# Gontalet A TALE OF TWO BOSTON **NEIGHBORHOODS** – BONDING AND LINKING CAPITAL IN BOSTON'S -A prot **REAL ESTATE** DEVELOPMENT

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## Introduction

Studying and analyzing which aspects of a community makes them more resilient has never seemed more relevant than during the biggest global pandemic of the last Century. The Coronavirus, also referred to as CoViD-19, appeared in Wuhan, China, in November, 2019. By mid-March, 2020, confirmed cases were reported in every continent. A highly contagious virus, asymptomatic in some individuals, fatal for some populations, has forced many governments to take drastic measures such as lock-downs and quarantines to slow down and reduce the spread of the disease. Everyone must go home, and stay home, to avoid collapsing the health care system. But this policy exposes a vulnerability: what about those who don't have a home?

As social beings, we have placed a great deal of importance on the public realm, on the amenities and retail available to us all near our homes. When choosing where to live, many consider location, access to public transit, night life, and green spaces. As the diversity and availability of these amenities increases, more willing are some to accept living in smaller residences. But now that the current situation has forced over a third of the global population to remain in their households and leave only to get supplies or go to the pharmacy, many are asking themselves whether their home is truly worth what they are paying for it.

The thesis of this research project is that housing is a vital component of a city's resilience, especially in times where the biggest hazard we are experiencing is a global pandemic, and that in systems that allow and enable community engagement and feedback, stronger social capital will be able to directly shape the developments within their land.

In this paper, I will investigate and analyze how bonding ties and linking ties are shaping Boston neighborhoods and their real estate development projects, and how those, in turn, are impacting the neighbor's bonding and linking ties. I will look at how communities use the different channels of public participation enabled by the Boston Planning and Development Agency (BPDA) to influence development in their neighborhoods. This investigation will attempt to mix urban economics with the role of social capital and community engagement.

# Literature Review

Housing, urban renewal legislation and community engagement are complex topics with a long history. This literature review will provide the basics to understand the findings and analysis.

### Urban Economics and Urban Policy

The study of urban economics allows an insight into and a better understanding of what and how cities are shaped. According to researchers, the economic growth of a city will depend on how successfully public officials manage to balance *agglomeration benefits* (having similar businesses and skilled workers in close proximity), congestion costs, and the sorting of workers across the city (Cheshire, Nathan, & Overman, Urban Economics and Urban Policy, 2014).

Within a city, people agglomerate as well when choosing where to live, generating what is known as *residential segregation*. Residential segregation happens when people living in the city naturally sort themselves out. There are two main features that lead to this phenomenon: what characteristics a household may prefer from a location, and income inequality. These two factors are correlated and create a feedback loop; a family with a higher income will have the opportunity of paying a higher price for a better neighborhood, leading to an increase in tax revenue to the city, which leads to higher investment in public services, improving the city or neighborhood's quality (Cheshire, Nathan, & Overman, Urban Economics and Urban Policy, 2014). Regions experiencing higher inequality among their population exhibit more drastic residential segregation.

Inevitably, as the population of a city grows, governments must find space to allocate for the increasing demand for housing. Through Land Use Urban policies, city governments can plan how development will happen, how dense or spread out it will be allowed to become, as well as how much will be allowed of each use, say housing, retail, or office space. The amount of power local authorities will possess is determined at the national level, but researchers (Cheshire, Nathan, & Overman, Urban Economics and Urban Policy, 2014) have found that those with more planning control tend to enable more community participation, especially in planning systems where the policy approach is to determine what the potential impacts of a larger development will be and ensure they are properly mitigated by the developers.

#### Boston Redevelopment Agency

The Boston Redevelopment Agency (BRA), renamed to Boston Planning and Development Agency (BPDA) in 2015, was created in September, 1957, by the Massachusetts Legislature through and addendum to chapter 121 of the Massachusetts General Laws. Previous to its creation, the duties of urban redevelopment and urban renewal had been attributed to the Boston Housing Authority (BHA), but with the responsibility of managing over 13,000 public housing units,

the BHA was too overwhelmed to execute the tasks of renewal and redevelopment (Aronson, 1963). The BRA assumed the role of managing urban renewal in Boston.

#### Article 80 Process

*Development* review (DR) is one of the activities carried out by the BPDA. They are enabled to do so through Article 80 of the Boston Zoning Code (BZC), adopted in 1996 (BRA, City of Boston, 2014). Article 80 establishes a range of standardized procedures that real estate developers must comply with in order to receive the BPDA's *certification of compliance*, before being able to obtain their construction permits from the city's Inspectional Service Department (ISD). Not all construction requires DR. Construction projects adding under 20,000 square feet or less than 15 dwelling units are exempt of the requirement. Development projects over these dimensions will qualify for one of the following categories that must follow a different review process:

- Small Project review: projects with more than 20,000 square feet or 15 dwelling units, but less than 50,000 square feet.
- Large Project review: projects with more than 50,000 square feet.
- Planned Development Area and Institutional Master Plan Review: projects with at least one acre of land that will require a long term development plan of five or more years. They usually need special review requirements and development conditions.

This investigation will be focusing on Large Projects (LP) and Planned Development Areas (PDA). The DR stages for large projects are provided in appendix 1. The definitions for Letter of Intent (LOI), Project Notification Form (PNF), Draft Project Impact Report (DPIR) and Scoping Determination can be found there.

The most relevant component of the LP and PDA review processes to this investigation is the community engagement process. A potential project's community is engaged through several channels. The first is the Impact Advisory Group (IAG). Elected officials – city councilors, state congresspeople and state representatives – nominate community members to participate as community advisors. The nominees can decide whether they accept the nomination or not, because if they do, they are accepting the responsibility of actively participating in the review process. The group is normally formed by no more than 15 people, who convene with the developers to discuss their concerns and opinions. While the meetings are open to the public, the priority is given to the IAG members. The meetings generally consist of the proponents giving a brief presentation of the project and its characteristics, followed by feedback and questions from the members.

The second channel of community engagement is through the community meetings. These are addressed at the broader community, and everyone is welcome to attend. Similar to IAG meetings, the proponents provide a presentation of the project, followed by questions and comments from the attendees.

In consideration for people's time and mobility restrictions, the BPDA enables a public comment period, where people can send physical letters, emails, or submit public comments through the agency's website.

In charge of enabling, accepting, coordinating, and channeling all of the public input, is a DR project manager. Once the proponents have complied with the solicited requirements, the project manager takes the project to the agency's Board to request their approval. If the Board approves them, the proponents receive the certificate of compliance required to request construction permits.

#### NIMBYism

The term *NIMBY* ("Not In My Backyard") appears constantly in topics of land use development and utility siting decision making, and the conflicts and community opposition that arise from these. Johnson and Scicchitano (2012) define it as "the paradox that occurs when citizens call for more public facilities, but then fail to support the construction of such facilities when they are located near their home" (Johnson & Scicchitano, 2012). Because of this juxtaposition or perception of cognitive dissonance being suffered by the neighbors, NIMBY has become a pejorative term to describe those who oppose progress.

Many researchers have begun to shift the framework through which community participation is evaluated. Eranti (2017) proposes a framework in which argumentations arising in local land-use conflicts can be valuated using Thévenot's *grammars of communality*. The modes of valuation are (taken from (Eranti, 2017)):

- Individual interests: arguments based on private interests
- Public justification: arguments based on common good
- Familiar affinities: arguments based on strong emotional ties to places and objects

Johnson and Scicchitano explore two factors that may influence a community's perception regarding the risks and dangers in the context of landfills siting: trust and interest in the environment. With regards to trust, their results attested that individuals who reported higher

levels of trust in government tended to be less concerned by the proximity of a landfill to their home.

Petrova (2015) proposes a framework (VESPA) to categorize community concerns in order to help policy-makers develop effective approaches and therefore reduce potential conflict in the context of wind energy installation siting. The four categories she considers are visual/landscape, environmental, socioeconomic and procedural. She also suggests in her conclusions that policy makers and developers should do "ENUF"; *Engage* community members from the beginning, *Never use NIMBY* if the goal is to collaborate rather than confront, *Understand* the community's perspective, and *Facilitate* long term conversations with the community.

#### Social Capital

This investigation will focus on two of the three types of social capital, bonding and linking social capital. Social capital encases the relationships everyone can rely on in case of need, and have two main directions, horizontal and vertical. Horizontal ties are between members of groups or between members of different groups, and vertical ties link individuals of a given group with individuals in positions of power.

Bonding capital is the most common type of social capital in people's lives (Kyne & Aldrich, 2019), and consists of familiar bonds, or relationships between those who share a high level of familiarity through a shared religion or belief system, or through socioeconomic or historic backgrounds.

Linking capital are the relationships individuals possess with people in positions of power, this being local or national government, or at a broader scale, between two groups where one has the capacity to help the other, for example a developed nation with the physical resources to aid a developing nation.

# Methodology

## Case Studies

The case studies will look into two different mixed use, real estate development projects being proposed in Boston and how the surrounding communities have responded to the proposal and engaged in the process. These projects were selected for several reasons. First, previous work experience at the BPDA as a Co-op provided an opportunity to attend their public meetings, which sparked curiosity as to what could be affecting the communities' engagement to differ. Second, both developments share important similarities regarding type of project review (both began with large project review and eventually applied for PDA review), uses (both will contain a mix of

residential, office, retail, and hotels), timeframe (both started their Article 80 process in 2017) and general shape of the construction (both will consist of numerous buildings with streets and other infrastructure).

Their characteristics and timeline will be described to establish how comparable both are. Public comments will be retrieved from the BPDA's project timeline and analyzed to collect insights into the community's primary concerns. Public comments from public officials will be given special attention, to determine the degree to which community members have expressed their concerns to their representatives. Public comments from IAG members will be also emphasized.

The purpose of the case studies will be to compare and contrast their similarities and differences, regarding the community input provided as well as the responsiveness to this feedback.

## Quantitative Data

Data was retrieved from the BPDA's report on Boston's Neighborhood's Profiles (BPDA Research Division, 2019). The total residents, age distribution, race, education attainment, median household income, household composition, percent of rented units, median rent, units built between 2011 and 2018, and units approved between 2014 and 2018 were variables obtained from this report. Data was also retrieved from other BPDA reports, such as the percentage of foreign born population in each neighborhood (Boston Redevelopment Authority, 2016).

Using these neighborhood profile report, a series of linear regressions were tested using Python to analyze the relation between a neighborhood's demographic characteristics and the prominence of development in them during the 2011-2018 period.

Subsequently, a Public Records Request was submitted to the BPDA, requesting all publicly available information on all the Board Approved projects since 2016, which was approved by email on March 17<sup>th</sup>, with the requested data attached. A similar dataset was obtained from the Boston Analyze website, which included approved projects from 2005 to 2016.

This data was used to map the development using ArcGIS.

## Findings

## Case Studies

#### Suffolk Downs Project

The proposed Suffolk Downs Project is located in the East Boston neighborhood and consists of approximately 109 acres of land previously used as the Suffolk Downs horse race track. The developer, HYM Investment Group (also developers of Bulfinch Crossing, Boston's new tallest building) is proposing approximately 10.5 million square feet of development in Boston, providing a mix of uses.

Located on the northern side of East Boston, part of the property also falls on the city of Revere, meaning the developer must obtain the approval of both cities to develop the project, or at least, for the part of the project that falls under their jurisdiction. Currently, the site is accessible from Boston either by the Blue MBTA line, or through highway route 1A.

While the Letter of Intent (LOI) was submitted on November 8<sup>th</sup>, 2017, the Article 80 process officially begun with the submission of the Project Notification Form (PNF) on November 30<sup>th</sup>, 2017.

Since then, the developers have hosted a series of public meetings, as well as Impact Advisory Group (IAG)<sup>1</sup> meetings. According to the BPDA's project timeline, a total of 14 public meetings and 13 IAG meetings have been hosted by the developers.

In the PNF, the developers provided two mix options. Program A would consist of up to: 8 MGSF<sup>2</sup> of commercial office space; 7.45 MGSF of residential space which could translate to approximately 7,500 units; 550,000 GSF of retail space; and 500,000 GSF of hotel space or approximately 830 rooms. Program B would consist of up to: 5.25 MGSF of commercial office space; 10.4 MGSF of residential space which could translate to approximately 10,000 units; 450,000 GSF of retail space; and 400,000 GSF of hotel space or approximately 670 rooms (HYM Investment Group, LLC, 2017). These numbers encompass the whole property, including the part that falls on the city of Revere.

On February 2<sup>nd</sup>, 2018, the first batch of public comments was uploaded onto the project's timeline. The first letter, signed by the State Senator Joseph A. Boncore, the State Representative

<sup>&</sup>lt;sup>1</sup> The role of the IAG is to convey the concerns of a diversity of community members

<sup>&</sup>lt;sup>2</sup> Million Gross Square Feet

Adrian Madaro, and City Councilor Lydia Edwards, expresses support for the project, while emphasizing the importance of continuing with the community engagement the developer has already demonstrated. They also articulate the coastal vulnerability of the area and their expectations the developers address the impacts of climate change. Nonprofits, such as Boston Harbor Now and Walk Boston, expressed that they perceive this project as a great opportunity to tackle certain issues, such as flood vulnerability and non-vehicular mobility. In their comment, Boston Harbor Now expressed

"We were glad to read that the proponent understands the vulnerability of the Suffolk Downs redevelopment site to flooding. We see this project proposal as an excellent opportunity to build an exemplary climate resilient project that creates on-site as well as district-wide resiliency that will also benefit the surrounding communities. We strongly urge the project proponent to consider district-wide resiliency approaches as part of its Master Plan."

At that moment, no organization or public figure had expressed absolute opposition to the project, but rather, the concerns they expected the developers to address throughout the planning process. Regardless, one of the largest shared concern, besides the coastal vulnerability issue, was the housing affordability issue, and the potential displacement effects the project could have on the lower income neighbors.

From the comments that had been submitted by individuals through the BPDA's website, 8 individuals had written in support of the project, 5 were neutral, and 4 were opposing the project. Those in support were looking forward to having new amenities, more retail and more housing in their neighbors, while those opposing the project argued the housing will not be accessible to the current neighbors.

On February 21<sup>st</sup>, 2018, the BPDA issued a Scoping Determination, a document compiling the feedback other city agencies had provided during the Scoping Session. On October 1<sup>st</sup>, the developer returned with a Draft Project Impact Report (DPIR), where they presented an adjusted mix of uses. The new program would consist of up to: 8 MGSF of commercial office/Lab space; 7.15 MGSF of residential space, or approximately 7200 housing units; 500,000 GSF of retail space; and 550,000 GSF of hotel, approximately 918 rooms. This also included the Revere portion of the property.

On January 16<sup>th</sup>, 2019, BPDA uploaded more comments regarding the project. These included updated comments from other city agencies, as well as several nonprofit organizations, specially

Hispanic specific organizations, expressing their support for the project. Gabriela Boscio, from Neighborhood of Affordable Housing (NOAH) expressed their support in a letter written in Spanish.

The first Planned Development Area (PDA) application for the Suffolk Downs Site was submitted on February 1<sup>st</sup>, 2019, with updated versions submitted on September 16<sup>th</sup>, 2019 and on February 21<sup>st</sup>, 2020. On the 8 of January 2020, during a Public Meeting, the developers showed the most updated distribution of uses. The Master Plan program was proposing approximately: 5.2 MSF (with 2.74 MSF in Boston) of commercial space; 10.15 MSF (7.31MSF in Boston) of residential space, representing a total of about 10,000 units with 7,100 units in Boston; 450,000 SF (200,000 SF in Boston) of retail space; and 400,000 SF (270,000 SF in Boston) of hotel space.

Historically, East Boston has been a point of arrival for many immigrants (BPDA, n.d.). Many stayed there and made their lives there, while many have moved on to other places, giving space to many other immigrants to come.

The property owners of Suffolk Downs had attempted to redevelop the property before arriving to this proposal. In June 2012, the property owners announced a US\$ 1 billion plan to develop a casino on the site of Suffolk Downs (Swasey, 2012). Two years later, the owners announced they had partnered with Caesars Entertainment of Las Vegas in order to bid for one of the casino licenses released under Massachusetts's gambling law (NECN, 2014). However, this plan fell through, and the casino license ended up going to Everett.

#### 776 Summer Street Project

The proposed project, 776 Summer Street, is located in the South Boston neighborhood. The property, a 15-acre lot, used to be a power plant from the Boston Edison Company. The developer, HRP 776 Summer Street LLC, is currently proposing a project of approximately 1.78 million square feet of mixed-use space.

Geographically, the project is located on the northern side of the South Boston proper peninsula, on the access route to the Conley container terminal. From Boston, the site is currently accessible through Seaport on Summer Street, or the long way around South Boston and from the South side of Summer Street. By public transportation, it's only accessible by the 7 bus.

The LOI was submitted on April 24<sup>th</sup>, 2017, and the PNF was submitted around three weeks later, on May 15, 2017.

In the time the project has been under review, the developers have hosted 12 public meetings and 10 IAG meetings.

In the PNF, the developers proposed the following mix of uses: 339,639 GSF of office space; 68,077 GSF of retail space; 1.5 MGSF of residential space, representing approximately 1,588 units of housing; 150 hotel rooms; and 987 parking spaces. The total development space would be of 2.1 MGSF (HRP 776 Summer Street LLC, 2017).

On January 12<sup>th</sup>, 2018, the BPDA issued its Scoping Determination with the feedback and concerns expressed by their members and other city agencies. On August 16<sup>th</sup>, 2018, the developer submitted its DPIR, where they presented their updated area uses program. The new program indicated the approximate dimensions: 368,070 GSF of office space; 85,630 GSF of retail space; a total of 1.3 MGSF of residential space, divided into 751550 GSF (approximately 777 units) of rental housing and 552,200 GSF (approximately 567 units) of condominium housing; 172,000 GSF of hotel, or approximately 344 rooms; and 435,310 GSF for parking or approximately 1,397 parking spaces. Bringing the total space to 1,929,450 GSF of development.

On the project's timeline in the BPDA website, the first batch of publicly available comments seems to be on November 19<sup>th</sup>, 2018, however, a milestone for public comments with no available comments appears for the first time on August 9<sup>th</sup>, 2017.

From the comments published on November 9<sup>th</sup>, 2018, the first two letters come from state representatives. The first one, from the congressman Stephen F. Lynch, expresses

The proponents, Hilco/Redgate have made some limited progress during the recent series of community meetings; however, there are major issues which remain to be addressed if this project is to be allowed to move forward. A singular point of agreement seems to be the unanimous view of all parties desire to have the 15.2 acre site cleaned of toxic waste and environmental hazards.[...]Meanwhile, the central opposing concern expressed by many residents is the dense massing of buildings on the site and the traffic that will likely result.

The congressman, after discussing other points of concerns, concludes his letter with the following,

These outstanding concerns must be adequately addressed to the satisfaction of my neighbors and our elected officials before I can consider offering my full support for this proposal.

From the public comments that had been submitted through the BPDA's website, 65 individuals had written in support, 1 was neutral, and 5 were opposed. However, many individuals wrote emails and organized signing campaigns to express to the BPDA's Project Manager their position regarding the project, with many in support of the project and many other in opposition. Among the concerns the individuals relayed, the most common were the density of the project, the traffic increase around the neighborhood due to new activities combined with a lack of public transportation and the oversaturation of the existing bus line, as well concerns regarding gentrification and affordability.

On November 15<sup>th</sup>, 2019, the developers submitted an application for a PDA, presenting a new building program. The new program included approximately: 960,000 GSF of office/research and development space; 120,000GSF of hotel space (240 hotel rooms); 80,000 GSF of retail space; 610,000 GSF of residential space (636 units); 10,000 GSF of civic/cultural space; and up to 1,214 parking spaces. The total space, not including parking space, adds up to the current 1.78 MGSF the developers are proposing.

Public comments regarding the PDA were uploaded on February 28<sup>th</sup>, 2020. This time, a majority of the public comments, mostly individuals, expressed opposition to the project. Many were concerned with the amount of affordable housing the project proposed, and continued issues with the traffic congestion and density appeared. The City Point Neighborhood Association was one of the community organizations that took the opportunity to express their unanimous opposition to the project, sharing the previously mentioned concerns. A letter signed by many of the neighbors through a signature collection campaign stipulates

As a South Boston resident, I am disappointed that the current redevelopment proposal [...] just barely meets the city's minimum requirement for housing affordability.

South Boston residents are increasingly being displaced from our community. Home prices have nearly doubled and rents have increased 30% since 2010. During that time the population grew almost 20%, but housing stock only increased 10%. Every day, more of our neighbors face displacement. An observation to be made about the public comments made about the project is that many of the individuals expressly identified as union workers. Many of the union workers that support the project identified as construction workers, while many of the union workers that oppose the project identified as longshore people working at the terminal.

After its annexation to Boston in 1804, South Boston became a hub for a diversity of industrial activities, such as shipyards, machine shops and iron foundries (BPDA, n.d.).

### Quantitative Results

As discussed in the methodology, the first step taken with regards to the quantitative results was to analyze the data from the BPDA's neighborhood profiles through linear regressions, in order to find which demographic variables would generate any correlation with the amount of housing development approved in the neighborhood. As a proxy for the strength of the neighborhood's bonding ties, the percentage of each household accounted was used. The hypothesis, therefore, is that a higher percentage of families present in a neighborhood could possibly lead to a lower amount of development. On the other extreme, where the incidence of households formed by non-relatives is higher, this could possibly lead to a higher rate of development.

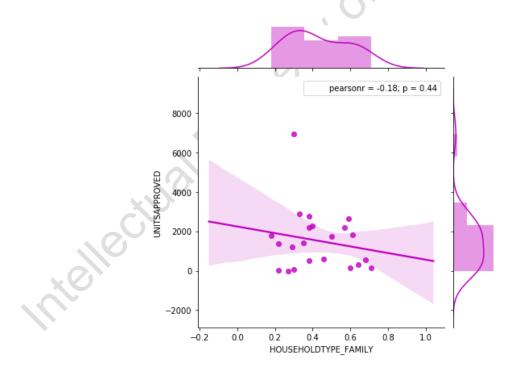




Figure 1 shows that the correlation between the percentage of family households in a neighborhood and the units approved is not statistically relevant.

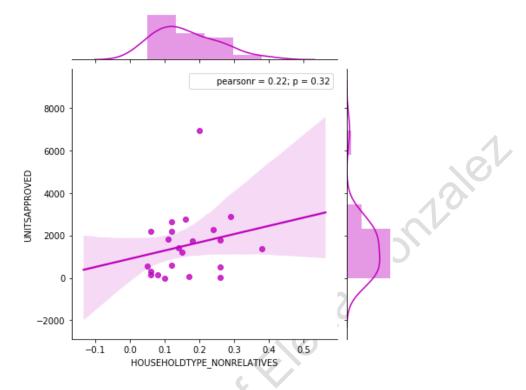


Figure 2. Potential correlation between percentage of nonrelative households and units approved in each neighborhood

Likewise, Figure 2 shows that the correlation between nonrelative households and units approved in a neighborhood is not statistically relevant either. Therefore, the hypothesis of units approved as a dependent variable of the household composition does not hold.

Another hypothesis that was tested was whether the population percentage of white, black or African American, or Hispanic individuals could be correlated to the amount of units approved in each neighborhood. Figures 3, 4, and 5 show the linear regression for these variables. Once again, the p-value for these results prove the hypothesis regarding a neighborhood's racial composition as a predictor of housing development wrong.

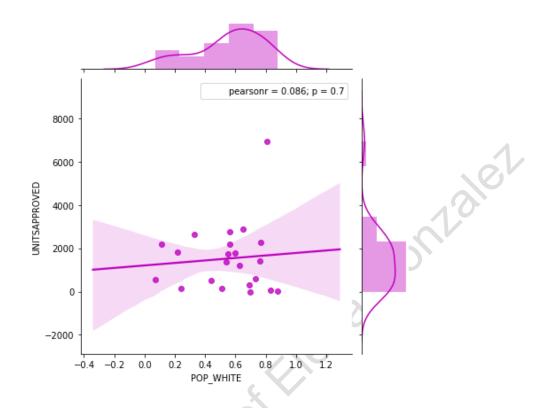


Figure 3. Potential correlation between percentage of white population and units approved in each neighborhood

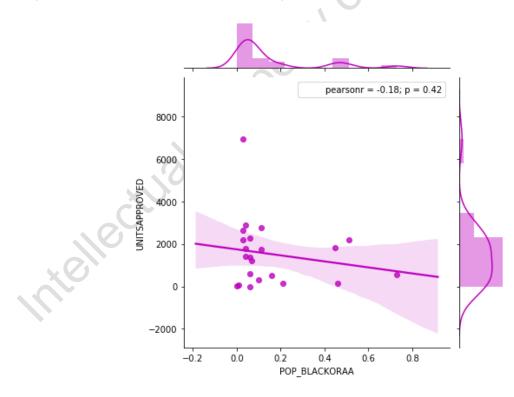


Figure 4. Potential correlation between percentage of black or African American population and units approved in each neighborhood

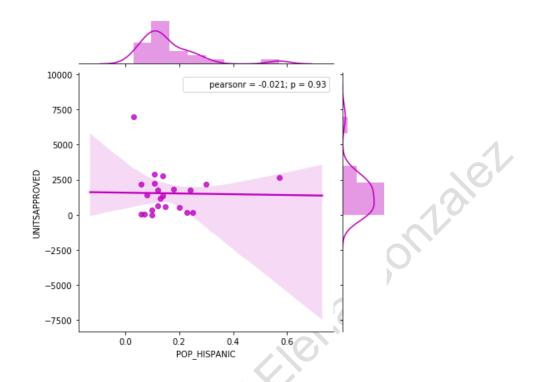




Figure 6 shows a map containing the percentage of foreign born residents in Boston was taken from the Foreign born in Boston report, produced in 2016. From this map, two *foreign-born* hotspots are visible. Chinatown and East Boston present percentages of foreign born between 51% and 66%, meaning more than half of the neighborhood's population migrated to the neighborhood from other countries. Figure 7 shows a heatmap of the residential square footage approved by the BPDA from 2005 to 2016, with the highest concentration of residential area coinciding with the geography of the Chinatown neighborhood.

Figure 8 also shows a heatmap of the residential square footage approved by the BPDA, but for the development between 2014 and 2020. In this map, the concentration coincides with the geographical area of South Boston Waterfront, popularly known as the Seaport District.

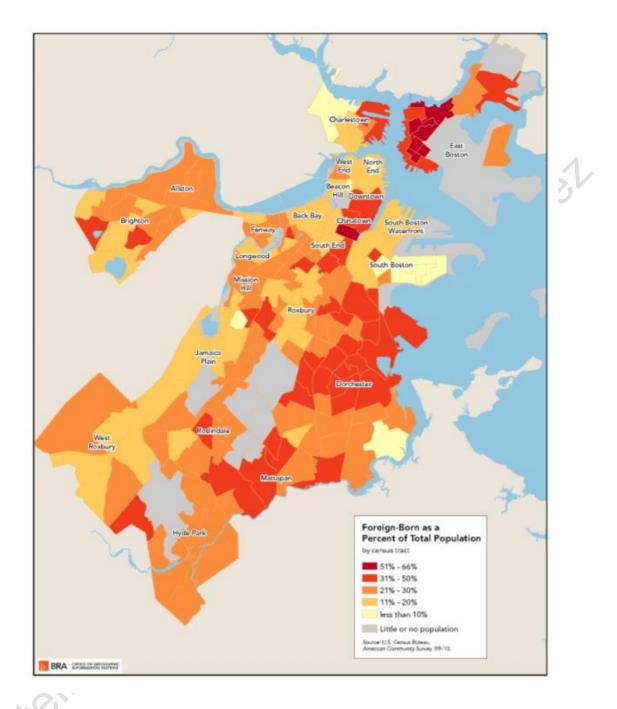
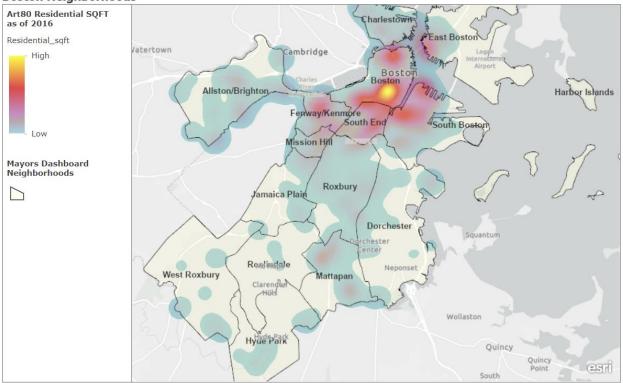


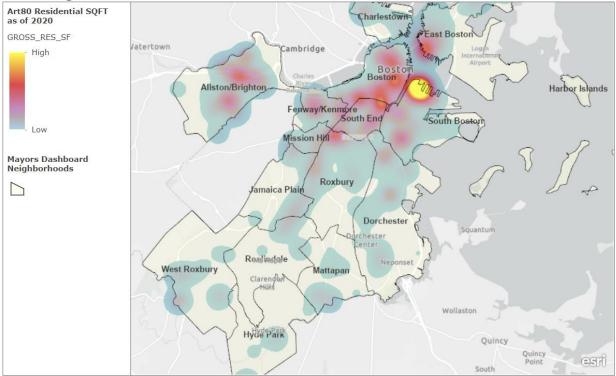
Figure 6. Percentage of Foreign-Born population for each neighborhood, taken from (Boston Redevelopment Authority, 2016)



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#### Figure 7. Heat map reflecting presence of approved residential development in Boston as of 2016

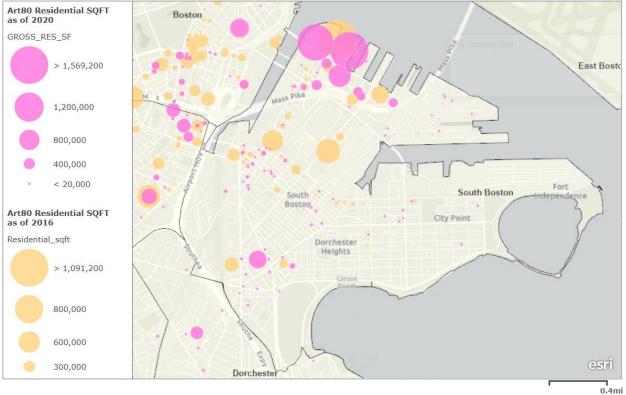
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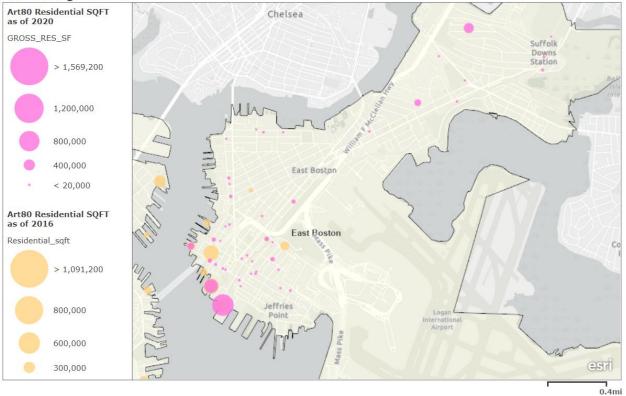
#### Figure 8. Heat map reflecting presence of approved residential development in Boston as of 2020

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*Figure 9. Approved residential development in South Boston and South Boston Waterfront as of 2016 and as of 2020* Figures 6 to 10 show relevant maps and a close up of real estate developments in the neighborhoods of South Boston and East Boston, the case studies neighborhoods, as of 2016 and as of 2020. While the hypothesis was that the higher presence of foreign born residents could be correlated to a higher rate of approved residential square footage, this cannot be corroborated from the maps in figure 9 and 10. If it had been true, South Boston would have presented less real estate development.



Massport, City of Boston, Esri, HERE, Garmin, SafeGraph, INCREMENT P, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA | Esri, US Census Bureau, Infogroup | Massport, City of Boston, Esri, HERE, Garmin, SafeGraph, INCREMENT P, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA

Figure 10. Approved residential development in East Boston as of 2016 and as of 2020

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## Discussion

The case studies that were selected present an interesting comparison between two large development projects being proposed in two different neighborhoods, and provide important insights into how communities influence development in their communities.

The projects share some similarities. Both projects were proposed in the same year, with 776 Summer Street filing its PNF on May 15<sup>th</sup>, 2017, and Suffolk Downs on November 30<sup>th</sup>, 2017. Both projects are still under review as well, after more than two years since they submitted their PNF.

Geographically, both projects are within a 5 mile radius of the downtown area, where the largest job density is located, making both locations ideal and attractive for residential development. Both projects are on the coast, making them extremely vulnerable to sea level rise.

However, the projects and their sites present important differences. To begin with, Suffolk Downs, at 109 acres, is considerably larger than the 15.2 acres of 776 Summer Street, by a factor of more than 7. Another essential consideration is the access to the site, bearing in mind the amount of activity the developments will attract to the location in the future. While Suffolk Down counts with two blue line T stops, as well as a bus line and access to route 1A highway, 776 Summer Street's residents traveling inbound will either have to take the 7 bus (which many South Boston residents have already criticized for being overburdened), or drive through the residential roads of South Boston. However, the Blue line has been a source of concern for many, due to its vulnerability to flooding. Major flooding events take the line out of service, which means it's not a reliable access route.

Another important difference, and the reason of this investigation, was the community engagement throughout the process. Overall, while the Suffolk Downs project is significantly larger than 776 Summer Street, the feedback developers received from Suffolk Down's neighbors was generally positive, while the developers from 776 Summer Street received mostly opposition from the community. Residents from both neighborhoods shared some concerns regarding the development's impacts, such as gentrification and displacement of tenured residents, as well as the affordability of the housing being developed.

Both projects were initially proposing a considerable number of housing units, which would help alleviate the housing crisis Boston is currently experiencing. On one hand, Suffolk Downs initially proposed either 7.45 MGSF or 10.4 MGSF of residential space. They eventually committed to

10.12 MSF, with 7.31 MSF of it in Boston, which would translate into about 7,100 new housing units in the future. While the current housing proposal varied slightly, it reflects an inclination towards the original 10.4 MGSF they had considered. Throughout the almost 3-year process, the amount of housing has not been significantly modified, which can be taken as an indication that the community was pleased with this aspect of the proposal.

On the other hand, while the 776 Summer Street project initially proposed 1.5 MGSF of residential space for approximately 1,588 new housing units, throughout the process of community engagement the developers have adjusted their proposal to 610,000 GSF of residential space, or approximately 636 housing units. This reduction represents an approximately 60% reduction in potential housing supply from this project. The development, overall, was shrunk by 15%. The initial proposal had the potential of alleviating significantly the pressure on the housing market, as well as providing more of the highly demanded affordable units.

The main argument used by the South Boston community to pressure the developers into reducing the size of the project was that its density was too high for the context it was being proposed in. Originally, at 2.1 MGSF, 776 Summer Street presented an FAR<sup>3</sup> of 3.17, and at its current proposal of 1.78 MGSF, its FAR is of 2.68. To put this in contrast, Suffolk Downs with 16.2 MGSF of development will produce an FAR of 3.4.

A concern raised by both communities is the issue of housing affordability provided by the developers. Developers are compelled by law to make at least 13% of the housing component affordable, either by units or by area<sup>4</sup>. While the statements made in the letter from the signature collection campaigns for 776 Summer Street might be correct, their arguments seem to go against their position. This echoes Johnson & Scicchitano's definition of NIMBYism. The community wants more and cheaper housing, but are unwilling to allow a developer supply it in their area. Furthermore, if the developers agreed to provide a higher quota of affordable housing, this could create longer term issues for the whole housing market. Developers will provide the affordable housing at a loss, but being a private developer they can recoup them through the other units, making these other units even more expensive. The letter also claims neighbors are being

<sup>&</sup>lt;sup>3</sup> FAR is Floor to Area ratio, and it is used by developers and the BPDA to provide a measurement of a development's density.

<sup>&</sup>lt;sup>4</sup> Affordability quotas are one way policy-makers have attempted to deal with the issue of housing affordability. This housing issue will not be considered in this investigation, but it is also deeply related to urban economics. Other ways policy-makers have attempted to make housing affordable is through rent control, although the approach of trying to control a whole market for the benefit of one subgroup leads to the deterioration of the whole housing market.

displaced. According to Eranti's valuation framework based on Thévenot's *grammars of communality*, this argument can be evaluated as being based on familiar affinities. Neighbors fear the economic pressure the housing crisis is putting on their neighbors displacing them from the community. This concern suggests strong bonding ties in South Boston, because community members are willing to invest their time and energy protecting their own from this potential displacement, albeit be it in a possibly counterproductive way.

On the other hand, community participants in Suffolk Downs have implemented another strategy. The affordability quota requires developers to provide a minimum either by number of units or by area of housing. Many developers generally provide by units, so that they can make studios or one bedroom units the affordable units, thus by area they "lose" the least amount to affordability. East Boston community advocates have pressured the developer to provide the affordability quota by area to ensure they provide two and three bedroom affordable units as well.

From the quantitative results, it was not possible to deduce any correlation between a neighborhood's demographics and the real estate development tendencies. Household composition, as well as racial patterns in the neighborhood provided no statistical significance. Furthermore, geographical analysis of detailed approved development against the percentage of foreign born residents in each neighborhood did not provide conclusive evidence that correlates migratory background and a higher development rate.

While the quantitative results provide an initial attempt at associating real estate development with bonding and linking capital through community engagement processes, further data must be gathered to produce significant results. Physical characteristics of the neighborhood, such as total area, total build-out potential<sup>5</sup> and current density could provide insights regarding real estate developer's attraction to a given neighborhood. Other considerations that could create a more robust analysis include a mobility analysis, which would provide a better understanding of how attractive might an area be for individuals to live in.

Another important limitation to the quantitative results is that only approved developments were obtained for the analysis. This means that a lot of proposals that are under review are not being considered, as well as other projects that were withdrawn. Knowing what other project are in the pipeline could provide a better understanding of real estate patterns.

<sup>&</sup>lt;sup>5</sup> Considering a neighborhood's zoning code, the build-out capacity contemplates how much development it could hold.

# Conclusions

This investigation provided an initial attempt at linking real estate development with a community's social capital. Concepts of urban economics, urban policy, social capital, and community participation referred to as NIMBYism were studied to understand where the findings might fit in these fields.

Two case studies were carried out to create a comparison between two similar projects being proposed in neighborhoods of contrasting social profiles, to exemplify what characteristics might be leading to the differing outcomes of the development review process.

Simple quantitative analyses were performed in the search for broader patterns regarding the neighborhood's socioeconomic and demographic characteristics in the context of their development patterns. Although they were not conclusive, further data collection could complement the results and possibly lead to more conclusive findings.

While all neighborhoods in Boston possess the same governance mechanisms to participate in real estate development projects, the case study comparison demonstrated that communities with more bonding and linking ties took better advantage of these to ensure these developments properly mitigate their potential impacts on them. However, these strong ties might prove to be to their demise, as the issue of housing affordability is tied to housing supply, and if the market is unable to supply housing because of neighbor's opposition to housing development, prices will continue rising, further displacing them from their current locations.

Furthermore, although communities might not be able to completely impede private, real estate developers from developing their properties, the qualitative results demonstrated a way in which communities influence development within the neighborhood.

This investigation could be enhanced with further research, including more granular quantitative analysis that considers median rent and rates of project development, as well as longitudinal time analysis of detailed development patterns vis-à-vis socioeconomic and demographic patterns of the population.

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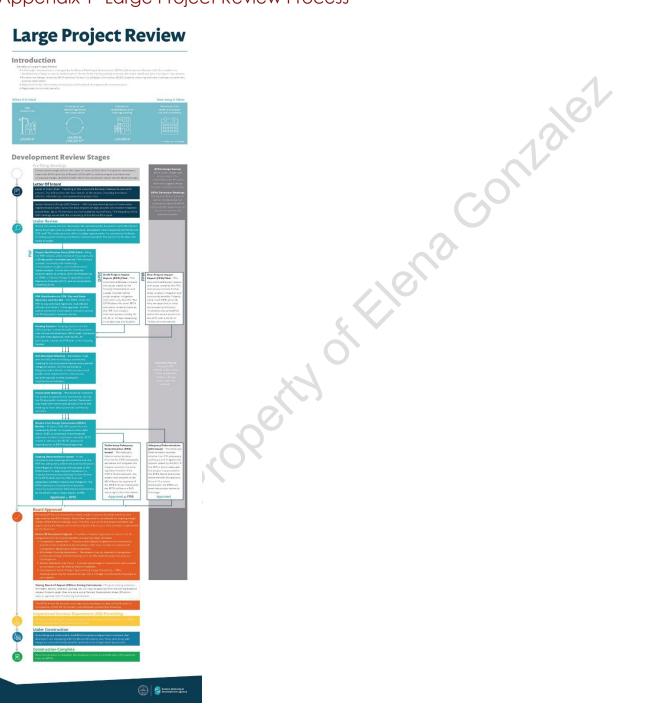
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# Appendix

## Appendix 1-Large Project Review Process

## **Large Project Review**



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