
Total Housing Units	Income-Restricted Units	Total Rental Units	Income-Restricted Rental	Total Owner Units	Income-Restricted Owner
282,986 ²	54,247	189,847	51,702	93,139	2,545
	19.2%		27%		3%

Table 2. Income-Restricted Units by Tenure

Total Income-Restricted	Rental	Owner
54,247	51,702	2,545
100%	95%	5%

189,847 Rental Units

93,139 Owner Units



**51,702 (27%)
Deed Restricted**

**2,545 (3%)
Deed Restricted**

²2010 Decennial Census (includes rented/sold occupied, rented/sold not occupied, and vacant for rent/sale) + permitting data (units completed between 2011-Q2 2018).

Tenant-Based Vouchers

In addition to the 54,247 units that have a deed restriction attached to them, there are more than 16,000³ additional tenant-based vouchers in the city of Boston which provide additional affordability to low- and moderate-income households. Tenant-based (also known as mobile) vouchers, subsidize rent but move with the tenant and are not attached to a particular unit. These include both federally funded vouchers through the Housing Choice Voucher Program (also known as a “Section 8 Voucher”), and state-funded vouchers through the Massachusetts Rental Voucher Program.

Anecdotally, it is known that some households living in income-restricted units also use a mobile voucher to help pay for rent. There is very little data on this doubling-up of subsidies, but HUD’s most recent report⁴ on LIHTC units shows that 18.9 percent of all households in LIHTC units also use a tenant-based subsidy. If we apply this rate to the income-restricted rental housing stock of 51,702 units in Boston, approximately 9,772 units would have a household also utilizing a mobile voucher. That would leave about 6,228 households using tenant-based vouchers only. These vouchers are not captured in DND’s inventory but are an important tool for increasing access to affordable housing options in the city.

Geographic Distribution

Income-restricted units are distributed throughout the city, but some neighborhoods have much higher concentrations than others. The South End/Lower Roxbury has the most income-restricted units as a percent of its total housing stock (48 percent), followed by Roxbury (45 percent), Charlestown (25 percent), and Jamaica Plain (25 percent). West Roxbury has the smallest percentage (3 percent), followed by Back Bay/Beacon Hill (7 percent). **Map 1** on page 6 and **Table 3** on page 7 show the distribution of units by neighborhood. Neighborhoods are defined using DND’s planning district boundaries.

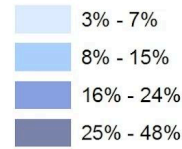
³ 15,000 HUD Housing Choice Vouchers (HUD eGIS), and approximately 1,000 Massachusetts Rental Voucher Program vouchers.

⁴ Understanding Whom the LIHTC Serves: Data on Tenants in LIHTC Units as of December 31, 2015. March 2018 (27 pages). <https://www.huduser.gov/portal/publications/LIHTC-TenantReport-2015.html>

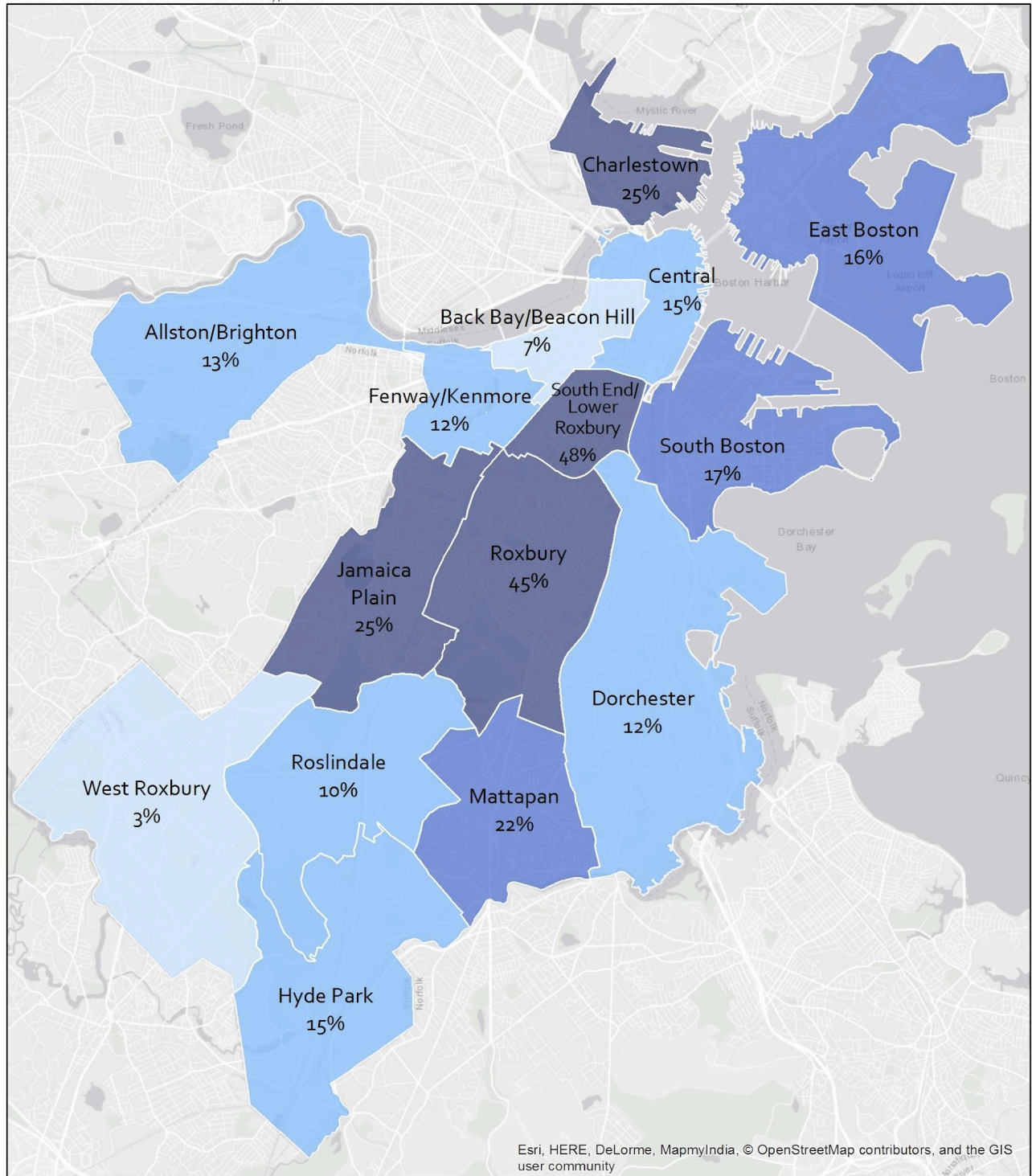


Concentration of Income-Restricted Housing by Neighborhood

Percent of Total Housing Stock



Source: DND Income-Restricted Inventory, PD&R



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Table 3. Income-Restricted Housing by Neighborhood

Neighborhood	Income-Restricted Units	Total Housing Units ⁵	% Income Restricted
Allston/Brighton	4,310	33,007	13%
Back Bay/Beacon Hill	1,046	14,906	7%
Central	3,407	22,941	15%
Charlestown	2,280	8,953	25%
Dorchester	4,145	34,746	12%
East Boston	2,624	16,407	16%
Fenway/Kenmore	2,086	16,775	12%
Hyde Park	1,870	12,304	15%
Jamaica Plain	4,873	19,348	25%
Mattapan	3,021	13,428	22%
Roslindale	1,299	13,364	10%
Roxbury	11,519	25,856	45%
South Boston	3,605	21,238	17%
South End/Lower Roxbury	7,686	16,123	48%
West Roxbury	472	13,590	3%
CITYWIDE	54,247	282,986	19.2%

SOURCE: DND Income-Restricted Housing Database; 2010 Decennial Census + Permitting Data

The number of income-restricted rentals as a percent of the total rental units varies across neighborhoods. Some neighborhoods have a large rental stock, but not many of those units are income-restricted, such as Allston/Brighton, where 80 percent of the units are rental, but only 16 percent are income-restricted. In other neighborhoods, high percentages of the rental stock are income-restricted, such as the South End/Lower Roxbury, where 65 percent of the stock is rental, and 66 percent of those units are income-restricted (Table 4).

⁵Total Housing Units from 2010 Decennial Census + housing units completed 2011-Q2 2018 from Permitting data. Rental and ownership totals do not add up to total housing units because tenure is unable to be determined for some units.



Table 4. Share of Restricted Rental Units by Neighborhood

Neighborhood	% Total Rental Housing	% Income-Restricted Rentals
Allston/Brighton	80%	16%
Back Bay/Beacon Hill	64%	10%
Central	71%	20%
Charlestown	57%	44%
Dorchester	63%	18%
East Boston	72%	21%
Fenway/Kenmore	90%	14%
Hyde Park	40%	34%
Jamaica Plain	66%	35%
Mattapan	64%	32%
Roslindale	46%	19%
Roxbury	78%	54%
South Boston	61%	26%
South End/Lower Roxbury	65%	66%
West Roxbury	36%	9%
CITYWIDE	65%	27%

SOURCE: DND Income-Restricted Housing Database; 2010 Decennial Census; Permitting Data

Although there are far fewer income-restricted ownership units across all neighborhoods compared to rental units, the same trend found above appears for owner units. The neighborhoods with the most owner units do not necessarily have the most income-restricted owner units. West Roxbury, for example, has the highest percentage of owner units (62 percent) but the lowest percent of income-restricted owner units (0.2 percent). Roxbury has one of the lowest percentages of owner units (22 percent), but the highest percentage of income-restricted (10 percent) owner units in the city (Table 5).

Table 5. Share of Restricted Ownership Units by Neighborhood

Neighborhood	% Total Ownership Housing	% Income-Restricted Ownership
Allston/Brighton	21%	1%
Back Bay/Beacon Hill	35%	1%
Central	28%	2%
Charlestown	45%	3%
Dorchester	36%	2%
East Boston	26%	3%
Fenway/Kenmore	11%	1%
Hyde Park	57%	0.4%
Jamaica Plain	32%	4%
Mattapan	36%	5%
Roslindale	50%	1%
Roxbury	22%	10%
South Boston	38%	3%
South End/Lower Roxbury	31%	8%
West Roxbury	62%	0.2%
CITYWIDE	33%	3%

SOURCE: DND Income-Restricted Housing Database; 2010 Decennial Census + Permitting Data

Levels of Affordability

Income-restricted units are affordable because the rents are capped at prices affordable to households at specific income levels. A household must make under certain income levels to qualify. **Table 6** helps explain income limits by household size. For example, a one person household making \$45,000 per year would fall in the 60% of AMI bracket, and would be income eligible for a unit restricted at 60% of AMI.

That unit restricted at 60% of AMI would have the rent capped at a price that's affordable to a household making 60% of AMI. The maximum affordable rent for income-restricted units is generally 30% of the income limit for that unit. So, a 1-bedroom unit at 60% of AMI would have a maximum rent of \$1,094 (**Table 7**). Maximum affordable rents vary by funding program, but **Table 7** provides rent prices commonly used across many programs.



Table 6. 2018 Income Limits

Percent of Area Median Income (AMI)	Household Size			
	1	2	3	4
30%	\$22,650	\$25,900	\$29,150	\$32,350
50%	\$37,750	\$43,150	\$48,550	\$53,900
60%	\$45,300	\$51,800	\$58,250	\$64,700
80%	\$60,400	\$69,000	\$77,650	\$86,250
100%	\$75,500	\$86,250	\$97,050	\$107,800
120%	\$90,550	\$103,500	\$116,450	\$129,350

Table 7. Maximum Affordable Rents

Bedrooms	30% AMI	50% AMI	60% AMI	70% AMI	80% AMI	100% AMI	120% AMI
Studio	\$470	\$781	\$938	\$1,094	\$1,250	\$1,563	\$1,876
1	\$547	\$912	\$1,094	\$1,277	\$1,459	\$1,824	\$2,188
2	\$625	\$1,042	\$1,251	\$1,459	\$1,667	\$2,084	\$2,501
3	\$704	\$1,173	\$1,407	\$1,642	\$1,876	\$2,345	\$2,814
4	\$781	\$1,302	\$1,563	\$1,823	\$2,084	\$2,605	\$3,125

Sixty-six percent of income-restricted units are set aside for low-income residents making less than 50 percent of AMI. 14,913 units (28 percent) are restricted for households making less than 30 percent of AMI, and 20,746 units (38 percent) are restricted for households making between 31-50 percent of AMI, combined. This stock is integral in keeping households most in need of housing assistance safely and affordably housed. Another 21 percent of units are affordable to moderate-income households making between 51-60 percent of AMI, and 8 percent are restricted to households between 61-80 percent of AMI. A small percentage (2 percent) are affordable to upper middle-income families (>80 percent of AMI). The bulk of income-restricted stock assists low-income households most in need of affordable housing, but also provides some affordable housing opportunities for those households should their income rise above their current income categories. It also provides options for current middle-income households struggling to afford rent. Units in the higher AMI brackets, particularly above 80 percent of AMI, are largely ownership housing opportunities for middle-income households.

While most of the data in this assessment includes information on income levels, some data--particularly for older projects--is missing. DND is currently researching each address and inputting this information as it becomes available and is verified.



Currently, 2.5 percent of the database (1,447 units) does not have income level information. It is believed that most of these units are restricted to low-income households, but this information will be verified.

Table 8. Units by Income Restriction

Income-Level (% of AMI)	Units	% Total
<30%	14,913	28%
31-50%	20,746	38%
51-60%	11,190	21%
61-80%	4,458	8%
81-120%	1,350	2%
>120%	143	0.3%
Unknown	1,447	2.5%
TOTAL*	54,247	100%

*Percentages add up to slightly under 100% due to rounding

Special Set-Asides

Some units are set-aside for homeless, senior, and disabled households. These units are generally restricted to households with incomes of less than 30% of AMI. Three percent of the entire income-restricted stock is set-aside for homeless households, 24 percent is set-aside for senior households (age 64+), and one percent is set-aside for disabled households. In their efforts to increase the number of deed-restricted units accessible to disabled households, the Disability Housing Task Force worked with the BPDA over the past year to update the IDP policy. New developments over 20 units must now make 15% of the IDP units accessible to households with physical disabilities or sensory impairments. Many senior units, as well as Single Room Occupancy (SRO) units, which are single rooms with shared amenities like kitchens and bathrooms, are also available to persons with disabilities. There are approximately 926 SRO units restricted to households with incomes under 30 percent of AMI.

Table 9. Special Set-Asides

Unit Type	Units	% Total
Homeless	1,400	3%
Senior	12,834	24%
Disabled	669	1%
SROs	926	2%

*Numbers are approximate given the best data available at the time of this report.



Ownership Structure

Most of the income-restricted housing stock is privately owned (77 percent), while 22.5 percent is publicly-owned. Publicly-owned stock includes units owned by the Boston Housing Authority (BHA). Under one percent (0.5%) of units have a public/private partnership, where the BHA has partnered with the private sector to develop and manage public housing developments.

While affordability restrictions for most of the 39,000 private rental units are not at imminent risk of expiring, approximately 4,200 privately-owned rental units do have income restrictions that expire before 2030. The City dedicates significant resources towards extending those restrictions and preserving units for all at-risk properties, ultimately protecting the low-income tenants. The City also works hard to maintain and preserve publicly-owned units, which house many of the City's lowest income residents. The BHA has undertaken an ambitious reinvestment strategy to redevelop approximately 4,500 units, for which a significant amount of capital investment will be required to redevelop and preserve these critically important units.

Table 10. Income-Restricted Units by Ownership Type

	Total Income-Restricted	% of Total	Rental	% Renter	Owner	% Owner
Private	41,581	77%	39,047	94%	2,534	6%
Public	12,425	22.5%	12,414	99%	11	<1%
Public/Private	241	0.5%	241	100%	0	0%

Conclusion

The city of Boston has the highest percentage of income-restricted housing in the country, with nearly 20 percent (54,247 units) of its stock income-restricted. In a city with high housing prices, and increasing population and job growth, maintaining a strong stock of income-restricted housing is integral for mitigating potential displacement and helping residents live affordably. Of the 54,247 restricted units, 95 percent are rental and 5 percent are ownership units. The majority (66 percent) are affordable to households making less than 50 percent of AMI. 24 percent (12,834 units) are set aside for senior households (age 64+), and three percent (1,400 units) are set aside for the homeless. 77 percent are privately owned, 22.5 percent are publicly owned, and 0.5 percent are owned by a public-private partnership.

While income-restricted units are distributed across the city in every neighborhood, some neighborhoods have higher concentrations than others. The South End/Lower Roxbury has the most income-restricted units as a percent of its housing stock at 48 percent, followed by Roxbury (45 percent), Charlestown (25 percent), and Jamaica

Plain (25 percent). West Roxbury has the smallest percentage at three percent, followed by Back Bay/Beacon Hill at seven percent.

In the 2018 Update to Housing A Changing City: Boston 2030, the City increased its production goal for income-restricted units from 12,000 to 15,820. This will bring the total number of income-restricted units to 70,000 by the year 2030. This long-term commitment to strengthening Boston's already strong stock of income-restricted housing reinforces the City's commitment to making Boston an inclusive, accessible city for its current residents and those looking to make Boston their home in the future.

