



BRA INCLUSIONARY DEVELOPMENT PROGRAM
Inclusionary Development Funding (IDP) Policy Guidelines

Background

In February 2000, Mayor Thomas M. Menino and the Boston Redevelopment Authority (BRA) established the Inclusionary Development Policy ("IDP") in order to promote the production of affordable housing in Boston. Under the program, developers can meet their obligations by creating affordable units within their proposed developments, create affordable units at an off-site location, or make a cash contribution for the creation or preservation of affordable housing. Cash contributions follow a prescribed formula and are paid to the BRA. The IDP funding is then awarded to developers that create or preserve affordable housing and meet the Eligibility Requirements and Evaluation Criteria listed below.

Eligibility Requirements for Funding

Eligible Entities: Private, public, non-profit and for-profit development entities or private individuals are eligible applicants for IDP funding. Applicants must be current in taxes with no record of arson, fair housing violations or other defaults with the City or the BRA.

Eligible Projects: Projects may be homeownership, rental, cooperative or other forms of permanent housing. The projects may be new construction, rehabilitation of existing affordable housing, or a conversion of a non-residential property. To be eligible for consideration, projects must meet the following requirements:

- I. The projects must meet a "but for" test – that is, without IDP funding, the project would not be feasible;
- II. IDP funds will assist only "affordable units" as defined in the applicable IDP Executive Order.
- III. Homeownership and rental units must be affordable for a minimum of 50 years (30 years, with a 20 year renewal option);
- IV. The developer must have site control and be able to demonstrate that the proposed project is financially feasible;
- V. The proposed project must meet the requirements of the state sanitary and building codes;
- VI. The development will be subject to the Boston Residents Job Policy and construction will be monitored by the BRA or another City of Boston agency that is satisfactory to the BRA. In addition, the developer must comply with the guidelines put forth by the City of Boston's Fair Housing Commission and other applicable fair housing and equal opportunity requirements;
- VII. The developer must be able to provide all information requested by the BRA.

Evaluation Criteria

If a project is considered eligible, it will then be evaluated further using the following evaluation criteria:

- I. The project is requesting a reasonable amount of IDP resources per affordable unit and leveraging all other appropriate sources;
- II. The proposed project must be of a satisfactory quality. This evaluation would include, but not be limited to, the design and/or rehabilitation standards, and plan for long-term ownership and management;
- III. The project should result in low energy costs, promote the health and well-being of residents, and minimize the environmental impacts of development. At a minimum, the project should meet the LEED certifiable;
- IV. The developer and the development team have the proven capacity and track record to complete the project;
- V. The project can demonstrate readiness to proceed or can provide a clear and acceptable development timetable;
- VI. The project is located in an area of the City with less than the citywide average of affordable housing or in areas of the City that demonstrate a need for producing and/or preserving affordable housing;
- VII. The project is consistent with the BRA's planning and economic initiatives.

Proposal Process

The BRA will accept funding proposals on a rolling basis as well as through competitive requests for proposals. Competitive funding rounds may have additional funding requirements or preferences.

In order to be considered for IDP funding, developers should submit a narrative that describes the development being proposed, the development team, and the need for IDP funding. The developer should also submit a development pro forma, which includes both a development and the operating budget. Development budgets should provide itemized detail on development costs and proposed funding sources. The BRA reserves the right to request additional information to evaluate the request.

All funding awards must be approved by the BRA Board of Directors. If a developer is awarded IDP funding, the developer will be required to enter into the appropriate loan or grant documents with the BRA.

These guidelines notwithstanding, the Director of the BRA may modify any provision herein which is deemed necessary and appropriate and in the best interest of the BRA.

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