

OFFERED BY COUNCILORS BRIAN WORRELL, BREADON, COLETTA ZAPATA, CULPEPPER, FITZGERALD, FLYNN, LOUIJEUNE, MURPHY, PEPÉN, SANTANA, AND WEBER



CITY OF BOSTON

IN THE YEAR TWO THOUSAND TWENTY SIX

ORDER FOR A HEARING TO EXPLORE PRO-GROWTH REDEVELOPMENT TOOLS FOR UNDERPERFORMING COMMERCIAL PROPERTIES IN BOSTON

WHEREAS, Boston commercial properties have seen a decline in value citywide, dropping 5 percent or more for two consecutive fiscal years; *and*

WHEREAS, That broader decline is reflected in recent sales such as 99 Bedford St., which sold for \$19 million in December 2025 after selling for \$51 million in 2019, and 11-17 Avenue de Lafayette, which sold for \$9.2 million in December 2025 after selling for \$23 million in 2021; *and*

WHEREAS, Those falling values have coincided with significant weakness in the office market, as Boston office space recorded a vacancy rate in February 2026 of 16.8%, the highest monthly mark this decade and nearly triple the 6.3% vacancy rate recorded in February 2019, while average asking rent fell to an average rent of \$36.28 per square foot, a drop of more than 14% from February 2019, according to the Planning Department's Economic Indicators dashboard; *and*

WHEREAS, As commercial values decline and office vacancies remain elevated, the effects are felt beyond the commercial market, including increased pressure on the City's tax base and rising residential tax bills, with the average residential property seeing tax increases of more than 5 percent for 8 consecutive years; *and*

WHEREAS, In response to these challenges, the City has already taken steps to encourage reinvestment, including through its commercial-to-residential tax incentive program and through PLAN: Downtown and other planning initiatives that have reduced certain zoning and pre-development barriers; *and*

WHEREAS, While those efforts have shown promise, they are not sufficient for every struggling property, particularly older Class B and Class C commercial buildings that may require substantial repositioning, major renovation, adaptive reuse, or even demolition before they can return to productive use; *and*

WHEREAS, For that reason, additional tools should be considered to help unlock reinvestment across the city, including targeted redevelopment incentives for current Class B and Class C commercial properties that are repositioned into mixed-income housing, modernized commercial space, or other uses that strengthen the City's economy and tax base; *and*

WHEREAS, Such tools may also include financial strategies that improve project feasibility and access to capital, including redevelopment financing support, district-based reinvestment tools, gap-financing for deeply distressed properties, and demolition and site-preparation incentives for functionally obsolete buildings; *and*

WHEREAS, The City should also consider whether adaptive reuse incentives should apply not only to housing conversions but also to mixed-use, institutional, cultural, hotel, educational, laboratory, entertainment, retail and other productive uses that can restore value to underperforming commercial properties and bolster surrounding business districts; and

WHEREAS, An “office-to-anything” adaptive reuse pathway may provide an additional strategy for commercial buildings that are not viable candidates for residential conversion but may be suitable for other productive uses that support economic activity, employment and long-term tax value;

WHEREAS, A stronger and more flexible set of pro-growth, pro-reinvestment tools is needed to help Boston stabilize underperforming commercial properties, attract private capital, support major renovations and new construction, and return these sites to productive use; **NOW, THEREFORE BE IT**

ORDERED: That the appropriate committee of the Boston City Council hold a hearing to explore tax incentives, waived fees and permits, lower construction lending rates, lower-cost capital tools, adaptive reuse financing tools for struggling commercial districts, gap-financing and subsidy programs for deeply distressed Class B and Class C properties, demolition and site-preparation incentives for obsolete commercial buildings, broader adaptive reuse policies that allow commercial properties to be converted into housing, mixed-use, institutional, cultural, hotel, educational, laboratory, entertainment, retail, and other uses, and the creation of an “office-to-anything” adaptive reuse pathway for struggling commercial properties that are not suitable for residential conversion, and representatives from the Finance Department; Planning Department; Assessing Department; Office of Economic Opportunity and Inclusion; and other interested parties be invited to testify.

Filed on: April 6, 2026