

Moving Massachusetts Forward

A Policy Briefing on Smart
Growth and Transportation
for the Next Governor of Massachusetts

May 2014

MASSACHUSETTS
SMART GROWTH
ALLIANCE



Written and produced by
The Metropolitan Area Planning Council





Candidate survey responses & forum video available at

<http://ma-smartgrowth.org/take-action/candidate-forum/>

Written by: Jessica Robertson and Eric Hove, Metropolitan Area Planning Council

Graphic Design: Jasmine Laietmark and Chris Kuschel

Icon Banner: Nina Garfinkle

Massachusetts Smart Growth Alliance

ma-smartgrowth.org

15 Court Square

Suite 600

Boston, MA 02108

617-263-1257

@MASmartGrowth

Transportation for Massachusetts

t4ma.org

14 Beacon Street

Suite 707

Boston, MA 02110

617-223-1655

@T4MASS

Dear Candidate,

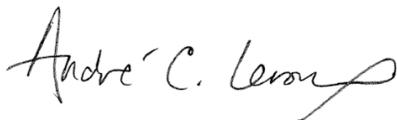
The commonwealth needs a governor who will work to keep what we value about our rural villages, town centers, and urban squares, leverage public investment to increase prosperity and economic opportunity for all, build the transportation and housing we need for the future, and protect our environment and climate for the next generation.

This policy brief provides recommendations for what the next administration can do to support communities across the state that are building and preserving great neighborhoods. The next governor has the opportunity to build on the good work now happening in every corner of the commonwealth, and, we hope, accelerate efforts to triple the number of people taking public transportation, walking and biking, add thousands of new homes, and meet greenhouse gas reduction targets. We believe that the policies and proposals in this brief can help the next administration meet these goals by providing better housing, transportation, and job opportunities to residents.

This document was prepared by the Massachusetts Smart Growth Alliance, a coalition of seven housing, environment, and community development organizations and Transportation for Massachusetts, a coalition of thirty-seven business, consumer, and environmental, and social justice groups. Our members work to ensure that the commonwealth's housing, economic development, environment and transportation meet the needs of residents, workers, students and visitors – now and in the future.

We are excited to help educate candidates and voters about these issues that are so vital to the state's residents and economy, and we look forward to supporting the next administration as it pursues development, transportation, and environmental opportunities in Massachusetts.

Sincerely,



Andre Leroux
Executive Director
Smart Growth Alliance



Kristina Egan
Director
Transportation for Massachusetts



Executive Summary

Top priorities for the Next Administration

1. Align state investments to achieve specific, bold land use and transportation goals in order to position the commonwealth's economy for the kind of growth that Massachusetts wants and needs to be globally competitive in the 21st century.

- Invest in transportation projects and programs that will allow the commonwealth to triple walking, biking and transit trips by 2030.
- Support state and local regulatory changes and provide funding to ensure that at least 10,000 units of multi-family housing are built annually.
- Ensure a sustainable future by reducing greenhouse gases by at least 25% (under 1990 levels) by 2020, and accelerating the process of reducing emissions by 80% by 2050.

2. Continue and deepen reform of state transportation agencies and partner with the legislature to secure additional funding that is desperately needed to repair, maintain, and modernize the commonwealth's transportation system.

- Continue and deepen reforms at state transportation agencies to ensure cost-effective operations and project delivery.
- Keep the gas tax indexed to inflation to allow capital funding to keep pace with rising construction costs.
- Partner with the legislature to fill the remaining \$500 million annual funding gap so we can repair, maintain and modernize the transportation network that is the backbone of the commonwealth's economy.

3. Give cities and towns the legal authority, state planning assistance, and financial incentives they need to make their vision for the future a reality.

- Pass zoning reform legislation that promotes development in sensible locations while helping communities preserve their landscapes.
- Align state investments with defined “Priority Development Areas” and “Priority Preservation Areas” in every region of the commonwealth.
- Support cities and towns with grants and other incentives to promote compact, walkable development “as-of-right.”

4. Make the commonwealth a more affordable and healthier place to live by improving access to jobs, housing and healthy environments for all people.

- Protect our lowest-income transit riders and provide residents statewide with an affordable alternative to driving by keeping fares affordable at the MBTA and regional transit authorities.
- Reduce families’ combined housing and transportation costs by concentrating new housing and jobs near transportation hubs.
- Provide needed funding for programs that fund open space preservation and environmental cleanup, and state matching funds to cities and towns that have adopted the Community Preservation Act.

5. Break down agency silos to help cities and towns build great places in communities throughout the commonwealth.

- Provide leadership from the Governor’s office and Cabinet on achieving smart growth and sustainable development.
- Institutionalize the state’s support for smart growth by designating staff in each agency to work with cities and towns on achieving specific, cross-cutting goals.
- Revise and reaffirm a set of smart growth/sustainable development principles.
- Align state investments with these principles and smart growth priorities by requiring state funding programs to adopt an integrated, consultative “portfolio” approach to allocating discretionary funding in support of smart growth.
- Use the Executive Office of Administration and Finance to track and report agency performance in achieving these goals.

Why smart growth makes sense for Massachusetts' future

We need to make wise decisions about development and transportation today because those decisions will shape our commonwealth, cities and towns for a generation. The commonwealth needs a governor who will work to keep what we value about our rural villages, town centers, and urban squares; leverage public investment to increase prosperity and economic opportunity for all; and build the transportation and housing we need for the future. And yet the kind of housing, development and transportation we need is changing because Massachusetts is changing. The term 'smart growth' simply describes the kind of affordable, walkable, vibrant places concentrated near town centers and transit that can meet these changing needs.

Demographics are changing fast and dramatically reshaping where Massachusetts residents want to live and how we want to get around. Baby boomers, for example, are becoming empty nesters and downsizing at the same time that young adults are waiting longer than previous generations to marry and have children. As a result, over 80% of new households are going to be single-person households, meaning that Massachusetts will need 10,000 new homes and apartments just to house our existing population. We need to build more than 28,000 additional housing units in Massachusetts simply to achieve normal vacancy rates, make our housing costs competitive with other states, and avoid out-migration, especially of young people.

Millennials are a very large and very diverse generation. They are driving demand for walkable communities that have an exciting mix of uses and people, especially where affordable homes are located near public transportation. As a country, we have already built all the "McMansions"—large homes on large lots—that we need until 2030, while we have underbuilt small single family homes, apartments, and townhouses. The growing demand for homes in transit-served locations has resulted in rising property values: between 2006 and 2011, residential areas within walking distance of MBTA rail stations outperformed the region's residential market as a whole by 129% and areas near the main subway lines did an impressive 227% better. Cities and towns, of course, benefit as property tax revenues grow to reflect these higher market valuations for transit-served housing.

In order to compete globally, Massachusetts needs to invest in a 21st century transportation system that supports these vibrant, walkable places. With the recent transportation reform in 2009, the state started addressing labor, management, and performance issues within the state's transportation agencies. Last year, the Transportation Finance Act of 2013 dedicated an average of \$600 million in new annual funds for transportation over the next five years. These revenues will stabilize the finances of the MBTA, enable MassDOT to stop paying for operating expenses with borrowed funds, and finance new bonds that will improve our transportation network. However, the job is only half done: experts estimate that an additional \$500 million is needed each year in order to repair the transportation system we have and build the 21st century transportation system we need. The next governor has a crucial role to play in securing this needed transportation funding and directing those investments to support the walkable, transit-oriented areas that are in such high demand.

Focusing our growth in town centers and near transit will also allow Massachusetts to better preserve our precious natural resources, wildlife habitats, and farmlands. These irreplaceable resources are currently threatened by state and local policies that reward sprawl.

Finally, coordinating transportation and land use policies and investments to prioritize smart growth and reduced automobile dependency is the only way we will be able to tackle the threat of climate change. Transportation is responsible for the largest and fastest growing share of greenhouse gas emissions in Massachusetts. The next governor will be largely responsible for achieving the commonwealth's goal of a 25% reduction in greenhouse gas emissions by 2020 and will lay the groundwork for reducing those emissions 80% more by 2050. Smart growth and sustainable transportation policies are helpful in the near term and essential in the longer term for ensuring that the commonwealth meets its responsibilities to respond to the challenge of climate change.

Align state investments to achieve specific, bold land use and transportation goals



Triple walking, biking and public transportation trips by 2030

Massachusetts is one of only a handful of states to set a statewide “mode shift” goal to increase the share of trips taken by walking, biking and public transportation. The commonwealth’s goal to triple walking, biking and transit trips by 2030 creates a framework to guide policy, project selection, and project design, and to measure and track our progress toward a healthier and less carbon-intensive transportation system.

Robust investment in Regional Transit Authorities is needed in order to better serve residents who are dependent upon public transit and jumpstart regional economies.

A crucial step toward achieving mode shift is to ensure that project selection processes at MassDOT and the Metropolitan Planning Organizations prioritize funding for projects that provide transportation choice. Currently, the Boston Region Metropolitan Planning Organization, which allocates federal transportation funds, prioritizes projects that integrate land use and transportation planning, support smart growth and transit-oriented development, reduce vehicle miles traveled and greenhouse gas emissions, and promote walking, biking and transit trips. Last year’s Transportation Finance Act of 2013 established a Project Selection Advisory Council that is now in the process of developing criteria for state transportation projects. This work, along with that of metropolitan planning organizations, could lay the groundwork that the next administration can use to establish project selection criteria for all state-funded projects.

In addition to incorporating the mode shift goal into project selection, another important step toward achieving that goal is ensuring that all roadway projects incorporate improvements for walking, biking and transit. The 2013 Healthy Transportation Directive states that all roadway projects designed or funded by MassDOT should improve level of service for walking, biking and transit in order to increase safety and encourage non-automobile trips. The next administration should continue this policy, or strengthen it by incorporating it into regulation.

Thoughtful project selection criteria will help guide the state toward smart investments that will serve this generation and the next. These investments include maintaining the transportation network we have that is already in a state of good repair, while also modernizing the transportation network to

meet the needs of the future. We can help relieve congestion in the core MBTA system, for example, by fast-tracking investments in new train cars and better signal technology. To prepare for future super-storms, sea level rise, and extreme weather, we need an adaptation plan for our transportation network that is accompanied by investments to ensure that disaster relief plans can be implemented.

Strategic investments in public transit unlock economic opportunity and help ensure that Massachusetts can compete in the global economy. Public transportation, which is limited in many places within the commonwealth, is essential to help our students access educational and job opportunities, and allow our seniors to remain in their communities even if they can no longer drive. Robust investment in Regional Transit Authorities is needed in order to better serve residents who are dependent upon public transit and jumpstart regional economies.

Existing transit expansion commitments, such as the Green Line Extension, must be completed, while pursuing innovative strategies, such as Bus Rapid Transit (BRT) and Diesel Multiple Units (DMUs), to increase capacity and improve service. By dedicating lanes to buses, providing stations for off-board fare collection, and other improvements, BRT can provide a rider experience similar to rail transit. Similarly, DMUs are a type of rail car that make it possible to run subway-quality service on commuter rail tracks, by running smaller trains more frequently. Expansion of existing service is also crucial, including late night hours on the MBTA.

Providing safe, attractive bicycle and pedestrian routes is crucial in order to shift trips away from driving, while at the same time improving public health and reducing greenhouse gas emissions and the burden of transportation costs on family budgets.

According to Smart Growth America, half of all trips made in metropolitan areas are three miles or less, and more than a quarter are less than one mile. Yet 65% of trips under one mile are made by car. At the same time, a lack of daily physical activity is driving the nationwide obesity crisis. Providing safe, attractive bicycle and pedestrian routes is crucial in order to shift trips away from driving, while at the same time improving public health and reducing greenhouse gas emissions and the burden of transportation costs on family budgets.

MassDOT should dedicate funding for bicycle and pedestrian infrastructure, and should support and strengthen programs that encourage local municipalities to do the same. In addition, the Department of Conservation and Recreation controls many of our wonderful pathways and parkways. In many areas these paths provide a crucial transportation function, yet DCR has suffered from budget cuts and a lack of coordination with transportation agencies. Robust planning and funding is needed to create a world-class, connected network of off-street paths for bicyclists and pedestrians. These paths can become the highway network for healthy transportation, serving as the backbone for local, on-street improvements. Increased funding for the Safe Routes to Schools program can also be leveraged to anchor local networks and get an early start on changing transportation behaviors for the next generation of Massachusetts residents.

The next administration should commit to funding and administering the Complete Streets Certification Program that was included in the recently passed Transportation Bond Bill. This program provides incentives for local communities to make pedestrian and bicycle improvements, along with benchmarks to measure their progress.

Land use planning and funding should also take mode shift into account. State agencies such as the Executive Office of Housing and Economic Development should include mode shift in their own project selection and project design processes, in order to ensure that land use decisions support increased walking, biking, and transit ridership, rather than sprawl.

Recommendation: Prioritize maintenance and modernization of the existing system, along with strategic transit expansions and dedicated funding for pedestrian and bicycle improvements.

Actions for the Next Administration:

- Affirm the state's mode shift goal.
- Establish project selection criteria for all projects receiving state or federal funding that prioritize projects that will allow us to meet that mode shift goal.
- Require that all roadway projects improve conditions for walking, biking and transit.
- Maintain our core system by dedicating resources to bring our roads, bridges, and public transportation into a state of good repair.
- Increase operating funds for Regional Transit Authorities to enable our bus systems across the state to extend service and better serve residents' needs.
- Invest in the core MBTA system, to relieve congestion and prepare for the projected increase in riders, through new bus, subway, and rail vehicles, improving signalization, and piloting bus rapid transit and diesel multiple unit services.
- Unlock economic opportunities through strategic transit expansions, such as the Green Line extension.
- Dedicate \$50M from the 2014 Transportation Bond Bill to the Complete Streets Certification Program.
- Dedicate resources to new bicycle and pedestrian infrastructure, including a connected network of off-road paths.
- Develop a climate adaptation plan for transportation infrastructure, and identify and secure investments to ensure the transportation network can deliver disaster relief operations.
- Incorporate mode shift goals into project selection and design criteria for land development supported by the Executive Office of Housing and Economic Development.

Build 10,000 units of multi-family housing per year

Housing production creates jobs, increases tax revenue, and makes housing more affordable. It is also imperative for economic growth. However, new housing construction in Massachusetts has remained inadequate since the 1980s and the diversity of housing types is not keeping up with our changing preferences and demographics. The Metropolitan Area Planning Council's (MAPC) 2013 Regional Housing Plan identifies a need for over 400,000 new housing units in Greater Boston (62% multi-family) by 2040 in order to remain economically competitive. In order to meet this huge demand, we would need to increase production of multi-family units to a rate of 10,000 units per year. In addition to the need for greater production, there is an equally important need for continuing to produce housing that is affordable to our residents at all income levels. In addition to securing sufficient resources and state leadership, municipalities play a critical role in facilitating or restricting multi-family housing development. Directing incentives and technical assistance to municipalities will continue to be necessary to ensure they are partners setting the stage for additional housing production.

Recommendation: Provide planning and regulatory framework, as well as funding, to construct 10,000 units of affordable and market-rate multi-family housing each year.

Actions for the Next Administration:

- Ensure adequate funding for the Smart Growth Trust Fund (Chapter 40R) and the companion Chapter 40S, which reimburses any uncovered education costs;
- Increase funding for affordable housing to the maximum level authorized by the legislature and focus development in walkable, transit-served locations;
- Leverage infrastructure investments for projects that have a significant multi-family housing component;
- Pass statewide zoning reform;
- Support local efforts to update planning and zoning, especially for increasing density, allowing mixed-use and mixed-income developments, and permitting projects “by-right”.

Reduce greenhouse gases by 25% (under 1990 levels) by 2020, and by 80% by 2050

The Global Warming Solutions Act commits Massachusetts to reducing greenhouse gas emissions to 25% below 1990 levels by 2020, and 80% below 1990 levels by 2050. While progress has been made in some sectors, recent analysis indicates we may not meet our targets unless we redouble our efforts. One-third of greenhouse gas emissions in Massachusetts comes from the transportation sector which is growing faster than any other sector. In fact, greenhouse gas emissions from most other sectors are lower today in Massachusetts than they were in 1990.

One-third of greenhouse gas emissions in Massachusetts comes from the transportation sector which is growing faster than any other sector.

The only way we will be able to reach our greenhouse gas reduction goals is to work aggressively on both transportation and smart growth. Bike lanes will go unused if development is sprawl-oriented and destinations are too far apart. Transit expansions will be financially unsustainable without the density of population and employment needed to ensure high ridership. Conversely, dense, mixed-use development will not reduce auto trips if there are inadequate walking, biking and transit options.

Finally, an often-overlooked element of reducing automobile trips, and therefore reducing greenhouse gas emissions, is parking. When parking is free and abundant, people have few incentives to choose options besides driving. Moreover, high parking ratios increase the cost of development in smart growth locations, while encouraging sprawl and leading to more driving.

Recommendation: Reduce greenhouse gas emissions from the transportation sector by implementing strategies listed in the first section above to achieve mode shift. Reduce energy use and GHG emissions per capita by implementing strategies listed below to encourage dense, mixed-use development near transit.

Continue reform of state transportation agencies and secure additional funding to repair, maintain, and modernize the transportation system

2

Continue and deepen reforms of state transportation agencies

In 2009, the Legislature enacted significant reforms to the state's transportation system, consolidating many different transportation departments into one streamlined Massachusetts Department of Transportation. MassDOT and the MBTA are now run by the same board of directors and chaired by the Secretary of MassDOT. Transportation reform was motivated by several factors, including the need to consolidate transportation funding mechanisms, make all of the transportation departments more transparent, and save money. A lot of progress has been made, which has translated into a lot of cost savings. Reform alone cannot close the commonwealth's transportation funding gap, but continued reform needs to be part of any solution.

The MBTA saw significant cost savings when it eliminated the practice of allowing retirement after 23 years, regardless of age. The MBTA also saves \$36 million annually from the requirement that MBTA employees be moved to the state Group Insurance Commission health plan. There was also a marked reduction in employee headcount when the MBTA eliminated two-person operators on all Red and Orange Line trains, saving nearly \$7 million. Some now consider the MBTA to be one of the leanest transit agencies in the country. Consolidation also allowed MassDOT and the MBTA to share streamlined services, including legal, human resources, civil rights, IT, and security departments.

Reform alone cannot close the commonwealth's transportation funding gap, but continued reform needs to be part of any solution.

Reform also streamlined the way that transportation is funded in Massachusetts, creating two new funds that serve as a sort of lockbox for transportation revenue. The Commonwealth Transportation Fund, which is subject to appropriation by the legislature, receives revenues from gas taxes, Registry of Motor Vehicles fees, and the motor vehicle sales tax. Reform required that revenues in the Commonwealth Transportation Fund first be used to pay for debt, with leftover funds available to pay for part of the MBTA's operating budget and part of the Regional Transit Authorities' operating budget. The Massachusetts Transportation Trust Fund became the depository for all other transportation revenues, including the Tobin Bridge and the Turnpike tolls and remaining funds from the Commonwealth Transportation Fund. It is used to pay for MassDOT operations, the Turnpike, the Tobin Bridge, and Turnpike debt.

Although there may be fewer opportunities for savings now than in 2009, as a result of these successes, ongoing reform needs to be a permanent part of the state's transportation policy.

Recommendation: Continue money-saving reforms, such as streamlining operations and improving project on-time performance. Improve coordination between MassDOT and the Department of Conservation and Recreation in order to better plan and manage DCR's transportation assets. At the same time, deepen efforts to improve transparency, accountability, and performance-driven management.

Keep the gas tax indexed to inflation

Years of neglect have degraded the quality of our roads and bridges. According to the American Society of Civil Engineers, more than half of all bridges in Massachusetts are in need of repair. In January 2014 alone, the Massachusetts Department of Transportation received reports of 782 potholes. For the safety of our residents, we need to fix our roads and bridges now. However, there have been insufficient revenues to keep our infrastructure safe and in a state of good repair.

Until the Transportation Finance Act of 2013, the gas tax had not been raised in Massachusetts in more than twenty years, causing erosion of transportation funding. In 2013 the legislature increased the gas tax by 3 cents per gallon, and indexed it to inflation. As important as the 3 cent increase is to filling the transportation funding gap, the indexing has a much larger impact over time. It is likely that a question will qualify for the November ballot seeking to repeal the indexing of the gas tax. This ballot question threatens the funding needed to maintain our transportation system.

Recommendation: Support the continuation of indexing of the gas tax to inflation.

Partner with the legislature to fill the remaining \$500 million annual funding gap to repair and modernize our transportation system

The Transportation Finance Act of 2013 dedicates an average of \$600M each year in new transportation revenue to our transportation system. This will result in many important investments. However, a wide range of experts, including the non-partisan Transportation Finance Commission, estimated that we need significant additional funds just to bring our transportation system into a state of good repair. The next governor must work with the legislature to evaluate possible strategies to raise additional revenue for transportation. The solution is likely a portfolio of multiple revenue sources.

Transportation projects around the country are successfully funded by local ballot initiatives, yet communities in Massachusetts do not currently have the ability to raise funds regionally for transportation. A bill currently under consideration by the legislature, HB2760, “An Act Relative to Regional Transportation Ballot Initiatives,” would empower communities to work together to allow area residents vote to increase their own local taxes to fund regionally significant transportation projects.

As cars become more fuel-efficient, the amount of gas tax paid declines, while the wear and tear on the roads is unchanged. Oregon, along with several other states and the federal government are beginning to explore Vehicle Miles Traveled (VMT) fees, which charge drivers based on how much they drive, not how much gas they purchase. The number of miles driven is expected to grow faster than fuel consumption in the coming decades. As a result, VMT fees could provide a more stable source of revenue than the gas tax. VMT fees could support many other existing state policy goals. For example, rates could be structured to help reduce congestion and emissions, and to address issues of fairness. Additionally, metering devices could in the future provide value-added services, such as safety alerts, real-time traffic information, and routing assistance. The system could also generate rich travel data for improved transportation planning without violating privacy. A bill, HB3142, has been introduced to pilot a VMT fee program in Massachusetts.

Highway tolls are currently charged on a limited number of roadways across the state, so that residents who live or work in certain areas must pay tolls daily, while others never have to pay tolls. The federal government is currently considering whether to allow states to toll on federally-funded roads, which would provide the next governor with the flexibility to toll on additional highways in Massachusetts. Congestion pricing, where the toll price varies depending on the amount of traffic, is another strategy to raise additional revenue. Even if implemented on a revenue-neutral basis, congestion pricing can have dramatic effects on reducing traffic congestion, improving commute times and reducing air pollution and greenhouse gas emissions.

Leveraging private investment to support public infrastructure is a strategy that other states have used very successfully. There are many different kinds of “value capture” that are appropriate for different contexts. Transit agencies around the country have used joint development to capitalize on the higher value of land near transit. The next governor should proactively seek out opportunities for joint development on MassDOT and MBTA-owned land, which would have the dual benefit of promoting transit-oriented development while generating revenue for the commonwealth. In addition, public investments in transportation and other infrastructure often create greatly increased value for private landowners. Tools such as special property tax assessments have been used in Virginia and other states to successfully return to the public some of the benefit of these infrastructure investments. Massachusetts should learn from successful programs around the country, while also more aggressively using the value capture tools we already have, such as the Infrastructure Investment Incentive (I-Cubed) program, which helped fund the Assembly Square redevelopment in Somerville.

The next governor should also work with the MBTA to identify new sources of revenue, such as a University Pass program through which universities would purchase discounted MBTA passes in bulk for each of their students. This program would be structured in a way that it provides unlimited public transportation to students, while raising tens of millions of dollars for the MBTA.

Recommendation: Work with the legislature to identify a diverse portfolio of stable, sustainable, and adequate revenues to bring the transportation system into a state of good repair and make the necessary investments to unlock future economic development.

Actions for the Next Administration:

Some legislation and initiatives to explore with legislative leadership include:

- Empower communities and regions to raise their own funds for transportation projects.
- Piloting vehicle-miles travelled program.
- Reforming tolling and piloting congestion pricing.
- Coordinating a University Pass program to provide unlimited public transportation to students, while raising tens of millions of dollars for the MBTA.
- Leverage private investment and higher land value near transit in order to capture value that can support public infrastructure improvements.

Give cities and towns the legal authority, state planning assistance, and finance incentives they need to make their vision of the future a reality

3

Pass zoning reform legislation that makes it easier to develop in sensible locations while helping communities preserve their landscapes.

Modern planning and zoning techniques that are commonly used in the rest of the nation are not allowed here.

Cities and towns throughout Massachusetts want to modernize their planning and zoning in order to implement their vision of how they want their community to grow. But Massachusetts' planning, zoning, and subdivision laws are antiquated, and limit cities' and towns' ability to create stronger neighborhoods and protect our unique open spaces and working landscapes. Modern planning and zoning techniques that are commonly used in the rest of the nation are not allowed here. Meanwhile, our local permitting processes are often complicated, time-consuming, and unpredictable. Under the current framework, building a great project is the exception rather than the rule.

Legislation (H.4065) has been introduced that would update our state's outmoded zoning, subdivision, and planning laws. The goal of the proposed changes is to encourage balanced development and land preservation that will meet the needs of the commonwealth's communities now and over the long-term. These changes would:

- Grant our cities and towns the tools they need to make their vision for the future a reality;
- Provide more certainty to property owners and developers; and
- Realize better regional land use outcomes – jobs and homes in the right places, less spending on excess infrastructure, and important natural resources protected.

Recommendation: Support the passage and implementation of zoning reform legislation (H.4065).

Align state investments with defined “Priority Development Areas” and “Priority Preservation Areas” in every region of the commonwealth.

Massachusetts needs to grow and developers need to be able to build more homes and commercial and retail development to support that growth. But where the growth goes is critical—growth should, whenever possible, be directed toward those locations where it can be supported by existing infrastructure and away from fragile resources that would be damaged by growth. The commonwealth needs to work closely with cities and towns and regional planning agencies to identify the right places for growth – so-called “priority development areas” as well as important natural and recreational areas to protect, referred to as “priority preservation areas”.

Massachusetts has already partnered with regional planning agencies and municipalities to develop land use priority plans for a number of regions and subregions of the state, beginning with the 31 communities in the South Coast Rail Corridor. The deliberative mapping process identifies local, regional, and ultimately state priorities for areas that are appropriate for significant new housing and economic development, as well as for areas that should be permanently protected due to important natural resources such as farmland and habitat areas.

Executive Order 525 directs state agencies to invest and act consistently with the priority areas.

State agencies then agreed to ensure their discretionary funding, infrastructure investments, and technical assistance are consistent with the state-endorsed priorities. In the case of the South Coast Corridor communities, Governor Patrick issued Executive Order 525 directing state agencies to invest and act consistently with the priority areas. The administration provides targeted technical assistance through the regional planning agencies to help cities and towns update their local regulations consistent with the South Coast Rail Economic and Land Use Corridor Plan and required annual compliance reporting.

The time has come to expand these models statewide. Other states have developed similar systems for aligning state investments to advance smart growth and economic prosperity. In 2010, New York State passed the Smart Growth Public Infrastructure Policy Act. The law, passed with bipartisan support, directs state agencies that make public infrastructure investments to screen investments against smart growth criteria and to develop smart growth impact statements assessing their investments for consistency with the criteria. Empire State Future, the state’s smart growth coalition, has been tracking the law’s implementation and has found that most agencies are complying with the spirit and letter of the law. They recommend that tax credit programs should also be included in investment programs covered by the law.

Recommendation: Work with cities, towns and regional planning agencies to identify and designate priority development areas and priority preservation areas statewide, either by revising Executive Order 525 to include the rest of the commonwealth or through legislation.

Support cities and towns with grants and other incentives to promote compact, walkable development “as-of-right.”

In Massachusetts, almost all land use decisions are local. Zoning sets the rules for development – outlining what is allowed to be built and where it can be built. Many municipalities have outdated zoning regulations that do not encourage or even allow great neighborhoods to be built today. The traditional New England town centers, with apartments above shops, were built long before zoning came along. To create vibrant, walkable centers and provide a diversity of types of homes to meet our changing needs, municipalities need help to update their planning and zoning regulations.

With the re-establishment of this funding, the state can become a much more active supporter of local actions that are key to realizing smart growth-consistent land use outcomes.

Through increased technical and financial assistance, the state should encourage and incentivize cities and towns to allow the type of development that will advance state and local priorities. The “as-of-right” is important because that sends a clear signal to developers and property-owners that this type of development is locally desired and will be permitted – compared to the discretionary Special Permit process that can be very unpredictable. Because local resources and capacity for undertaking regulatory updates are often limited, the state can play a significant and strategic role in moving this important work forward. Primary and potential funding sources for this work include:

- **District Local Technical Assistance.** This funding allows regional planning agencies to work with municipalities on a variety of projects, including master and neighborhood plans; transit-oriented development and multi-family housing zoning updates; energy projects; and regional services. In recent years there has been a strong emphasis on economic development and housing projects. This technical assistance is vital for municipalities that either don’t have the capacity in-house or available resources or staff to take on planning and zoning updates. In Fiscal Year 2014, District Local Technical Assistance was funded at \$2.8 million and awarded to RPAs via a formula and is administered by the Department of Housing and Community Development.
- **Smart Growth Technical Assistance Fund (in the Environmental Bond):** In previous bond bills, this funding allowed the state to work with municipalities and other local partners on planning and zoning projects that would help achieve state goals on land use, smart growth,

and environmental protection. Because the last bond bill didn't include this funding, state agencies had very limited resources devoted to helping municipalities plan for development and preservation. With the re-establishment of this funding, the state can become a much more active supporter of local actions that are key to realizing smart growth-consistent land use outcomes.

- **Housing Technical Assistance.** The Department of Housing and Community Development and other quasi-public agencies provide technical assistance to cities and towns to develop housing plans, prepare feasibility studies, and other activities that will directly lead to increased housing production and redevelopment. DHCD's Priority Development Fund has been a primary source of housing technical assistance. The Priority Development Fund is currently being re-tooled as the Planning Assistance Towards Housing (PATH) program. The governor announced in January that \$600,000 would be available in PATH. Considering the dire need for increased production of market-rate and affordable housing, allocating sufficient resources for housing technical assistance is paramount.
- MassDOT has provided planning and technical assistance for a variety of projects that have a transportation component such as South Coast Rail technical assistance and station area plans for the Green Line Extension. It's more and more important to employ a holistic approach as transportation, land use, and economic development are impossible to separate. MassDOT should continue to fund planning projects using this holistic approach.

Recommendation: Increase funding and technical assistance to incentivize municipalities to reform their zoning to encourage walkable, smart growth development and preservation of critical natural resources. Explore creating an inter-agency and over-arching technical assistance program to support regional and municipal development and preservation priorities.

Improve access to jobs, housing, and healthy environments

4

Keep transit fares affordable

Transportation is second only to housing as the biggest-ticket item in most American families' budgets, and Massachusetts residents are no exception. In order to ensure that all residents of the commonwealth have the mobility that is crucial to quality of life and equality of opportunity, MBTA and regional transit authority fares must remain affordable.

The MBTA should take a comprehensive look at updating the fare structure to protect our lowest-income transit riders.

The Transportation Finance Act of 2013 capped MBTA fare increases to no more than 5% every two years. This is an important step toward ensuring affordability in the Greater Boston area. However, the Transportation Finance Act also set ambitious targets for the MBTA's "own-source" funding, which is largely fare revenue. In order to meet these targets without damaging ridership, the MBTA should take a comprehensive look at updating the fare structure to protect our lowest-income transit riders. Other transit systems around the country have fares that vary based on rider income, rider age (such as a youth pass), trip distance, or time of day. These strategies should be evaluated for their potential impact on revenue, overall ridership, affordability for transit-dependent populations, and climate pollution impact.

Fares for the Regional Transit Authorities must also be made more affordable. Modernizing fare structures and payment methods is an important step: in addition to the base fare, many regional bus riders currently pay for transfers from one bus to another, or transfers between a Regional Transit Authority and the MBTA. Most Regional Transit Authorities do not have a discounted multi-fare pass option. A restructuring of regional bus fares should also aim to limit fare hikes to small, predictable increases.

Recommendation: Adjust MBTA and Regional Transit Authority fare structures, and cap fare increases for regional transit, in order to ensure affordability for transit-dependent populations.

Concentrate new affordable housing and jobs near transportation hubs.

Areas served by frequent and reliable transit are ideal locations for new jobs and housing – both market-rate and affordable. These locations are frequently already served by infrastructure, have redevelopment potential, and can reduce auto trips and the conversion of open space to low-density development. Reducing the need for vehicle ownership and auto trips can save money and minimize air pollution. Many state programs support transit-oriented development investments, but a more deliberate prioritization of these sites can lead to more successful smart growth developments.

Recommendation: Explicitly target and prioritize state investments to transit-oriented development locations, such as in urbanized, redevelopment locations and in suburban locations with high quality public transportation. Low Income Tax Credits and the Affordable Housing Trust Fund are two programs that should be further focused on transit-oriented development locations.

Fully capitalize programs that fund open space preservation and environmental cleanup.

The legislature added \$15 million to the brownfields fund in spring 2014 as a bridge measure, however fully recapitalizing the fund at \$60 million will require committing another \$45

The Brownfields Redevelopment Fund helps assess and remediate brownfields for redevelopment, bringing these parcels back to productive healthy use as new homes and job centers. In addition to removing toxics, redeveloping these sites can help stabilize under-invested neighborhoods and encourage economic development in smart growth locations. The fund has provided \$78 million to 630 projects since 1998. The legislature added \$15 million to the fund in spring 2014 as a bridge measure, however fully recapitalizing the fund at \$60 million will require committing another \$45 million.

Protecting our farms, forests, and open lands is critical to our economy and our quality of life. Conserved lands generate significant economic gains. According to a recent report by The Trust for Public Land, for every \$1 invested in land conservation \$4 is returned in natural goods and services to the Massachusetts economy. However, even during the Great Recession, an average of 22 acres continued to be developed every day. Most of that loss was in the form of unsustainable development perpetuating residential sprawl.

Land protection is accomplished through a variety of state programs in partnership with land trusts, federal agencies, and private landowners. Over the past several years, the commonwealth has come close to investing \$50 million a year on land protection. Land protection has emphasized creating or updating urban parks, working farms and forests, and large critical habitats.

Since 2002, the Community Preservation Act (CPA) has distributed more than \$1.2 billion to 155 communities for open space, affordable housing, historic preservation, and recreation. Nearly 20,000 acres have been permanently protected and more than 7,000 affordable homes have been created or preserved using CPA funds. Because of the slow-down in the real estate market and increased number of participating municipalities, the percentage of state matching funds has dropped in recent years (from 100% to nearly 25%). Last year, \$25 million in surplus funds was added to the statewide CPA trust fund. Maintaining this additional \$25 million state contribution to the trust fund will help fund new projects and continue to serve as an attractive reason for new communities to vote to become CPA communities.

Recommendation: Dedicate needed resources toward state and local programs that fund environmental cleanup and open space preservation.

Actions for the Next Administration:

- Recapitalize the Brownfields Redevelopment Fund to ensure at least \$15 million is available annually.
- Ensure that at least \$50 million in capital expenditures are invested annually in statewide land conservation programs.
- Continue to provide an additional, state contribution of at least \$25 million each year to cities and towns that have passed the Community Preservation Act.

Break down agency silos to help cities and towns build great places in communities throughout the commonwealth

5

Provide leadership from the Governor's office and Cabinet leadership on achieving smart growth and sustainable development.

Through state investments, technical assistance, and regulations, the commonwealth plays a significant role in guiding development and preservation. The governor sets the direction and his or her secretaries carry that direction forward. In order to efficiently and effectively coordinate state policy and spending, direction must come from the highest levels of leadership. With clear and high-profile policy priorities, the governor provides the goals and frame for the agencies.

Cabinet secretaries should be well versed in smart growth issues and be able and willing to work with their counterparts in other agencies that directly impact land use and housing and economic development, particularly the Massachusetts Department of Transportation, Executive Office of Housing and Economic Development and Executive Office of Energy and Environmental Affairs.

There is no single model for ensuring high-level, effective coordination across relevant state agencies on issues of smart growth and sustainable development. Different states use different approaches, but the most effective ones consistently involve a formal structure for ensuring coordination at the Cabinet level and consistent, defined working relationships among senior agency staff.

Massachusetts currently uses a more informal coordination model than those in place in other states seen as leaders on issues of smart growth and sustainable development. Under the Romney Administration, the Office for Commonwealth Development served as a super-agency, coordinating and directing the executive offices of transportation, housing and economic development, and environment. The Patrick Administration experimented with the Development Cabinet, comprising several secretariats, to coordinate policy across agencies. That model never took root and was replaced by a less-structured partnership between EOHD, EEA, and MassDOT. These agencies have taken the lead on carrying out the governor's smart growth agenda, with senior staff from these agencies assigned to coordinate implementation across agencies.

Massachusetts needs to return inter-agency coordination on issues of smart growth and sustainable development to the Cabinet level and ensure that clear direction comes from the governor and is implemented at the senior level of all relevant agencies through a formal, structured process. In addition, program managers must receive clear direction from agency leadership and be able to provide metrics that demonstrate that they are meeting the administration's goals.

Recommendation: Early in his or her administration, the next governor should roll out a bold and achievable agenda for smart growth and sustainable development and transportation and establish a formal, Cabinet-level structure that ensures ongoing inter-agency collaboration and buy-in from the agencies charged with implementing the policies.

Designate staff in each agency to work with cities and towns to achieve specific, cross-cutting goals.

Inter-agency coordination is critical for effectively leading and managing the cross-cutting issues that fall under the smart growth umbrella, such as infrastructure, transportation, economic, housing, and land protection investments. Policy initiatives to reduce GHG emissions and to increase walking, biking, and public transportation use also require a high level of interagency coordination. In recent years, a partnership between EOHED, EEA, and MassDOT has led to state-level policies and programs that affect land use and development patterns. From regional mapping efforts to coordinating large scale investments in transportation and infrastructure, the secretaries and senior staff of these agencies have developed a collaborative and effective model of inter-disciplinary cooperation.

Recommendation: Institutionalize the focus on advancing smart growth by designating staff in EOHED, DHCD, EEA, MassDOT, and the Department of Conservation and Recreation to ensure effective implementation of cross-cutting goals. These assignments should be central component of their duties and not viewed as an extra or additional responsibility. At MassDOT, retain the position of Undersecretary in charge of implementing GreenDOT. Consider bringing in other cabinet agencies to the partnership, such as the Division of Capital Asset Management and Maintenance and the Department of Public Health.

Revise and reaffirm a set of smart growth / sustainable development principles.

The ten Sustainable Development Principles were originally developed under the Romney Administration and then revised and re-adopted by the Patrick Administration. The Principles are succinct policy statements that serve as a framework for state actions and local actions that the state will support. They encompass best practices for development, preservation, social equity, and clean energy. The Principles clearly communicate the commonwealth's priorities and can be used in evaluating investment proposals.

Recommendation: Reaffirm the Sustainable Development Principles and incorporate their use in decision-making for grants, loans, and other state actions that affect development, land preservation, and ecosystem protection.

Align state investments with smart growth priorities by requiring state funding programs to adopt an integrated “portfolio” approach to allocating discretionary funding.

The Executive Office of Housing and Economic Development’s MassWorks Infrastructure Program is one of the state’s premier funding programs that support job creation and housing development. The program guidelines include targets for investments. For example, at least 67% of funds should be spent in transit-oriented development locations; 80% or more of the total funding should support re-using previously developed sites; and 50% or more of the total funding should support mixed-used developments.

These guidelines have led to strategic and transformative projects, while providing a clear way to say no to inappropriate and inefficient projects. In addition, these targets clearly communicate the administration’s priorities to cities and towns, leading to stronger proposals and, ultimately, stronger projects. Another best practice that EOHD has adopted is to invite regional planning agencies to provide recommendations on the MassWorks applications by assessing their consistency with regional plans, the state’s Sustainable Development Principles, and any priority areas identified in the mapping process discussed earlier. Other state grant programs could benefit by adopting this approach and the consultation process with regional planning agencies.

Recommendation: Adopt the MassWorks program’s best practices of using a “portfolio” approach and consultation with regional planning agencies for other state funding programs.

Use the Executive Office of Administration and Finance to track and report agency performance.

The commonwealth, through its agencies, makes billions of dollars in infrastructure, open space, housing, and economic development investments. All have a direct influence on land use patterns at the local and regional level. Currently, there is no single site or convenient way to access records on state investments – making any kind of assessment of how effective or equitable these various awards have been difficult at best. The default is often searching press releases on an agency-by-agency basis.

All state investments go through the Executive Office of Administration and Finance. Information on state investments should be made publically accessible through a website that can be queried by the type, location, and funding level. An interactive map that visually displays the state’s investments should also be developed. Under Executive Order 525, the commonwealth began tracking investments by select agencies and included an interactive map and an assessment of whether the investments are consistent with the priority areas identified in the South Coast Rail Economic Development and Land Use Corridor Plan. This has been a good start, but the website and assessments have not been updated since February 2012. The MassWorks Infrastructure Program has recently provided an on-line map and brief description of MassWorks awards and notes whether an investment is in a priority area. All state

investments should be similarly transparent to the public and include additional information, through a searchable database, such as funding program, location, and a description of how the investment is consistent with the plan.

Administration and Finance should develop and regularly update a publically-accessible interactive map and database of all state investments. Building on the pilot in EO 525, the administration should continue to assess and report on whether investments are consistent with state-endorsed priority development and priority conservation areas.

MASSACHUSETTS SMART GROWTH ALLIANCE



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