



**Boston City Council**  
**Committee on Housing and Community Development**  
**Councilor Kendra Lara, *Chair***

**June 29, 2022**

**Dear Councilors:**

**The Boston City Council's Committee on Housing and Community Development to which was referred the following:**

**Docket #0536 - Message and order authorizing the Mayor's Office of Housing to accept and expend payments in the amount of Forty Million Dollars (\$40,000,000.00) given from the City of Boston's Inclusionary Development Policy Fund for the purpose of producing and preserving affordable housing in the City of Boston.**

**Docket #0537 - Message and order authorizing the City of Boston to apply for, accept and expend the Federal Fiscal Year 2022 Housing and Community Development funds from the United States Department of Housing and Urban Development (HUD). This Order includes the following grant programs, with final awards estimated not to exceed the totals listed. Community Development Block Grant \$18,000,000.00, HOME Investment Partnership Program \$7,000,000.00, Housing Opportunities for Persons with AIDS \$4,000,000.00 and the Emergency Solution Grant \$2,000,000.00.**

**Docket #0708 - Message and order authorizing the City of Boston, acting through the Mayor's Office of Housing, to apply for, accept and expend the amount of Twenty One Million, Five Hundred Ninety Seven Thousand, Seven Hundred Ninety Seven Dollars (\$21,597,797.00) provided under the HOME Investment Partnerships Program-American Rescue Plan (HOME-ARP) Act of 2021 from the United States Department of Housing and Urban Development. The purpose of the HOME-ARP funds is to provide housing to individuals, to households who are homeless, at risk of homelessness and other vulnerable populations in the City of Boston.**

**These matters are sponsored by the Mayor and were referred to the Committee on Housing and Community Development (Dockets #0536 and #0537) on April 27, 2022 and (Docket #0708) on June 8, 2022.**

**The Committee on Housing and Community Development held a public hearing on June 17, 2022, to take testimony and consider the same.**

**The hearing was chaired by Councilor Ruthzee Louijeune – Vice-Chair of the Committee on Housing and Community Development at the request of the Committee Chair - Councilor Kendra Lara.**

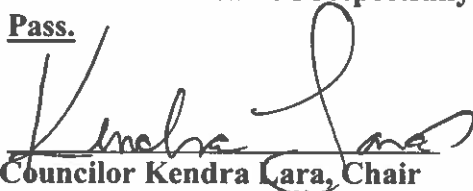
**Councilors Present: Vice-Chair - Councilor Ruthzee Louijeune and Council President Ed Flynn**

**Letters of support/attendance were read into the record from Committee Chair - Councilor Kendra Lara and Councilor Erin Murphy**

**Administration Officials: Tim Davis, Deputy Director for Policy Development & Research, Mayor's Office of Housing; Rick Wilson, Director of Administration and Finance; Danielle Johnson, Deputy Director, Office of Housing Stability; Christine O'Keefe, Acting Assistant Director for Development & Finance and Richard O'Brien, Associate Director, Boston Home Center - attended the hearing, made a presentation regarding these grants and funds and responded to questions from Councilors.**

**The presentation by the Administration Officials included: Background and funding history, eligible recipients and activities, the processes of distribution and uses of the funds, and the various other particulars for each of these grants and funds. (Copy of the presentation and pertinent fact sheets are attached)**

**Based on the testimony and information presented at the hearing and having considered the same I respectfully recommend that these matters ought to Pass.**



**Councilor Kendra Lara, Chair**

**Committee on Housing and Community Development**

## FACT SHEET ON IDP FUND - City FY22 &amp; FY23

**Inclusionary Development Program (IDP) Fund \$40,000,000**

**Recipients:** Nonprofit and for-profit developers of affordable housing.

**Eligible Activities:** Creation of new long-term affordable housing units. Units can be homeownership, rental, cooperative or other forms of permanent or transitional housing. All affordable units will be subject to an affordable housing restriction.

**Income Targeting:**

- **Rental:** While many units are restricted to lower incomes, units created using IDP funding have a maximum income limit of 70% of the area median income (AMI); \$88,340 for a family of 3.
- **Ownership:** The maximum income limit for homeownership units using IDP funds is 100% of AMI (\$126,200 for family of 3), though, within any given project, at least 50% of the units must be income restricted to 80% of AMI (\$100,950 for a family of 3), or less.

**Distribution of Funds:** Funds are distributed through a competitive public notice process to solicit eligible developments. IDP funding may be set-aside for new housing initiatives.

**Funding History:** MOH took over management of the IDP Fund from the Boston Planning and Development Agency (BPDA) in FY15. Since that time, MOH has collected \$126.6 million in IDP payments in addition to the \$21.5 million transferred from the BPDA, for a total of \$148.1 million. MOH anticipates collecting approximately \$29.3 million in additional IDP payments through June 30, 2023.

<b>REVENUE</b>	
Revenue transferred from BPDA	\$ 21,514,826
Revenue Collected by MOH	\$ 126,615,881
<b>Total Revenue FY15 through 6/14/2022</b>	<b>\$ 148,130,707</b>
<b>Projected Revenue 6/14/2022 - 6/30/2023</b>	<b>\$ 29,320,614</b>
<b>Total IDP Revenue through FY23</b>	<b>\$ 177,451,322</b>
<b>EXPENDITURES</b>	
Program Management Costs FY15 - FY22	\$ 6,641,443
Projected Program Management Costs - FY23	\$ 1,247,669
<b>Total Projects Funded FY15 - FY22</b>	<b>\$ 142,463,773</b>
<b>Projected Project Commitments - FY23*</b>	<b>\$ 28,473,393</b>
<b>Total IDP Expenditures through FY23</b>	<b>\$ 178,826,278</b>
*Subject to change - includes pending awards and known pipeline projects	

## FACT SHEET ON HUD FUNDS: Federal 2022/City 2023

<b>Community Development Block Grant (CDBG)</b>	<b>\$17,271,305</b>
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**Recipients:** Eligible local governments and states receive an annual “entitlement” funding allocation based on a statistical formula.

**Allocation Formula:** Boston’s funding allocation varies from year to year due to the amount of funds appropriated by Congress, the number of communities eligible to receive a funding allocation (cities over 50,000 in population) and our demographics.

**Funding History:** We have received CDBG funds since 1975. Allocations have fluctuated from a high of \$32.1 million in 1975 to a low of \$15.8 million in 2018. The Federal FY22/City 23 allocation is \$17,271,305. We estimate having an additional \$15.9 million in anticipated program income (loan repayments) and prior fiscal years’ funds available, with most of the prior year funds allocated to multi-year development projects.

**Administration:** The Mayor’s Office of Housing (MOH) is the primary administering agency for the City’s CDBG allocation. MOH **sub-grants** a portion of the CDBG allocation to these City departments:

Fair Housing and Equity	\$ 435,186
Workforce Development	\$2,615,819
Economic Opportunity & Inclusion	\$3,972,691

**Timeline to spend annual allocation:** No deadline, but, sixty days (60) before the end of the current program year, must have less than 1.5 times the annual grant remaining in line of credit.

**Administration cost allowed:** Up to 20% of grant and program income.

**Program Income:** Program Income is estimated each year and is the repayment of grant funds by recipients. Program income (if any) must be spent before drawing funds from the new grant.

**Eligible Activities:** housing rehab, economic development, social services, public facilities

**Primary Uses:** Housing (homebuyer education, down payment assistance and housing rehab), social services, rental housing development, and economic development programs (Main Streets, ReStore façade assistance, small business assistance, neighborhood business loans).

**Income Targeting:** CDBG funds must primarily be used for activities serving households with incomes up to a CDBG defined 80% of Median Income (currently \$100,700 for a family of 3) or in a geographic area where at least 51% of the households have incomes under that threshold.

## FACT SHEET ON HUD FUNDS: Federal 2022/City 2023

### **HOME Investment Partnerships Initiative (HOME)**

**\$6,421,928**

**Recipients:** Like CDBG, eligible local governments and states receive an annual “entitlement” funding allocation based on a statistical formula.

**Allocation Formula:** Boston’s funding allocation varies from year to year due to the amount of funds appropriated by Congress, the number of communities eligible to receive a funding allocation and our demographics.

**Funding History:** We have received HOME funds since 1992. Our allocations have fluctuated from a high of \$8.8 million in 2002 to a low of \$4 million in PY15. Our Federal FY22/City FY23 allocation is \$6,421,928. We estimate \$7.7 million in anticipated program income (loan repayments) and prior fiscal years’ funds will also be available.

#### **Administration:**

**Timeline to spend annual allocation:** No commitment deadline; eight years to expend.

**Administration cost allowed:** Up to 10% of grant

**Program Income:** Program income is the repayment of grant funds by recipients. Program income received in the current year is reserved for use in the next program year.

**Eligible Activities:** housing construction and rehab, operating support for CDCs (15%).

**Primary Uses:** Production of new affordable rental and homeownership housing, operating support for CDCs.

**Income Targeting:** HOME funds must be used to provide housing for households with incomes under 80% of the Boston Metropolitan Area Median Family Income. For rental housing, at least 90% of the units must serve households with incomes up to 60% of the Median Income (\$75,720 for a family of 3).

### **Emergency Solutions Grant (ESG)**

**\$1,486,063**

**Eligible Activities:** ESG funds may be used for five program components: Street Outreach, Emergency Shelter, Homelessness Prevention, Rapid Re-housing, and the Homeless Management Information System (HMIS).

**Eligible Sub-grantees:** Eligible Non Profit Organizations.

**Funding History:** The City of Boston has received ESG funds since 1987. Our allocations have fluctuated from a high of \$2 million in PY17 to a low of \$59,000 in 1988. The Federal FY22/City 23 allocation is \$1,486,063 and we estimate having \$147,000 in prior fiscal years’ funds available.

**Income Targeting:** ESG funds may only be used for persons who are homeless or at-risk of becoming homeless as defined by HUD. Participants seeking assistance under the homelessness prevention

## FACT SHEET ON HUD FUNDS: Federal 2022/City 2023

component must have income below 30% of the area median income (AMI), currently \$37,850 for a family of 3.

### Targeted Population:

- Chronically homeless individuals and families
- Families with children
- Veterans and their families
- Unaccompanied Youth

### Administration:

**Timeline to spend annual allocation:** Two years to expend.

**Administration cost allowed:** Up to 7.5% of grant.

**Program Income:** Not applicable

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## Housing Opportunities for Persons With AIDS (HOPWA) \$3,381,777

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**Recipients:** Eligible metropolitan areas and states receive an annual “entitlement” funding allocation based on a statistical formula. The largest city in the Eligible Metropolitan Service Area (EMSA) administers the funds for the entire metro area. The Boston EMSA consists of Suffolk, Plymouth, and Norfolk Counties.

**Allocation Formula:** Boston’s funding allocation varies from year to year due to the amount of funds appropriated by Congress, the number of communities eligible to receive a funding allocation (metro areas with at least 2,000 persons living with HIV or AIDS), the Boston metro area’s number of persons living with HIV or AIDS, its relative housing costs, and its poverty rates.

**Funding History:** We have been receiving HOPWA funds since 1992. Our allocations have fluctuated from a high of \$3.3 million this year to a low of \$590,000 in 1992. The Federal FY22/City 23 allocation is \$3,381,777 and we estimate having \$2.7 million in prior fiscal years funds.

### Administration:

**Timeline to spend annual allocation:** Three years to expend.

**Administration cost allowed:** 3% for MOH

**Program Income:** Not applicable.

**Eligible Activities:** construction or rehab of housing for persons with AIDS, tenant-based rental assistance, supportive services, housing information services, permanent housing placement services, STRMU (short-term rent, mortgage and utility assistance) and technical assistance.

**Primary Uses:** tenant-based rental assistance; short term mortgage, rental and utility assistance, housing information and counseling services, and permanent housing placement.

**Income Targeting:** HOPWA funds must primarily be used to provide housing for households with HIV/AIDS and incomes up to 80% of the Boston Metropolitan Area Median Family Income (currently \$100,950 for a family of 3).

**HUD's HOME Investment Partnerships Program,  
American Rescue Plan (HOME-ARP) \$21,597,797**

**Recipients:** HOME grantees receive a one-time allocation from a \$5 billion ARPA fund. Boston will receive \$21,597,797

**Timeline to spend:** September 30, 2030

**Administration:** Mayor's Office of Housing

**Eligible/Qualifying Populations (QPs):** HOME-ARP funds may be used to assist all qualified populations; none can be categorically excluded from a program.

- Homeless;
- At risk of Homelessness;
- Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking; and
- Other populations who do not qualify under any of the populations above but meet one of the following criteria:
  - a. Other Families Requiring Services or Housing Assistance to Prevent Homelessness
  - b. Those At Greatest Risk of Housing Instability

**Eligible Activities:**

- Develop affordable housing;
- Tenant-based rental assistance;
- Supportive services; and
- Acquire and develop non-congregate shelter units.

**Needs Assessment and Gap Analysis:** HUD requires a needs assessment and gap analysis. As of the most recent Point in Time (PIT) Count, there were 4,200 residents (2,288 households) who are experiencing homelessness (of these only 3% are unsheltered). In addition, there are almost 23,000 households with incomes less than 50% of Area Median Income who would be considered at-risk for homelessness or a great risk for housing instability.

**Funding Allocations:** Based on the urgent need for safe, affordable and sustainable housing, we propose to allocate the HOME-ARP funds as shown in the table.

HOME-ARP Funding by Programmatic Area	Amount	% Of Grant
Supportive Services	\$3,500,000	16.2%
Acquire, Rehab or Construct Non-Congregate Shelters	\$0	
Tenant Based Rental Assistance (TBRA)	\$6,500,000	30.0%
Acquire, Rehab or Construct Rental Housing	\$9,000,000	41.7%
Non-Profit Operating Expenses	\$0	
Non-Profit Capacity	\$1,000,000	4.6%
Admin & Planning	\$1,597,797	7.4%
<b>TOTAL</b>	<b>\$21,597,797</b>	

**City Council Hearing, June 17, 2022**  
**Accept and Expend Votes**  
**Annual HUD Allocations**  
**HOME-ARP**  
**Inclusionary Development Policy Funds**



City of Boston  
Mayor Michelle Wu



Mayor's Office  
of Housing



## Annual HUD Allocations

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Every year, the City of Boston receives grants from the Department of Housing and Urban Development (HUD) from the following programs:

<b>Program</b>	<b>FY23 Amount</b>	<b>Change from FY22</b>	<b>Percent Change</b>
Community Development Block Grant (CDBG)	\$17,271,305	-\$407,209	-2.4%
HOME Investment Partnerships Initiative (HOME)	\$6,421,928	+\$462,786	+7.7%
Emergency Solutions Grant (ESG)	\$1,486,063	-\$1,061	-0.1%
Housing Opportunities for Persons with AIDS (HOPWA)	\$3,381,777	+\$133,557	+4.1%

## Annual HUD Allocations: CDBG

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**CDBG Allocation:** \$17,271,305

**Administration:** The Mayor's Office of Housing (MOH) is the primary administering agency for the City's CDBG allocation. MOH *sub-grants* a portion of the CDBG allocation to these City departments:

Fair Housing and Equity	\$ 435,186
Workforce Development	\$2,615,819
Economic Opportunity & Inclusion	\$3,972,691

**Eligible Activities:** Housing rehab, economic development, social services, public facilities

**Primary Uses:** Housing (homebuyer education, down payment assistance and housing rehab), social services, rental housing development, and economic development programs (Main Streets, ReStore façade assistance, small business assistance, neighborhood business loans).

**Income Targeting:** CDBG funds must primarily be used for activities serving households with incomes up to a CDBG defined 80% of Median Income (currently \$100,700 for a family of 3) or in a geographic area where at least 51% of the households have incomes under that threshold.

## Annual HUD Allocations: HOME

B

**HOME Allocation:** \$6,421,928

**Administration:** The Mayor's Office of Housing (MOH) administers all HOME funds.

**Eligible Activities:** Housing construction and rehab, operating support for CDCs (15%).

**Primary Uses:** Production of new affordable rental and homeownership housing, operating support for CDCs.

**Income Targeting:** HOME funds must be used to provide housing for households with incomes under 80% of the Boston Metropolitan Area Median Family Income. For rental housing, at least 90% of the units must serve households with incomes up to 60% of the Median Income (\$75,720 for a family of 3).

## Annual HUD Allocations: ESG

B

**ESG Allocation:** \$1,486,063

**Administration:** The Mayor's Office of Housing (MOH) administers all ESG funds.

**Eligible Activities:** ESG funds may be used for five program components: Street Outreach, Emergency Shelter, Homelessness Prevention, Rapid Re-housing, and the Homeless Management Information System (HMIS).

**Income Targeting:** ESG funds may only be used for persons who are homeless or at-risk of becoming homeless as defined by HUD. Participants seeking assistance under the homelessness prevention component must have income below 30% of the area median income (AMI), currently \$37,850 for a family of 3.

**Targeted Population:**

- Chronically homeless individuals and families
- Families with children
- Veterans and their families
- Unaccompanied Youth

## Annual HUD Allocations: HOPWA

B

**HOPWA Allocation:** \$3,381,777

**Administration:** The Mayor's Office of Housing (MOH) administers all HOPWA funds for all of Norfolk, Plymouth, and Suffolk counties.

**Eligible Activities:** construction or rehab of housing for persons with AIDS, tenant-based rental assistance, supportive services, housing information services, permanent housing placement services, STRMU (short-term rent, mortgage and utility assistance), and technical assistance.

**Primary Uses:** tenant-based rental assistance; short term mortgage, rental and utility assistance, housing information and counseling services, and permanent housing placement.

**Income Targeting:** HOPWA funds must primarily be used to provide housing for households with HIV/AIDS and incomes up to 80% of the Boston Metropolitan Area Median Family Income (currently \$100,950 for a family of 3).

## HUD Allocations by Program Area

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PROGRAM AREAS	CDBG	HOME	ESG	HOPWA
Home Repair, Deleading, Homebuyer Assistance	\$6.3 M			
Development and Preservation of Affordable Housing	\$12.7 M	\$13.5 M		
Homelessness Prevention, Housing Resources, and Street Outreach	\$1.4 M		\$1.6 M	\$6.0 M
Small Business (Main Streets, ReStore)	\$4 M			
Workforce Development	\$2.7 M			
Public Facilities (Grassroots, PNP, Property Management)	\$2.2 M			
Fair Housing	\$0.4 M			

Because MOH will be using HUD funds made available from previous years, as well as program income (e.g., loan repayments), total spending is greater than the FY23 allocation.

## HOME-ARP: \$21,597,797

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The American Rescue Plan Act (“ARP”) was signed into law in March 2021.

To address the need for homelessness assistance and supportive services, Congress appropriated \$5 billion in ARP funds to be administered through HOME to perform four activities that must primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations. **Boston will receive a one-time allocation of \$21.6 million.**

These activities include:

- (1) development and support of affordable housing,
- (2) tenant-based rental assistance (TBRA),
- (3) provision of supportive services; and
- (4) acquisition and development of non-congregate shelter units

## HOME-ARP: Qualified Populations (QPs)

B

- Homeless
  - Lacks a fixed, regular, and adequate nighttime residence (includes shelter);
  - Will lose home within 14 days (and does not have options); or
  - Unaccompanied youth under 25 who meet certain criteria
  
- At risk of homelessness
  - Individual or family who:
    - Income less than 30% of AMI;
    - Insufficient resources to remain housed; and
    - Meets one of seven housing instability criteria.
  - Child or youth who do not qualify under homeless rules above, but does under series of other programs.



## HOME-ARP: Qualified Populations (continued)

**B**

- Fleeing or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking as defined by HUD
- Other populations
  - Other families requiring services or housing assistance to prevent homelessness (i.e. rapid rehousing participants who might otherwise return to homelessness).
  - At greatest risk of housing instability
    - Income less than 30% of AMI and severely cost burdened; or
    - Income less than 50% of AMI and meets one of seven housing instability criteria

Veterans and Families that include a Veteran Family Member that meet the criteria for one of the qualifying populations described above are eligible to receive HOME-ARP assistance.

## HOME-ARP: Budget

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HOME-ARP will be used for the following programmatic areas:

Spending Areas	Funding Amount	Percent of the Grant
Supportive Services	\$3,500,000	16.2%
Acquisition and Development of Non-Congregate Shelters	\$0	0%
Tenant Based Rental Assistance (TBRA)	\$6,500,000	30.0%
Development of Affordable Rental Housing	\$9,000,000	41.7%
Non-Profit Operating	\$0	0%
Non-Profit Capacity Building	\$1,000,000	4.6%
Administration and Planning	\$1,597,797	7.4%
<b>Total HOME ARP Allocation</b>	<b>\$21,597,797</b>	

## Inclusionary Development Policy (IDP) Funds: \$40,000,000

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IDP funds are generated when a developer pays into the fund instead of creating units on-site, or as a partial unit payment. Partial unit payments are made at the time of the building permit, otherwise:

- Condominiums: ¼ of minimum at building permit, remainder of minimum at certificate of occupancy, and a “true-up”, based on actual sales prices, one year after COO.
- Rental: Seven equal, annual payments, starting at the building permit.

**Administration:** The Mayor’s Office of Housing has managed the IDP Fund since FY2015.

**Eligible Activities:** Creation of new long-term affordable housing units. Units can be homeownership, rental, cooperative or other forms of permanent or transitional housing. All affordable units will be subject to an affordable housing restriction.

### **Income Targeting:**

- **Rental:** While many units are restricted to lower incomes, units created using IDP funding have a maximum income limit of 70% of the area median income (AMI); \$88,340 for a family of 3.
- **Ownership:** The maximum income limit for homeownership units using IDP funds is 100% of AMI (\$126,200 for family of 3), though, within any given project, at least 50% of the units must be income restricted to 80% of AMI (\$100,950 for a family of 3), or less.

# Inclusionary Development Policy (IDP) Fund Status

Under MOH Management (since FY15)

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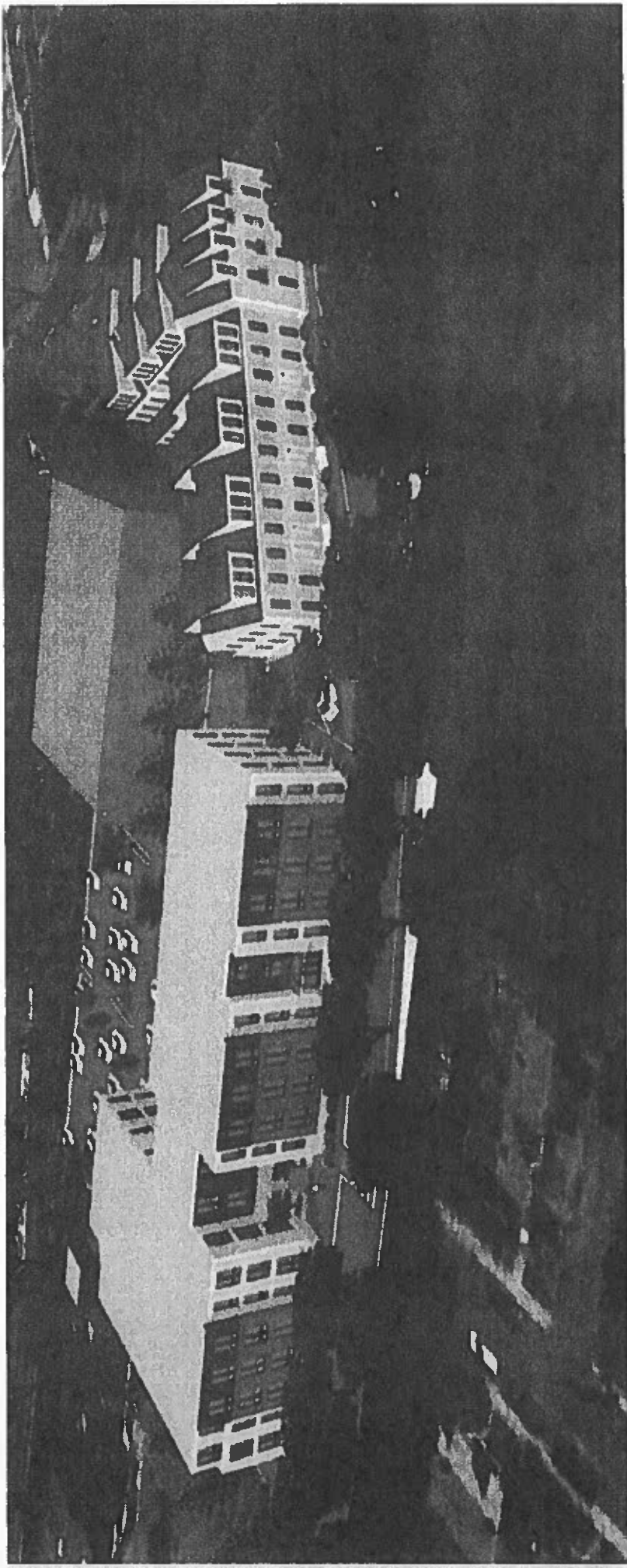
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## Inclusionary Development Policy (IDP) Funds

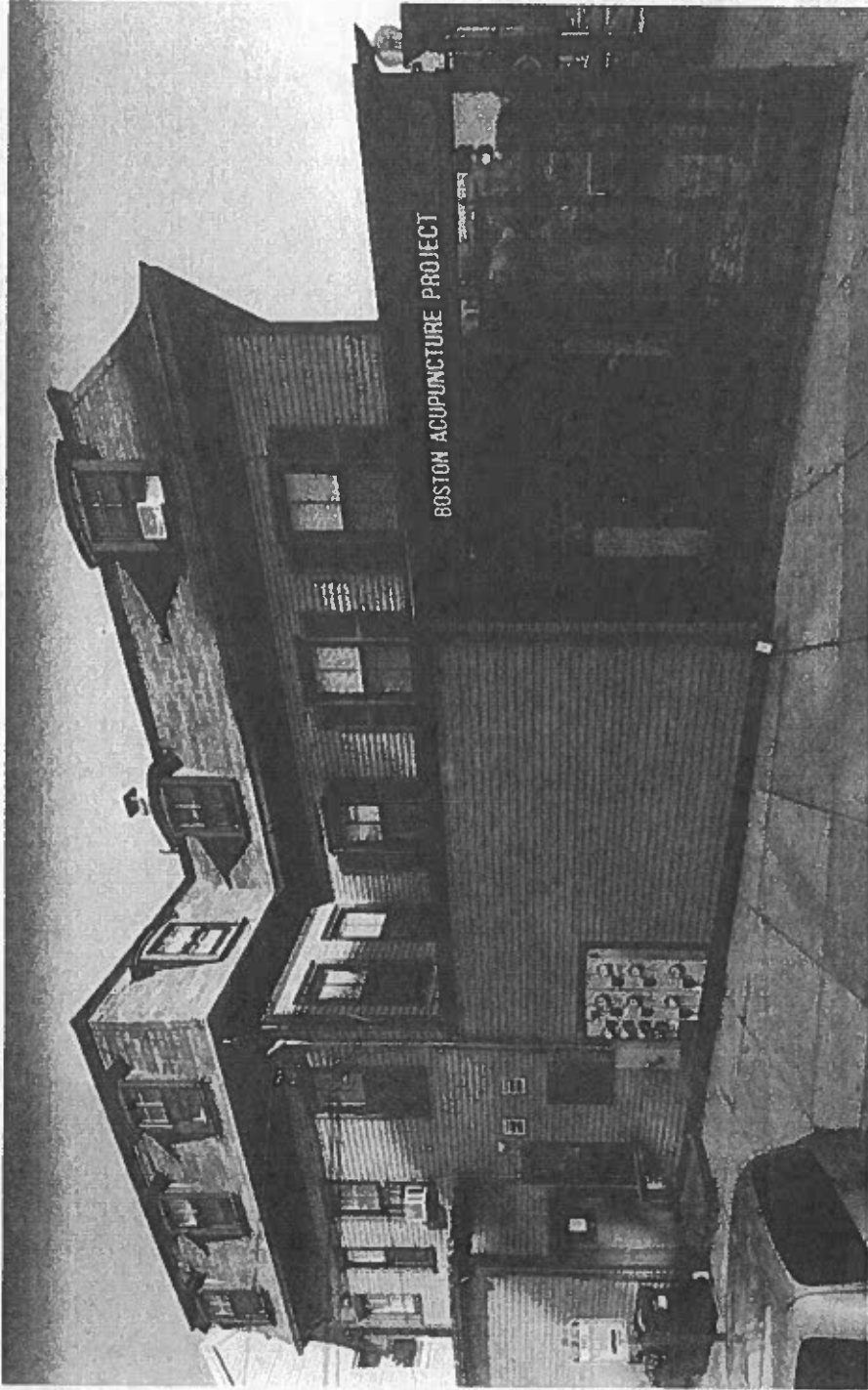
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**Rental Housing: Residences off Baker, West Roxbury** - First new 100% income-restricted development in West Roxbury in almost 10 years. 60 income restricted units.



## Inclusionary Development Policy (IDP) Funds

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### **Acquisition Opportunity**

#### **Program: Vertullo**

**Building**, Hyde Park.

Acquired in March 2022

and preserved in

perpetuity through

Acquisition Opportunity

Program. 5 retail spaces,

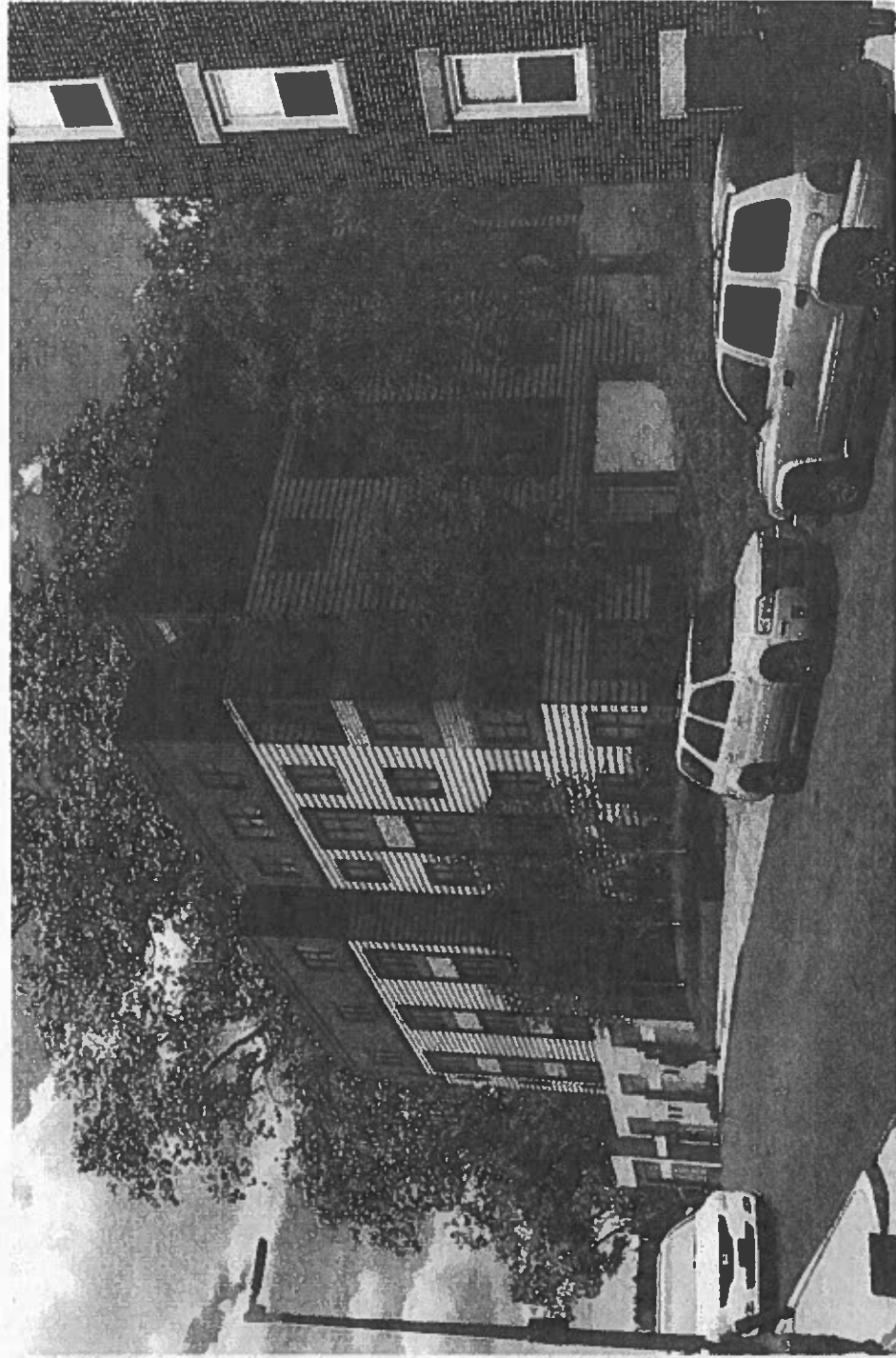
and 4 apartments of

which 3 will be

income-restricted.

## Inclusionary Development Policy (IDP) Funds

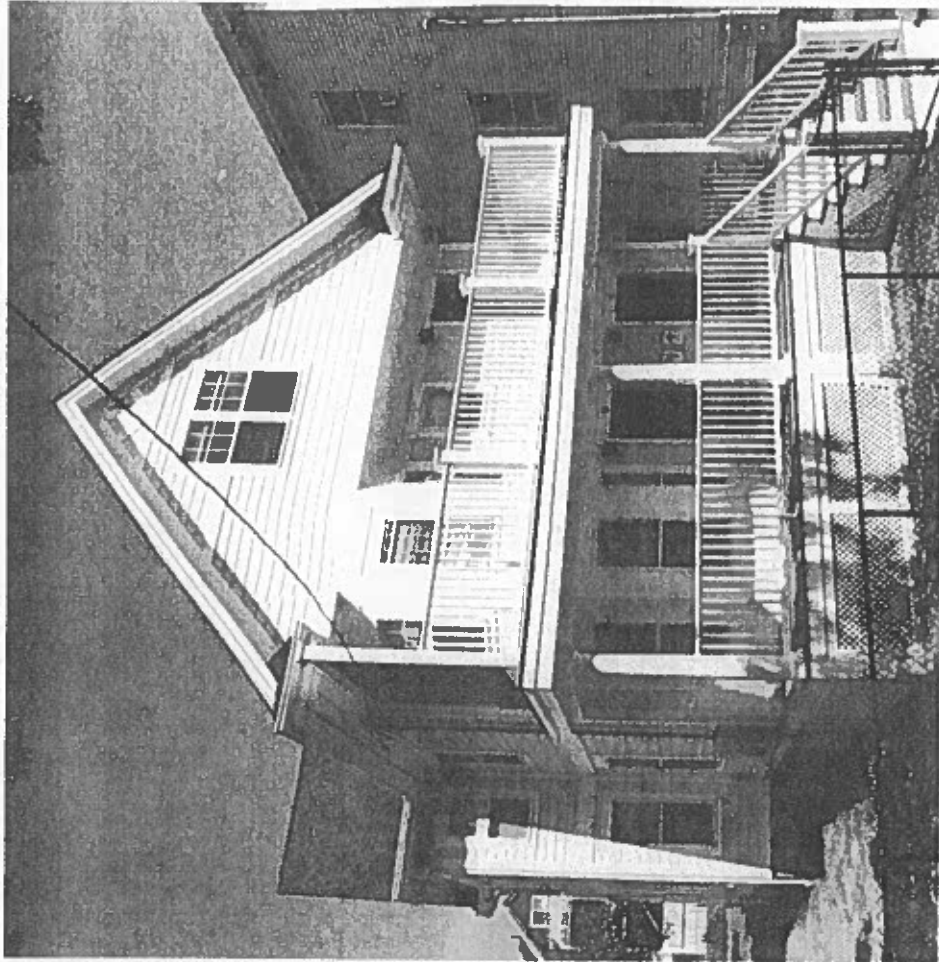
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**Homeownership:**  
**Fountain Hill Condos.**  
Roxbury. 40 new  
income-restricted  
condos.

## Inclusionary Development Policy (IDP) Funds

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**Neighborhood Homes Initiative: 12 Roxton Street,**  
Dorchester. Complete. New 2  
Family on former City-owned  
lot. Both units are income  
restricted.

PHOTO: [unreadable]



