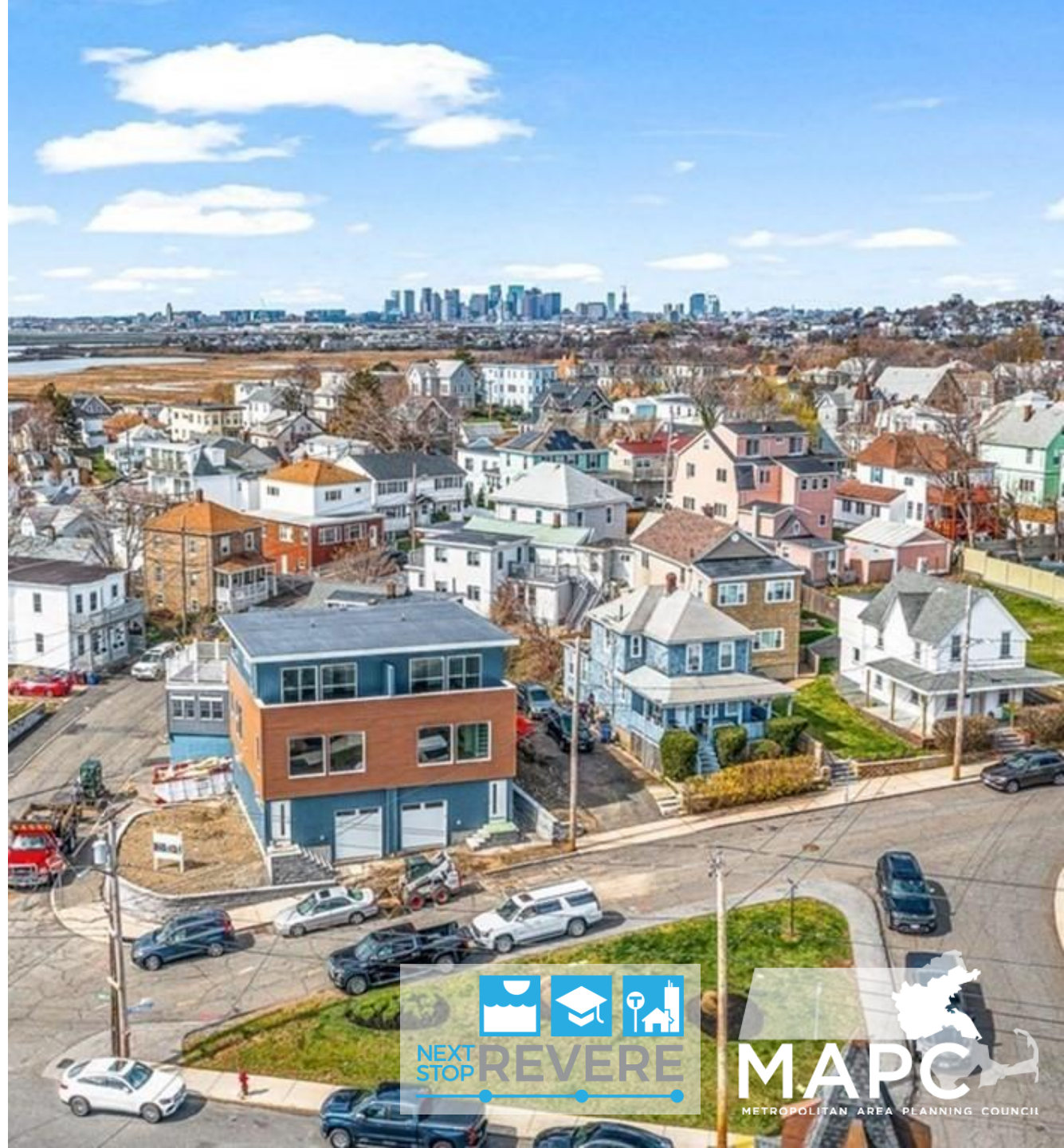


NEXT STOP REVERE: Inclusionary Zoning

Public Forum #1

Tuesday, October 26, 2021



Zoom Guidance

- There is Spanish interpretation
- You cannot unmute, but you can have video if you like
- Choose “speaker” rather than “gallery” view if you want a bigger picture of whomever is speaking
- Feel free to use the chat function
 - Ask questions
 - But make space for others, too
 - We won’t get to everyone, but we want to hear from everyone
- When you see a poll pop up, scroll down to answer all questions
 - Hit “submit” when you’re done, then close the window

Agenda

Welcome: Mayor Arrigo

Project overview

Poll: Who's joining us tonight?

Inclusionary zoning 101 and polls

Next steps

10 minutes

10 minutes

10 minutes

50 minutes

5 minutes

01:

Welcome

Mayor Arrigo



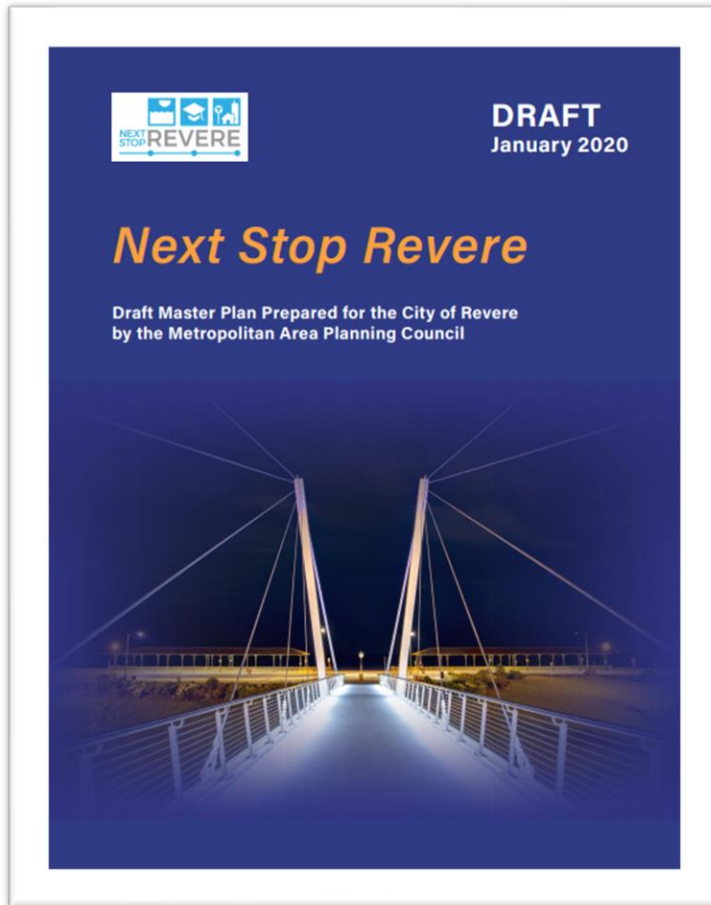
02:

Project Overview

What's next for
Next Stop Revere?

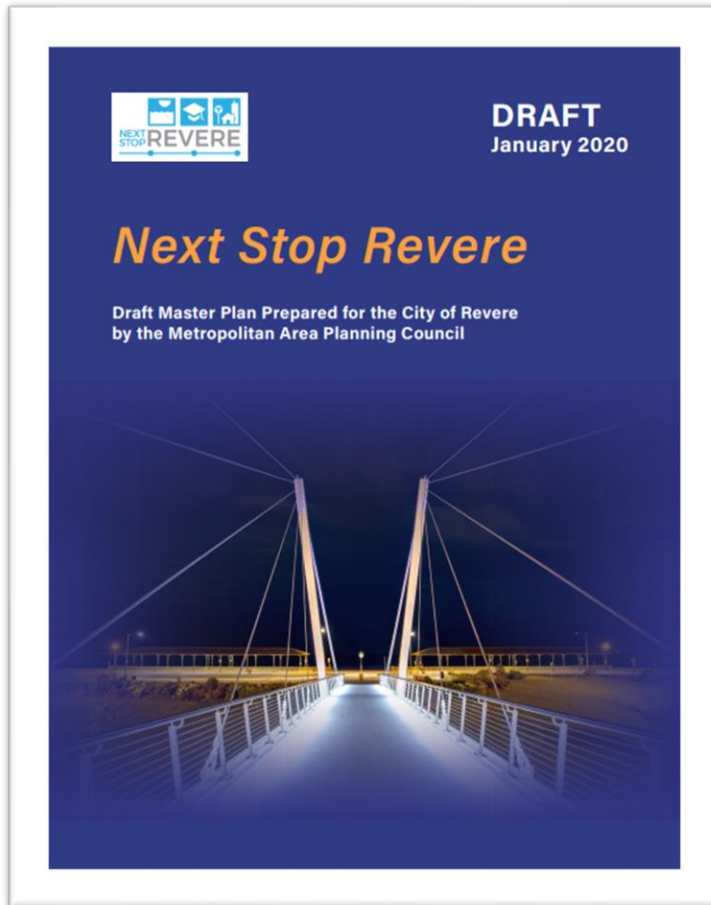


Foundation



- **Rent** is high compared to neighbors, even though median income is low
- **Sale prices** rose 38% between 2013-17
- 44% of households are **cost burdened**
- There are **12,205 low-income households**; half of them are extremely low income
- The **1,780 deed-restricted units** in Revere can house 15% of them

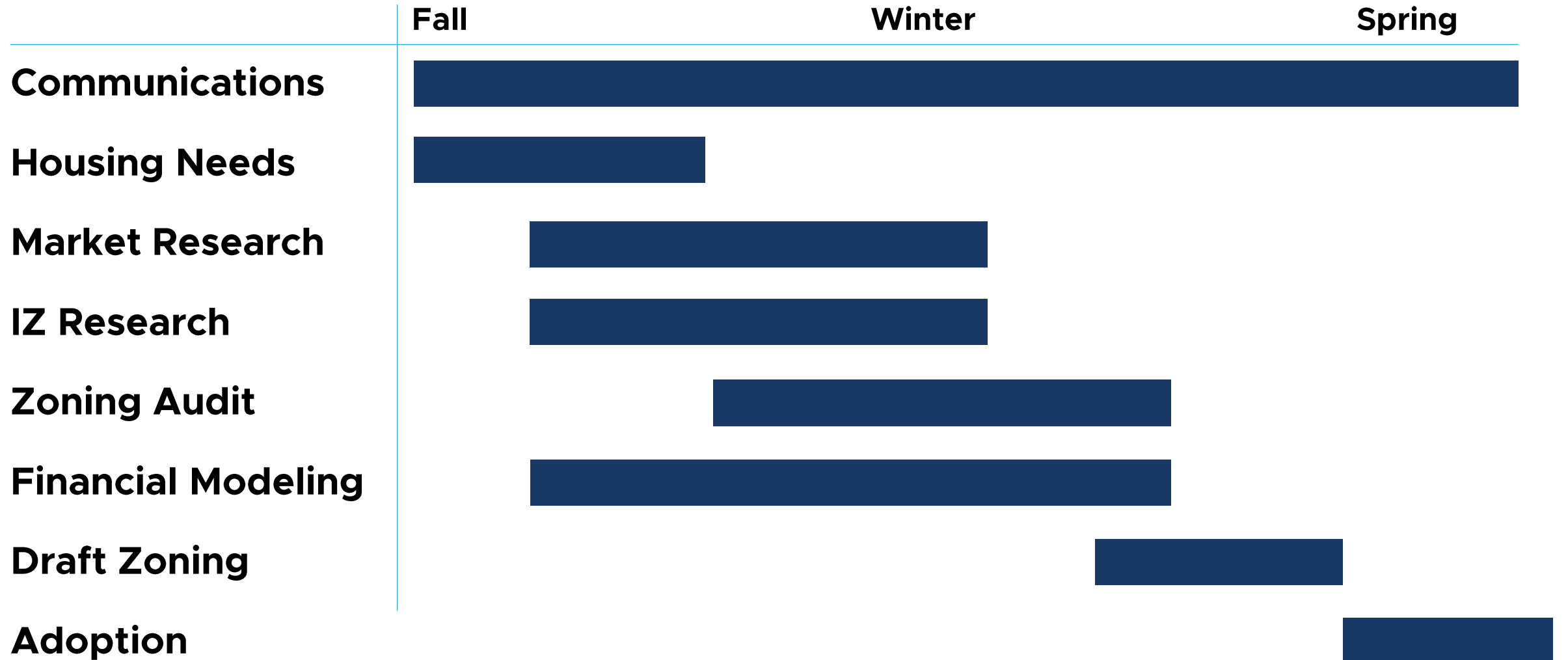
Foundation



The Revere 2020 master plan recommends dozens of strategies to meet housing need, including **inclusionary zoning**

In partnership with MAPC, the City is launching an effort to develop a sensitive policy based on **best practices** and **Revere's specific housing needs and market context**

Scope and timeline

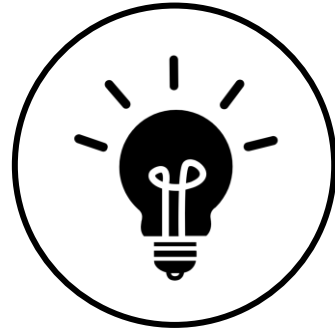


Project Advisory Committee



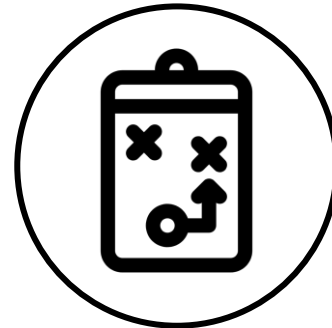
Leadership

Connects with and represents personal and professional networks



Knowledge

Provides an understanding of housing need in Revere



Strategy

Helps set a course to build support for the process



Advocacy

Recommends the policy to the public and City Council

Community engagement

Inclusive process that centers those who have been and, in many cases, continue to be **excluded from planning and development:**

- people of color
- renters
- low-income residents
- non-native English speakers
- and many others

Engagement opportunities



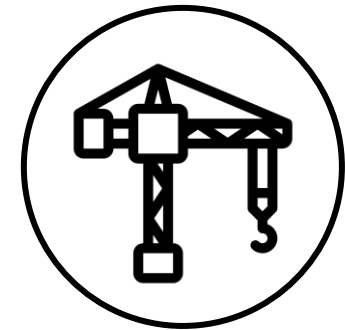
Focus Groups

Small meetings with housing-insecure residents, service providers, and City staff and board members



Public Forums

2 citywide events to collect input on policy priorities and get feedback on zoning options



Interviews

Multiple interviews with local real estate professionals to get context and inform assumptions

03:

Nice to Meet You!

Who are we connecting with tonight?



Preguntas de la encuesta demográfica

- ¿Cuánto tiempo lleva viviendo en Revere?
- ¿En qué zona de Revere vive?
- ¿Alquila o es propietario de su casa en Revere?
- ¿Qué tamaño tiene su hogar?
- ¿Cuál es su edad?
- ¿Con qué raza o etnia se identifica?
- ¿Cuáles son los ingresos de su familia?

04:

How does IZ work?

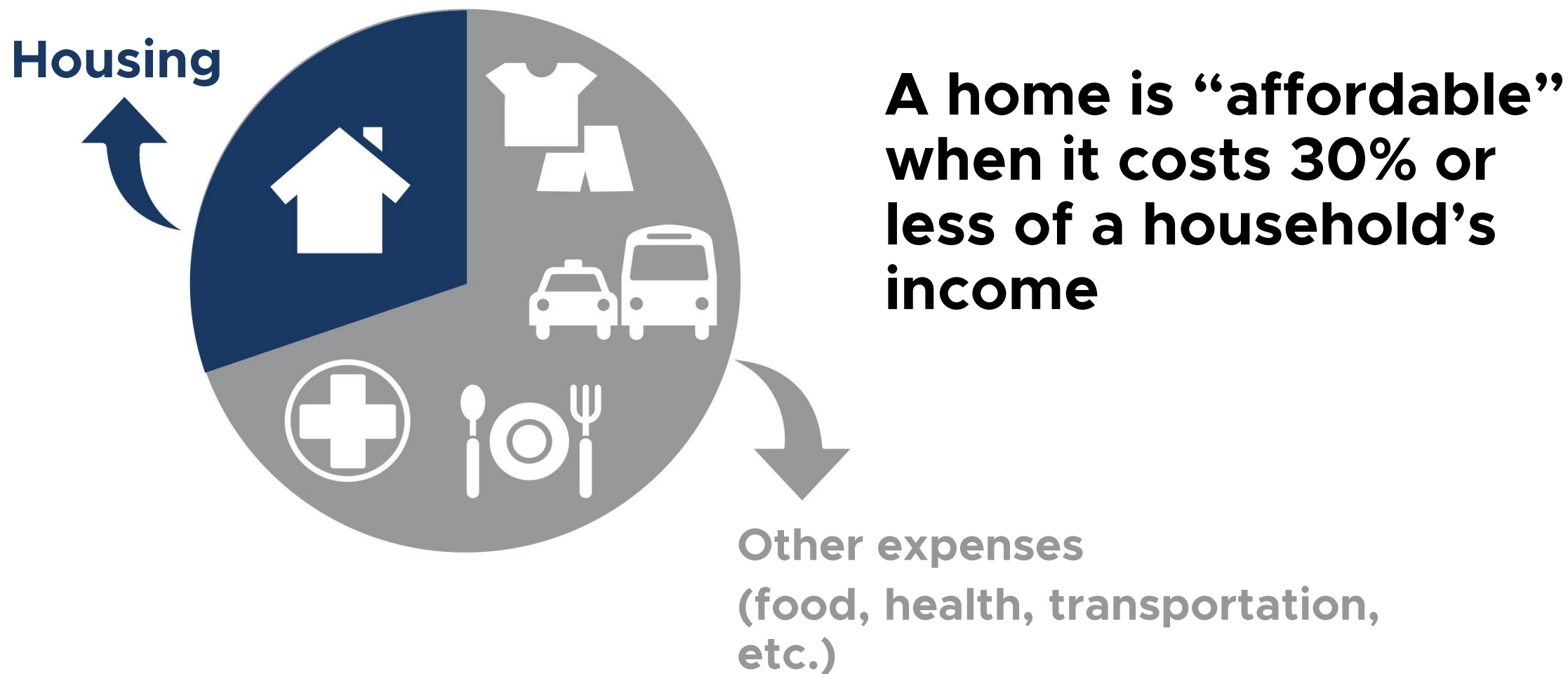
And how do we develop a
policy for Revere?



What does
“affordable”
mean?



What does “affordable” mean?



What does “affordable” mean?

Naturally Occurring

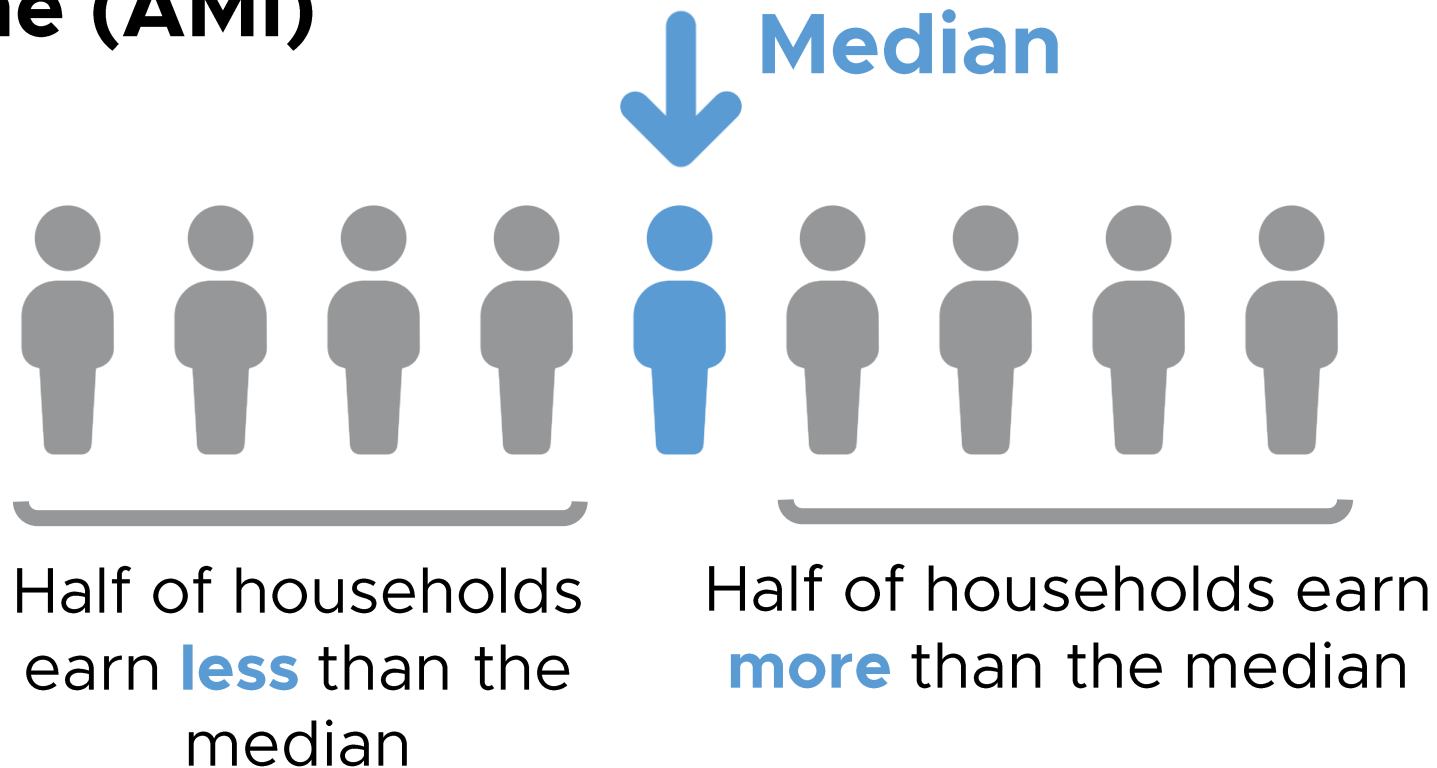
- Rent or sales price is affordable to many
- Often smaller homes or older buildings
- Not legally binding or income-restricted
- Can become unaffordable over time

Deed-restricted

- Created through public assistance or local policy
- Legally required to be affordable for a certain amount of time
- Income requirements

Area Median Income (AMI)

To determine eligibility for deed-restricted Affordable Housing, government programs use the **Area Median Income (AMI)**



Area Median Income (AMI)

AMI is **regional** and includes all of greater Boston



Area Median Income (AMI)

The median income in Revere is about half that of the region

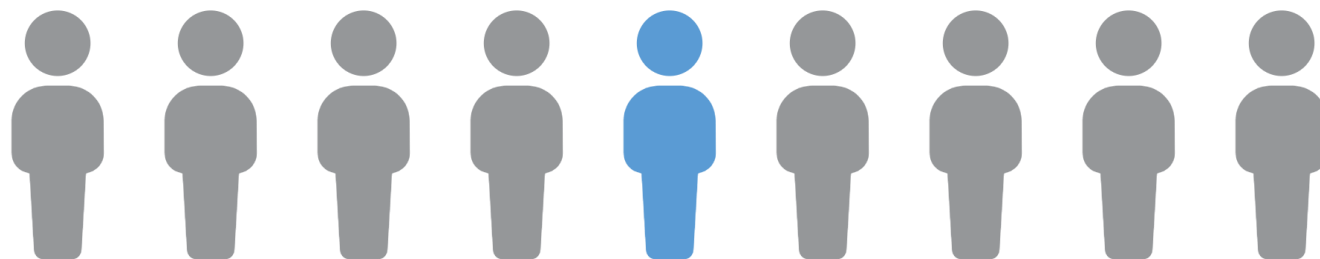
Revere Median

\$55,020



Greater Boston Median

\$120,800

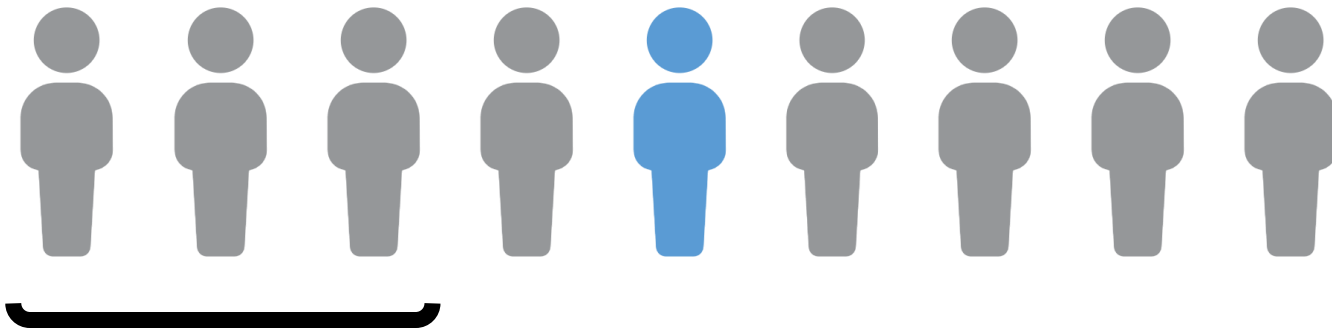


Area Median Income (AMI)

Revere Median
\$55,020



Greater Boston Median
\$120,800



Deed-restricted affordable rents are typically set to be Affordable to **30%, 50%, 60%, or 80% of the regional AMI**

Area Median Income (AMI)

30% AMI (Extremely Low Income)



1-person
household

Earns < \$28,200/year

Affordable rent:
\$700/month



- One working adult, grocery store cashier



- One working adult, food service



2-person
household

Earns < \$32,200/year

Affordable rent:
\$800/month



- One working adult, housekeeping



- Two retired adults, social security income



4-person
household

Earns < \$40,250/year

Affordable rent:
\$1,000/month



- One working adult, preschool teacher



- One working adult, emergency medical technician

Area Median Income (AMI)

60% AMI (Very Low Income)



1-person
household

Earns < \$56,400/year

Affordable rent:
\$1,400/mo.



- One working adult, tailor



- One working adult, dental assistant



2-person
household

Earns < \$64,440/year

Affordable rent:
\$1,600/mo.



- One working adult, carpenter



- Two working adults, dishwasher and childcare



4-person
household

Earns < \$80,520/year

Affordable rent:
\$2,000/mo.



- One working adult, middle school teacher



- Two working adults, security guard and warehouse delivery

Area Median Income (AMI)

80% AMI (Low Income)



1-person
household

Earns < \$70,750/year

Affordable rent:
\$1,750/mo.



- One working adult, electrician



- One working adult, firefighter



2-person
household

Earns < \$80,850/year

Affordable rent:
\$2,000/mo.



- One working adult, accountant



- Two working adults, nursing assistant and bus driver



4-person
household

Earns < \$101,050/year

Affordable rent: \$2,500/mo

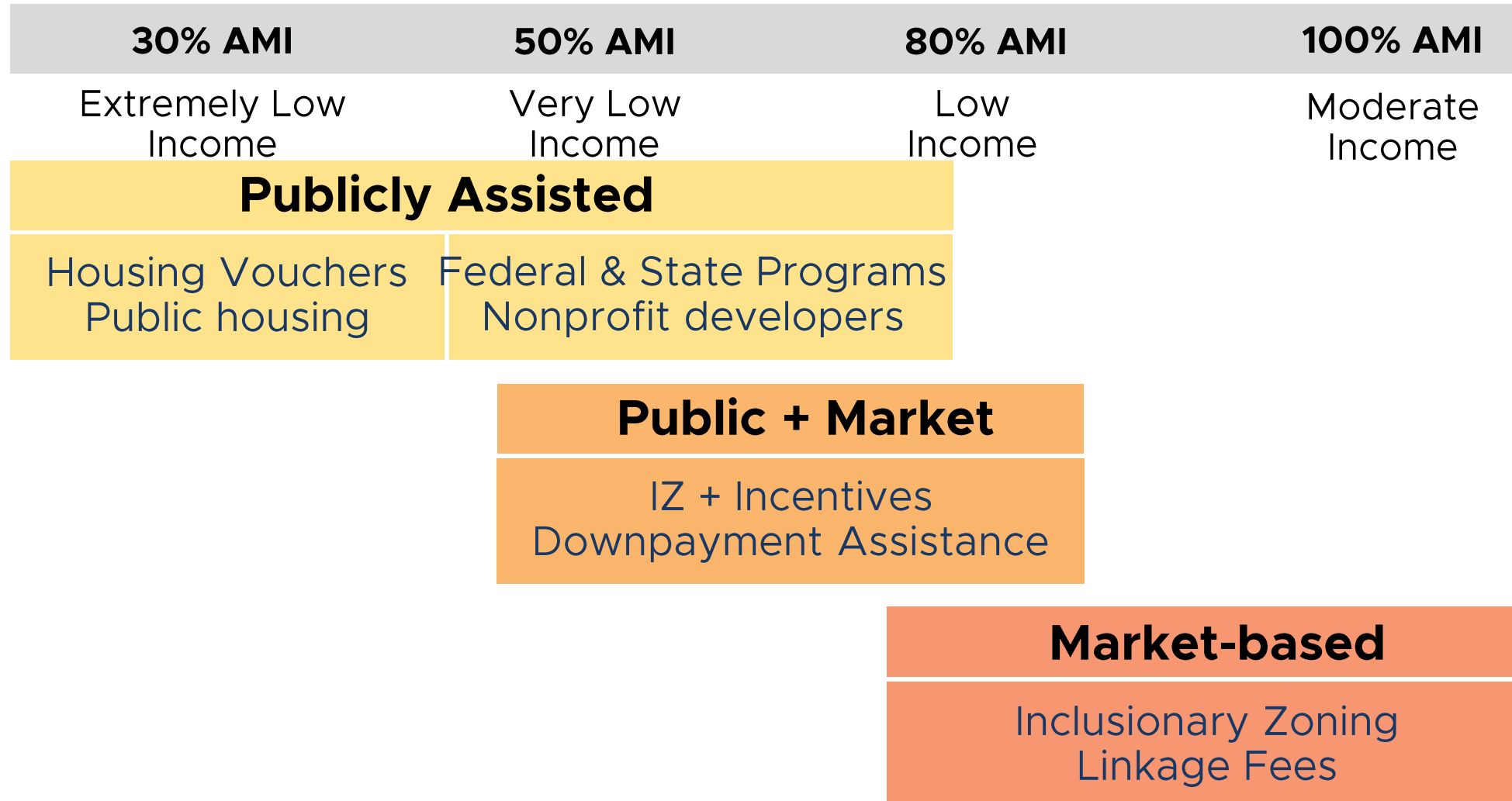


- Two working adults, lab technician and mechanic



- Two working adults, trash collector and post office clerk

What does “affordable” mean?



What is inclusionary zoning and how does it work?



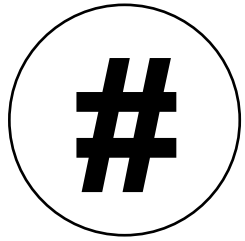
How does IZ work?



- ← New market-rate housing
- ← Some units must be affordable

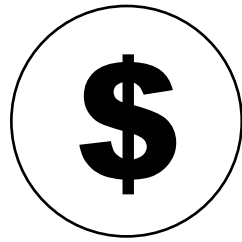
How does IZ work?

- Long-term strategy, cumulative benefits
- Relies on **private developers to create Affordable Housing** with little to no public subsidy
- Must carefully balance elements of the policy to **minimize costs**, otherwise there's a **risk of increasing rents or dampening development**



Affordable Units

Number of homes required to be Affordable
Typically 10-15% of homes in the development



Income Target

Income levels eligible for Affordable homes
Typically 60-80% of Area Median Income



Incentives

Helps offset costs of building the Affordable homes
Additional units, reduced fees, reduced parking, tax relief



In-lieu Payment

Option to pay a fee instead of building Affordable homes on-site



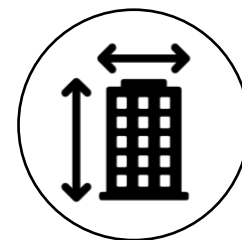
Location Alternatives

Whether Affordable homes are on- or off-site



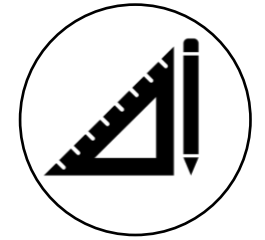
Geography

Whether policy is citywide or limited to certain areas



Project Size

Development size that triggers IZ
Typically 6-10 units



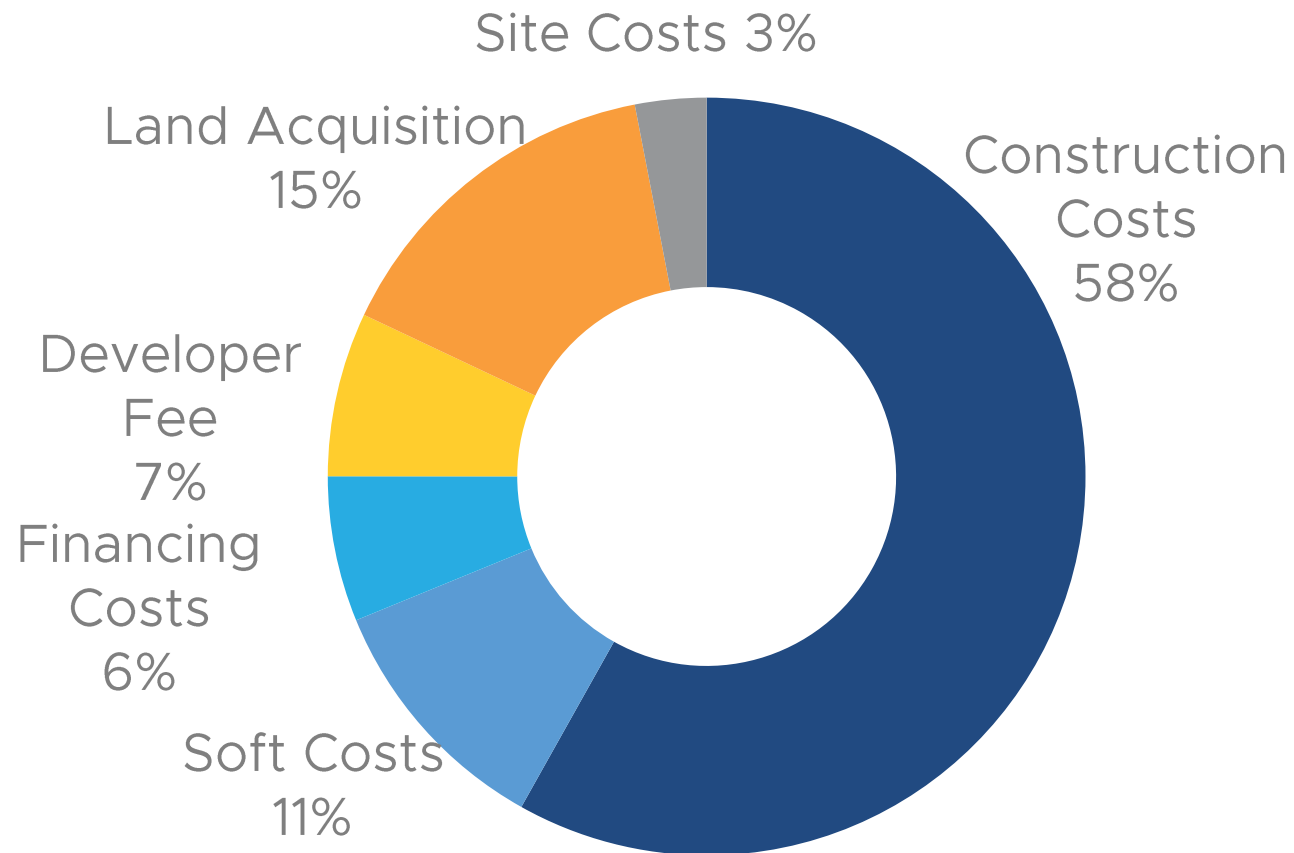
Design

Degree to which Affordable and market rate homes are comparable

Inclusionary zoning and development economics



Project Costs

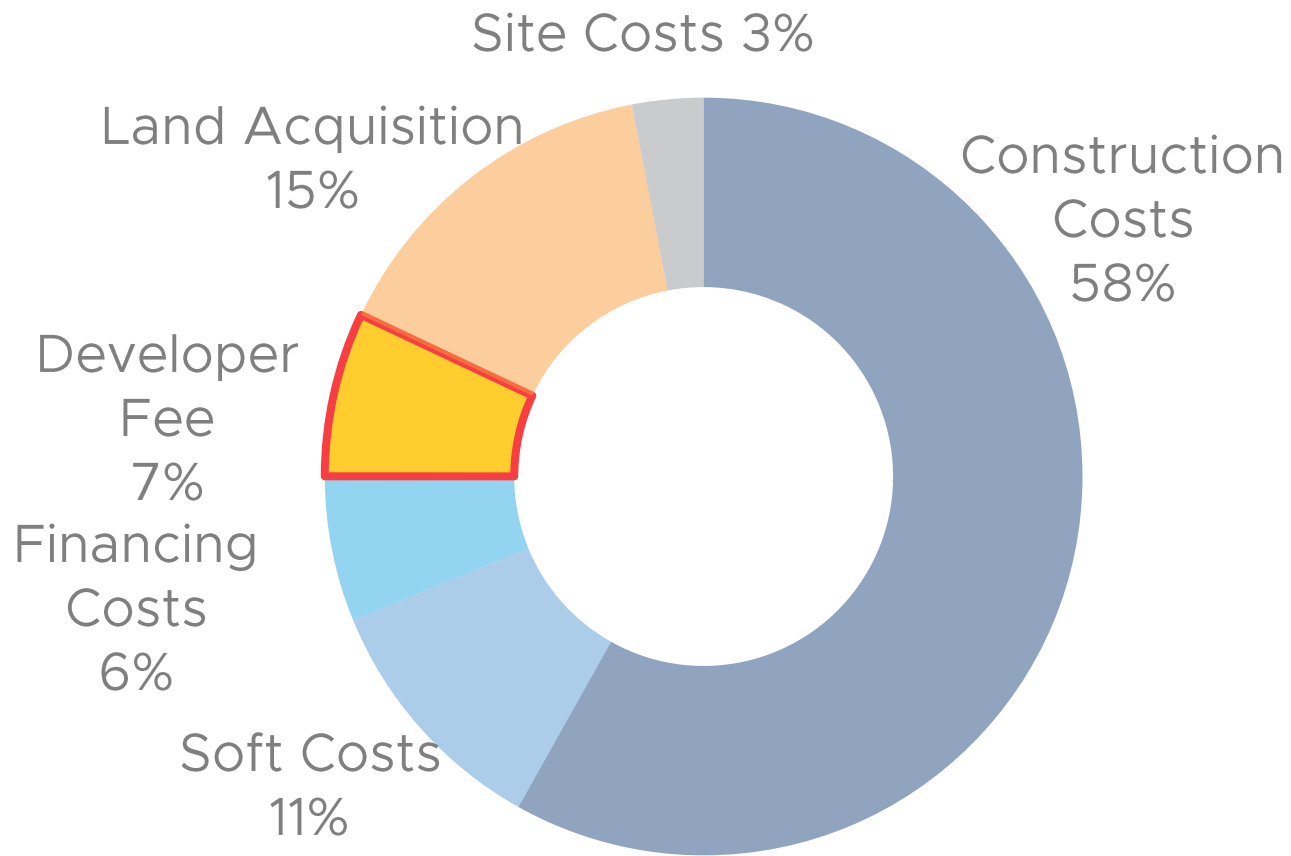


Today it can cost
\$350,000 - \$400,000
to build a one-
bedroom apartment

TOTAL HOUSING DEVELOPMENT COSTS BREAKDOWN,
MASSACHUSETTS URBAN PROJECTS, 2011-2015

Source: Dukakis Center Housing Cost Analysis

Project Costs

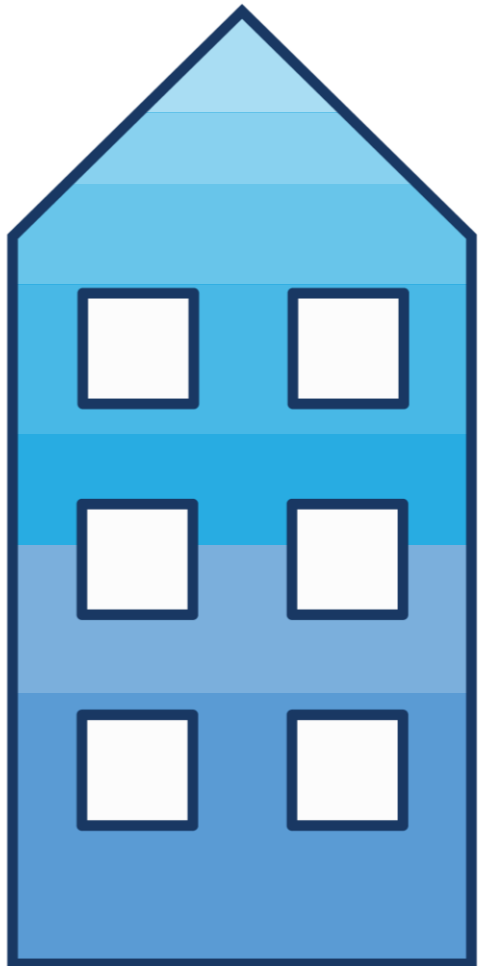


Developers have only so much control over most project costs

TOTAL HOUSING DEVELOPMENT COSTS BREAKDOWN,
MASSACHUSETTS URBAN PROJECTS, 2011-2015

Source: Dukakis Center Housing Cost Analysis

Project Costs



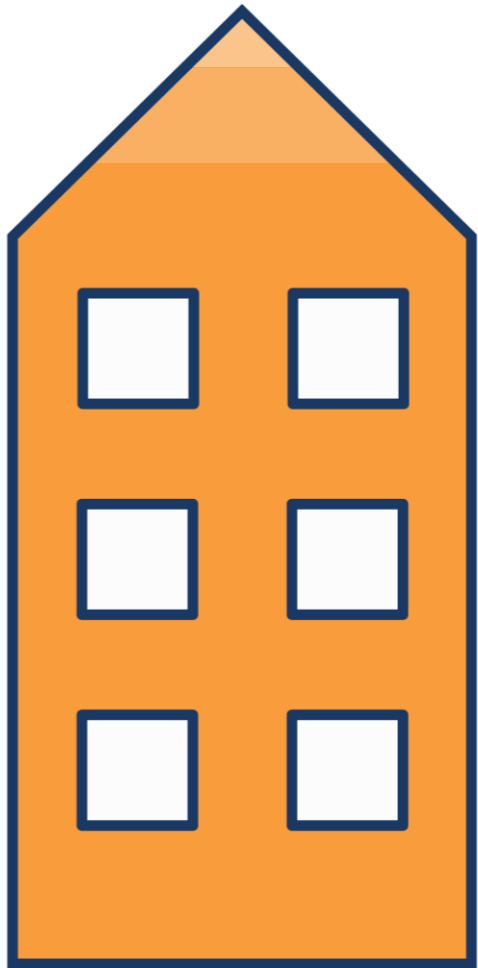
Operating

- Management & Admin.
- Maintenance
- Property taxes
- Utilities
- Insurance & Reserves

Financing

- Covers land, construction, & soft costs
- loan repayment
 - Investor requirements

Project Income



Income

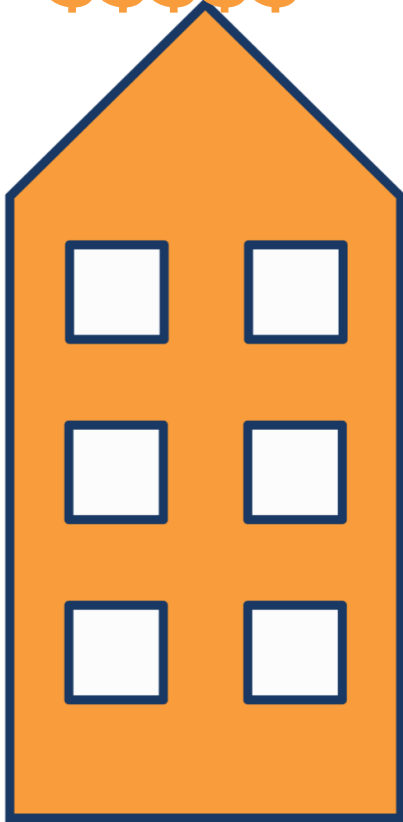
- Rents
- Parking Fees
- Miscellaneous

Project income must be enough to cover project costs

Project Feasibility

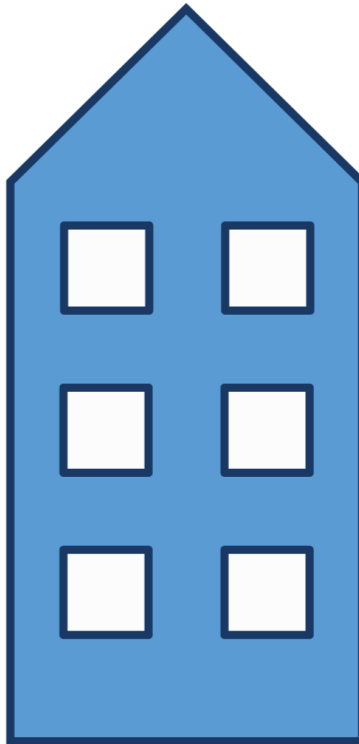
Project income

\$\$\$\$\$



Project costs

\$\$\$\$



Project is feasible when
project income > **project costs**

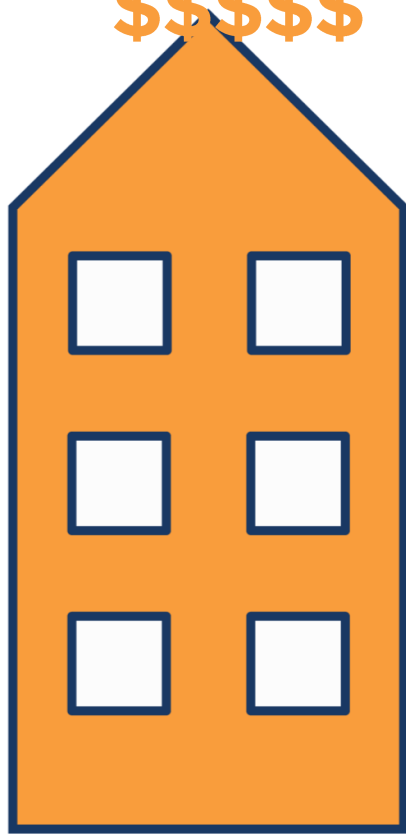
- Income leftover after costs = **return**
- **15% rate of return** is typical for housing

Adding Affordability

100% Market-rate

Project income

\$\$\$\$\$

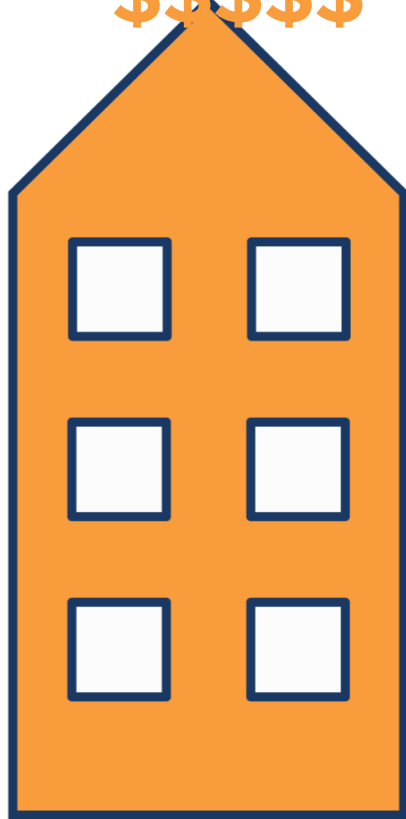


Income from
**market-rate
rents**

Adding Affordability

100% Market-rate
Project income

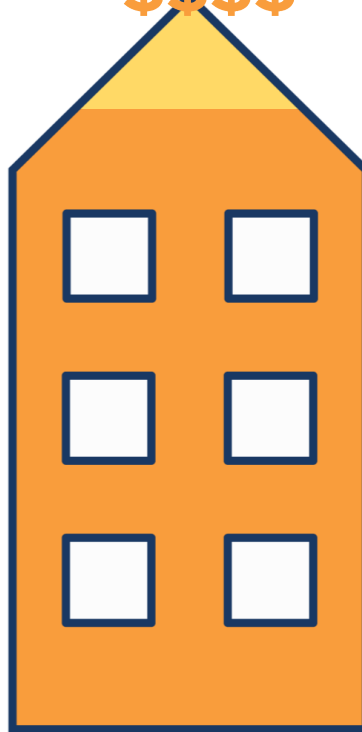
\$\$\$\$\$



Some affordability

Project income

\$\$\$\$



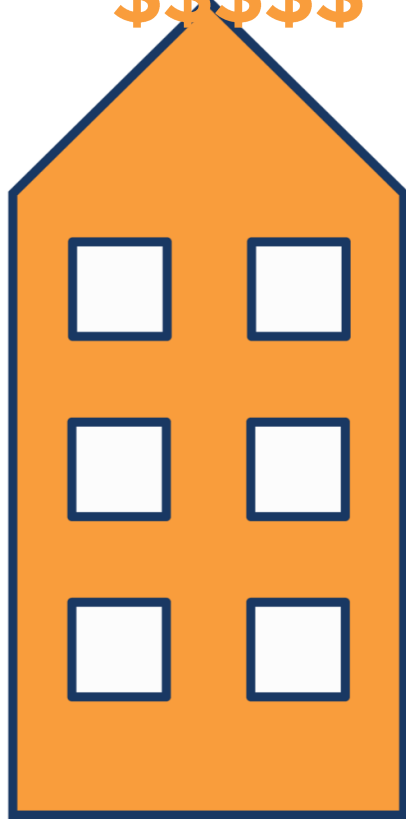
Income from
affordable rents

Income from
market-rate rents

Adding Affordability

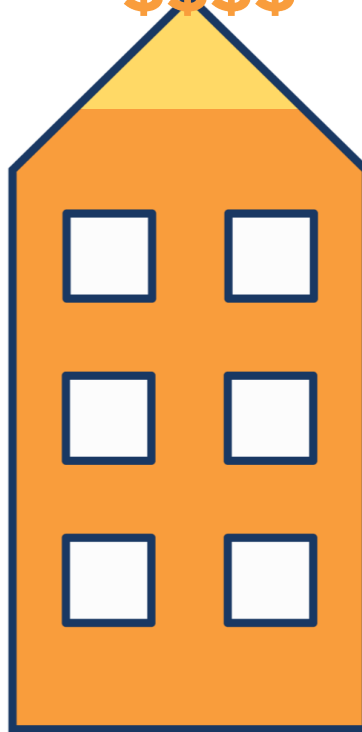
100% Market-rate
Project income

\$\$\$\$\$



Some affordability
Project income

\$\$\$\$



Greater affordability
Project income

\$\$\$

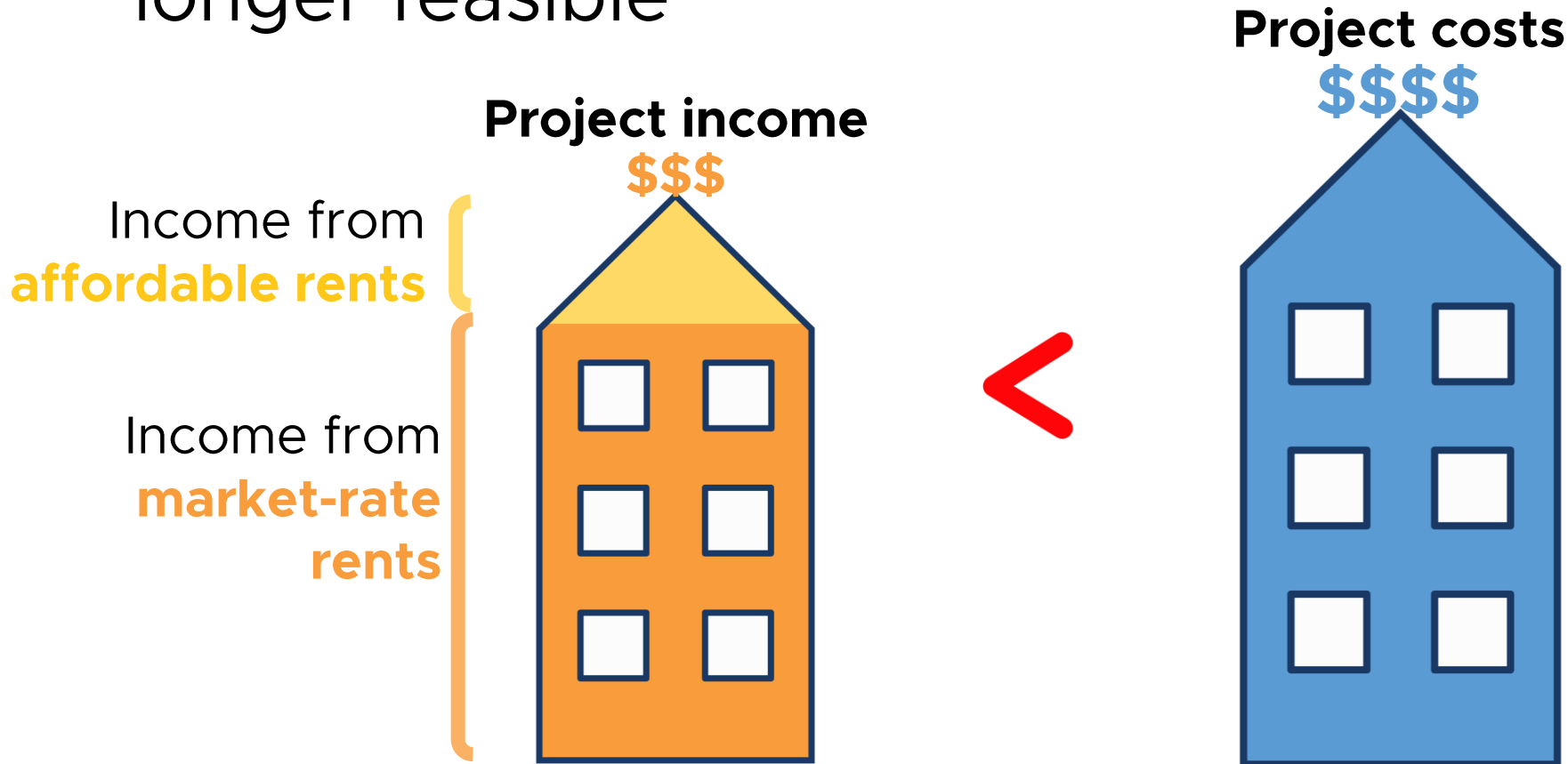


Income from
affordable rents

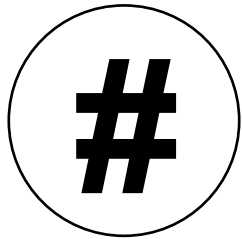
Income from
market-rate rents

Adding Affordability

If costs become greater than income, project is no longer feasible



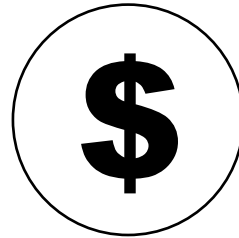
Policy Priorities



Affordable Units

Number of homes
required to be
Affordable

More units requires
incentives or higher income
targets



Income Target

Income levels
eligible for
Affordable homes

Deeper affordability requires
incentives or fewer units

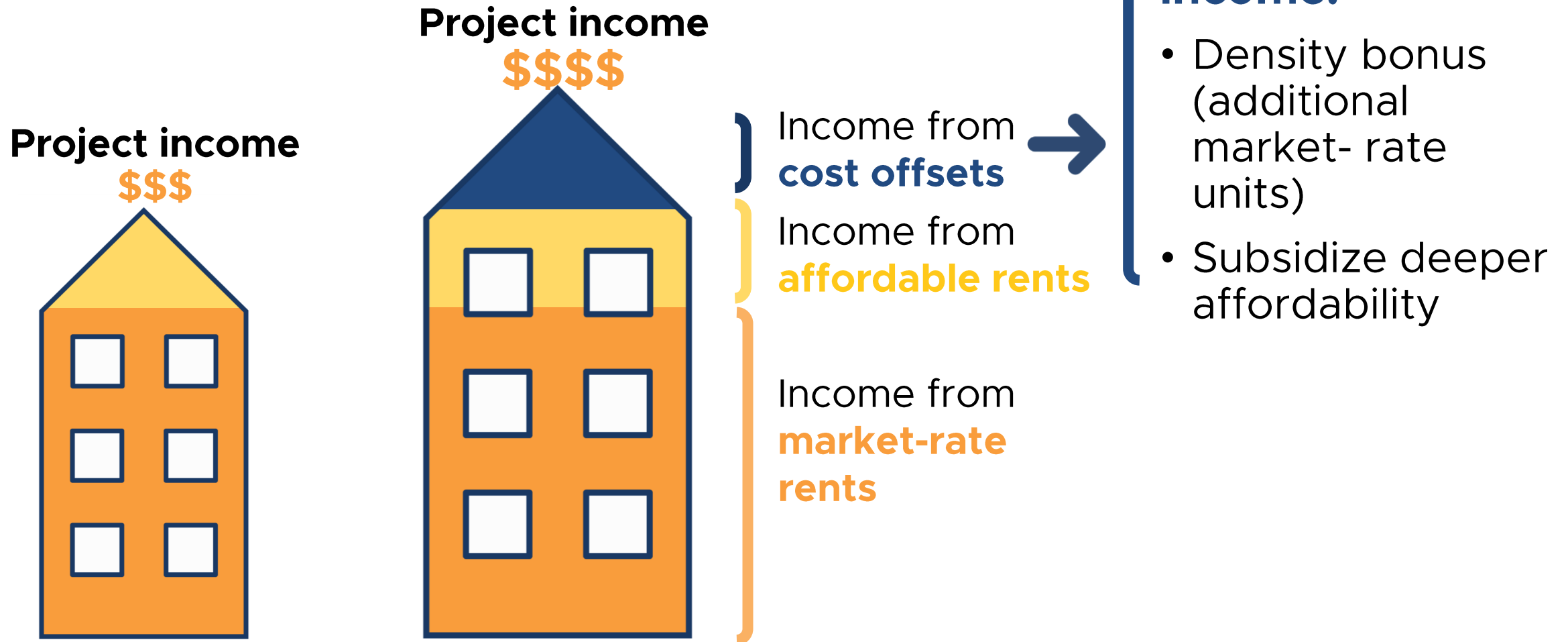
Es más importante que la política de inclusión de Revere...

1	Crear el mayor número posible de viviendas asequibles, aunque eso signifique atender a menos familias con bajos ingresos en general	Atender a las familias de menor renta posible, aunque signifique producir menos viviendas asequibles en general
2	Crear el mayor número posible de viviendas asequibles, aunque sean unidades más pequeñas (1 o 2 dormitorios).	Crear más viviendas de tamaño familiar (3 o más dormitorios) aunque se creen menos viviendas asequibles

**How can
we get
more
affordability
from an
IZ policy?**



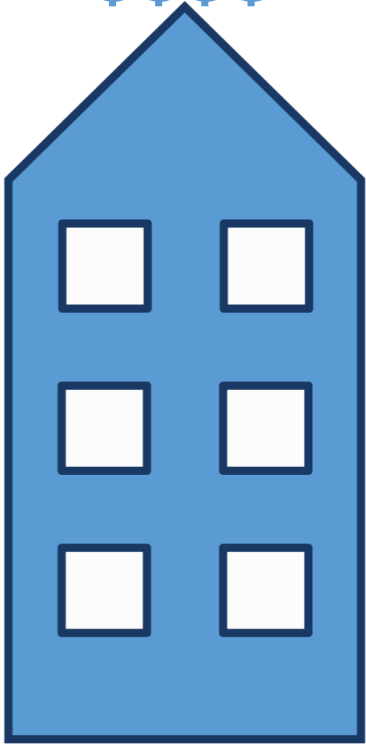
Cost offsets



Cost offsets

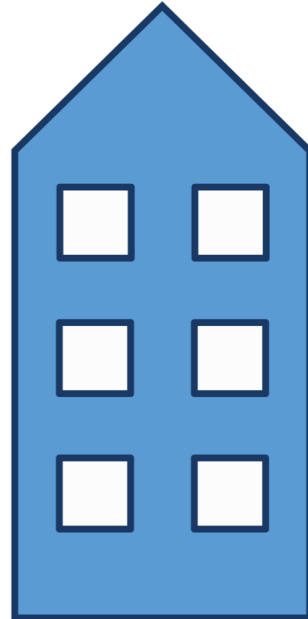
Project costs

\$\$\$\$



Project costs

\$\$\$



Reduction from
cost offsets

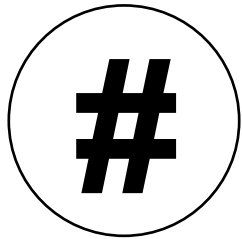


Project Costs

Reduce project costs:

- Parking reduction
- Fee waiver
- Tax relief

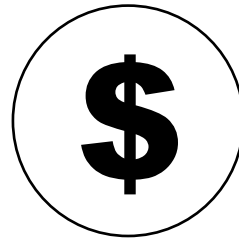
Policy Priorities



Affordable Units

Number of homes
required to be
Affordable

More units requires
incentives or higher income
targets



Income Target

Income levels
eligible for
Affordable homes

Deeper affordability requires
incentives or fewer units



Incentives

Helps offset costs of
building the Affordable
homes

More incentives
enable more
affordability

Es más importante que la política de inclusión de Revere...

1	Permitir que los nuevos edificios sean más grandes (más altos o con una huella mayor) de lo que se permitiría de otro modo a cambio de más viviendas asequibles	Mantener los límites de altura y densidad existentes y exigir menos viviendas asequibles
2	Permitir a los urbanizadores realizar un pago en lugar de unidades para generar ingresos para programas de vivienda (ayuda al pago inicial, ayuda al alquiler de emergencia, etc.)	Mantener los requisitos de estacionamiento existentes y exigir menos viviendas asequibles
3	Impuestos sobre los edificios residenciales con viviendas asequibles a un tipo moderadamente inferior al habitual a cambio de más viviendas asequibles	Impuestos sobre los nuevos edificios residenciales con la tasa completa del impuesto sobre la propiedad y exigir menos viviendas asequibles
4	Impuestos sobre los edificios residenciales con viviendas asequibles a un tipo sustancialmente menor durante un periodo de tiempo determinado a cambio de más viviendas asequibles	Impuestos sobre los nuevos edificios residenciales con la tasa completa del impuesto sobre la propiedad y exigir menos viviendas asequibles

Policy Priorities



In-lieu Payment

Option to pay a fee instead of building Affordable homes on-site

Generates funds for housing, but typically less than the cost of a unit



Location Alternatives

Whether Affordable homes are on- or off-site

Greater flexibility, but less geographic equity



Geography

Whether policy is citywide or limited to certain areas

Es más importante que la política de inclusión de Revere...

1	Permitir que las viviendas asequibles requeridas se construyan en una ubicación diferente a la de las nuevas viviendas a precio de mercado (unidades fuera del lugar de construcción) para proporcionar a los urbanizadores flexibilidad y hacer potencialmente más factibles los proyectos	Crear Exigir que las viviendas asequibles estén en el mismo edificio que las nuevas viviendas a precio de mercado (unidades en el lugar de construcción) viviendas de tamaño familiar (3 o más dormitorios) aunque se creen menos viviendas asequibles
2	Permitir a los urbanizadores realizar un pago en lugar de unidades para generar ingresos para programas de vivienda (ayuda al pago inicial, ayuda al alquiler de emergencia, etc.)	Exigir a los urbanizadores que creen viviendas asequibles en lugar de hacer un pago en sustitución de las unidades para que sea más rápido y haya menos carga para la ciudad
3	Permitir que los urbanizadores paguen una tarifa en lugar de construir viviendas asequibles para generar ingresos para la ciudad o para que las organizaciones sin ánimo de lucro construyan viviendas asequibles por sí mismas, incluso si resulta en menos viviendas asequibles que si los urbanizadores las construyeran como parte de un nuevo desarrollo a precio de mercado	Exigir a los urbanizadores que construyan viviendas asequibles en lugar de hacer un pago en sustitución de las unidades para que sea más rápido y haya menos carga para la ciudad
4	Permitir a los urbanizadores realizar un pago en lugar de unidades para generar ingresos para programas de vivienda (ayuda al pago inicial, ayuda al alquiler de emergencia, etc.)	Exigir a los urbanizadores que creen viviendas asequibles en lugar de hacer un pago en sustitución de las unidades para que sea más rápido y haya menos carga para la ciudad

Es más importante que la política de inclusión de Revere...

1	Permitir que las viviendas asequibles se construyan en una ubicación diferente a la de las nuevas viviendas de precio de mercado (unidades fuera del lugar de construcción) con el fin de exigir más viviendas asequibles	Exigir que las viviendas asequibles se encuentren en el mismo edificio que las nuevas viviendas a precio de mercado (unidades en lugar de construcción), incluso si se requieren menos viviendas asequibles
2	Exigir más unidades asequibles en las zonas de la ciudad donde el mercado de la vivienda es más fuerte y los proyectos pueden absorber potencialmente el mayor coste de más unidades por debajo del mercado	Tener requisitos coherentes en toda la ciudad, independientemente del mercado

05:

Next Steps

For us and for you



Tell us more!

Know people who couldn't make it tonight?

There's an inclusionary zoning survey for residents to share their thoughts on policy priorities

Survey open now through November 23th at
www.mapc.ma/RevereIZOpenHouse

Technical assistance

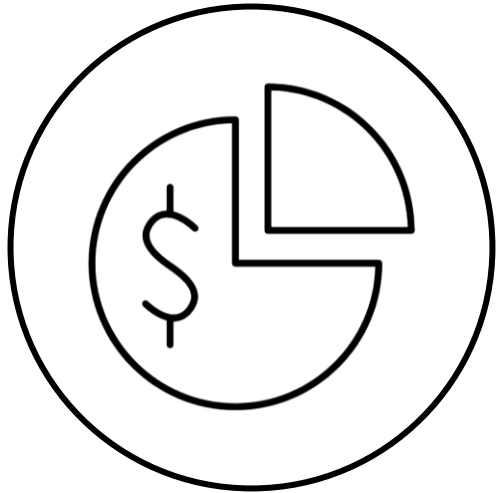
1. Developer discussions



Project team will meet with real estate professionals, including developers, realtors, lenders, and others

Technical assistance

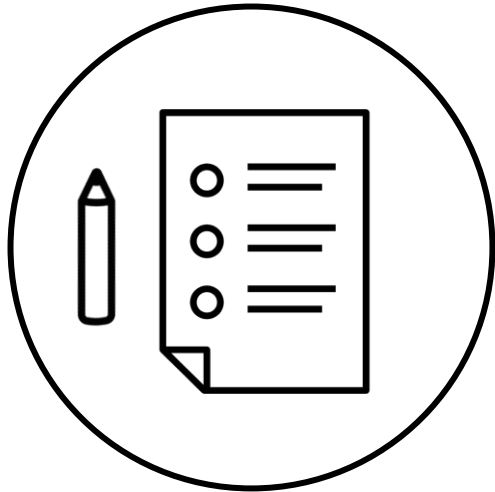
2. Financial modeling



Project team will create financial pro forma to test different inclusionary zoning scenarios

Technical assistance

3. Zoning recommendations



Based on analysis and community engagement, the project team will recommend policy elements

Thank you!

Find more information at www.revere.org/iz

Karina Oliver-Milchman, AICP, project manager, kmilchman@mapc.org

Alexis Smith, zoning, asmith@mapc.org

Christian Brandt, AICP, community engagement, cbrandt@mapc.org

