



# Housing Choice Initiative

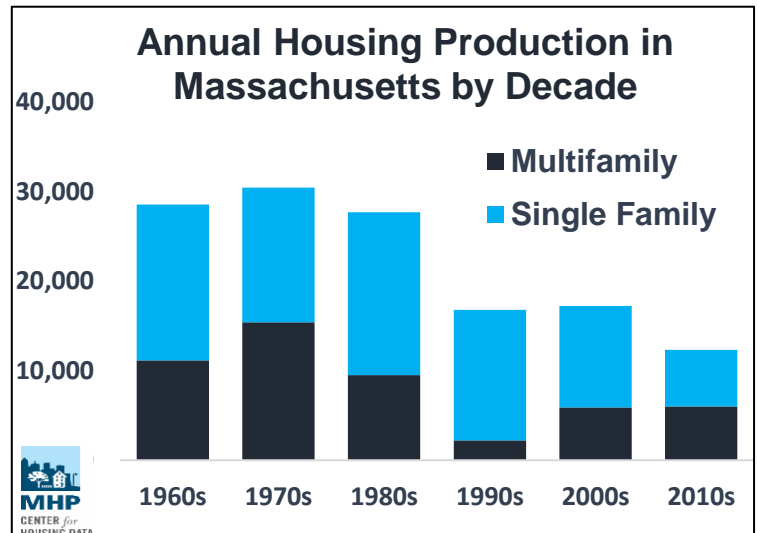
[www.mass.gov/housingchoice](http://www.mass.gov/housingchoice)

## NEED FOR MORE HOUSING

Massachusetts home prices have increased at the fastest rate in the nation, and metropolitan Boston rent prices rank among the highest in the country. **The Commonwealth must add to its housing stock to support a growing economy and provide new housing choices.**

But we can't do it alone: municipalities have control over local zoning and permitting, and they must be partners if the Commonwealth is to successfully overcome these housing challenges. Cities and towns should be encouraged to adopt best practices and zoning that supports sustainable housing production.

*The **Housing Choice Initiative** provides incentives, rewards, technical assistance and targeted legislative reform to encourage and empower municipalities to plan and build the diverse housing stock that the Commonwealth needs to continue to thrive.*



## HOUSING CHOICE DESIGNATION

A Housing Choice Designation rewards communities that are producing new housing and have adopted best practices to promote sustainable housing development. Housing Choice designation provides:



**Exclusive admission** to new **Housing Choice Capital Grants**, Housing Choice Communities will be eligible for a major new capital grant program.

**Bonus points** or other considerations for certain Commonwealth funding programs such as MassWorks, Seaport Council Grants, Complete Streets, MassDOT capital projects, and LAND and PARC grants.

## NEW AND BETTER COORDINATED TECHNICAL ASSISTANCE

To assist municipalities to achieve Housing Choice status, DHCD's Housing Choice Program Director will coordinate existing technical assistance and provide "one-stop shopping" for information about **technical assistance grants** for local governments. In addition, MassHousing will provide **\$2 million** in planning assistance to help cities and towns achieve their affordable housing goals under Chapter 40B through its new "Planning for Production" program.

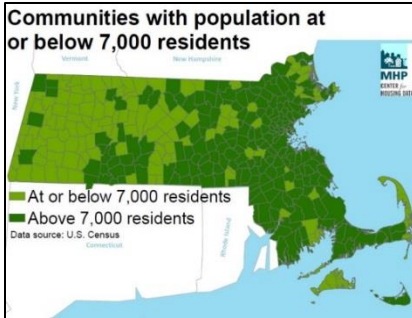




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## SMALL TOWN PROGRAM

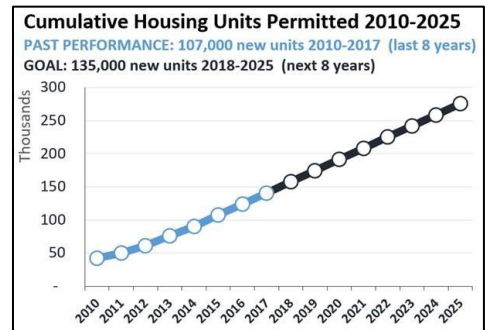


Recognizing that small towns face different challenges, the Housing Choice Initiative will set aside funding for a competitive capital grant program exclusively for towns with population under 7,000. **\$1 million** in capital grant monies are expected to be available in the first year, to grow thereafter. Small Towns can also apply for Housing Choice Designation.

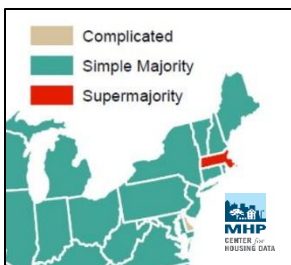
## TRACK PROGRESS TOWARD THE HOUSING GOAL

The Housing Choice Initiative will track progress toward a goal of **135,000 new housing units statewide by 2025**, or about 17,000 new units per year.

- This goal requires sustaining the level of production over the last three years
- Represents a 26 percent increase in housing production compared to the last eight years
- Keeps pace with projected increases in housing demand
- Closely aligned with the housing production goals required for designation as a Housing Choice community



## LEGISLATION – AN ACT TO PROMOTE HOUSING CHOICES



The Administration will file **An Act to Promote Housing Choices**, to facilitate housing production and adoption of zoning best practices. It eliminates barriers to building new housing and improving land use without mandating that cities and towns adopt any specific zoning practices. The Act will change state law **to reduce the required vote from 2/3 “supermajority” to a simple majority for certain zoning changes**. This change makes Massachusetts more consistent with current practice in most states. Zoning changes that promote best practices that would qualify for the simple majority threshold include:

- Building mixed-use, multi-family, and starter homes, and adopting 40R “Smart Growth” zoning in town centers and near transit
- Clustering new homes to permanently preserve open space and protect natural resources
- Reducing parking requirements and dimensional requirements such as minimum lot sizes
- Allowing for transfer of development rights (TDR) zoning and natural resource protection zoning
- Allowing for increased density through a Special Permit process, promoting more flexible development
- Allowing accessory dwelling units or “in-law” apartments



## There are two ways to get Housing Choice Designation

### #1 High Production

Greater than 5% housing growth OR 500 units over the last 5 years

Housing choice communities must have:

**Applied for a Community Compact**

and

**No moratorium on new housing**

### #2 Production & Planning

Greater than 3% housing growth OR 300 units over the last 5 years AND 4 of 9 housing best practices

#### Housing Choice Communities

- Priority scoring for Commonwealth Grant Programs
- Exclusive access to a new capital grant program for Housing Choice Communities
- New and better coordinated technical assistance to maintain housing production
- Continue to support sustainable development in order to maintain designation and compete for Housing Choice Grants

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**For the Planning for Production (3% or 300 units) Housing Choice Designation Communities must meet 4 of the following 9 Best Practices, one of which must be related to affordable housing.**

1. Designated local resources for housing such as established an Affordable Housing Trust, donated land, or appropriated substantial CPC funds for community housing **[Affordable Category]**
2. Selected a housing best practice as part of its Community Compact
3. Have units currently eligible for inclusion in the Subsidized housing Inventory (SHI) that equal or exceed 10% of total year round housing units **[Affordable Category]**
4. Have adopted zoning that allows mixed use or cluster development by right (or can demonstrate a consistent pattern over the last 5 years of approving such developments)
5. Have zoning that allows for accessory dwelling units (ADUs) by right (or can demonstrate a consistent pattern over the last 5 years of approving ADUs)
6. Have inclusionary zoning that provides for reasonable density increases so that housing is not unreasonably precluded **[Affordable Category]**
7. Have an approved 40R district, Starter Home District, Housing Development Incentive Program (HDIP) or have adopted an Urban Center Housing Tax Increment Financing District (UCH-TIF) **[Affordable Category]**
8. Have at least one zoning district that allows multifamily by right with capacity to add units and that allows for family housing (greater than 2 bedrooms)
9. Have a CERTIFIED Housing Production Plan which means a DHCD approved Housing Production Plan that resulted in at least 0.5% or 1.0% increase in year-round housing units following its adoption and approval **[Affordable Category]**

# An Act to Promote Housing Choices

Massachusetts home prices have increased at the fastest rate in the nation, and metropolitan Boston rent prices rank among the highest in the country. The Commonwealth must build enough diverse housing stock – single family homes, multi-family units, and small apartments -- to support our growing economy and to provide our growing population with housing choices. **Massachusetts must find new ways to encourage housing development.**

**This new housing production should be concentrated in environmentally sound ways.**

Massachusetts laws should make it easier to build housing that supports transit-oriented development, revitalizes downtowns, uses existing infrastructure, preserves natural land where possible, and avoids unnecessary environmental impacts. The Baker-Polito Administration's Housing Choice Initiative encourages and rewards municipalities for taking actions that result in housing production. *An Act to Promote Housing Choices* complements the Housing Choice Initiative by lowering barriers to sustainable housing production and adoption of planning and zoning best practices. **At the same time, the legislation respects the role of local decision-making.**

**Massachusetts is an extreme outlier in requiring a supermajority vote of its local legislative bodies to change zoning laws,** and we are the only state in New England that requires a 2/3 vote to change local zoning. In order to facilitate adoption of zoning best practices and appropriate housing production, *An Act to Promote Housing Choices* lowers the voting threshold to a majority vote for specific best practices.

The following local zoning would require only a majority vote of the local legislative body:

- Reducing dimensional requirements, such as minimum lot sizes, to allow homes to be built closer together.
- Reducing required parking ratios, which can lower the cost of building new housing and accommodate development on a smaller footprint.
- Creating mixed-use zoning in town centers, and creating multi-family and starter home zoning in town centers, near transit, and in other smart locations.
- Adopting "Natural Resource Protection Zoning" and "Open Space Residential Development." These zoning techniques allow the clustering of new development while protecting open space or conservation land.
- Adopting provisions for Transfer of Development Rights (TDR), which protects open space while creating more density in suitable locations.
- Adopting 40R "Smart Growth" zoning, which provides incentives for dense, mixed-use development in town centers, near transit, and in other "smart" locations.
- Allowing accessory dwelling units or "in-law" apartments – small apartments in the same building or on the same lot as an existing home.
- Allowing for increased density through a Special Permit process promoting more flexible development.

***This legislation does not mandate that any town adopt these zoning best practices; it simply removes the barrier of having to convince a supermajority of the legislative body to adopt them.*** In addition, the legislation authorizes adjacent municipalities to enter into agreements for sites that span multiple communities.



# Planning for Housing Production Grant Program

MassHousing's Planning for Housing Production Program builds on local affordable housing planning and empowers cities and towns by providing additional technical capacity to implement their housing production goals and deliver new mixed-income housing. MassHousing has made \$2 million in grant funding available to municipalities that are actively planning to increase their supply of affordable housing to help them achieve production-driven Chapter 40B safe harbor status.

## Eligibility

Participating municipalities will identify a problem to be solved that stands in the way of a local housing plan being implemented. MassHousing grants will help the municipality overcome these self-identified roadblocks, and deliver on local housing opportunities.

### This program is available to:

- Municipalities in the Commonwealth with a Subsidized Housing Inventory (SHI) percentage of less than 13.0 percent
- Communities that do not currently have multifamily housing development moratoria
- Applicants that have already completed a locally-driven housing planning process

## Eligible grant activities

The planning services MassHousing will offer communities will vary, depending on local needs, but will generally include:

### Assistance

*crafting new zoning to spur new housing growth, whether through Chapter 40A, Chapter 40R, or a friendly Chapter 40B proposal; planning public infrastructure improvements needed to support housing growth;*

### Capacity-building

*in planning and community development; and*

### Public education

*and data transparency initiatives around financial feasibility, development cost-benefit analysis, local infrastructure needs, and school cost/school enrollment projections.*

*The implementation strategies funded under this grant program will respond to an established planning vision, and advance the realization of that vision in a measurable way.*

## How to Apply

For more information on MassHousing's Planning for Housing Production Program, or to apply for funding, visit [www.masshousing.com/planning](http://www.masshousing.com/planning).

*MassHousing's Planning for Housing Production Program was developed in support of The Baker-Polito Administration's Housing Choice Initiative. This initiative seeks to add 135,000 new housing units by 2025 and provides cities and towns with new incentives and rewards for producing the housing needed to grow the Massachusetts economy and secure housing affordability. It assists local governments by providing new grants, coordinating technical assistance, and promoting regulatory innovation at the local level.*

For more information on the Baker-Polito Administration's Housing Choice Initiative, visit [mass.gov/housingchoice](http://mass.gov/housingchoice).





## About Chapter 40B

Chapter 40B is the state's regional planning statute, and the law seeks to ensure that all 351 of the Commonwealth's cities and towns provide housing opportunities for lower-income working households and older adults. The statute helps communities meet the Commonwealth's housing needs, by providing a flexible zoning approval process that allows for the creation of new homes for individuals, families, and older adults, across a range of incomes. At the same time, Chapter 40B provides ample opportunities for municipalities to control their own housing growth.

The law enables agencies like MassHousing to deny 40B project eligibility to projects that are inconsistent with local planning, in localities that have a demonstrated commitment to planning and delivering housing growth. MassHousing is committed to partnering with committed municipalities, to achieve housing growth consistent with local planning priorities.

Below are a few examples of municipalities working successfully under Chapter 40B to plan and implement housing production:



*Easton worked collaboratively with the housing developer Beacon Communities, to transform the historic former Oliver Ames & Sons Shovel Company factory into an award-winning mixed-income rental community. The Ames Shovel Works project delivered 113 new housing units, and 1.5 acres of new open space. Easton's support of the Ames Shovel Works, including a substantial Community Preservation Act commitment, was a key factor in MassHousing denying 40B project eligibility to a less compatible 40B proposal in the town.*



*Reading has taken a strong role in shaping new housing growth, resulting in meaningful 40B relief. Reading has adopted a pair of Chapter 40R smart growth zoning districts, including one surrounding its commuter rail station, zoning over 450 units for development by right. The Town's embrace of smart growth zoning under Chapter 40R was a key factor in MassHousing denying 40B project eligibility to a less compatible 40B proposal. Since that denial, Reading has enjoyed a strong hand in shaping 40B proposals; the Town recently secured significant improvements to design of a 40B development located directly across the street from its downtown 40R district.*



*Hanover used Chapter 40B to rezone a former dormitory on the campus of the Cardinal Cushing Centers, enabling the Planning Office for Urban Affairs to create 37 new mixed-income homes. The Bethany Apartments, currently under construction, will create an inclusive new housing community for residents of a wide range of incomes and abilities, from middle-income families, to low-income clients of the Massachusetts Department of Mental Health. In addition to a collaborative 40B permitting process, the Town of Hanover committed nearly \$300,000 in Community Preservation Act funds to this project.*

**To read more about Chapter 40B and the Planning for Housing Production Grant Program, please visit [www.masshousing.com/planning](http://www.masshousing.com/planning).**

