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HOUSING MATTERS

Municipalities Will Not Lead on Housing

Real Change Requires State Action and Our Support

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SPECIAL TO BANKER & TRADESMAN



The town of Milton's refusal to comply with the MBTA Communities law and the attorney general's subsequent lawsuit against the town have triggered a backlash in some Boston-area suburbs. As passions rise, it's time to take a fact-based look at the law, put it in context and plan accordingly.

Opponents claim the law is extreme and an inappropriate intrusion on local zoning rights. In reality, zoning is a state power that is conferred to local governments via zoning enabling legislation. Across the country, both red and blue states are reclaiming that power and enacting far more aggressive zoning reforms.

In Florida, the Live Local Act, which was enacted and took effect last year, has made affordable housing development much more financially viable. The law gives tax breaks to developers building at least 70 units that make up 40 percent or more of a project's total count. Developments that serve tenants making less than 80 percent of the area median income (AMI) are tax exempt, but the bigger focus is on the "missing middle exemption," which grants 75 percent tax breaks for projects

aimed at middle-class tenants earning up to 120 percent of AMI.

The law also lets developers build taller than zoning rules allow, tying maximum project height to the tallest commercial or residential development within a mile of the proposed development. The new provisions have caused developers to consider many more sites for affordable projects and yielded large increases in the number of multi-family units and market-rate apartments under construction in South Florida.

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On the other side of the country, California has essentially eliminated single-family zoning. Single-family parcels can be split into four parts, allowing for smaller lots and homes that make affordable home ownership and rentals more feasible. In contrast, around 70 percent of land in Greater Boston is zoned single-family.

California also requires communities to allow accessory dwelling units (usually small dwellings either attached to or on the same lot as single-family homes). These more aggres-

sive zoning reforms have been most successful at spurring new housing development.

Gov. Maura Healey proposes permitting ADUs by right in her recently filed housing bond bill and predicts that around 8,000 such units would be created in five years if the measure passes. Like Chapter 40B, it is an example of the commonwealth using its powers to override local zoning.

Law Doesn't Bypass Local Zoning

The MBTA Communities law tries to thread the needle. While it sets new zoning parameters (establishing a transit-ready, reasonably sized district as an as-of-right multifamily zone), local planning boards still decide how to implement the law in their communities.

Luc Schuster, executive director of Boston Indicators, the research center of the Boston Foundation, notes that the law only applies to 0.6 percent of developable land in the 177 MBTA communities. He estimates that the MBTA Communities law will at most generate 20,000 new units over the next five years.

The MBTA Communities law is worthwhile, but even with full municipal compliance, its impact will be limited. And predictably, municipalities are rallying to fight it.

The law comes after decades of the state providing incentives for municipalities to provide for more housing.

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“Official municipal plans would again and again ‘recommend zoning for multi-family housing’ but then the municipalities did not follow up and rezone,” said Amy Dain, a consultant and public policy researcher who studies zoning.

Housing Costs Hurting Mass.

Instead, municipal plans have made it illegal to build the vast majority of the triple-deckers, or housing-over-retail in town centers and the like that make up the vast majority of “naturally occurring” affordable housing in communities that are predominantly zoned single-family.

Holding municipalities accountable under

the MBTA Communities law and passing statewide ADU legislation are important steps. But the commonwealth must join the many states that are deploying their land use authority more aggressively and taking a comprehensive approach to creating the housing we so desperately need.

The Massachusetts economy is uniquely reliant on its educated workforce. But workers are leaving the area, with housing costs as a prime reason.

The Greater Boston Chamber of Commerce recently conducted a survey of more than 800 Greater Boston residents aged 20 to 30. Over 25 percent said they are thinking of leaving the area within five years – with the lack of afford-

able housing being their top issue. New Boston Indicators research that looks at trends over the last two decades corroborates these results, noting that by far the largest outmigration (60 percent) is among adults aged 25-44, with housing costs as a significant driver.

We need to stem the tide and create a lot of new housing. As other states have done, we must embrace a bolder housing vision and build political support to enable the commonwealth to use its powers to seed the housing we need, in every community and at scale. ◀

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