

June 8, 2023

Chief Arthur Jemison  
Boston Planning & Development Agency  
One City Hall Square  
Boston, MA 02201

Dear Chief Jemison,

On behalf of the Greater Boston Chamber of Commerce and our 1,300 members, I write to oppose the administration's text amendment to the Boston zoning code codifying Boston's Inclusionary Development Policy (IDP). The Chamber is deeply concerned that the City is advancing a policy that has no clear goals and makes housing development infeasible in Boston. In March, the Chamber [submitted testimony](#) raising these concerns. We remain concerned over this policy development because the text amendment addresses neither of these areas.

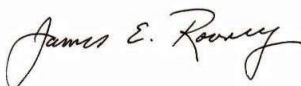
Despite the opportunity to clarify the goals of the administration in updating the IDP, the zoning amendment makes no reference to an end-goal from this policy change. We do not know how many new units of housing will be built because of this change, why the administration is choosing now to pursue this update, and how this policy change will meet housing production and affordability goals. Without these guide points, it is nearly impossible to measure progress and to consider alternative policy developments.

One thing is clear from the data on IDP: even modest changes to the IDP requirements negatively impact project feasibility. The higher the standards, the more difficult it becomes to build more housing. Increasing the percentage of affordable housing required from 13% to 17-20% reduces the number of market rate units that potentially could support affordable housing cost, further reducing project feasibility. The amendment draft advances policies that would make some housing projects infeasible. For large housing developments, the City's own research concludes that at a 20% IDP unit set aside standard for rental units, projects may have to seek cost relief to be financially viable.<sup>1</sup> The Chamber raised this feasibility issue previously, but this option remains in place for large projects. The drafted amendment provides a new option for large rental developments to meet their IDP standard, but the City's own research indicates that this option is just as nonviable as the original option.<sup>2</sup> Increasing the supply of housing is paramount to solving the region's housing shortage. The City must pursue policies that make it easier to develop more housing in the City. This policy does the opposite by making housing developments less financially possible.

In the text amendment, the City is also largely ignoring the IDP zone designations that were originally put in place to ensure that neighborhoods with lower property values have less stringent IDP standards. This is an important caveat in the policy to ensure housing projects remain feasible across the City. The administration's original proposal echoed this consideration by requiring less stringent IDP ownership standards for developments on the outer core of the City.<sup>3</sup> The newly drafted zoning amendment makes no such distinction. These additional IDP standards will compound the difficulty of building housing in the outer core of the City.

The drafted zoning amendment does not address the feasibility concerns raised by the Chamber, and in some ways, this amendment doubles down on standards that will disincentivize investment in housing production. Data indicate that building permits in the Boston metro area are down 30% from last year.<sup>4</sup> The City needs to pursue policies that will reverse this trend by making it easier to build housing in Boston.

Sincerely,



James E. Rooney  
President and CEO

<sup>1</sup> Boston's Inclusionary Development Policy (IDP) Analysis, RKG Associates, Inc. Page 61-62

<sup>2</sup> City of Boston Inclusionary Development Policy: Financial Feasibility Analysis Technical Report, Page 6

<sup>3</sup> Boston's Inclusionary Development Policy: Background and Zoning Proposal December 2022 Side Deck, Page 17

<sup>4</sup> U.S. Census Bureau Building Permits Survey (BPS)