

OFFERED BY CITY COUNCILORS LOUIJEUNE, BOK, FERNANDES ANDERSON, ARROYO, BREADON, COLETTA, FLAHERTY, LARA, MEJIA, WORRELL AND FLYNN



CITY OF BOSTON IN CITY COUNCIL

ORDER FOR A HEARING REGARDING THE STATE OF ANTI-DISPLACEMENT AS TO BOSTON'S ACQUISITION OPPORTUNITY PROGRAM

WHEREAS: The City of Boston's Acquisition Opportunity Program was created in 2016 to support the acquisition of existing rental housing in order to prevent displacement and preserve its affordability, by helping mission-driven housing developers, community land trusts, and non-profit organizations acquire multifamily properties totaling at least 8 units and restricting 40% of proposed units to tenants earning up to 60% of the Area Median Income; *and*

WHEREAS, AOP continues to be a critical tool for preserving and funding long-term affordable housing and preventing the displacement of tenants vulnerable to the forces of gentrification and housing commodification; *and*

WHEREAS, A majority of Boston residents are renters, and nearly half of them are rent-burdened, which means they spend more than 30% of their household income on rent. Condominium conversions of 1-3 family units, many in a state of severe disrepair, are contributing to rapid displacement of working-class & low-wage residents who live in them, and between 2015-2020, 89 percent of Boston condominium conversions happened in 1-3 unit buildings. Housing unaffordability and insecurity, eviction, and displacement severely threaten the economic, physical and mental health of affected individuals, especially our Black & Brown residents, and severely disrupt their ability to thrive academically, professionally, and socio-emotionally; *and*

WHEREAS, Many nonprofit developers lack sufficient financial capital to compete for acquisition of housing units in the speculation-driven private market. AOP has facilitated the acquisition and affordability preservation of over 684 units and hundred more in the pipeline for development, facilitating residents' ability to remain in their homes during periods of gentrification; *and*

WHEREAS, Types of projects, e.g. small-unit scattered site versus large project single developments, that are funded by AOP differ across neighborhoods with varying demographics, development activity, and existing housing stock. In East Boston, most AOP-funded units are triple deckers while in Dorchester the majority are in a few large developments. It is unclear what barriers are preventing a greater

diversity of AOP housing stock within each neighborhood, aside from the cost of acquiring triple-deckers being higher in certain neighborhoods; *and*

WHEREAS, Eligible properties for AOP funding must be occupied or partially occupied, but totally vacant properties may be considered on a case-by-case basis with agreement to provide background information on tenancies going back 90 days. However, criteria used for making this exception are not clearly defined; *and*

WHEREAS, Most AOP eligible properties are expected to be in considerably good, safe operating condition and meet Housing Quality standards, but those in need of significant rehabilitation may be considered on a case-by-case basis. However, criteria used for making this exception are not clearly defined; *and*

WHEREAS, Mindful of case-by-case variation, AOP on average funds roughly less than one-third of a project's total acquisition costs, and many applicants continue to request funding beyond \$100,000 per unit due to significant funding gaps and capital needed to compete with for-profit developers; *and*

WHEREAS, The maximum subsidy per unit provided by the AOP program is stated as \$100,000, but AOP occasionally provides greater amounts per unit subsidy on a case-by-case basis. Criteria used for making this exception, however, are not officially defined; *and*

WHEREAS, The AOP's local funding sources and parameters allow it flexibility and lower administrative burden for provisioning income-restricted units in a timely manner. Utilizing external state and federal funding streams may present additional restrictions and reporting responsibilities, potentially hampering AOP's ability to quickly approve non-profit developers' projects in the usual 3-day window and allow them to compete and win in the bidding process.; *and*

WHEREAS, The demographics of residents living in AOP-funded homes and their initial vulnerability to displacement is not currently tracked. It is unclear how many initial residents have remained in their AOP-subsidized homes and experienced improved economic stability and growth due to housing security provided by the AOP program, the knowledge of which could help maximize efficacy; **NOW, THEREFORE BE IT**

ORDERED: That the appropriate committee of the Boston City Council hold a hearing to discuss the Acquisition Opportunity Program (AOP), and the Mayor's Office of Housing and other relevant government entities, non-profits, and interested parties be invited to attend and testify.