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TOD TRANSITION

Making the Case for Transit-Oriented Development

Ambitious Goals and Challenges Ahead in Massachusetts' Homebuilding Initiatives

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assachusetts and its development community need to think strategically and more creatively about its housing needs.

According to the Massachusetts Housing Partnership, the single greatest driver of



housing demand is the projected retirement of more than a million Baby Boomers in Massachusetts by 2030 and the housing needs of workers to refill those existing jobs.

Fortunately, due to the state's outstanding resources in education, life sciences, health care and technology, Massachusetts is a highly desirable location for those workers and the multinational companies that need them. As more global firms make Greater Boston their home, however, it is hard not to ask the question: where will these professionals live? Like many current Massachusetts residents, these newcomers look for convenience factors such as transportation, amenities and suitable housing to keep pace with their changing lifestyles.

The Metropolitan Area Planning Council estimates that Greater Boston will need to add 435,000 housing units by 2040 to keep up with demand. Massachusetts has added about 246,000 residents and 353,000 new jobs while permitting only 81,000 new housing units since 2010, according to the U.S. Census Bureau.

The state is producing fewer units of housing this decade than it has each decade in the last 50 years. According to the Massachusetts Association of Realtors (MAR), the number of homes for sale remained at record lows, while prices crept ever higher. In a recent report, MAR noted that March 2018 saw the number of single-family

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homes for sale below the 10,000 mark for the third month in a row, an unprecedented low number.

Just look around the state: the rental vacancy rate in Worcester County is 2.49 percent, well below a healthy rate of 6 percent. Boston entered 2018 as the sixth most expensive major city to rent either a one-bedroom or a two-bedroom apartment, with a 4.3 percent vacancy rate, according to the U.S Department of Housing and Urban Development.

To meet this demand, the Baker administration has proposed a new law that would change the zoning requirements for housing. The Housing Choice Initiative seeks to add 135,000 homes over the next eight

years to extend the current pace of development, setting aside \$10 million in state funds to reward participating cities and towns. A Housing Choice Designation rewards communities that are producing new housing and have adopted best practices to promote sustainable housing development. It also provides admission to new housing choice capital grants programs, such as MassWorks, Complete Streets, MassDOT capital projects, and LAND and PARC grants.

Time to Come Together

The Housing Choice Initiative has ambitious goals with many challenges to overcome, particularly at the local level. Some communities view transit-oriented development as solely as an area served by a subway stop. However, strong commuter rail and bus service, as well as access to regional transit, must be included in the transit mix.

Density is also a factor. Certain regions of the state have pockets of land currently zoned for single-family housing or otherwise place restrictions on housing unit production, limiting the density and thus making transit-oriented development that includes affordable housing uneconomic. Local communities need to start asking the right questions: What is the appropriate density? How do we diversify housing choices? And, how do we deal with affordability?

Enacted a decade ago, the Smart Growth Zoning Overlay District Act (40R) encouraged communities to create dense residential or mixed-use smart growth zoning districts, including a percentage of affordable APRIL 23, 2018 BANKER & TRADESMAN | 2

housing units, to be located near transit stations, in areas of concentrated development such as existing cities and town centers, and in other highly suitable locations.

This legislation created greater permitting density for transit-oriented development, but more needs to be done. It is time that we as a commonwealth recognize the incredible housing shortage and work with local communities to overcome this barrier of NIMBY-ism to create districts that are zoned around transit.

A 2017 Urban Land Institute report, "Yes In My Backyard," identified five specific

ways that states can help localities foster a healthier housing market, through land use and related policies. Along with a commitment to accessible transit services, these recommendations must also be considered:

- Ensure that localities and regions are assessing their housing needs for the future.
- Provide incentives to local communities to zone for new housing.
- Reduce regulatory requirements that increase costs and stifle development.
- Have cities invest their own resources linked to pro-housing land use.

• Enable local communities to overcome unreasonable neighborhood opposition.

More housing means lower prices and, whether you work for one of these multinational companies or not, lower prices mean your children will be able to raise their families here. too.

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