

October-November 2004

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Rent Control, Again

A new rent control act has been presented to the Boston City Council for consideration this calendar year. The *Community Stabilization: Tenants and Small Property Owners Protection Act* as proposed by the Boston Tenant Coalition is revised slightly from the plan that was defeated by the City Council in November 2002 by a vote of 6-4. The Research Bureau recognizes the high cost of rental housing in Boston but believes housing production, not rent control is the best long-term solution. Interestingly, this proposal comes after the 2002-2003 period when the median advertised asking rent for a two-bedroom apartment in Boston dropped by 9.7% while the volume of advertised two-bedroom apartments increased by 17.6% according to the City's DND.

The City Council will hold a hearing on this home rule petition on Tuesday, November 23 at 4:30 P.M. in the Iannella Chamber. Mayor Menino has not taken

a position on this new plan and will wait to see what action the Council takes. This proposal must also be approved by both the House and Senate and signed by the Governor before it is enacted.

A few key provisions of the new proposal are:

- Annual rent increase may not exceed 5% for elderly, disabled or low-income or 10% for others.
- Applies to buildings with 3 or more units.
- Exempt would be structures up to 6 units if one is used as the owner's residence, BHA units and housing built after September 1, 2002.
- Tenants may petition for reduction in rent for substandard conditions until situation fixed.
- A city agency would administer the act and appeals would go to the Boston Housing Court.
- A 10-year sunset clause is attached.

Spike In Available Office Space

The projected personnel downsizing and real estate consolidations resulting from financial service mergers and acquisitions were realized in the third quarter in Boston. Almost 2 million sq. ft. of office space was returned to the market, increasing Boston's availability rate for class A properties in the central business district to a record high of 20.2%. The availability rate for Boston office space overall was 16.8%, the highest level since first quarter 2003 according to data reported by the real estate firm of CB Richard Ellis/Whittier Partners.

In 3Q 2004, about 70 leases were signed that removed approximately 600,000 sq.

ft. from inventory creating a negative absorption of 1.3M sq. ft. Up until this third quarter, Boston's office market showed signs of recovery in four of the last five quarters. Even so, low interest rates contributed to favorable sales for well-leased office properties sold in the third quarter.

Real Estate Consolidation	Sq. Ft.
Manulife/John Hancock	720,000
Bank of America/Fleet Bank	460,000
Deutsche Bank	346,000
State Street Bank	325,000
Mass. Financial Services	135,000
Total	1,986,000

Public Improvement Commission

The “owner and regulator of the City’s rights of way”, the Boston Public Improvement Commission (PIC), plays an integral role in the City’s development and permitting process. Business owners, developers and homeowners alike conduct business in the air, on the surface and below ground that requires the approval of the PIC. From the restaurant that wants to add a seasonal café on the public sidewalk, to the developer who wants to construct an underground parking garage for a new housing development, or the homeowner who wants to add an architectural feature to a house that juts into the public space, each must seek approval from the PIC to have its private venture occupy public space, either permanently or on a licensed basis.

Originally established in 1870 as the Board of Street Commissioners and comprised of officials elected by the public, the current mayoral appointment structure for the Public Improvement Commission was established by City ordinance in 1954. The Commission is chaired by the Public Works Commissioner, and includes the Commissioners of Inspectional Services, Transportation and Property Management and Construction, respectively, as well as the Executive Director of the Boston Water and Sewer Commission. The Commission meets every Thursday at 10:00 A.M. in City Hall Room 801 to consider petitions.

In general, the PIC authorizes development in the following:

Category	Description/Example
1. Discontinuance of public way or Abandonment of private way	1. Request that the City discontinue its claim to certain public space, or its potential claim to private space - roofs, cornices, underground garages.
2. License	2. Request license to use a public right of way or space - sidewalk café, marquee, canopy, areaway, earth retention system, monitoring well.
3. Specific Repair	3. Request specific changes to a public right of way - use of brick instead of concrete or paver for sidewalk.
4. Street Layout or Approval of Line and Grade	4. PIC ensures the line and grade of a private development compliments that of the public way it borders.
5. Telecommunication and Utility Grant of Location	5. PIC regulates how telecom companies access and occupy underground and above ground cable networks.
6. Easement, Widening and Relocation	6. Shift the public way onto private property in exchange for the right to occupy sidewalk space.

CDBG Turns 30

The City-administered program that funds important housing and economic development efforts like first-time homebuyer assistance and the Boston Main Streets program turns 30 years old this year. The Community Development Block Grant (CDBG) is a formula-based federal grant program that is funded by the U.S. Department of Housing and Urban Development and administered locally by the City’s Department of Neighborhood Development (DND).

Hallmarks of the CDBG include the flexibility cities and towns have to apply the funds, along with the federally-established goals of helping low and moderate income residents and stimulating business development and economic growth.

Since its inception, the City has received \$715.2M in CDBG dollars. The program was funded at \$32.1M in its first year and received a low of \$17.2M in FY91. The current FY04 amount of \$24.5M is slightly higher than the historical average of \$23.8M. Popular CDBG-funded housing and economic development programs include assistance for:

- qualified homeowners to make improvements to their residences (20% of FY04 funding)
- human services support, particularly for the elderly (19%)
- Boston Main Streets program to revitalize neighborhood commercial districts (6%)

School Board Search

The search is on for a new member for the Boston School Committee starting in 2005. Susan Naimark, whose term expires on January 3, 2005, will not seek a third term. Ms. Naimark has served on the Board since January 1997. Boston residents interested in applying for the open position for a 4-year term can obtain an application by:

- Calling City Hall at 617-635-9504
- Pick it up at Mayor’s Office, 5th Floor
- Download copy from www.bostonpublicschools.org

The application deadline is Tuesday, November 16th at 4:00 P.M. The Mayor will appoint the new member from nominees recommended by a 13-member Nominating Panel.

The names of the current members and the year their terms expire are listed below.

Member	Served Since	Term Ends Jan.
Susan Naimark	1997	2005
Elizabeth Reilinger	1994	2006
Dennis Wright	2002	2006
Alfreda J. Harris	1993	2007
William L. Boyan	2003	2007
Marchelle Raynor	1999	2008
Angel Moreno	2000	2008