

## Linkage Revenue Supports Affordable Housing

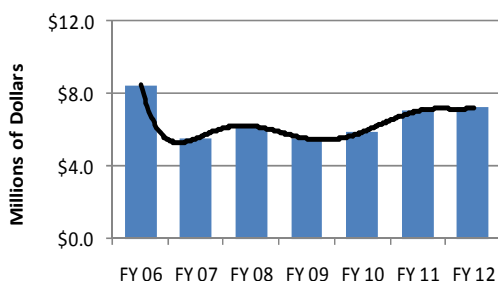
*Boston-controlled affordable housing funds increase 3 years running*

Since 1986, linkage funds have assisted the City in creating 7,385 affordable housing units throughout Boston. Over the past seven fiscal years, annual housing-designated linkage [revenue](#) has ranged from \$5.5M to \$8.5M with \$7.3M collected in FY12. Though it provides a small part of total affordable housing development funding, linkage remains a Boston-controlled source of funding as federal housing grants to the City have declined in recent years.

### What is Linkage?

The linkage program, as authorized by CH 371 of the Acts 1987, requires large-scale commercial developers in need of zoning approval to make an exaction to the City. Exactions are financial obligations that must be met by either a payment to the City or, with BRA approval, an equivalent amount of housing creation. The funds are used to increase or improve affordable housing and fund job training programs. These exactions are collected and distributed via two trusts: the Neighborhood Housing Trust (NHT) and the Neighborhood Jobs Trust (NJT).

### Housing Linkage Revenues



Source: COB Treasury Department

Developers are required to pay \$9.44 per square foot after the first 100,000 square feet, with \$7.87 per square foot designated for housing. Alternately, developers can create housing in an amount equal to the cash requirement.

### Benefits of Linkage

Linkage funds assist in creating both affordable housing and job training programs. Since 1986, \$106M has assisted in building 7,385 completed units. More funds are committed to assist construction of another 1,711 affordable units. Since 2006, the trust has committed \$47.8M to assist in the construction of 2,950 affordable units covering an average of 4% of total development cost.

### NHT Award History

FY	Awarded Funds (Millions)	TDC* (Millions)	Award % of TDC*	Affordable Units
2006	\$5.5	\$132.5	4%	239
2007	8.9	251.4	4%	482
2008	11.5	255.2	4%	744
2009	5.3	179.3	3%	257
2010	4.6	120.6	4%	333
2011	10.9	268.4	4%	807
2012	1.1	31.4	4%	88
<b>Totals</b>	<b>\$47.8</b>	<b>\$1,238.8</b>	<b>4%</b>	<b>2,950</b>

\* TDC = Total Development Cost

Source: Department of Neighborhood Development

Additionally, the use of linkage funds can be leveraged to show the city's commitment to a particular project and generate funding interest from other parties or the Commonwealth.