

OFFERED BY COUNCILORS HENRY SANTANA AND LIZ BREADON



## CITY OF BOSTON

IN THE YEAR TWO THOUSAND TWENTY SIX

### ORDER FOR A HEARING TO CONTINUE EXPLORING STRATEGIES FOR DEVELOPING MIXED-INCOME SOCIAL HOUSING TO INCREASE HOUSING ACCESS AND AFFORDABILITY FOR ALL BOSTONIANS

**WHEREAS,** Social Housing is publicly financed, mixed-income housing that recoups public investment for the public good, and has been proven to be a fiscally responsible and sustainable method to create and maintain high-quality and affordable housing for a wide range of income levels; *and*

**WHEREAS,** Housing is a human right, everyone deserves to have a home, and data and the lived experiences of our residents continuously demonstrate that housing is currently unaffordable for most Bostonians, with the majority of Boston households being renters, and 53.5% of Boston renters being cost burdened, with over 30% of their household income going to housing costs; 80.6% of Boston households having household income below \$200,000, the approximate amount required to afford to purchase an average home in the Boston Metro; and 27.5% of existing Boston homeowners already cost-burdened (US Census Bureau American Community Survey; Redfin, August 2023); *and*

**WHEREAS,** The City of Boston has taken a critical step forward in support of developing Mixed-Income Social Housing, with the launch of the \$110 million City of Boston Housing Accelerator Fund, modeled on the policy approaches discussed during a series of City Council hearings held on this matter in 2024, and created with the assent of the City Council in January 2025; *and*

**WHEREAS,** The new Housing Accelerator Fund will increase the availability and accessibility of Boston Housing Authority (BHA) public housing, while fostering mixed-income communities, beginning with immediately enabling resumption of the redevelopment of Boston's largest public housing development, BHA Bunker Hill, with the replacement of all 1,100 existing affordable Charlestown units with an integrated community comprised of 2,699 mixed-income homes, including 1,010 deeply affordable units; *and*

**WHEREAS,** The Commonwealth of Massachusetts has also launched a \$50 million Momentum Fund through the 2024 Affordable Homes Act, which will further support the creation of affordable mixed-income housing in Boston; MassHousing

is partnering with the City of Boston by providing at least \$10 million of investments in Boston projects to supplement the City of Boston Housing Accelerator Fund, starting with the the development of 750 to 1,000 mixed-income rental units beyond the Bunker Hill BHA redevelopment; *and*

**WHEREAS,** The Housing Accelerator Fund will also support homeownership through a pilot program structured for earlier investment and earlier payback, so the City recoups its investment faster, and can reuse the funds for additional projects; *and*

**WHEREAS,** All of these housing development projects come at virtually no cost to taxpayers, and in fact generate an actual financial investment return for the public, as the City of Boston's Housing Accelerator Funds will be replenished with interest as these projects come online, enabling further investment in additional mixed-income social housing projects; *and*

**WHEREAS,** This investment in BHA public housing for low-income households comes at an especially critical time, when shortfalls to meet demand are obvious, with BHA reporting communities currently have waiting lists of 1,200 to 13,000 applicants, often requiring wait times over 10 years; and many BHA facilities long past their useful lifespans, and in desperate need of replacement; *and*

**WHEREAS,** Additional strategies for affordable housing creation beyond BHA public housing are also critical, as federal restrictions through the "Faircloth Amendment" of the United States Housing Act of 1937 §9(g)(3) limit the number of public housing units for which the Department of Housing and Urban Development (HUD) can provide Capital Fund or Operation Fund allocations for each municipality. This effectively caps how many additional BHA public housing units can be created or acquired and have their ongoing maintenance funded by the federal government. In January 2024, the Boston Planning and Development Agency noted a limit of 2,891 new units, approximately a 23% increase from the approximately 12,623 units BHA currently owns or operates per its website; *and*

**WHEREAS,** Income limits on BHA, Inclusionary Development Policy (IDP), and Housing Choice Voucher programs restrict eligibility and create financial cliffs. While these programs are hugely beneficial for the people they serve, many Bostonians who are housing cost-burdened are ineligible for these programs, even if there were sufficient supply of public housing, IDP units, or housing vouchers to eliminate long waitlists. Additionally, residents currently utilizing any of these programs can face challenging or insurmountable financial decisions in cases where their income increases enough to cease qualifying for a housing program, but insufficiently to afford market-rate housing; *and*

**WHEREAS,** Many Boston residents earn "too much" income to qualify for subsidized housing programs, yet are far from being able to sustainably afford market-rate housing.

Boston needs more housing affordable across all income levels, in addition to the extremes of market-rate and low-income. Housing affordable to a variety of income levels also provides stability against displacement and changing life circumstances; *and*

**WHEREAS,** Mixed-income communities are needed to break down historical socioeconomic and racial segregation, and knit the city of Boston back together. Boston's history of redlining by deeming areas "hazardous" for lending by the federal Home Owners' Loan Corporation based on racist, anti-immigrant, and classist assumptions beginning in the 1930s; race-based restrictive covenants limiting where people could live based on race from the 1840s through 1940s; and urban renewal programs from the 1950s through 1960s which demolished diverse working-class communities and communities of color, created a city segregated by race and socioeconomic status. Though the policies that created that segregation have been stopped, a 2022 Harvard Chan School of Public Health report found that geographic segregation nonetheless persists even decades later, with roughly twice the poverty level, roughly twice the Black population, and roughly twice the level of household crowding in neighborhoods redlined in the 1930s as compared to those not. A 2023 Boston Public Health Commission report noted the stark difference in life expectancy of 92 years for a census tract in Back Bay, versus 69 years for a census tract in the historically redlined Roxbury less than 2 miles away; *and*

**WHEREAS,** Social Housing is a proven method long leveraged by other cities to sustainably create and maintain housing that is affordable for all income levels, and create socioeconomically integrated communities. Vienna has employed Social Housing for over a century to maintain high-quality and low-cost housing while funding ongoing housing development and maintenance to keep pace with demand; nearly half of the Vienna housing market is made up of city-owned or cooperative units, and over 60 percent of Vienna's 1.8 million residents live in subsidized housing. Vienna is not alone, with similar programs encompassing approximately 17 percent of housing in Helsinki, and creating homes for more than 80 percent of residents in Singapore; *and*

**WHEREAS,** Montgomery County, Maryland has successfully demonstrated Social Housing can be built in the United States without federal Low Income Housing Tax Credit (LIHTC) nor long-term Housing Initiative Fund (HIF) funding, creating a 268-unit mixed-income, mixed-use development rich with amenities that opened in 2023 and has already replenished the County's revolving fund that financed it. Unlike other public financing strategies, the funds can now be used again, and the Housing Opportunities Commission is continuing progress on a master development plan, including 1,014 multifamily units, 100 for-sale condominiums, 406 townhomes, up to 82,000 sq. ft. of retail, and a public library; *and*

**WHEREAS,** Mixed-Income Social Housing is a self-sustaining and fiscally responsible housing production strategy that enables Boston to treat public funds as investment instead of expense, generating public benefit instead of private profit. In most housing programs, the government serves as a subsidizer, giving away our public funds and public land to a private developer, and limiting our public assets to a single use. In contrast, Social Housing utilizes a revolving fund that finances the creation of mixed-income housing, which is replenished with proceeds from the development. This enables reinvesting the fruits of our public resources for further public benefit by developing additional housing; *and*

**WHEREAS,** Traditional federal public housing strategies create units prone to falling into disrepair and being stigmatized because their reliance solely on external financial subsidization is challenging to maintain. Social Housing addresses this by integrating mixed-income housing that generates income, enabling higher-quality development and funding ongoing maintenance; *and*

**WHEREAS,** Mixed-Income Social Housing programs creates housing accessible across a wide range of incomes, without disrupting private and nonprofit housing production. Boston's housing affordability crisis necessitates more housing supply across all levels, and private developers, community development corporations and other mission-driven nonprofits creating affordable housing, and public value capture programs like IDP, are all part of that. Social Housing simply expands our toolbox, adding a tool that can overcome the tendency of striated housing split across market-rate and low-income that tends to arise from underlying objectives and financing options available to other housing development strategies, and which can continue to produce housing during countercyclical markets; *and*

**WHEREAS,** Boston must continue to explore all options to address housing affordability across all income levels, and support mixed-income communities where all residents can thrive regardless of income level, and without segregation.  
**NOW, THEREFORE BE IT**

**ORDERED:** That the appropriate committee of the Boston City Council holds a hearing to continue exploring strategies for developing Mixed-Income Social Housing in the city of Boston to create socioeconomically integrated communities, contribute to the access and affordability of housing for residents across all income levels, and invest in community ownership of housing. Representatives from the appropriate departments of the Administration and experts on Social Housing programs will be invited, and members of the public are encouraged to attend and testify.

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