

OFFERED BY COUNCILOR RUTHZEE LOUIJEUNE, TANIA FERNANDES-ANDERSON, AND KENZIE BOK, EDWARDS, ARROYO, BREADON, FLAHERTY, LARA, MEJIA, MURPHY, WORRELL AND FLYNN



CITY OF BOSTON IN CITY COUNCIL

ORDER FOR A HEARING TO EXPLORE MUNICIPAL BONDS AND OTHER FISCAL OPTIONS TO INCREASE AFFORDABLE HOUSING AND COMMUNITY INVESTMENTS

WHEREAS, The City of Boston has maintained a AAA bond rating since 2014, and in fiscal year 2022, the City's debt servicing expenditures accounted for only 5.3% of operating budget expenditures, well below the 7% debt management policy; *and*

WHEREAS, The City has been rapidly retiring its debt, representing an opportunity to leverage the City's strong bond rating and financial position to address expanded supports for long term city goals; *and*

WHEREAS, The City of Boston must explore its capacity to issue bonds under the current debt management policy, and discuss the appropriate service percentage as a cost-effective strategy to increase the supply of affordable housing while not negatively affecting the city's bond rating and operating budget; *and*

WHEREAS, In December 2020, the City of Boston issued its first series of Green and Social Bonds, with \$25 million for Green Bonds to retrofit municipal buildings and build climate resilience infrastructure, and \$35 million for Social Bonds to finance affordable housing projects; *and*

WHEREAS, Boston should utilize bonding to build up to 2,464 deeply affordable public housing units to meet our "Faircloth Limit" and can utilize Faircloth-to-RAD and public housing mixed-finance vehicles to make these units financially sustainable; *and*

WHEREAS, In 2013 the City of Boston sponsored and authorized the Dudley Square Realty Corporation and Ferdinand Building Development Corporation, issuing \$28.9 million in general obligation bonds. Utilizing these bond proceeds the investment corporations leveraged these funds to create an additional \$40 million dollars, showing how city bonding can support specific community projects; *and*

WHEREAS, The City of Boston should explore affordable housing bonds and mortgage revenue bonds as a means of supporting first-time and first-generation home buyers via successful programs such as the ONE+ Boston mortgage and partnerships with affordable housing non-profits, thus working towards narrowing the racial wealth gap; *and*

WHEREAS, The City of Boston must leverage federal one-time investments, CARES Act and ARPA funding, to coincide with our long-term city priorities in affordable housing, infrastructure, climate mitigation, and community development; *and*

WHEREAS, The City of Boston should implement strategies that allow the quick scaling up of eligible projects, and improved project management capacity, to better and more reliably maximize its annual debt issuance in support of key collective priorities; *and*

WHEREAS, Issuing general obligation bonds for affordable housing and green infrastructure will allow the city to reallocate parts of its operating budget to redress historic policy wrongs, explore guaranteed income programs enacted like the one enacted in Chelsea, MA, and more; *and*

WHEREAS, The City of Boston must leverage its fiscal prosperity as a means to an end - to ensure the prosperity of Boston residents, especially those who have been historically excluded from experiencing the benefits of this city's wealth; ***NOW, THEREFORE BE IT;***

ORDERED: That the appropriate committee of the Boston City Council, and other appropriate municipal agencies and departments, including Treasury, Auditing, Administration and Finance, Boston Finance Commission, Boston Municipal Research Bureau, and other interested parties be invited to a hearing to discuss exploring bonding and other fiscal options for increasing affordable housing, infrastructure, and community development.

Filed in Council: February 16, 2022