



Testimony in Support of S. 1019, *the Comprehensive Land Use Reform and Partnership Act*

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Submitted By:
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Dear Chairman Welch, Chairman Kane, and Members of the Committee:

I am here today in support of S. 1019, *The Comprehensive Land Use Reform and Partnership Act* and more generally, the need to reform the Commonwealth's land use and zoning laws.

Promoting a strong Massachusetts economy and a healthy quality of life requires strategic and efficient development decisions. Unfortunately, the Commonwealth's laws enabling municipalities to plan and zone for development are antiquated. These laws aren't producing the results Massachusetts need.

When it comes to affordable housing, we have a supply and demand problem. New housing construction has remained inadequately low since the 1980s. In the last decade, the Commonwealth had the 4th lowest rate of housing construction in the nation¹. Using what economists consider a healthy vacancy rate as the benchmark, Massachusetts had a shortage of over 20,000 housing units in 2008². Since then, there has been very little housing produced. The statewide shortage of housing is expected to reach 29,926 by 2020, assuming modest economic growth and housing construction continues at the slow pace we've seen since the 1980s³.

It is widely recognized that an inadequate supply of affordable housing constricts Massachusetts' economic growth⁴. High housing costs deter skilled workers from locating in our state and spur current residents to leave to seek more affordable options. This has been a particular challenge for young professionals. Furthermore, employers worry that high housing costs locations require them to increase wages to retain talent and choose lower cost states as a result. High housing costs hurt the economy in the short-term as well by suppressing other types of consumer spending.

¹ United States Census Bureau Data

² *Foundation for Growth: Housing and Employment in 2020*, University of Massachusetts Donahue Institute

³ Ibid

⁴ *Massachusetts at a Crossroads: Renewing the Competitiveness of Boston and the State*, John LaWare Leadership Forum, Boston, MA, March 24; *Voting with Their Feet? Local economic conditions and migration patterns in New England*, New England Public Policy Center at the Federal Reserve Bank of Boston; *The Lack of Affordable Housing in New England: How Big a Problem? Why Is It Growing? What Are We Doing About It?* New England Public Policy Center at the Federal Reserve Bank of Boston; *Sustaining the Massachusetts Economy: Housing Costs, Population Dynamics and Employment*, Professor Barry Bluestone, the Center for Urban and Regional Policy, Northeastern University; *Housing Supply Restrictions and the Economy*, Professor Edward Glaeser, Rappaport Institute for Greater Boston, Harvard University.

In fact, a 2009 University of Massachusetts Donahue Institute public opinion poll found that 35% of state residents or immediate family members were seriously considering leaving Massachusetts because of the high cost of housing and 64% felt high housing costs were hurting their local economy⁵.

Local communities and the state have a shared role in producing the homes our population and economy need. The way the state currently empowers municipalities to plan and regulate development does not provide the proper set of flexibility and directives for localities to produce necessary results. The Zoning Enabling Law, Chapter 40A, has not had a suitable update in over 35 years.

One particular challenge is that too many towns require large tracts of land for a new single home to be built. Many towns feel a large lot zoning scheme is the best way to control growth because it is difficult for communities to completely stop development in areas they wish to shield from change. While effectively reducing growth, large lot zoning drives up the costs of housing and limits the types of housing constructed to large expensive homes that can support the costs of a large parcel.

Too often, towns view these types of individual land use decisions in isolation. Immediate budget challenges make it difficult to step back and consider the long-term impacts of halting housing growth. In a state where planning and zoning are divorced from one another, there aren't sufficient linkages to confront the challenges that piecemeal zoning decisions create. Collectively, local zoning schemes have had a significant negative impact on housing choice and opportunity.

The Comprehensive Permit Law, Ch. 40B and the Smart Growth Housing Law, Ch. 40R are two tools that developers and towns use to build affordable housing on smaller parcels. However, these programs are designed to produce deed-restricted affordable housing and cannot satisfy the Commonwealth's full range of housing needs by themselves. Conventional local zoning also needs to produce housing for middle-income families if the state is going to increase its economic competitiveness.

The Comprehensive Land Use Reform and Partnership Act is a balanced and reasonable approach to reform planning, zoning and permitting. The bill includes critical statewide reforms to address the need for a more diverse housing stock and the need for additional housing options for Massachusetts residents.

Under S. 1019, local planning and permitting must be consistent, which somehow is not required under current law. Today, a community's master plan sets out general goals for the growth, development and protection of the community, but there is no requirement that that municipalities' zoning implement or conform to the Master Plan. Consequently, planning is undermined and it is difficult for community members or real estate investors to predict or encourage development opportunities. S. 1019 makes Massachusetts consistent with the majority of states by prohibiting inconsistency between local zoning and planning. A community could no longer divorce the amount of housing called for in its plan with the zoning it has in place that would prevent that housing from being constructed.

This bill prevents frivolous lawsuits by increasing the standing of local decisions. This makes it less likely for NIMBY neighbors to hold up developments without justification and add unnecessary legal costs to the cost of construction.

⁵ *The 2009 UMass Donahue Institute/CHAPA Housing Poll*, April 2009.

The bill reforms the variance process so that developers and homeowners can seek variances from minor barriers to property renovations instead of requiring more onerous zoning changes. Today, the legal standard for a zoning board to grant a variance is extremely high and frustrating to homeowners.

The legislation creates a presumption that subdivision roadway width can't be excessive. This saves developers money by reducing the amount of land necessary to build a subdivision and reducing impervious surfaces and asphalt.

Impact fees for local capital needs created by a development are authorized. This enables the community to fund water and sewer upgrades, sidewalks, and traffic management. It also provides investors with predictability about how they are expected to invest in necessary infrastructure. It makes sure the benefits the community receives are directly related to the development and benefit the development.

Inclusionary zoning is authorized. This will clarify in statute that a community is allowed to require that a developer must sell or rent a percentage of homes in a new development at an affordable cost. In exchange the municipality may grant the developer the ability to build a more compact development.

The bills also stipulates that exclusionary large lot zoning that drives up the cost of housing can only be put in place if the community has also provided local zoning opportunities for housing on parcels that are smaller as well. This will significantly increase the diversity of housing created and is a significant component of why CHAPA supports this legislation.

The proposal also provides for a local option to become a certified planned community and meet a higher standard of land use planning and zoning. To become a certified plan community, opt-in communities would need to plan to meet housing, economic development, and environmental objectives. We think the planned community targets are extremely important and encourage the Committee to explore incentives for communities to plan and zone for these targets.

For example, the housing component of the plan would require municipalities to provide prompt and predictable permitting in residential development districts. The development districts would need to be of sufficient size to accommodate the development of 5% of current year-round housing units over the course of 10 years – or one-half of one percent per year. This modest amount of growth would be at densities that accommodate additional affordability above current zoning in the vast majority of municipalities. These prompt and predictable development districts would help meet the need for new residential development.

CHAPA looks forward to working with the Committee to resolve remaining issues and advance a promising proposal to reform land use planning and zoning. We have a select number of suggestions to improve the legislation (attached). For example, we believe that the purposes section is overly complicated and should be streamlined. Furthermore, we do not agree that towns should be granted a new authority to regulate square footage in an existing home.

Given the current need for job growth and housing affordability, it is critical that the Commonwealth's planning and zoning statutes are well-positioned to help the Commonwealth continue to recover. We encourage the Committee to advance land use and zoning reform legislation quickly so that the full legislature has the opportunity to enact this meaningful legislation. Thank you for your leadership and support and please let us know if we can be helpful in any way.