

Testimony Supporting H.1111, An Act relative to housing production, and H.1080, An Act to address equal access to housing through local zoning

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Dear Chairman Honan, Chairwoman Forry, and Distinguished Members of the Joint Committee on Housing,

I am here today in support of H.1111, An Act relative to housing production, and H.1080, An Act to address equal access to housing through local zoning.

As previously discussed, Massachusetts does not produce enough housing to meet the demand. H.1111, offered by Chairman Kevin Honan, and H.1080, offered by Representative Christine Barber, provide solutions that will help build the kind of housing that the Commonwealth needs, strengthen our economy, and increase housing choices for all families. Specifically, H.1111 contains needed zoning reforms, financial incentives to support communities in their effort to create more housing opportunities, removes programmatic barriers to development, and creates new tools to help meeting housing demand.

## **Zoning Reforms**

Multifamily Housing Requirement. The key piece of H.1111 and H.1080 requires that all Massachusetts zoning ordinances and bylaws provide the opportunity to build multifamily housing suitable for families with children. According to the Metropolitan Area Planning Council, two-thirds of all new housing we need to meet anticipated demand over the next thirty years needs to be multifamily housing such as apartments or townhouses. However, local zoning regulations in cities and towns across the Commonwealth impede the development of all but the most expensive type of housing – single-family homes on large lots. Alarmingly, more than a third of our cities and towns have permitted nothing but single-family homes over the past decade, and have half of municipalities have gone at least ten years without permitting any multifamily housing of five or more units. If we continue these restrictive zoning practices, our

<sup>&</sup>lt;sup>1</sup> Mass. Hous. P'ship, *Unlocking the Commonwealth: New Housing and Growth Polices to Help Massachusetts Realize its Full Potential* 9 (Nov. 5, 2014).

<sup>&</sup>lt;sup>2</sup> Mass. Dep't of Hous. & Cmty. Dev., *Analysis of Impediments to Fair Housing Choice: Access to Opportunity in the Commonwealth* 6 (Jan. 2014).

<sup>&</sup>lt;sup>3</sup> *Unlocking the Commonwealth* at 9.

economy will weaken, housing costs will continue to rise, and families will be left without meaningful housing opportunities.

**Zoning for Cluster Developments.** H.1111 requires cluster development to be allowed as-of-right in all zoning districts that allow construction of single-family homes. Currently, Massachusetts consumes thousands of acres of open space each year to build single-family homes on large lots. Cluster developments are projects with single-family homes on smaller lots, located closer together, surrounded by open space that is protected from further development. Allowing smarter land use planning by allowing cluster developments as of right (i.e., development that must be approved by a municipality if specific conditions are met), would produce more homes on smaller lots with more protection of open spaces and natural resources.

**Regionalization of Land Use Regulations.** H.1111 allows cities and towns to regionalize land use regulation and engage in inter-local development agreements at a local option. Massachusetts has some of the smallest land use jurisdictions in the country. This has resulted in 351 different land use standards across the Commonwealth, which is particularly burdensome for small towns with volunteer boards and no professional staff. Allowing cities and towns to plan for growth together and consolidate local boards will increase operating efficiencies and encourage planning and land use regulations at a regional level.

## **Financial Incentives**

Studying the Impact of New Housing. H.1111 calls for a study on the impact of new development that will identify ways to support communities in meeting the Commonwealth's housing needs. Cities and towns should be encouraged to allow for housing growth. In support of these efforts, this bill will look into methods to help municipalities handle any fiscal impact of new housing, including development impact fees, one-time incentive payments, or recurring mitigation payments.

Expanding Chapter 40S to Reimburse for Increased School Costs. H.1111 expands Chapter 40S to reimburse communities for demonstrated increased school costs resulting from the production of affordable multifamily and cluster developments. Currently, cities and towns may establish special zoning overlay districts under Chapter 40R to promote smart growth and compact development. Chapter 40S directs additional state funding to cities and towns to cover the demonstrated increase in costs of educating any school-age children who move into new housing in smart growth districts. Again, the bill would expand Chapter 40S to reimburse cities and towns for proven increased school costs resulting from the production of affordable multifamily or cluster developments.

<sup>&</sup>lt;sup>4</sup> Unlocking the Commonwealth at 13.

<sup>&</sup>lt;sup>5</sup> *Id*.

<sup>&</sup>lt;sup>6</sup> *Id*.

<sup>&</sup>lt;sup>7</sup> *Id.* at 12.

<sup>&</sup>lt;sup>8</sup> See Mass. Gen. Laws ch. 40R; see also Mass. Exec. Office of Hous. & Econ. Dev., Chapter 40S and 40R Explained: Reaping Benefits of Compact Development (2015), http://www.mass.gov/hed/community/planning/chapter-40-s.html.

<sup>&</sup>lt;sup>9</sup> See Mass. Gen. Laws. Ch. 40S; see also Chapter 40S and 40R Explained.

Codifying the Housing Priority within MassWorks. MassWorks is an infrastructure development program that provides grant opportunities for municipalities and other eligible public entities to fund infrastructure projects to support economic development and job creation. Currently, the enabling statute, does not establish multifamily housing as a MassWorks priority. Codifying this priority within the MassWorks statute will ensure that this important infrastructure development program will continue to support multifamily housing projects.

## **Removing Programmatic Barriers**

Streamlining the Disposition of State Owned Land. The state government is the largest single landholder in the Commonwealth. <sup>12</sup> Currently, the state controls over 600,000 acres, or about 12% of the total land area of Massachusetts. <sup>13</sup> When a state agency chooses to dispose of any surplus land, this bill allows the Department of Housing and Community Development (DHCD) the first opportunity to look at the property and to decide whether that land can be used for the development of housing for low- and moderate-income families.

*Changes to the Housing Development Incentive Program (HDIP)*. HDIP provides Gateway Cities with a development tool to increase residential growth, expand diversity of housing stock, support economic development, and promote neighborhood stabilization in designated areas. <sup>14</sup> To make HDIP a stronger and more flexible tool for redevelopment in our Gateway Cities, H.1111 makes the following changes to the program:

- Changes the definition of "market rate residential unit" to include units priced for households between 80% and 120% of the area median income (AMI). The current definition requires units to be priced for households above 110% of the area median income.<sup>15</sup>
- Changes the definition of "Housing development project" so that 50% of the units are market rate rather than 80%. <sup>16</sup>
- Changes the definition of "substantial rehabilitation" to "reuse" in order to give municipalities and developers more flexibility in transforming neighborhoods by allowing the program to be used for a broader range of projects.<sup>17</sup>

<sup>&</sup>lt;sup>10</sup> Mass. Exec. Office of Hous. & Econ. Dev., *MassWorks: What Is It?* (2015), http://www.mass.gov/hed/economic/eohed/pro/infrastructure/massworks/what-is-it/.

<sup>&</sup>lt;sup>11</sup> See Mass. Gen. Laws ch. 23A, § 63(a) (establishing MassWorks and codifying project priorities).

<sup>&</sup>lt;sup>12</sup> Euchner, Charles C. *Getting Home: Overcoming Barriers to Housing in Greater Boston*, Pioneer Inst. for Pub. Policy Research 9 (Jan. 2003).

<sup>&</sup>lt;sup>13</sup> Mass. Exec. Office for Admin. & Fin., Report on the Real Property Owned and Leased by the Commonwealth of Massachusetts, Div. of Capital Asset Mgmt. & Maint. (2013).

<sup>&</sup>lt;sup>14</sup> Mass. Exec. Office of Hous. & Econ. Dev., *Housing Development Incentive Program (HDIP)* (2015), <a href="http://www.mass.gov/hed/community/planning/housing-development-incentive-program-hdip.html">http://www.mass.gov/hed/community/planning/housing-development-incentive-program-hdip.html</a>.

<sup>&</sup>lt;sup>15</sup> See Mass. Gen. Laws ch. 40V, § 1.

<sup>&</sup>lt;sup>16</sup> See id.

<sup>&</sup>lt;sup>17</sup> See id.

## **New Tools**

**Community Scale Housing Development.** The bill sets a goal of creating at least 1,000 units of state-assisted affordable small-scale rental that fit the local community context. These community-based developments will consist of 20 or less units that have not received funding from the low income housing tax credit. This goal will allow cities and towns the flexibility to create affordable multifamily rental housing that fits the local character of the community.

*Greyfields Redevelopment.* H.1111 calls for identifying greyfields across the Commonwealth and options for redevelopment of these sites. Greyfields include outdated, underutilized, failing, or vacant developments, such as former strip malls or similar commercial sites.

*Coordination across State Agencies*. The bill calls for coordination across state agencies to collect data, analyze, and develop policies relating to the orderly growth and development of the Commonwealth.

Again, H.1111 includes needed reforms, incentives, and new tools to help meet the Commonwealth's housing production needs. This bill is part of the solution for creating a diverse housing stock and more housing options for Massachusetts residents. In addition to this legislation, zoning reform is needed to reform planning, zoning, and permitting in our state. S.122, *An Act promoting the planning and development of sustainable communities*, filed by Senator Daniel Wolf, provides a reasonable approach to reform Chapter 40A and to incentivize thoughtful local planning. Together, H.1111 and S.122 are two important elements in meeting our state's housing needs.

Thank you for your consideration of these bills. We look forward to working with the Legislature on H.1111 and H.1080 to increase housing production to help every family in the Commonwealth have a safe, decent, and affordable place to call home.

If you have any questions, please contact me at belement@chapa.org or (617) 742-0820.