



333 Washington Street, Suite 854, Boston, MA 02108
T(617-227-1900 F(617)227-2815 www.bmrb.org

Testimony of the Boston Municipal Research Bureau
Before the
Joint Legislative Committee on Housing and Urban Development
July 19, 2000

Regarding: Proposals To Change Boston's Linkage Legislation

The Research Bureau is pleased to present testimony to the Joint Legislative Committee on Housing and Urban Development regarding H5350, An Act Relative to Mitigating New Large Scale Development Projects in the City of Boston (Linkage). The Bureau accepts the increase in linkage fees proposed in this home rule petition and recommends that it be approved as submitted with no other changes. This increase essentially reflects an inflationary adjustment that could have occurred legally at any time from 1987 forward. The Menino Administration is in the process of finalizing a policy on establishing community benefits for large-scale development in Boston. For that reason, we believe it is premature to consider legislation that seeks to establish a community benefits policy at this time.

In 1998, the Bureau released a comprehensive report on Boston's linkage program and offered a new approach to manage linkage funds for housing and job training. We have worked closely with the Menino Administration and the Neighborhood Housing Trust and feel confident that some changes can be made to improve the benefits of linkage for housing and job needs in Boston. However, we also believe that linkage should be put in proper perspective and it should be recognized that a balance must be realized to support valuable programs while not negatively affecting commercial and housing development in the City. What that means is that linkage cannot be the sole vehicle for solving the housing crisis that exists in Boston today. In our testimony before the Boston City Council, the Bureau stressed that the proposal to increase the linkage fees should be tied to changes on two related fronts: (1) improved administration of the linkage program and (2) a lessening of the demand for payments beyond the linkage agreement. The Boston Redevelopment Authority is working on these two issues which we will follow. Finally, changes in the linkage program should be considered in the context of Boston's heavy reliance on business property for a predominate share of the City's property tax revenue.

The Mayor and City Council have submitted a home rule petition to increase the housing linkage fee from \$5.00 per sq. ft. over 100,000 sq. ft. to \$7.18 per sq. ft., an increase of 44%. The Jobs linkage fee would increase from \$1.00 per sq. ft. to \$1.44 per sq. ft. for a total of \$8.62 per sq. ft. The Mayor is proposing a home rule petition to amend Chapter 371 of the Acts of 1987, the linkage enabling legislation, because under existing law, the City's Zoning Commission would only be able to approve an increase that did not exceed a combined CPI index over the prior 36 months. That increase would be less than 10%.

Any increase in linkage fees should be balanced with a lessening of the demands of the City and neighborhood groups for payments and exactions beyond linkage. These extra requests beyond the DIP agreement before final approval of the project is granted have become excessive and should be checked before needed development is discouraged. Contributing to this problem in the waterfront area is the interim

height limit of 150 feet established by the BRA that can only be exceeded if developers “propose public realm and community benefits that allow them to earn their way above the base height.” We are awaiting the results of the Menino Administration’s efforts to develop a policy on establishing community benefits for large-scale development in Boston. For that reason, we believe it is premature to consider legislation that seeks to establish such a policy at this time.