

Gov. Charlie Baker tries to address housing 'crisis' in Massachusetts

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Gov. Charlie Baker, Secretary Jay Ash and Undersecretary Chrystal Kornegay testify on a housing a bill on Jan. 30, 2018.(*SHIRA SCHOENBERG / THE REPUBLICAN*)

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BOSTON -- Gov. Charlie Baker hopes to tackle what he described as "one of the thorniest issues" facing the state: the lack of housing.

"It's been decades since the state's produced enough housing to keep up with demand," Baker said. "A limited supply creates overheated demand and rising prices. Young people, seniors, young, working and middle class families can't afford to rent or buy a home in Massachusetts."

Massachusetts, particularly the eastern part of the state, struggles with the high cost of housing. Apartment rents in greater Boston have consistently ranked between third and fifth highest in the country. The cost of a single-family home is rising faster in Massachusetts than in any other state, according to Baker officials. The median price of a single-family home in Massachusetts in December was \$360,000, according to the Warren Group, which tracks real estate prices.

According to Dan O'Connell, president and CEO of Massachusetts Competitive Partnership, a business group, there have been 300,000 new jobs created in Massachusetts since 2010. But only 83,000 new housing units have been permitted in that time.

"Housing is a key element in the economic growth and job growth of the commonwealth," O'Connell said. "We need to produce more housing in order to continue to attract and retain talent."

Keith Mahoney, vice president of the Boston Foundation, called it a "crisis" that not enough housing is being built, particularly outside the urban core of the city. "The economy is growing very strongly, especially in the greater Boston region, but if housing is unaffordable for people, they're not going to move here and take the jobs we're creating," Mahoney said.

A bill Baker proposed, which had a hearing Tuesday before the Legislature's Housing Committee, would change a state law that now requires a two-third majority of a town meeting or city council to change municipal zoning laws. The bill would let municipalities change zoning laws with a simple majority vote as long as those zoning rules adhere to best practices. For example, a simple majority could vote to let a city or town allow the building of "in-law" apartments; allow for increased density through a special permitting process; reduce requirements for minimum lot size or parking; or allow for more mixed-use, multifamily buildings in town centers and near transit.

Today, only 10 states require a supermajority vote to change zoning rules.

O'Connell said requiring a majority "seems fair and more in keeping with standards in other New England states and throughout the country."

Secretary of Housing and Economic Development Jay Ash stressed that it will still be up to local communities to decide whether they want to change their zoning. "If a community does not want to change zoning, it doesn't have to," Ash said.

Geoff Beckwith, executive director of the Massachusetts Municipal Association, which represents cities and towns, said the association likes the bill because it leaves the decision-making to cities and towns, while making it easier for municipalities to act.

"The governor's bill maintains local decision making and provides important tools and investment to help communities tailor locally crafted solutions," Beckwith said.

Baker is touting the bill as one part of a larger initiative to incentivize communities to build housing. Baker is also creating a new "Housing Choice" designation, which will be given to communities that adopt policies to promote housing development, use land efficiently and protect natural resources. These communities will be eligible for more state grants for housing projects.

The Baker administration has committed to spending \$10 million a year on the Housing Choice project, split between the operating budget and a bond bill. This includes money for incentives, grant funding and technical assistance.

Ultimately, state officials hope to incentivize communities to build 135,000 new units of housing by 2025.

MassHousing, a quasi-governmental agency, will provide \$2 million for technical assistance to municipalities. Thomas Lyons, executive director of MassHousing, testified before the Housing Committee that changing the zoning requirement could be a "game changer."

"We know there are many sound initiatives which may come before local boards with the support of a solid majority - but which die because the supermajority threshold is not met," Lyons said.

The Home Builders and Remodelers Association of Massachusetts came out in favor of the bill, saying it will help home builders build more housing, particularly for young families and older adults who are downsizing.

Kristina Johnson, president of the Massachusetts Association of Planning Directors, which represents municipal planning officials, also praised the bill. "We think it's a terrific jump start to housing production and removing those zoning barriers that limit communities' options for promoting housing production and affordable housing," Johnson said.

Andre Leroux, executive director of the Massachusetts Smart Growth Alliance, which has been pushing for zoning reform, called Baker's bill "an important first step." But he said lawmakers should also consider a larger overhaul of state zoning laws, which have not been updated since 1975. He said lawmakers should do more to address frivolous appeals and make it easier to permit projects.

Leroux said Baker's bill is a good step to address housing. He said over the last seven years, just 10 communities have permitted nearly two-thirds of all the apartments in the state. "We need to make sure everybody's chipping in to contribute to the solution," Leroux said.