



Northern Middlesex Council of Governments

January 18, 2024

The Honorable Lydia Edwards, Senate Chair
The Honorable James Arciero, House Chair
Joint Committee on Housing
State House, Boston

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Dear Chair Edwards, Chair Arciero, and Distinguished Members of the Committee,

My name is Jennifer Raitt and I am the Executive Director of the Northern Middlesex Council of Governments (NMCOG), the regional planning agency serving Greater Lowell for 60 years.

Thank you for the opportunity to testify on the critically important issue of increasing housing production and investments for livable communities across the Commonwealth. It is an honor to be here before you today to express strong support for H.4138, The Affordable Homes Act. I am grateful for your leadership and attention to this issue. This bill introduces significant capital to fund housing and other reforms, including funding to preserve public housing and increase homeownership, and key executive orders to unlock the barriers to housing production. The legislation is a big step in the right direction because our Commonwealth needs an infusion of capital and tax credits to create and preserve housing, and the legislation and policies proposed in this bill will help make that happen.

Andrew N. Deslaurier
Chair

My testimony will address several aspects of the need for increased housing supply and livable communities, including:

Jennifer M. Raitt
Executive Director

- Recent trends in housing supply and affordability
- The role of zoning and land use regulations
- Opportunities in The Affordable Homes Act to encourage affordable and fair housing

672 Suffolk Street
Suite 100
Lowell, MA 01854

978-454-8021

www.nmcog.org

Recent trends in housing supply and affordability

Across the US, rents and home costs have reached stratospheric levels. The US is 3.79 million units short of meeting housing needs and conditions are not getting better.¹ In nearly all metropolitan areas, home prices rose an average of 8.6 percent to approximately \$400,000 and rents rose an average of 15 percent last year alone.² These increases far outpace increases in income for the average US resident.

In Massachusetts, we have not produced enough homes for decades and continue to have housing policies that limit future growth. The burden hits communities of color and people who make lower incomes the hardest. The sharp increase in people experiencing homelessness and housing instability in this state is one of the effects of a lack of housing.

These effects can be felt in Greater Lowell. In multiple planning processes, elected and appointed officials, employees, and residents throughout the region continue to identify a lack of affordability and availability of housing as the most pressing economic issue in the region. This has created a crisis of homelessness, severely impacted quality of life, adversely

¹ <https://upforgrowth.org/apply-the-vision/2023-housing-underproduction/>

² *What Is Zoning Reform and Why Do We Need It?* Sisson, P. American Planning Association Planning Magazine 2023.

impacted municipal finances, and hindered the ability of many regionally-based firms to recruit and retain talent. As of last year, the regional labor force had not recovered to its 10-year high of 171,684 recorded in June 2019, even as regional job openings remained strong and vacancy rates remained below healthy levels.³

The role of zoning and land use regulations

Underpinning any discussion about housing is local control of planning and zoning. These key components ensure or severely limit housing creation and opportunity. Zoning reform, championed as a pillar of change, has suddenly become about a key policy topic in local government. Many states—including Oregon, California, and Maine—and a handful of cities and towns have already opened up their zoning, inviting change. Housing experts say that this is a critical step to eventually ending the severe housing shortage – a deficit of millions of homes – that has been a main driver of sky-high prices. These new laws legalize all kinds of housing that were banned for generations, including duplexes, townhomes, and similar multifamily buildings—often referred to as “missing middle” housing—meant to fill the gap between two extremes: single-family homes and high-rise multi-family buildings.

Recent amendments to M.G.L. 40A, The Zoning Act, including the addition of Section 3A (the “MBTA Communities” law) and Housing Choice provisions, ensure zoning for housing and capacity for new growth and address housing availability and affordability goals. Further new and amended policies are needed to encourage growth and provide local communities with the authority to move forward affirmatively with proposals that increase housing and affordability. Removing legal roadblocks established under local control of land use and zoning rules, and sometimes by local ordinance, is a necessity to successfully creating new homes in our Commonwealth.

I also serve as a Steering Committee member for the Housing Supply Accelerator, a partnership between the National League of Cities and the American Planning Association. This national campaign is designed to improve local capacity, identify critical solutions, and hasten reforms that enable communities and developers to work together to produce, preserve and provide a diverse range of quality housing by realigning the efforts of public and private stakeholders in the housing sector to meet housing needs at the local level. Our focus has been on delving into the core drivers of the nation’s local housing supply challenges: construction and development, finance, and land use and regulations. The Steering Committee identified themes within the regulatory landscape that are pivotal to addressing housing supply challenges: transparency, predictability, and flexibility. Additionally, the Committee identified reforms that help communities understand the scope and limitations of zoning, opportunities for innovations, and the need to embrace change.⁴

Opportunities in The Affordable Homes Act to encourage housing supply

The Affordable Homes Act includes provisions for capital authorizations and policy that will significantly address issues related to housing affordability, availability, and attainability.

Provisions that relate to encouraging all housing types, including accessory dwelling units, and other typologies are important to every city and town in Massachusetts. Enhancements to the Housing Choice provisions included in MGL 40A in 2021, by allowing inclusionary zoning (Section 15) to be adopted by a simple majority, are necessary; they remove the guesswork of local inclusionary housing rules and ensure passage of zoning that encourages rather than constrains production. In my experience, I have seen wide variations of the application of inclusionary housing: some with a clear and broad intention of driving housing creation with clear affordability goals and others more narrowly devised to incentivize a limited amount of development with an affordability requirement set so high as to make any project financially infeasible. EOHLC guidelines on inclusionary zoning have the potential to create consistency, best practices and approaches, and keep municipalities in alignment with

³ Greater Lowell Comprehensive Economic Development Strategy Annual Report 2023

⁴ <https://www.nlc.org/article/2023/10/24/examining-the-role-of-land-use-and-regulations-in-housing-development/>

the purpose of creating housing opportunities.

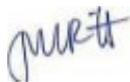
Revenue is a critical component of housing creation. For many years, communities have rallied to have local option real estate transfer fees (Section 20). Providing this option to allow local municipalities the option to consider these fees would generate local funds to support affordable housing. Funds would be overseen by a municipal affordable housing trust fund or regional affordable housing commission (regional planning or land use commission, such as NMCOG). The transfer fee legislation as proposed will create a rational and fair approach to support affordable housing. It is equitable by design, allowing an option that will work for different types of communities, including Gateway Cities which have unique housing challenges and markets. The fee represents a modest contribution to local efforts to create and preserve housing, and can be supported by transfers of higher cost housing.

Massachusetts has just begun major decarbonization efforts in earnest; The Affordable Homes Act ensures that everyone benefits from those efforts by making climate-focused investments. Authorizing major investment in our state-aided public housing will improve quality of life and living conditions, including \$150 million for decarbonization and \$15 million for accessibility upgrades (Section 4), and an additional \$275 million for sustainable and green housing initiatives. Prioritizing these programs is critical to many people who face the greatest and sometimes most severe housing needs, including seniors, people with disabilities, and families with children. The provision would also allow for the incorporation of the opt-in stretch code and ensure that other industry standards for new buildings and retrofits are met as part of any decarbonization project. It ensures that people living in affordable housing accrue the same environmental benefits of decarbonization as those living in market rate housing.

The Affordable Homes Act includes multiple policy actions that help to ensure that housing opportunities are attainable to all. Municipalities have an obligation to affirmatively further fair housing. This means they must “take meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially or ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.”⁵ In my prior work with communities across Greater Boston and my current work in Greater Lowell, I have seen that meaningful municipal and regional level actions are possible. However, these actions require sustained support, guidance, collaboration, and funding. Further, these actions are improved when the Commonwealth is working to support and lift up models of meaningful actions, and to when necessary to improve outcomes. An Office of Fair Housing with a new trust fund ensures that housing is not only affordable and available, but also attainable (Section 10).

The Affordable Homes Act would be an historic and potentially transformative opportunity to authorize capital expenditures and policies that support affordable and fair housing and choice, keeping our Commonwealth competitive and a leader in addressing issues of fairness, equity, and justice. I urge you to vote favorably for this bill, to move it out of committee and get it passed. Thank you for your time today.

Sincerely,



Jennifer M. Raitt
Executive Director

⁵ <https://nationalfairhousing.org/issue/affirmatively-furthering-fair-housing/#:~:text=Specifically%2C%20affirmatively%20furthering%20fair%20housing,patterns%2C%20transforming%20racially%20or%20ethnically>