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S T R A T E G Y F I V E

# Enable Compact Growth

## Summary

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Adopted in 2008, MetroFuture is Greater Boston's long term regional plan. The foundation of the plan is a well-defined vision for the region. Thirteen implementation strategies were included to support progress towards the vision. An extensive community engagement process ensured that MAPC constructed the vision and strategies from the hopes and dreams of the region. In anticipation of an update to the regional plan, MAPC is evaluating the extent to which regional actors, either intentionally or unintentionally, implemented these strategies. The authors gathered the information that follows through conversations with MAPC staff and content experts.

Strategy #5, [Enable Compact Growth](#), offered policy, advocacy, planning and development efforts to discourage sprawling, low density development, and incentivize growth in city and town centers and near transit and infrastructure. The strategy focused on providing communities with the resources and opportunities necessary to plan for and implement compact growth. Specifically it called for providing technical assistance to communities, ensuring communities increase transportation accessibility, removing barriers to development, and increasing the vitality of existing centers.

The state instituted a variety of incentives that encouraged municipalities to plan for compact growth. Funding opportunities like Chapter 40R, MassWorks' Infrastructure program, and Energy and Environmental Affairs' Planning Assistance grants all encourage applicants to plan for compact growth. The Community Preservation Act continues to support preservation and reuse, but as more municipalities have joined, the state matching funds have been stretched amongst more and more communities.

Regional government agencies and non-governmental organizations have advocated for compact growth and provided municipalities with technical assistance that supported compact growth. One example is the Massachusetts Smart Growth Alliance. With MAPC and a range of partners, they are lobbying to pass the Great Neighborhoods Bill, legislation that would encourage compact growth and promote multi-family housing in smart growth locations. MAPC used its technical assistance fund to support many of the region's municipalities in creating and updating plans that allowed for and encouraged compact growth.

Residents in the region continue to have reservations about growth. They worry that infrastructure limitations will quickly result in overcrowded streets and schools. At the same time, municipal governance is growing increasingly dedicated to smart growth practices. In some municipalities, residents and government officials have united to pass a variety of smart growth policies and programs and to take advantage of state programs. A growing problem is displacement and neighborhood change that prices lower income residents and businesses out.

# Sub-Strategy Review

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## Sub-Strategy A: Plan for compact growth to serve community needs

### EXAMPLES OF PROGRESS

- Chapter 40R, Smart Growth Zoning Overlay Districts, were created by law in 2004 and encourage communities to create dense residential or mixed-use smart growth zoning districts, including a high percentage of affordable housing units, to be located near transit stations or in areas of concentrated development. From 2006 through the beginning of the recession the state approved seven districts per year, which included zoning for 2600 units. From 2011 to 2017 the yearly average fell to 3 new districts and zoning for 730 units per year<sup>1</sup>. In 2017, DHCD approved five districts, the most since 2010.
  - In 2016, legislation created a new 40R category for smaller, single-family homes on smaller lots (Starter Home Zoning Districts). So far, no applications have been submitted to establish a Starter Home District.
- In September 2010, the MassWorks Infrastructure Program was created to provide a one-stop shop for municipalities and other eligible applicants seeking public infrastructure funding to support economic development, housing creation, and roadway safety improvements in rural communities. This has streamlined economic development and multifamily housing investments by the state. The administration has created smart-growth consistent investment targets for this funding, including:
  - 50% for projects consistent with regional land use and development plans;
  - 50% for support of developments that contain a mix of residential and commercial uses, with a residential unit density of at least four units to the acre;
  - 50% for development in Gateway Cities;
  - 67% for developments located within one-half mile of a transit station;
  - 80% for developments that are re-using previously developed sites;
  - 100% for housing (or mixed use including housing) be in support of developments with a residential unit density of at least four units to the acre.
- State agencies provide an array of other funding and technical assistance programs that support redevelopment and revitalization, including EEA's Planning Assistance Grants and DHCD's Downtown Initiative.
- In 2017, MassDOT issued its first TOD policy around disposition and development of public parcels in station areas. The transit oriented development disposition policy seeks to stimulate compact growth and affordable housing creation in transit-served locations.

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<sup>1</sup> <https://www.mass.gov/doc/40r-districts-activity-summary/download>

- MAPC used scenario modeling to help municipalities better understand the implications of planning and zoning decisions. MAPC uses this tool to estimate the positive long term impacts of compact growth.
- Since MetroFuture was released in 2008, MAPC assisted many of the region's communities in developing plans and zoning for denser developments, including TOD plans, downtown plans, and Master Plans.

## **BARRIERS TO PROGRESS:**

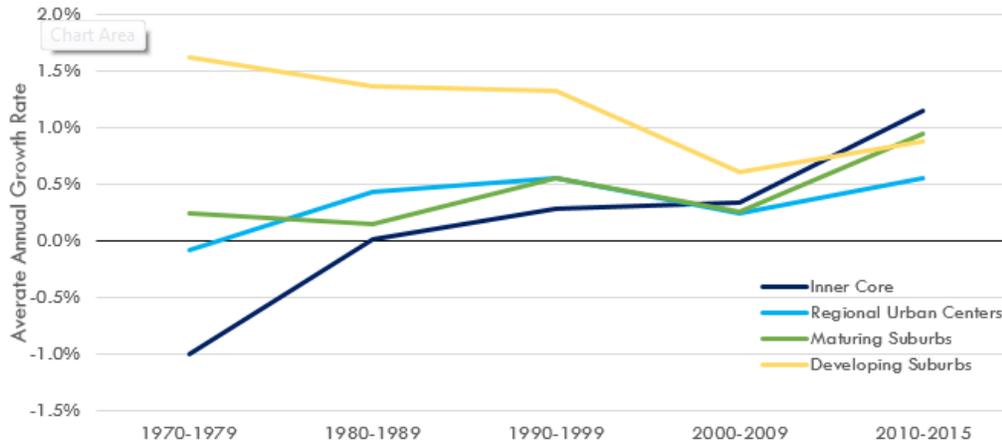
- The overall supply of housing (particularly multi-family) is not high enough to meet demand and most of the supply of multi-family is in the Inner Core, which leads to higher home prices and rent pressures. Since significant new growth outside the Inner Core is limited, those who are looking for housing they can afford are often limited to either Gateway Cities (compact) or more distant suburbs.
- Redevelopment and infill are more costly than building in farm or forestland.
- It is often easier to obtain approval for low-density developments than for compact developments. State law, through Approval Not Required (ANR) subdivisions, make roadside development much easier and less expensive than standard subdivisions. Often, open space residential developments or cluster faces more difficult local permitting requirements than standard subdivisions.
- Local opposition to increased density, congestion, and increased school-age children is a frequently cited objection, leading to failed compact growth rezoning and development proposals. This opposition is a serious and persistent barrier to compact growth.
- State policies and programs have been inconsistent in their commitment to compact growth and have varied from Administration to Administration. Some states have laws promoting/requiring smart growth, but Massachusetts is mostly reliant on the Executive Branch. And some agencies, historically, have been unwilling to lead or pursue smart growth issues.
- While Chapter 40B, the state's affordable housing law, has been the primary method of producing mixed income housing in suburban communities, it does not include smart growth criteria. In some cases, 40B projects have been built in locations completely inconsistent with smart growth goals.

## **RELEVANT INDICATORS<sup>2</sup>**

- An objective of MetroFuture was that population and job growth would be concentrated in municipalities already well served by infrastructure, with slower growth in less developed areas where infrastructure is more limited. Figure 1 tracks population growth by community type. Since 2000-2009 all community types increased population. The population of the Inner Core increased the most, with but Maturing Suburbs a close second.

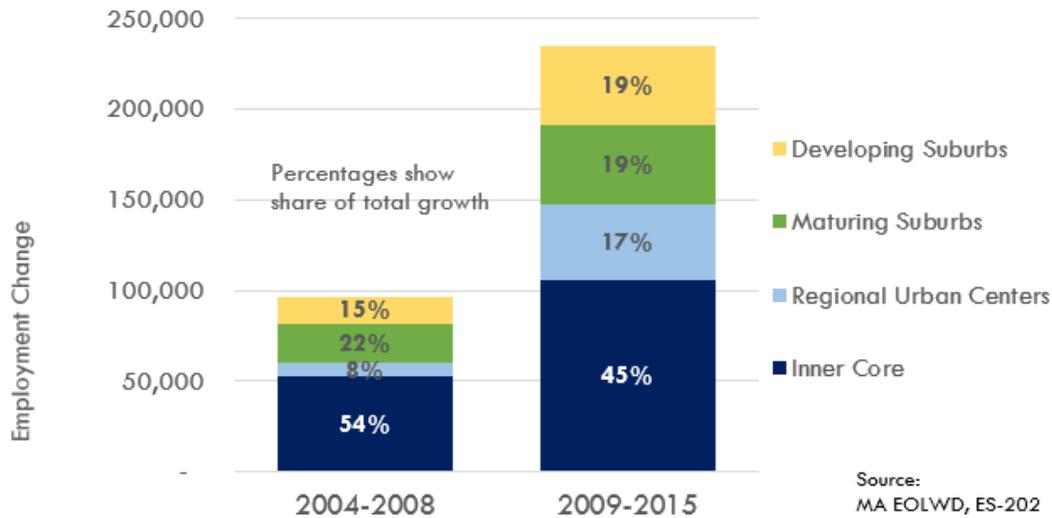
<sup>2</sup> While not directly tied to the success or failure of a sub-strategy, indicators show how the region has changed in the face of the aforementioned actions or inactions.

Figure 1: Annual Population Growth Rates by Community Type in Metro Boston (1970-2015)  
 Source: US Census, Decennial Census and Population Estimates



- Employment growth during 2009-2015 more than doubled when compared to the growth in jobs between 2004 and 2008. This tremendous growth increased employment in all of types of communities. However, the most impressive growth occurred in Regional Urban Centers, which increased 5 times over and as a proportion of total employment growth in the region moved from 8% to 17%.

Figure 2: Post-Recession Employment Growth by Community Type



- MetroFuture produced targets for population and employment growth, which can be see in Figure 3. Growth in Metro Boston’s Inner Core very closely tracked MAPC’s targets. Regional Urban Centers and Maturing Suburbs did not keep up with targets especially with respect to population growth in Regional Urban Centers and employment growth in Maturing Suburbs. Developing Suburbs greatly exceeded targets for population and jobs. It is likely that this growth is more auto-depedent and required new infrastructure, such as roads, sewer/septic, and water service.

Figure 3: Population and Employment Growth



- MassBuilds allows MAPC and the public to understand development trends at the local and regional scales. The analysis of MassBuilds in Figure 4 shows development south of Boston in relation to transit station areas, and suggests that of housing units constructed since 2000, 48% are located within a 1-mile buffer of a transit station.

Figure 4: Development in Transit Areas South of Boston since 2000



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## Sub-Strategy B: Ensure good design and access

### EXAMPLES OF PROGRESS:

- MAPC is building the Perfect Fit Parking Toolkit, which will calculate “right-sized” parking requirements based on a number of criteria. We are finding that local regulations consistently require too much parking for new developments.
- The City of Cambridge’s Transportation Demand Management Ordinance is a national model for improving mobility and access, reducing congestion and air pollution, and increasing safety by promoting walking, bicycling, and public transit.
- MetroFuture referenced the ability of car sharing to provide expanded transportation options in denser areas. Car sharing usage increased significantly since 2008, while regional numbers are difficult to find, we do know that in 2006 there were 117,600 members in the North American car share market. In 2016, there were 1.8 million members in North American car sharing programs<sup>3</sup>.
- Through the MAPC Technical Assistance Program, much planning has been done in town centers seeking economic revitalization. Adaptive reuse and preservation are always a part of the recommendations MAPC provides to towns with busy town centers, as a way of stimulating economic development by defining or redefining a New England sense of place.
- The Community Preservation Act (CPA) is a smart growth tool, which allows municipalities to create a local Community Preservation Fund for open space protection, historic preservation, affordable housing, and outdoor recreation. While the number of communities receiving CPA funds reached a new high (157) in 2016, the money distributed from the state match fell to an all-time low as did percent of the distribution from the base fund (17% in 2016 versus 67% in 2008).

### BARRIERS TO PROGRESS:

- Form based codes are an increasingly popular way to ensure good design, but municipalities in Massachusetts have been slow to adopt them and they are not explicitly authorized by state statute. They tend to be very costly codes to establish and communities in the region are not familiar with them. Instead MAPC has promoted by-right codes with strong design guidelines, but there is resistance to by-right permitting as well, as many communities prefer the discretion that Special Permits afford.
- In 2008 MetroFuture advocated for car sharing services like Zipcar as a tool for compact growth, but other ride-sharing services like Uber and Lyft saw much more expansion adding thousands of vehicles to the road.

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<sup>3</sup> <https://www.statista.com/statistics/263847/carsharing-growth-members-in-north-america/>

## Sub-Strategy C: Encourage market response to district plans

### EXAMPLES OF PROGRESS:

- Chapter 43E Expedited State Permitting Program (2006) and Chapter 43D Expedited Local Permitting Program (2006) promotes a streamlined and time sensitive review process, which makes development more predictable and therefore more attractive to developers.
  - According to state data<sup>4</sup>, the number of sites using 43D dropped from an average of fifty-five per year between 2007 and 2009 to an average of three per year since (See Figure 5). The state website notes fourteen 43 E sites.
  - Within the MAPC region, twenty-three municipalities have adopted sixty-two 43D sites, the majority of which occurred between 2007 and 2009.

### BARRIERS TO PROGRESS:

- The popularity of Special Permits rather than by-right zoning adds uncertainty and expense to the permitting process. Instead of the system used in many other states that couples by-right permits with development impact fees, the Special Permit approach remains most popular here.
- MetroFuture advocated for impact fees as a way to offset development impacts and to fund the expansion or construction of municipal facilities and infrastructure that serve the development. Impact fees are not currently authorized by state law, despite repeated legislative efforts to change this. They have been vigorously opposed by the real estate trade associations that worry that municipalities would “double dip” by continuing to exact mitigation funds and apply development impact fees.

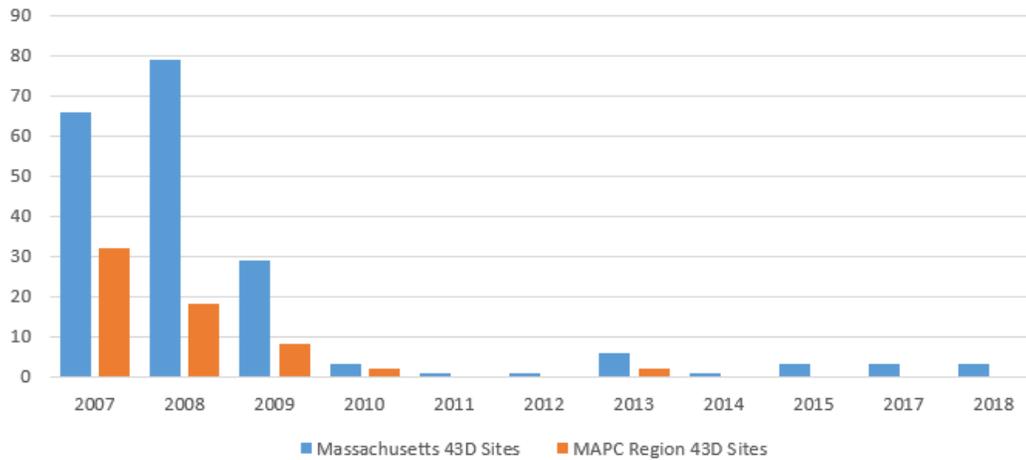
### RELEVANT INDICATORS

- As a higher cost region, attracting more firms requires providing a streamlined process for starting new businesses. As previously mentioned, Chapter 43D, passed by the legislature and signed into law in 2006, supports an expedited municipal permitting process for development on Priority Development Sites (PDS). Participating communities define these Priority Development Sites for targeted economic and housing development, by cutting the permitting process for projects in these areas down to 180 days. Defining a site as a PDS allows the municipality to encourage economic and housing growth in designated locations, though these locations are not always the most advantageous alternatives with regard to transportation options and environmental impact. In Metro Boston, twenty-three municipalities have taken advantage of the opportunities provided by this law by defining 62 Priority Development Sites. Municipalities adopted the majority of those sites in 2007, 2008, and 2009. Municipalities adopted very few 43D sites since 2009.

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<sup>4</sup> <http://www.mass.gov/hed/economic/eohed/pro/zoning-and-permitting/43d/chapter-43d-communities.html>

Figure 5: 43 D Sites in Massachusetts and MAPC Region 2007 to 2018



## Sub-Strategy D: Remove barriers to development

### EXAMPLES OF PROGRESS:

- MetroFuture noted that brownfields were difficult and expensive to redevelop, which steers development to cheaper greenfield sites less well served by infrastructure. The EPA provided millions of dollars to assess and remediate brownfields in Massachusetts, which resulted in many development projects that were previously infeasible.
- The Brownfields Development Fund (1998) works with private businesses and nonprofits to create housing and economic growth in blighted areas through technical assistance and both loans and grants. The Patrick-Murray Administration recapitalized the fund in 2014 by \$15 million. The Baker Polito Administration authorized \$45 million more in recapitalization in 2017.
- In 2013, the Patrick-Murray Administration extended the Massachusetts Brownfields Tax Credit (MBFTC) program five years. The MBFTC offsets the financial burden of decontamination.

### BARRIERS TO PROGRESS

- The 2017 recapitalization included an adjustment to the program that increases repayment from municipalities that benefit from economic development as a result of brownfields funding via tax collections on revenue-producing sites. This may discourage wider use of this program.
- Shared septic systems and small wastewater treatment facilities would create opportunities to add density, but many municipalities do not allow these systems, often in an effort to limit development. It has been noted that Title V, which governs wastewater disposal, typically renders mid-size housing developments without sewer economically infeasible.

## Sub-Strategy E: Increase vitality of existing centers

### EXAMPLES OF PROGRESS:

- The cities of Cambridge and Somerville were asked to contribute to the Green Line Extension project to supplement state and federal funds, which they did.
- The Municipal Modernization Bill made changes to the District Improvement Financing (DIF) statute, making it easier to calculate the revenue to be set aside for the financing, taking into account new property growth.

### BARRIERS TO PROGRESS:

- MetroFuture advocated for [Business Improvement Districts](#) (BID), special districts in which property owners vote to initiate, manage and finance supplemental services or enhancements, but currently only Hyannis, Springfield, Boston, Taunton, and Amherst and Westfield have BIDs. In 2012, a change to the BID statute, eliminated a voluntary opt-out clause that was stifling BID creation.
- MetroFuture also advocated for increases to the [Main Streets](#) program. The City of Boston boasts 20 Main Streets Districts. Boston, Somerville, and Beverly are the only municipalities in Massachusetts that have this particular kind of program.
- MAPC has used its Technical Assistance Program to encourage cities and towns to adopt more mixed use districts.
- MAPC is working with towns, like Dedham, to help them develop so-called secondary business districts, not immediately adjacent to the existing, traditional town center. These districts have a history of residential density and economic vitality that has become stagnated. These secondary business districts can be themed around arts and culture, recreation, education, or newer innovation economies.
- MassDevelopment formed in 1998 from a merger of the Government Land Bank and Massachusetts Industrial Finance Agency. The Massachusetts Health and Educational Facilities Authority merged into MassDevelopment in 2010, strengthening the depth of offerings for tax-exempt bond financing of capital projects and providing one door entry. The online archive of [Annual Reports from MassDevelopment](#) documents a significant range of brownfields redevelopment, arts and culture capital building investments, and other rural, urban and maritime economic development activity between 2006 and 2017.
- [The Municipal Modernization Act](#) (2016) allows Massachusetts cities and towns to create parking benefit districts. Parking benefit districts are a specified geography in which the parking revenues raised are reinvested back into the district for transportation-related improvements (parking meters, walking and biking infrastructure, street trees, benches, and lighting).
- The 2014 Economic Development Bill authorized the [Transformative Development Initiative](#) (TDI) to be managed by MassDevelopment. TDI provides the following

services targeted to Gateway Cities:

- Technical assistance program that provides and manages professional services, community-building place-making projects; and a fellows program through which a MassDevelopment employee is embedded in and works with a TDI District's local partnership.
- Equity investment program through which MassDevelopment makes equity investments in real estate within TDI Districts.
- Business growth tools program that supports collaborative workspaces
- Small grants program initiated to pilot grants to help support local market development.

## **Emergent Themes**

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- Mixed use zoning in city and town centers has become increasingly popular.
- Cities are beginning to look for new mixed-use development opportunities in industrially-zoned areas.
- New mixed-use districts and developments can result in increased prices and displacement of existing residents and businesses. More effective strategies at the local and state levels are needed to ensure that new development benefits everyone.