



Boston's Inclusionary Development Policy: Background and Zoning Proposal

May 2023



An aerial, wireframe-style illustration of a cityscape in shades of blue. The buildings are represented by white outlines, creating a complex, geometric pattern. The perspective is from a high angle, looking down on the city. A dark blue horizontal band runs across the middle of the image, containing the main text.

What is Inclusionary Development?

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		Income-Restricted
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Example: 21 Unit Building

Current on-site policy
requires at least 3
income-restricted units

In an inclusionary development program, market rate housing projects are required to support the creation of income-restricted housing, whether on-site within the project, off-site near the project, or by paying into a fund for the creation of income-restricted units elsewhere.

In Boston, it has been called the Inclusionary Development Policy (IDP)

History of the Inclusionary Development Policy

Up until now, IDP was always enforced through an executive order.

- **2000: Mayor Thomas M. Menino creates first IDP, by Executive Order.**
- **Updates to policy occurred in 2003, 2005, 2006, and 2007.**
- **2015: Current policy established.**
- **2019: City Council passes Home Rule Petition that would allow inclusionary housing in zoning.**
- **2021: State Legislature passes Home Rule Petition, adopted as Chapter 365 of the Acts of 2020.**
- **2022: Feasibility study initiated; zoning proposal released**
- **2023: Public hearings and comment period**



Current Inclusionary Development Policy

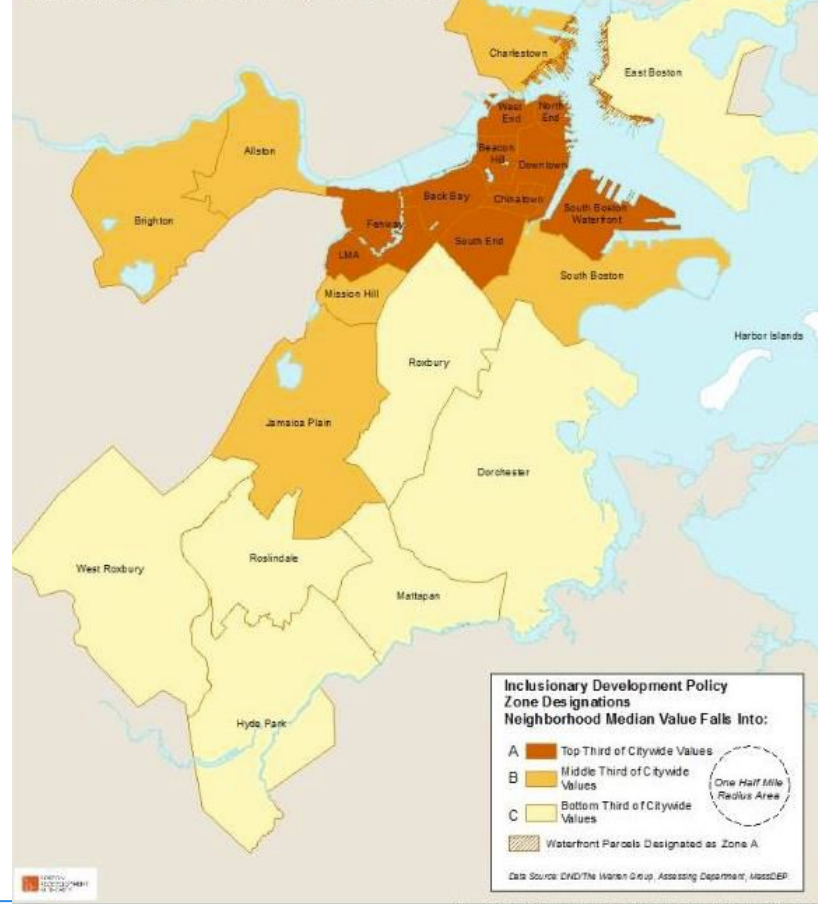
Current Policy

**Applies to projects with 10 or more units
& requires zoning relief**

**2015 revision created three zones, to set
different buyout and off-site
requirements for different parts of the
city.**

Inclusionary Development Policy Zone Designations

Based on Median Value per Square Foot of Living Area
for Condos, One-, Two-, and Three-Family Homes, FY13-FY15



Current Policy: Percentage of Units/Cashouts

IDP Option	Zone A	Zone B	Zone C
On-Site Units	13% of total units	13% of total units	13% of total units
Off-Site Units	18% of total in vicinity	18% of total in vicinity	15% of total in vicinity
Cash out Rental	18% of total at \$380,000/unit	18% of total at \$300,000/unit	15% of total at \$200,000/unit
Cash out Condo	18% of total at 50% of price differential (\$380,000/unit minimum)	18% of total at 50% of price differential (\$300,000 /unit minimum)	15% of total at 50% of price differential (\$200,000/unit minimum)

*On-site/off-site/cash out combinations are allowed, with approval of the BPDA Board.

Example: 100 Unit Development

IDP Option	Zone A	Zone B	Zone C
On-Site Units	13 units	13 units	13 units
Off-Site Units	18 units	18 units	15 units
Cash out Rental	\$6,840,000	\$5,400,000	\$3,000,000
Cash out Condo	18% of total at 50% of price differential (\$6,840,000 minimum)	18% of total at 50% of price differential (\$5,400,000 minimum)	15% of total at 50% of price differential (\$3,000,000 minimum)

Current Policy: Incomes Targeted

Rental units are made available to households with incomes less than 70% of Area Median Income

Half of homeownership units are made available to households with incomes less than 80% of Area Median Income, the other half are available to households with incomes between 80% and 100% of Area Median Income

2022 Maximum Income Limits for Most New IDP Units

Household Size	Rental Units, 70% of AMI	Homeowner Units, 80% of AMI	Homeowner Units, 100% of AMI
1	\$68,750	\$78,550	\$98,150
2	\$78,550	\$89,750	\$112,200
3	\$88,350	\$100,950	\$126,200
4	\$98,150	\$112,150	\$140,200
5	\$106,050	\$121,150	\$151,450

IDP Program Outcomes

- **Because of the IDP, developers have created over 4,000 on-site and off-site income restricted housing units, and 688 units are in construction.**
- **In addition, developers have made over \$200 million in IDP contributions. For every \$1 spent from the IDP Fund, \$6 in matching City, State, and/or Federal funds is also spent on the creation or preservation of affordable housing. As a result, over 3,100 income-restricted units located across the City have been completed or preserved with IDP funds, and 484 units are in construction.**

The background is a dark blue aerial wireframe map of a city, showing building footprints, streets, and parks in a light blue color. The map is centered on a city block with several large buildings and a street intersection.

Proposed Inclusionary Zoning

Proposed Policy: Inclusionary Zoning

- **Developments that do not need zoning relief (built “as of right”) will still have to support income-restricted housing.**
- **The trigger for participation will be lowered from 10 units to 7 units.**
- **Under the old policy, developers had to create units that were proportionate to the size and bedroom types in the development. As a result, many Inclusionary units were studios and one-bedrooms. The new zoning would allow the City to require more family-sized units.**
- **IDP Zones will only be used for determining payment amounts when contributions are allowed for partial or full units.**
- **Changes will be phased in.**

Zone Changes

Zone	Current Policy	Changes Proposed
A	Back Bay, Bay Village. Beacon Hill, Chinatown, Downtown, East Boston (waterfront parcels), Fenway, Leather District, North End, South Boston Waterfront, West End	Charlestown moved from Zone B to Zone A
B	Allston, Brighton, Charlestown, Jamaica Plain, Mission Hill, South Boston	East Boston moved to Zone B from Zone C
C	Dorchester, East Boston, Hyde Park, Mattapan, Roslindale, Roxbury, West Roxbury	

Proposed Zoning: Rental Requirements, Small Projects (generally less than 50 units*)



IDP Option	Zone A	Zone B	Zone C
On-Site	17% of units/square footage at average of 60% of AMI and maximum of 70% of AMI		
Off-Site	Not allowed		
Full Unit Contribution	May be allowed, subject to BPDA/City approval, at rates below		
Partial/Full Unit Contribution Rate	\$675/square foot times the remainder of the on-site percentage obligation	\$460/square foot times the remainder of the on-site percentage obligation	\$365/square foot times the remainder of the on-site percentage obligation

*Developments of less than 50,000 square feet.

Proposed Zoning: Rental Requirements, Large Projects (generally 50 units or more*)

17% of units/square footage at an average of 60% of AMI, and no higher than 70% of AMI



3% of units/square footage set-aside for voucher holders, generally making incomes less than 30% of AMI



20% of units/square footage at an effective average Area Median Income of 55.5%

OR

15% of units/square footage at an average of 50% of AMI, and no higher than 70% of AMI



3% of units/square footage set-aside for voucher holders, generally making incomes less than 30% of AMI



18% of units/square footage at an effective average Area Median Income of 46.7%

*Developments of 50,000 square feet or more.

Proposed Policy: Rental Requirements, Large Projects



IDP Option	Zone A	Zone B	Zone C
On-Site	15% of units/sf at avg. of 50% of AMI (max of 70% of AMI) + 3% of units/sf set aside for voucher holders, total 18% of units/sf OR 17% of units/sf at avg. of 60% of AMI (max of 70% of AMI) + 3% of units/sf set aside for voucher holders, total 20% of units/sf		
Off-Site	Rental units at 20% of units/sf at avg of 60% of AMI (max of 70% of AMI), subject to BPDA/City approval		
Full Unit Contribution	May be allowed, subject to BPDA/City approval, at rates below		
Partial/Full Unit Contribution Rate	\$675/square foot times the remainder of the on-site percentage obligation	\$460/square foot times the remainder of the on-site percentage obligation	\$365/square foot times the remainder of the on-site percentage obligation

Proposed Policy: Incomes Targeted

Rental units will be made available to a range of incomes, at an average of 50% or 60% of Area Median Income, and a maximum of 70% of Area Median Income.

Units set-aside for voucher holders will serve households with income less than 30% AMI.

Example 2022 Maximum Income Limits

Household Size	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI
1	\$29,450	\$39,300	\$49,100	\$58,900	\$68,750
2	\$33,650	\$44,900	\$56,100	\$67,300	\$78,550
3	\$37,850	\$50,500	\$63,100	\$75,700	\$88,350
4	\$42,050	\$56,100	\$70,100	\$84,100	\$98,150
5	\$45,450	\$60,600	\$75,750	\$90,850	\$106,050

Example: 100 Unit Rental Development

On-Site Unit Outcomes			
Number of Units, by AMI	Current Policy*	Proposed Policy, Option A**	Proposed Policy, Option B**
Affordable to less than 30% of AMI (voucher set aside and units restricted at 30% of AMI)	0	8	3
50% of AMI	0	5	6
60% of AMI	0	0	5
70% of AMI	13	5	6
Total Units	13	18	20

*The payment standard for voucher holders make units at 70% of AMI or less affordable to voucher holders, but there is no set-aside.

**The unit outcome may vary in order to provide family-sized units.

Proposed Zoning: Homeownership Requirements, Small Projects (generally less than 50 units*)



IDP Option	Zone A	Zone B	Zone C
On-Site	17% of units/square footage at average of 90% of AMI, with half of units at 80% of AMI and remainder at 100% of AMI		
Off-Site	Not allowed		
Full Unit Contribution	20% of usable square footage paid at 75% of differential between market price/sf and IDP price/sf		
Partial/Full Unit Contribution Rate	\$850/square foot times the remainder of the on-site percentage obligation	\$500/square foot times the remainder of the on-site percentage obligation	\$300/square foot times the remainder of the on-site percentage obligation

*Developments of less than 50,000 square feet.

Proposed Zoning: Homeownership Requirements, Large Projects (generally 50 units or more*)



IDP Option	Zone A	Zone B	Zone C
On-Site	20% of units/square footage at average of 90% of AMI, with half of units at 80% of AMI and remainder at 100% of AMI		
Off-Site	Based on 20% of the units/square footage, developers may do rental or homeownership projects Rental AMI: Average of 60% of AMI, maximum of 70% of AMI Homeownership AMI: Average of 90% of AMI, with half of units at 80% of AMI and remainder at 100% of AMI		
Full Unit Contribution	20% of usable square footage paid at 75% of differential between market price/sf and IDP price/sf		
Partial/Full Unit Contribution Rate	\$850/square foot times the remainder of the on-site percentage obligation	\$500/square foot times the remainder of the on-site percentage obligation	\$300/square foot times the remainder of the on-site percentage obligation

*Developments of 50,000 square feet or more.

Proposed Policy: Incomes Targeted

Half of homeownership units are made available to households with incomes up to 80% of Area Median Income, the other half are available to households with incomes between 80% and 100% of Area Median Income

2022 Maximum Income Limits for Most New IDP Units

Household Size	Homeowner Units, 80% of AMI	Homeowner Units, 100% of AMI
1	\$78,550	\$98,150
2	\$89,750	\$112,200
3	\$100,950	\$126,200
4	\$112,150	\$140,200
5	\$121,150	\$151,450

Example: 100 Unit Condo Development



On-Site Units Outcomes*			
Number of Units, by AMI	Current Citywide Policy	Proposed Zoning, Smaller Projects	Proposed Zoning, Large Projects
80% of AMI	7	9	10
100% of AMI	6	8	10
Total Units	13	17	20

*The unit outcome may vary in order to provide family-sized units.

The background of the slide is a dark blue wireframe map of a city, showing building footprints, streets, and a grid pattern. The map is rendered in a light blue color against the darker blue background.

Next Steps/Public Process

Next Steps



Public Process

- **Release of Draft Zoning Amendment**
 - **Additional public hearing**
 - **On-line comment period**
- **BPDA Board vote, date to be determined**
- **City Council vote (proposal cannot go to Zoning Commission if 9 or more Councilors vote “no” on the proposal)**
- **Zoning Commission vote, date to be determined**

Additional Information

Review full language and submit public comments at
bostonplans.org/IDP

