

HOUSING ISSUES IN BOSTON:
GUIDELINES FOR NEW POLICY AND
PROGRAM PERSPECTIVES

CONDENSED VERSION OF A WORKING PAPER
(PREPARED FOR THE BOSTON COMMITTEE, INC.)

by

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Introduction

Urban stagnation and turbulence, the roller-coaster trends in the national and local economy and the vicissitudes of national, state and local public policies have left their mark on Boston's residential neighborhoods and housing markets.

Boston's response to the new opportunities of public policy during the sixties and seventies was to take full advantage of urban renewal, assisted-housing production and housing rehabilitation. Large-scale activities reshaped the occupancy patterns and market strengths of residential neighborhoods. By mid-1975, however, except for continuing growth in the City's subsidized housing stock, Boston's housing future looked bleak. There was pervasive evidence of a growing housing problem--physical neglect in public housing, exacerbated by major changes in tenant occupancy and acknowledged powerlessness of the tenant constituency to effect improvements; an increasing number of mortgage defaults, assignments or foreclosures in the large inventory of HUD-assisted multifamily rental housing; and the eroding effects on conventionally-financed private rental housing of rent regulation, inflation and high interest costs. Boston was experiencing relative stagnation in its housing markets. Residential property values in the strongest neighborhoods were barely able to keep pace with inflation while

those in transitional and weak housing markets seemed to face an uncertain future.

After 1975, however, and continuing until the present a turnaround in market forces began to alter future housing prospects, and Boston's relatively under-valued housing stock of smaller residential structures became increasingly attractive, particularly to newer smaller households. Other forces, including inflation, fueled this demand. Also stimulating renewed confidence in many of the City's housing markets were Housing Improvement Program grants that leveraged greater amount of private investment in the upgrading of owner-occupied structures of one to six dwelling units.

As the City moves further into the eighties, despite the favorable trends in Boston's housing markets, there are thousands of resident households whose income, minority status, age, health and other characteristics weaken their capacity to compete effectively for decent, affordable housing. Offsetting the narrow perspective of national housing policy and the current inclination of the national administration to curtail its financial and institutional involvement in housing production and assistance for households of low and moderate income are stronger signs of commitment from the Commonwealth, the City and the private sector for resolving current housing issues: (1) the under-utilized, under-maintained segment of the private housing

stock, including its vacant and abandoned segment, that can be salvaged for meeting part of the City's housing demand; (2) the large proportion of vacant, deteriorated public housing stock that can be restored as livable dwelling units for family households, elderly households and single-room occupancy for homeless individuals; (3) the financial crisis and worsening conditions in HUD-assisted multifamily rental housing, the disposition of which may eliminate an important housing resource for low-income households; (4) homeowner-ship demands, particularly from minority residents and first-time buyers; (5) the need for modifications in housing improvement allocations and subsidy mechanisms so that CDBG funds are channelled solely on the basis of relative conditions, provide a fairer distribution to minority neighborhoods and households, and give greater emphasis to upgrading the living conditions of tenants, who represent such a large proportion of City residents in need of housing; (6) increasing the access of low-income and minority households to housing and neighborhood choices throughout the Boston region and to credit and financial sources required to fulfill such opportunities; and (7) reducing the vulnerability of low-income households to displacement stemming from unchecked gentrification and competing uses for scarce urban space.

Demographic Trends and Patterns: Overview and Minority Perspectives

In weighing current and future needs and demands for

housing consumption, several factors are critical: (a) population and household changes, (b) changes in age groups and their potential for household formation, (c) changes in household size, and (d) the impact of varying lifestyles and patterns on housing requirements and choices.

The most significant trends of the seventies for current and future housing demand by minority groups in the city of Boston and in the Boston area were as follows:

1. Boston's minority population in 1980 totalled just over 169,000, accounting for about 30 percent of the City's total population. Whereas the white population declined by about 25 percent over the prior decade, and the City's total population showed a 12 percent decline over 1970, Boston's three major minority groups - blacks, those of Hispanic origin and Asians- had an overall increase of over 42,000 persons, or 32 percent. During the seventies the black population within the central city rose by 21 percent, the Hispanic population by 101 percent and the Asian population by 55 percent. The dramatic increase in the City's minority population and the decline in citywide population were both attributable to the immigration of minorities, the outmigration of persons classified as white and changes in household composition.

Of equal significance with the dramatic rise of minority

populations within Boston itself is the continuing concentration of nonwhite groups and persons of Spanish origin within the Boston area. Boston's black population (about 126,000) accounted for 79 percent of all black residents within the Boston metropolitan area (about 160,000) in 1980, as compared with 82 percent in 1970. The City's population of Spanish origin (about 36,000, of which about 4000 identified themselves as black) was 54 percent of all persons of Hispanic origin living in the Boston metropolitan area, while Asian residents of the central city (just over 15,000) constituted 41 percent of the total Asian population in metropolitan Boston.

2. Although the total number of households in Boston (over 218,000 in 1980) showed a very slight increase over 1970 (by four-tenths of one percent), indicating relative stabilization in the City's aggregate number of households over the past three decades, the total number of minority households increased by about 48 percent over 1970, from a total of some 40,000 to just over 59,000 households. Of particular interest is the fact that the 38 percent increase in the number of black households far exceeded the 20 percent increase in black population during the seventies.

Factors that explain the dramatic growth in the number of minority households as contrasted with the decline in white households include (1) the higher rates of natural increase (births minus deaths), and (2) the splitting off or dispersion of existing black households, causing increases in the total number of smaller black households, although large black households generally predominate.

3. A trend toward smaller households, the primary factor in the citywide decline in Boston's population during the seventies, is also appearing in the household patterns of the City's minority groups, although there are still wide differences between the average sizes of black and Hispanic households as compared with those of white households. Between 1970 and 1980, the City's average size of households fell from 2.8 to 2.4 persons per occupied household, with the average size of households in renter-occupied housing units declining even more sharply, from 2.5 to 1.9 persons. In contrast with a 1980 average size of 2.4 persons for white households was an average of 2.8 for black households and an average of 3.2 for Hispanic households. In 1980 one-and-two-person households made up almost two-thirds of Boston's occupied housing units as compared with 58 percent in 1970.

4. A decreasing number of so-called traditional families has emerged as one of the most significant changes

in household types in Boston. In 1980 the total number of husband-wife households with their own children under 18 had declined to about 73,000, or by over 28 percent since 1970. Married-couple households with children in 1980 had dropped to 34 percent of all the City's households, a significant decrease over the 47 percent level of 1970, when there were over 102,000 such households. By contrast the number of families with single heads, including single parents and unmarried adult children living with parents or relatives, increased from almost 39,000 to 43,000 households, thereby raising its proportion of households between 1970 and 1980 from 18 percent to 19 percent of the total. (Female-headed family households in 1980 exceeded 35,000.)

Households consisting of unrelated individuals, however, rose from 35 percent of the total of households in 1970 to 47 percent in 1980. The number of one-person households in Boston exceeded 80,000 in 1980, an increase of 27 percent since 1970, which brought this household segment up to 37 percent of all the City's households in 1980 from its 1970 proportion of 29 percent.

Although there has been a significant decline in the number of families with children and the 60,000 fewer children living in Boston in 1980 reflected a decrease of about one-third during the decade of the seventies, the number of minority households with children has increased.

The total number of minority children, close to 59,000 in 1980, accounted for over 48 percent of all children in the city under 18 years of age.

As for demographic forecasts and their likely impact on future housing demand in Boston, a recent analysis^{*} came to the following tentative conclusions:

1. Boston's total population "could decrease to less than 450,000 by the year 2000" if the average household size continues to shrink to an average of about 2.0 persons while the supply of housing has no increase^{**}.

2. The total number of households is likely to remain constant as a result of trends that increase the number of one-and two-person households and decrease the number of couples with children.

3. As a result of continuing contraction in average household size over the next two decades, the distribution of households according to size is expected to reach the following estimated proportions by the year 2000: one-person households - well over 40 percent of the population;

^{*}Future Boston, Patterns and Perspectives, Doolittle, Fred C., Masnick, George S., Clay, Phillip C. and Jackson, Gregory A., The Joint Center for Urban Studies of MIT and Harvard University, 1982.

^{**}Ibid, p. 84.

two-person households - about 30 percent of the population; households of three or more persons including traditional husband-wife families with children - under 30 percent of the population. The larger number of smaller households will be dominated mainly by occupied units with single persons (including elderly), two-person husband-wife households without children and single-parent households, a large percentage of these several groups being of low or moderate income.

4. The recent trend toward greater minority diversity in the population of the City of Boston is likely to continue throughout this century because of the following reasons: higher fertility rates among minority persons of child-bearing age; the growing number of elderly residents, most of them white, with higher death rates offsetting white birth rates and greater opportunities for retirement relocation outside the City; the fact that nuclear white families have greater mobility and housing choice.

Housing Stock: Overview and Minority Perspective

The dominating characteristic of Boston's current housing stock of over 241,000 housing units is its relatively large number of detached and attached smaller residential structures, estimated at 87,000. About two-thirds of the City's units are more than 40 years old, a good proportion of these having

been built prior to 1900. At the beginning of 1982 Boston's housing stock showed the following distribution by major type: 1-4 family houses - 53 percent; apartment houses/developments of five or more units - 43 percent, including 23 percent for unsubsidized apartments and 20 percent for subsidized apartments; and condominiums - 5 percent.

Between 1970 and 1982, the city's supply of housing showed an estimated loss of over 18,000 private rental units (through demolition, abandonment, change from rental status to owner occupancy, condominium conversion, etc.), including the demolition of some 8700 units in small structures (mainly rental units in absentee-owned two-and three-family houses), and the conversion of some 8,000 rental and lodging house units to condominiums or owner-occupied units. Most of the demolition affected dilapidated and abandoned wood-frame houses in neighborhoods with weak markets, mainly minority. Although an estimated 11,000 housing units have been demolished since 1970, an almost equal number of housing units were recovered through subsidized rehabilitation. The development of over 26,000 publicly-subsidized units compensated in part for the losses of demolished, abandoned and converted units.

Almost three-fourths (over 19,000) of the subsidized rental units that emerged during the seventies and early eighties were in federally or state-assisted private housing

developments, generated either through interest rate-reduction programs or rental certificate programs. As a result of this unprecedented period of subsidized housing construction for low and moderate-income households, about 30 percent of the total occupied rental housing supply in Boston now consists of publicly-subsidized units as compared with 14 percent in 1970.

An estimated 54 percent of the subsidized private housing units serve minority households, while 10,700 of these subsidized housing units (22 percent of the total) are designated for elderly households (for persons 62 years of age or older).

Unfortunately losses of private rental units in small structures have not been replaced by private housing of similar type. In 1960 one-to-four-family residences constituted two-thirds of the entire housing stock of Boston. By 1982 this segment of the City's housing had been reduced to 53 percent of the total. The significance of this decline should also be measured against the improvement in market strength of many neighborhoods that contain large numbers of small owner-occupied buildings. A major characteristic of this market strength is the favorable status of their rent levels. Relatively-moderate rents are due to the fact that these buildings are typically occupied by long-term

owners who have paid off their outstanding mortgages and where tenants live in positive symbolic relationships, often of long duration, with their resident landlords. Although reassessment and reduced taxes have eased part of the economic pressure in typical two-or three-family owner-occupied structures, modest prevailing rents in this important segment of the City's housing resources are threatened by higher costs of operation and maintenance, which are gradually driving up their rents.

As for housing in residential buildings of five or more units, between 1960 and 1970 such unsubsidized apartments increased to over 70,000 dwellings and reached 31 percent of Boston's total housing stock. Since 1970, however, the total number of unsubsidized apartment units has declined by over 15,000. Creation of 3000 new rental units (mainly luxury) were more than offset by losses of older rental units or by 21 percent. However, only about three percent of the 1970 total of such units were actually eliminated by demolition or abandonment. The net decline in the number of unsubsidized housing in larger buildings occurred through conversion to condominium ownership (accounting for over 10 percent of the gross loss) while almost a similar percentage shifted from private to subsidized status through acquisition, rehabilitation, and rental under federal

and state subsidy programs. Of the remaining unsubsidized stock of 50,000 rental units, almost 1200 buildings with 11,700 units are estimated in a report on multifamily housing of the Neighborhood Development and Employment Agency to be in varying conditions of disrepair, vacancy and abandonment. Supplementing the data in this report was information gathered by the Mayor's Office of Housing through a windshield survey that identified some 800 vacant buildings with over 2800 dwelling units, and determined in a preliminary way that about half of the structures in this list should be salvaged for rehabilitation, another third should require further diagnosis concerning the feasibility of rehabilitation, while the remaining one-sixth of the structures were recommended for demolition. Most of the larger structures deemed worthy of rehabilitation or requiring further evaluation were located in the neighborhoods of the Back Bay, Charlestown, Jamaica Plain, Roxbury and Charlestown, Jamaica Plain, Roxbury and the South End.

Thus a large proportion of residential structures with five or more dwelling units that are in deteriorated but salvageable condition could be restored to the City's inventory of decent and affordable housing through timely and appropriate treatment, and with a moderate level of rehabilitation and subsidy. Larger vacant residential buildings,

however, would be more costly, requiring heavier subsidy if rehabilitation were considered economically feasible.

Minorities are heavily concentrated in certain sections of Boston. Roxbury, with over 18,000 minority households (30 percent of all minority households in the City), is by far the largest minority neighborhood, followed by Mattapan (16 percent), the South End (12 percent), South Dorchester (10 percent) and Jamaica Plain (8 percent). These five areas account for three-fourths of all minority households in Boston. The following neighborhoods have the largest minority concentrations--Franklin Field (96.8 percent of neighborhood residents), Roxbury (93.1 percent), Mattapan (86.7 percent), Central, mainly Chinatown (66.7 percent) and North Dorchester (50.5 percent).

The 1980 median for dwelling unit size of occupied housing units in Boston was 4.4 rooms, reflecting relatively little change from the 1970 citywide median of 4.5 rooms. Moreover, when compared with the median number of persons per occupied unit of 1.96 for the City as a whole, the relatively large gap between median household size and median dwelling unit size indicates that overcrowding is not a critical problem. Growing demand for dwelling units with fewer rooms, particularly over the past two decades, has generated continuing conversion of larger housing units

to smaller ones. In areas dominated by white households with large proportions of single- and coupled-elderly and empty-nesters, there are varying degrees of underutilization of larger units. In 1980 over 11,000 of Boston's occupied housing units (5.2 percent of the total) were overcrowded, a decided improvement over the 7.6 percent level of 1970 and the 8 percent rate of 1960. However, overcrowding is relatively high for all minority groups because of larger nuclear households and the prevalence of extended families. The most serious conditions of overcrowding affect Asian households, mainly those of Chinese and Vietnamese background. But overcrowding is also a major concern of Hispanic householders. Roxbury, containing the heaviest concentration of minority households, has the highest rate of overcrowding (9.4 percent), followed closely by other minority-dominated areas such as the South End (8.9 percent), North Dorchester (8.0 percent), Mattapan (7.4 percent) and the Central neighborhood that includes Chinatown (6.7 percent).

Housing Demand

The several sectors of housing demand being generated in Boston by demographic and related forces may be summarized as follows:

1. Increased demand for home ownership from younger moderate-income families with or without children,

and heavy demand for condominiums and rental accommodations at moderate and higher price levels from the growing number of upwardly mobile nontraditional households, including empty nesters, childless couples and other smaller households consisting of unrelated adults. In selective neighborhoods of Boston close to workplace, this demand will exacerbate displacement of less affluent renters and intensify the competition for the existing stock of rental housing as between low and moderate income households and the expanding breed of higher-income professionals.

2. Increased demand from coupled and single-parent household families with children, especially those from minority groups, and from elderly couples and elderly individuals, most of whom were below the City's median family income level of \$16,062 in 1979.

3. A more reliable and updated Boston Housing Authority waiting list of applicant tenants provides a useful indicator of demand among lower-income households. The updated 1982 waiting list, which has reached 6200, is in stark contrast to the more than 4000 vacant housing units in family public housing developments (a vacancy rate of about 30 percent) owned by the Boston Housing Authority. Through the reconstruction of several family developments and the implementation of a number of strategies to reduce

vacancies, the four-year goal of the BHA is to increase the percentage of occupied units by 5 percent per year over the period, 1982-86. One of the assumptions of the comprehensive reconstruction of four large family housing developments, however, is to reduce their densities, thereby eliminating about 1800 housing units from the City's low-rent housing stock while facilitating achievement of the occupied-unit goal.

4. Growing concern for the increased numbers of homeless individuals and households, a hidden and somewhat neglected housing issue in Boston and other larger communities of Massachusetts, surfaced during the winter of 1982 as a result of deepening recession and the convergence of a number of other forces. Lodging house buildings in Boston containing about 800 housing units, and a prime source of single-room occupancy, were converted to condominiums during the 1969-79 period. Other lodging houses were lost as a result of sales to new owner-occupants and substantial rehabilitation. The demand for single-room occupancy shelter has been further heightened by deinstitutionalization of mental patients, often discharged from a residential facility without guarantees of resources to pay for housing or the availability of shelter. The Boston Housing Authority's traditional role in meeting emergency shelter needs of such families is impeded

by its large backlog of uninhabitable vacancies. The non-profit shelters cannot meet the growing demand of homeless individuals. The Commonwealth and City of Boston have taken emergency steps to relieve the temporary shelter shortage by making space available at state and municipally-owned hospitals. The State Executive Office of Communities and Development has assumed responsibility for longer-term solutions, including the development of low-income housing that includes single-room occupancies and small boarding-house replacements for lodging houses. The Legislature is considering bills to eliminate impediments to public assistance qualification and to the basic problem of providing a legal address for a homeless person. These initiatives demonstrate at least that this housing demand issue is at the top of the public agenda.

As for key minority neighborhoods, the demand issues are described briefly below:

1. Asian households, concentrated mainly in the Chinatown, South Cove and downtown areas of Boston, but expanding into the South End through the influx of Vietnamese and newer Asian households and under the pressures of displacement caused by institutional and commercial development, is one of the fastest-growing minority communities in Boston. Housing conditions in the congested center of

Chinatown may be the worst in Boston. The demand of Asian households for additional and improved housing is not only strong but is in conflict with and deterred by the competing pressures of commercial and institutional development.

2. Minority enclaves in the South End include clusters of black, Hispanic and Asian households who occupy older rental units in public housing and newer developments of housing in more recently-created publicly-assisted private housing built as part of the renewal of this community, and in older private housing. Private unsubsidized rental units occupied by minority households in the South End tend to be of poorer quality and maintenance than subsidized housing and housing of the newer white owners and tenants. The demand of existing lower income households for both additional and improved housing is in conflict with accelerating gentrification and with competing development in the Back Bay that would expand commercial land uses into the existing residential neighborhoods of the South End.

3. Housing demand in the black and Hispanic neighborhoods of Roxbury and North Dorchester is dampened significantly by steady declines in population and numbers of households. This housing market faces a dim future. More than three-fourths of the housing stock is in the hands of absentee owners. There has been and continues to be

considerable housing abandonment. Public housing developments are in varying but generally poor condition and plagued by high vacancy rates. Many subsidized private developments have required additional injections of subsidy support, reorganizations and other radical changes to keep them afloat, and they are beginning to exhibit the high vacancy and deferred maintenance characteristics of public housing.

4. In South Dorchester housing demand is caught between the competing needs and interests as between smaller white traditional households with fewer children, mainly in owner-occupied one and two-family houses, an increasing proportion of whom are elderly, and the black replacement owners who are growing in number.

5. In Mattapan, with its high concentration of black owner-occupants and tenants, the strength of future demand depends to a considerable extent on maintaining steady levels of housing maintenance and improvement, on increasing the proportion of owner-occupancy in two- and three family structures, and in eliminating pockets of neighborhood and housing blight that adversely affect residential values and markets.

The essence of Boston's housing problem lies in meeting the growing need of many low and moderate income households, including minority families, for decent affordable housing

through realistic rehabilitation of several thousand poorly-maintained, deteriorating, and/or under-utilized partially occupied buildings and through conversion of readily available non-residential buildings to housing purposes.

Satisfying pent-up and future demand for housing by restoration of existing vacant, abandoned and neglected buildings will be more complex and expensive than past rehabilitation and upgrading efforts. And future rehabilitation activity must look to the substitution of dwindling subsidies from the federal government with creative packaging of private loan funds, foundation loan and grant funds, and available public resources, particularly State and City.

Housing Conditions

Periodic field surveys of housing conditions and surveys of resident perceptions of such conditions indicate that in many areas of the City there has been general improvement in housing maintenance. This improvement is due to a considerable extent to the upgrading of owner-occupied structures of one to four units. In neighborhoods where this has occurred, property values have increased substantially and significant confidence has been restored.

According to the data from a recent field survey by the former Mayor's Office of Housing (now part of the Neighborhood Development and Employment Agency) over 60 percent of all the

privately-owned residential structures in Boston (50,000 of 87,000 such structures) is in reasonably good shape.

Housing conditions were found to be most favorable in single-unit structures and less favorable for privately-owned buildings containing larger number of dwelling units. Minority households by and large live in housing of poorer quality than white households, as indicated by the large numbers of housing units in "poor" and "fair" condition in North Dorchester, Roxbury, Mattapan, Franklin Field and Chinatown. However, such non-minority areas as Charlestown, the North End, South Boston and South Dorchester also have large concentrations of deteriorating housing. In Charlestown and the North End, where housing upgrading under urban renewal and gentrification stimuli have had positive impact only on certain of their sub-neighborhoods, overall housing market demand and trends in these areas indicate that they are in transition and on the brink of large-scale improvement.

A recent report on multifamily housing estimated that 16 percent of the city's residential buildings containing five or more dwelling units were in need of rehabilitation*.

*Neighborhood Development and Employment Agency, City of Boston, Multi-Family Housing in Boston--Issues and Options, Nov. 19, 1982.

According to this report there were in Boston an estimated 1170 investor-owned non-subsidized buildings with 11,300 dwelling units where, for a variety of reasons (high interest rates, inadequate margin between rental income and operating costs to justify significant modernization, governmental limits on rent levels, etc.), owners have been reluctant to improve their properties. The City's own survey of housing conditions showed that the percentages of larger residential buildings with "fair to good" evaluations were much higher in key minority neighborhoods than for the city as a whole: 90.2 percent in Franklin Field, 74.3 percent in Jamaica Plain, 58.2 percent in North Dorchester, 56.9 percent in Fenway/South End, 47.9 percent in Roxbury and 44.9 percent in South Dorchester.

Moreover, a survey of vacant residential buildings undertaken by the Mayor's Office of Housing in January, 1983 identified 819 vacant, some of them presumably abandoned, buildings containing over 2800 dwelling units -- 93 one-unit structures, 152 two-unit structures, 369 three-unit structures, and 305 structures with four or more units. Of the 819 buildings, 382 or 47 percent of the total and with 1489 dwelling units (53 percent of the total) were classified as in sound enough structural condition to warrant setting aside for rehabilitation, while 304 buildings with

927 units required further evaluation, and 133 buildings with 392 units were recommended for demolition. The largest concentration of vacant buildings that the survey found to be boarded up or for which boarding or demolition was recommended were in Wards 9, 11, 12, and 14, wards containing large proportions of the City's black and Hispanic households.

Conditions in two major categories of multifamily rental housing -- public housing and subsidized private housing -- have emerged as particular concerns because of their relative importance as housing accommodations for low and moderate-income households, especially minority households. Over half the 48,000 households residing in such housing are black, Hispanic or Asian. There are about 4000 vacant and/or boarded-up housing units in family housing projects owned by the Boston Housing Authority that will not become habitable or available for occupancy until reconstruction of entire developments, extensive rehabilitation of individual vacant units, or less-intensive improvement of existing vacancies improve living conditions. Increased federal and state funding has accelerated the implementation of these strategies, but due to a long period of neglect and deferred maintenance, it may take a decade or more to restore public housing to decent occupancy levels.

In addition to the conditions dilemma in public housing, there is growing apprehension over the physical deterioration and financial collapse of many subsidized private housing developments. Almost 26,000 housing units in Boston were developed under these older FHA interest rate-reduction programs and later Section 8 rental subsidy programs. Between 1970 and 1982 the total number of federal and state subsidized private family rental units increased by over 19,000 units. In February 1978, two-thirds of Boston's federally-assisted multifamily developments -- 68 projects with over 8100 dwelling units -- were financially-troubled.* Over the next 3-1/2 years the inventory of subsidized developments had been reduced to a total of 81 projects containing 11,715 dwelling units. HUD had acquired 31 projects, of which 23 had been re-sold during the period since 1978. Some were sold with additional public subsidy. A few were designated as demonstration projects to test the feasibility of tenant ownership and/or management models. As of October 1981, of the remaining inventory of subsidized developments,

*Emily Achtenberg and Vincent V. O'Donnell, Resident Participation in the Management and Disposition of HUD-Owned Multifamily Housing, Final Report on the Boston Area Office Demonstration Program, April 1, 1982, Citizens Housing and Planning Association, Inc., p. 1-4.

36 projects (44 percent of the total) consisting of 5121 dwelling units were in some phase of financial difficulty -- 20 with HUD-held mortgages, 11 with foreclosed mortgages and 11 with mortgage assignment.

Boston's distressed projects are geographically concentrated in the minority-dominated, lower-income neighborhoods of North Dorchester, Roxbury and the South End. The present concern of both their community sponsors and residents is that most of these developments will have to be re-possessed by HUD and re-sold. Since HUD is moving away from 40-year commitments of deep rental assistance toward indefinite forms of less expensive housing vouchers and is leaning toward disposition of troubled developments without guarantee of current rents and tenant rights, there may very well be a reduction in the overall number of subsidized housing units that were generated through these efforts of the sixties and seventies.

Since 1975 Boston has given high priority in its use of so-called Community Development Block Grant (CDBG) funds, to building or restoring confidence in residential neighborhoods by allocating about 40 percent of such funds to the encouragement of housing improvement in owner-occupied housing of one to six units through an array of rehabilitation grants, loans and other mechanisms. In addition special CDBG allocations were made annually for such supplementary

housing activities as Urban Homesteading and public housing rehabilitation and modernization. The CDBG funds were supplemented by HUD allocations of Section 312 loan funds providing 3 percent interest loans for housing rehabilitation in designated neighborhoods. Over the 8-year period since 1975, funds distributed to owner-occupants under these housing improvement programs will have totalled \$36.7 million, exclusive of over \$23 million in housing program operation and management expenditures and CDBG fund allocations to the Boston Housing Authority. (\$15.4 million). Estimates are that about 40,000 housing units in 20,000 structures (one-fourth of the total stock of one-to-four housing units) benefitted from this assistance. Over the 8-year period the total construction costs of improvements stimulated by housing improvement rebates and loans will have exceeded \$100 million.

Despite the widespread need for upgrading and improvement of housing conditions in minority neighborhoods, minority group participation fell behind established targets. During the first five years of the Housing Improvement Program, the total number of minority owner beneficiaries was only 12 percent. Not until 1982-83 did minority participation exceed 20 percent, mainly because of the so-called "Cash Up-Front" program and closer targeting of sub-neighborhoods with deeper subsidies to stimulate greater participation

a 75 percent increase for the 10-year period, at 1981 prices the total value of residential property was \$2.2 billion as of January 1, 1982, reflecting an actual decrease of 9 percent over 1972.

What is even more significant than overall changes in housing values is the uneven distribution of actual increases and decreases among the City's neighborhoods. Local housing markets show wide margins both in trends and current market value levels, differences that inflation has exacerbated. Thus the market values of residential property in East Boston, a neighborhood with reasonably good growth, increased from an estimated \$102.2 million in 1972 to an estimated \$202.1 million in 1982, or by an ostensible 98 percent. When the overall increase in housing value in East Boston is corrected for inflation, however, the improvement is only just over 2 percent. In Charlestown, by contrast, a neighborhood which experienced considerable physical upgrading during the sixties and seventies as a result of urban renewal, market values of residential property increased from an estimated \$39.8 million in 1972 to \$130.5 million in 1982, a rise of 228 percent. Even after adjusting this change for inflation, Charlestown's real growth in residential market values over the past decade was a healthy 69.5 percent. The South End, Waterfront and Fenway areas showed similar large

real gains in residential market value, mainly through the impetus of urban renewal. Other neighborhoods with market value growth during the seventies generated by such forces as the City's Housing Improvement and Housing Rehabilitation Programs, condominium conversion and changing perceptions of neighborhood residential desirability by younger, upwardly mobile professionals included such neighborhoods as Allston-Brighton and West Roxbury. However, Ward 12 (most of Roxbury) experienced an actual decline in residential property values between 1975 and 1979, while the increase in Ward 14 (the Franklin Field/Mattapan area) was only 3 percent. Corrections for inflation of market value changes in both these areas would have produced a real decline in market value of over 30 percent during this four-year period.

Data on the values of single-family homes as reported by homeowners to decennial census-takers are also useful for measuring citywide trends and differences among neighborhoods in housing market strength. The 1980 median value of owner-occupied single-family homes in Boston was \$36,000 compared with the \$19,500 median of 1970, indicating an increase of about 85 percent, but since the cost-of-living index escalated by over 100 percent, the citywide median value did not keep pace with the inflationary spiral. The average (mean) value of occupied condominium units in 1980 .

was \$88,900 compared with the \$40,300 average value of other owner-occupied housing.

Values of single-family residences in 1980 ranged from a median low of just over \$20,000 in Roxbury and North Dorchester, a value which was 44 percent below the citywide median, to the median high of almost \$141,000 in Back Bay-Beacon Hill, almost four times the citywide median. When the changes in median values of owner-occupied single-family residences are corrected for inflation, the data indicate that for the City as a whole, the median value of owner-occupied single-family homes actually decreased by 5.4 percent. There was real growth only in eight of 16 of the City's planning districts. As with residential market values in general, real gains ranged from a low of 6.8 percent in West Roxbury to a high of 52.7 percent in Charlestown. Houses occupied by minority owners were less valuable than those of white owners. The median value of black owners in single-family homes was over one-third below that of the citywide median, due mainly to exceedingly slower rates of housing market appreciation in minority neighborhoods.

Between 1970 and 1980, the median contract monthly rent in Boston increased by 93 percent--from \$99 to \$191. The Consumer Price Index for Boston during this same period (covering all items including residential rent) increased by

106 percent, indicating that on average, rent increases were slightly behind increases in the overall cost-of-living. However, there was a sizeable gap between changes in rent over the past decade and the 1969-79 changes in income. Whereas the median contract rent per month rose by 93 percent, median family income increased by a lesser 76 percent.

In fact, the relatively-low levels of household and family income in Boston impede conventionally financed efforts to replace housing units eliminated through conversion and demolition, while the declining availability of public subsidies to bridge the gap between income and housing cost exacerbates the income dilemma. Although almost 75 percent of all households in Boston (over 159,000) would be eligible for Section 8 rental subsidies since their income is less than 80 percent of the median income for the SMSA, their housing affordability capacity, which ranges from \$250 to \$300 a month, is far below rental levels required for rehabilitating housing at market loan rates.

Since 73 percent of all households in Boston occupy rental units, the issue of rental affordability is of particular importance. According to available Census data, 51 percent of all households in Boston paid 25 percent or more of their income for rent, a slight increase over the 1970 level of 49 percent. This is a problem mainly for house-

holds with less than \$15,000 in annual income, who constitute almost two-thirds of the City's renting households. For each of the three income groups below \$15,000 income, upwards of 50 percent are paying more than 25 percent of their income in rent. For households in the \$15,000-\$19,999 category about 21 percent were paying more than 25 percent of their income in rent; for those with above \$20,000 incomes, only 6 percent were paying more than 25 percent of their income towards rent.

Finally, both residential property values and rents in Boston are lower than in the Boston metropolitan area (SMSA) indicating that housing is generally less expensive in the central city.

Higher proportions of minority households are in lower rent-paying brackets than white households. Whereas 31 percent of all renter households in the City were paying less than \$200 a month in rent in 1980, this compared with 27 percent of all white households who were paying below \$200 a month, 44 percent of the black households paying below \$200 a month and 35 percent of households of Spanish origin paying under \$200 a month. Part of the explanation for these differences in housing cost are that black and Hispanic households occupy public and subsidized private housing in higher proportions than whites.

Concern over housing cost seems to be evenly spread among households, regardless of minority status. One out of every three persons interviewed felt that their housing costs were "too high"; the remaining two-thirds described their rents as "about right".

Over 59,000 housing units in Boston, 27 percent of the City's total in 1980, were owner occupied. However, since most of the City's housing stock is in the form of small buildings, mainly of one to four units, about 70 percent of all residential structures in Boston are occupied by their owners. (Among the smaller buildings containing four or fewer units, the owner-occupancy rate is 77 percent.) Owner-occupancy as a whole declined slightly over the past ten years, due mainly to fewer owner-occupants in one-to-three family structures offset somewhat by higher percentages of owner-occupancy among buildings of five or more units.

Most of the City's increase in owner-occupancy has come from the conversion of rental units to condominiums. There are now an estimated 12,000 condominium units, of which only about 1000 were developed through new construction or adaptive reuse of existing buildings. Of the 12,000 condominium units, 8000 are owner-occupied. (The remainder are either vacant and unsold, or they have been temporarily or permanently shifted to rental status after purchase.)

Between 1980 and the present the number of condominiums has grown from almost 5000 units, with two-thirds of the increase in condominium inventory occurring through conversions of rental units in Allston-Brighton, Jamaica Plain, Roslindale etc. as contrasted with the earlier concentration of condominiums in the Back Bay-Beacon Hill and downtown neighborhoods.

Although the high proportion of owner-occupancy has long been a major strength of Boston's housing stock, and a key factor in both neighborhood stability and housing market recovery, minority households have not shared equitably in home ownership. Minority ownership of condominiums is negligible. Although white households in Boston constitute about 70 percent of all the City's households, owner-occupied units with white householders (almost 49,000) accounted for 82 percent of Boston's owner-occupied housing stock. By contrast black households, who comprised about 20 percent of the City's households in 1980, made up only 15 percent of the total number of owner-occupied units. Hispanic households, who constituted 5 percent of all owner-occupied units in Boston, enjoyed only 2 percent of the City's owner-occupancy. Asian households, 2.3 percent of the City's households, accounted for 1.5 percent of all owner-occupied units.

Calculating owner-occupancy data on the basis of individual minority groups reinforces the conclusion that black,

Hispanic and Asian households do not benefit as proportionately as white households in home ownership. Whereas occupied housing units with white owner householders were 30.1 percent of all occupied housing units in 1980, the owner-occupancy percentages of housing units occupied by minority householders were far below the white percentages; black-20.1 percent, Asian-19.9 percent, and Spanish origin-12.6 percent.

Vacancies and Abandonment

In 1980 almost 23,000 housing units, or 9.5 percent of the City's housing stock, were vacant. The numbers and rates of vacancy were substantially above the levels of 1970. In fact Boston's overall vacancy rate exceeded 6 percent for most of the seventies.

The most disturbing aspect of the City's vacancies is in that segment of its housing stock classified as rental. During the seventies an expanding supply of publicly-assisted private rental housing along with normal housing turnover and lowered demand in certain neighborhoods meant reasonably good housing choice for households of all income groups, including those of low and moderate income. By the end of the decade, however, a combination of factors--excessive inflation, rising operating costs caused by higher taxes and rapidly increasing utility and fuel expenses, and stabilized rents - took their toll of rental housing. Many of the

newer publicly-assisted private developments fell into mortgage default. In public housing, management neglect, physical and social deterioration and falling demand resulted in proliferation of boarded-up units in family housing developments. In selective neighborhoods the pressure on private rental housing was intensified by gentrification trends from replacement owners and tenants of higher income and by increased condominium conversion activity.

The major findings of an analysis of Boston's rental housing market are: (1) the 1980 rental vacancy rate of 7.4 percent for the City as a whole is higher than the numbers seem to indicate, but vacancy rates in certain neighborhoods, particularly those with large concentrations of minority households, denote weak demand; (2) there are upwards of 9000 units, including 4000 in public housing, which are vacant but not readily available for rental at affordable prices because of their poor condition and/or location, but which can be recovered through appropriate action; (3) relatively high vacancy rates for luxury-level housing units are attributable to a temporary over-supply of condominium conversions and newly developed rental housing with high asking rates.

Vacant housing units in the key minority areas of Roxbury, Jamaica Plain/Parker Hill, the South End, North Dorchester, South Dorchester and Mattapan totalled over 12,6000 in 1980, or about 55 percent of all reported housing vacancies. The housing vacancy rates of most minority neighborhoods -- North Dorchester (17.2 percent), Jamaica Plain/Parker Hill (15.4 percent), Roxbury (13.8 percent), the South End (12.7 percent) and Mattapan (11.6 percent)--were far in excess of the citywide rate of 9.5 percent. These high vacancy rates are troubling because they reflect relatively low levels of demand and coincide with relatively low and slowly appreciating housing market values.

Access to Housing

In Boston specific instances of individuals experiencing discrimination in the sale or rental of housing because of age, race, sex or household characteristics have been publicized from time to time, but systematic evidence about discrimination has not been available.

Two recent reports on access to housing, one based on relatively objective information derived through so-called fair housing audits^{*}, and the other on perceptions of people concerning discrimination experiences^{**}, demonstrate beyond

*Judith D. Feins, Rachel G. Bratt, and Robert Hollister, Final Report of a Study of Racial Discrimination in the Boston Housing Market, Abt Associates, Nov. 1981.

**Fowler, Black and White Perceptions of Quality of Life in Boston, op.cit., particularly pp. 42-52.

any reasonable doubt that in the Boston housing market, discrimination is widespread, particularly for black residents, and severely restricts freedom of choice in housing.

The major conclusion of the Abt report, that racial discrimination in housing availability is widely practiced in Boston, is both dramatic and uncontestable. The Abt study found large and statistically significant differences as between black and white auditors on many measures of housing availability. For virtually every type of treatment examined in the audits of both rental and sales searches, black auditors were treated less favorably than their white counterparts. Although the Abt report found "little evidence of steering", a follow-up evaluation re-examined the Abt data and found that in the rental housing market, blacks were steered to 51 percent of the units offered; and in the sales market, blacks were steered to 23 percent of the units offered, thereby concluding that racial steering was an enormous problem in the Boston housing market.* Moreover, the Abt report findings should be regarded as a lower bound on the extent of racial discrimination in Boston's housing market: (1) In some Boston

*John McHenry Yinger, Evaluation of "Final Report of a Study of Racial Discrimination in the Boston Housing Market", Nov. 1981, prepared for Boston Urban Observatory.

neighborhoods housing is marketed through private channels, mainly by word-of-mouth, to eliminate the possibility of encountering a minority housing seeker. (2) the study excluded three neighborhoods (Allston, Brighton and the Fenway), where extensive discrimination had been uncovered by Education Instruccion, Inc. in prior fair housing audits, and four neighborhoods (East Boston, Charlestown, South Boston, and West Roxbury) where few black households live and where blacks rarely search for housing, primarily because of anticipated discrimination. Thus the study omitted neighborhoods with the highest levels of discrimination.

The Fowler study not only supported the Abt conclusions concerning racial discrimination in housing, but found that housing discrimination experience among whites was almost as large as among blacks. Of particular significance are the perceived reasons for discrimination. Blacks tended to identify race while whites mainly mentioned children, unmarried status, welfare status and student status as their explanations for discriminations.

To measure progress in housing access being made through housing production, affirmative marketing and other fair housing initiatives designed to enhance mobility for low-income, minority and other disadvantaged groups, an assessment was made of policies and activities of the Massachusetts

Housing Finance Agency (MHFA), the State Department of Communities and Development (EOCD), the Boston Housing Authority (BHA), and recent developments in the City for strengthening legal protections against housing discrimination.

Over the past three years, MHFA has shown a growing preference for helping produce one-bedroom housing units, mainly for the elderly, to the neglect of producing family housing units with two or more bedrooms. For low-income families with children whose housing needs are critical, particularly minority, this policy emphasis curtails access to better housing at affordable prices.

Moreover, MHFA has not pursued opportunities available under the federal Moderate Rehabilitation Program and has not followed up with initiatives to replicate successful conversions of deteriorated state public housing projects to rehabilitated mixed-income private development subsidized with state funds. As for current dilemmas in financing rental housing, single-room occupancy housing, congregate housing for the elderly and community-based residential centers for special groups, issues and needs of particular interest to Boston households, MHFA has not come forward with new ideas and approaches for eliminating legal and fiscal deterrents and for expediting housing program activity

in these areas.

Finally, despite HUD's inclination to sell off troubled federally-subsidized private developments without providing guarantees for maintaining currently low rents, MHFA has played little or no role in planning and implementation efforts for re-financing, restructuring and salvaging these developments. All of these lost initiatives by MHFA have deep implications for the housing demand and needs of low-income households in Boston, especially minority households, in view of their heavy presence in and dependence on public housing and subsidized private housing and the relatively poor physical conditions and/or financial crises affecting such developments.*

Available information on subsidized developments in the Boston area (Region 8) shows that 30 suburban developments have minority occupancies that fall short of their minority targets by varying percentages. And in the City itself, there are at least 9 subsidized developments, mainly in such neighborhoods as East Boston, South Boston, Hyde Park, Dorchester, Roslindale and the South End where minority goals have not been met.

*From Dukakis Campaign Position Paper of Professor Langley Keyes(undated), 1982.

The August 1982 report for the statewide HUD-financed Section 8 Existing Mobility Program indicates relatively little movement of Boston households to other cities and towns, lesser movement of non-Boston households to Boston, and limited movement of minority households from Boston to other cities and towns. Of the 60 Section 8 rental certificate holders who elected to move from Boston to other cities and towns, 32 were minority households and 28 were white households. More than 90 percent of the 928 certificate holders whose move-outs or new choices involved Boston, including 587 minority, decided to keep their residence within the City. Of the 32 minority certificate holders from Boston

Of the 32 minority certificate holders from Boston who moved to other cities and towns, 9 located in Chelsea, 3 each in Cambridge, Somerville and Stoughton and 2 each in Lynn, Malden and Revere.

Under the Areawide Housing Opportunity Program, a regional mobility effort, between June 1981 and mid-January 1983, the BHA had arranged for the exchange of 47 of 125 allocated Section 8 certificates with an equivalent number of EOCD certificates for residence in non-Boston communities. Nineteen exchange certificates were selected by minority households -- 8 black and 11 Hispanic. The 8 black families moved as follows: 3 to Cambridge, 2 to Chelsea and one each to Somerville, Malden

and Worcester. Of the 11 Hispanic households, 8 relocated to Chelsea. Ironically, most of these destination communities already have heavy concentrations of low-income and minority populations, thereby contradicting one of the major goals of the mobility strategy.

To strengthen its own commitment to fair housing and bolster its own capacity to advance open and equal opportunity in housing, the City adopted a fair housing ordinance in 1982 and established a Fair Housing Commission to investigate fair housing violations, which was a HUD condition for continuing receipt of Community Development Block Grant funds. Not yet authorized by the Legislature, however, is a companion Home Rule petition that empowers the City to subpoena witnesses in connection with fair housing investigations and to impose sanctions. The Fair Housing Commission has absorbed the Mayor's Office of Fair Housing and appointed a new staff director. This merger will facilitate shifting the emphasis of fair housing policy and program from housing services, education and public relations to a new focus on housing audits, investigation, enforcement, and networking, as recommended in the program evaluation report of the Boston Urban Observatory^{*} and in the final report of Abt Associates.

*Boston Urban Observatory, Evaluation of City of Boston Fair Housing Programs--Final Project Report, Nov. 30, 1981, submitted to Mayor's Office of Fair Housing.

Closely related to the problem of housing discrimination is access to housing credit, particularly for households interested in purchasing homes. Access to housing credit surfaced as a public issue both nationally and in Boston during the early seventies. Local concerns arose that inner-city neighborhoods, particularly those with heavy concentrations of minority households or in varying states of racial transition, were being "red-lined", that is, that their applications for conventional mortgages were being denied because banks presumably imposed area restrictions on loans.

The major legislative remedies that emerged from the national and local debates over "red-lining" were the Community Reinvestment Act at the federal level and the Home Mortgage Disclosure Act at the state level. The former legislation, designed to make the mortgage lending system more responsive to community needs, was accepted by the Commonwealth of Massachusetts and authorizes the State Banking Commissioner to review the lending patterns of banks when they apply for new bank branches, bank branch closings or bank mergers. This leverage has proved to be useful in

sensitizing banks to the mortgage needs of neighborhoods within their lending jurisdiction. The state's Home Mortgage Disclosure Act, requiring lenders to disclose annually the geographic distribution, number and variety of loans applied for and granted, also is designed to make banks more responsive to neighborhood needs in housing credit.

Data generated under the Home Mortgage Disclosure Act by the State Banking Department demonstrates improved responsiveness of financial institutions to the housing credit needs of Boston home seekers. Between 1976 and 1980 the total dollar value of residential mortgage and home loan applications (excluding governmentally-insured mortgages) in Boston increased from \$163 million to \$309 million (by 108 percent), while the number of such loan applications grew from under 5000 in 1976 to over 7000 in 1980 (by 47 percent), reflecting stronger lending demand and housing market activity. More significantly, however, has been the increase in the number of residential mortgage applications granted. Whereas only 50 percent of such requests were granted in 1976, by 1978 banks were meeting 70 percent of such requests. In 1979 and 1980 this percentage had declined to 67 percent and 63 percent respectively,

but showed retention of the City's recent improvement.

As for housing credit available to smaller residential structures, the most important segment of Boston's housing stock, the data discloses equivalent improvement in credit access for the City as a whole. In 1976 the number of granted applications for 1-4 family conventional mortgages totalled less than 1100. By 1979 local banks had approved almost 2700 of the 4000 mortgage applications for 1-4 family structures, a response rate of 67 percent. In 1980 almost 2300 conventional mortgages were granted of almost 3600 applications, meeting 64 percent of the requests. The total dollar value of these approved mortgages in 1979 and 1980 exceeded \$80 million annually.

In striking contrast to the overall improvement in the access of Boston's residents to housing credit, however, is the extent to which the City's minority neighborhoods share in conventional mortgage funds and how they compare with other neighborhoods in mortgage approval rates. Data for 1979 and 1980, for example, show that of the \$80 million in mortgages granted during each of these years, only 7-8 percent of the annual totals, far below the proportion of minority home ownership in Boston, was allocated to the predominantly minority neighborhoods of Chinatown, Franklin

Field, Mattapan, Mission Hill, North Dorchester and Roxbury. Moreover, such minority-dominated neighborhoods as Franklin Field, Roxbury and the South End had the lowest mortgage approval rates in Boston, falling under 50 percent in each case, well below the two-thirds rate of approval for the entire City.* It is acknowledged, of course, that an increasing number of mortgages in minority neighborhoods are being written by non-banking institutions. It is not likely, however, that this latter trend is closing the gap in housing credit participation as between non-minority and minority neighborhoods.

Guidelines for Action Agenda

What emerges from the mix of positive signals and clouded uncertainty identified in this analysis of Boston's housing is a basic conclusion that the City's housing problem, unlike that of other large cities of the nation, is of manageable proportions, and that most segments of the City's housing stock that are in difficulty can be restored to livable and decent shape by the year 2000.

*See Tables 19 and 20 (Mortgage Lending for 1-4 Unit Residences in Boston by Major Lenders, 1979 and 1980 Fiscal Years), NDEA, Minority Housing in Boston, op.cit.

This optimistic prediction is strengthened by the following assumptions:

1. The momentum of restored confidence and rising housing markets in many Boston neighborhoods, spurred by the growing preferences of smaller households for urban housing and by the reduction of residential property taxes through revaluation, can be sustained and extended to neighborhoods still plagued by weak demand.

2. Many of the City's priority housing demands -- families with children, particularly minorities; lower and moderate income smaller households, including the elderly, homeless, and nontraditional household types; and households desiring to become first-time owners -- can be satisfied by restoring deteriorated and vacant housing (private and public) through the imaginative deployment of combinations of public subsidies and private financial participation, with minimum displacement of existing households.

3. A new pattern of State commitment to the salvaging and upgrading of existing housing not only became evident over the past few years, but is likely to be expanded into new State initiatives being considered to offset a declining level of housing investment by the federal government and to proclaim the state's leadership role in certain neglected areas of housing need.

4. Recent harnessing of latent private interest in Boston's housing problem by establishment of the Boston Housing Partnership, a joint public-private mechanism that is pooling together a variety of public and private resources and commitments to the restoration of 500 deteriorated housing units, indicates a fresh burst of City leadership.

Below is a tentative agenda of more specific housing proposals for consideration by The Boston Committee's policy seminars, proposals that are illustrative in nature, not designed as an all-inclusive program of action:

1. Acceleration and expansion of current efforts by the Boston Housing Authority to reconstruct state and federally-aided family developments, to effect apartment improvements and modernization of basic systems at developments not designated for complete reconstruction and to reduce vacancies through a variety of fix-up approaches, thereby recovering upwards of 3000 rental housing units for occupancy by low-income households more quickly than current schedules indicate.

To expedite such acceleration and expansion, the following decisions are required:

- a. State legislative authorization of modernization loan funds to complete Phase II reconstruction of the

West Broadway development (South Boston) and to undertake Phase I reconstruction of Mission Hill and Mission Hill Extension (Roxbury) family developments, including authorization to use state modernization funds in federally-assisted developments.

b. Amendment of state legislation now authorizing conversion of state-aided public housing to MHFA-subsidized mixed-income developments to extend the scope of enabling legislation to federally-assisted developments and amendment of the state interest rate-reduction subsidy (so-called Section 13A) so that it may be applied to pending housing initiatives affecting such federally-assisted projects as the Columbia Point development.

c. HUD approval of BHA's request to reallocate \$16 million originally authorized for federal conversion and modernization of Archdale development in Roslindale to other modernization needs.

d. HUD approval of BHA's request of \$17 million for vacancy reduction in federally-assisted developments under prior year's legislation, which would enable the BHA to double its production of rehabilitated vacancies restored to occupancy.

e. HUD approval of BHA's turnkey project proposal for reconstruction of two-high-rise buildings containing

73 units in the Cathedral development, and HUD approval of future turnkey requests that will be submitted for reconstructing parts of the Mission Hill, Mission Hill Extension and Bromley-Heath (Jamaica Plain) developments.

2. New initiatives by the Massachusetts Housing Finance Agency (a) that would substantially increase the proportion of its available resources to housing with two or more bedrooms, thereby meeting some of the growing demand of families with children in Boston and other cities and towns, (b) that would link MHFA single-family mortgage funds with CDBG home loan funds in the encouragement of inner-city and/or minority homeownership and upgrading of small residential structures, and (c) that would expand subsidized facilities for single-room occupancy and for unrelated low-income individuals, congregate housing for the elderly, cooperative housing for lower-income households, and residential centers for groups with special housing needs.

3. A more active role by MHFA in helping troubled HUD-assisted private multifamily housing developments avoid forced sale and potential dislocation of thousands of affected lower-income tenants.

4. Implementation by the Boston Housing Partnership of its private rental housing recovery program, but with greater flexibility in the original program design that

would not exclude a variety of development-management models (private as well as non-profit mechanisms) while studiously avoiding the mistakes of past similar efforts such as BURP (1968) in building selection and quality of rehabilitation production.

5. Expansion of rental rehabilitation program demonstration being planned for Highland Park (Roxbury) and Meetinghouse Hill (South Dorchester), a national HUD experiment involving the set-aside of CDBG rebates and reduced-interest loan funds by the City and HUD allocation of Section 8 rental certificates for the rehabilitation of multifamily housing by private developers. Under the proposed program expansion, private or non-profit developers would be encouraged through a bundle of incentives, including State Land Bank Mortgage loans, secured loans and available equity grants from HUD, to rehabilitate available smaller structures of three or more units, as contrasted with the larger residential buildings to be rehabilitated under auspices of the Boston Housing Partnership, with a view to achieving economies of scale in the cost of wages, equipment and materials by rehabilitating concentrations of properties within residential blocks or on nearby streets.

6. Revision of CDBG housing program subsidies -- eliminating the citywide shallow subsidy (20 percent), targeting the deeper-subsidy rebates and home loans to sub-

neighborhoods with new priorities on housing improvement for tenants and minority households, eliminating the owner-occupancy and six-unit maximum requirements, reducing the outlays for housing program operation and administration thereby freeing-up funds for program subsidy, tightening up program operation by eliminating re-entry of owners to subsidies, reducing the number of over-income subsidy recipients, making tax-delinquent owners ineligible for subsidies, and expanding the variety of models used in the homesteading program.

7. Clarifying and institutionalizing the housing missions and roles of several City agencies: -- NDEA, BRA, Real Property, Public Facilities, Inspectional Services, and Assessing-- with a view to developing a coherent Citywide housing policy, improving the coordination of housing agency efforts, establishing and maintaining a useful housing data base, and providing the Neighborhood Development and Employment Agency with the legal tools required for planning and implementing a community development/housing program similar to the legal powers available to the Boston Redevelopment Authority.

