

# Housing Choice

*What the bill does and why it's important*



HOUSING  
FORWARD MA



# IN 210 MASSACHUSETTS CITIES AND TOWNS, IT HAS BEEN AT LEAST 10 YEARS SINCE A MULTIFAMILY PROJECT OF 5+ UNITS HAS BEEN PERMITTED

A GROWING MASSACHUSETTS WORKFORCE DEMANDS THE CREATION OF **500,000** NEW UNITS OF HOUSING BY **2040**

IN **6** OUT OF THE LAST **7** YEARS

MASSACHUSETTS HAS FALLEN SHORT OF ITS HOUSING PRODUCTION GOALS

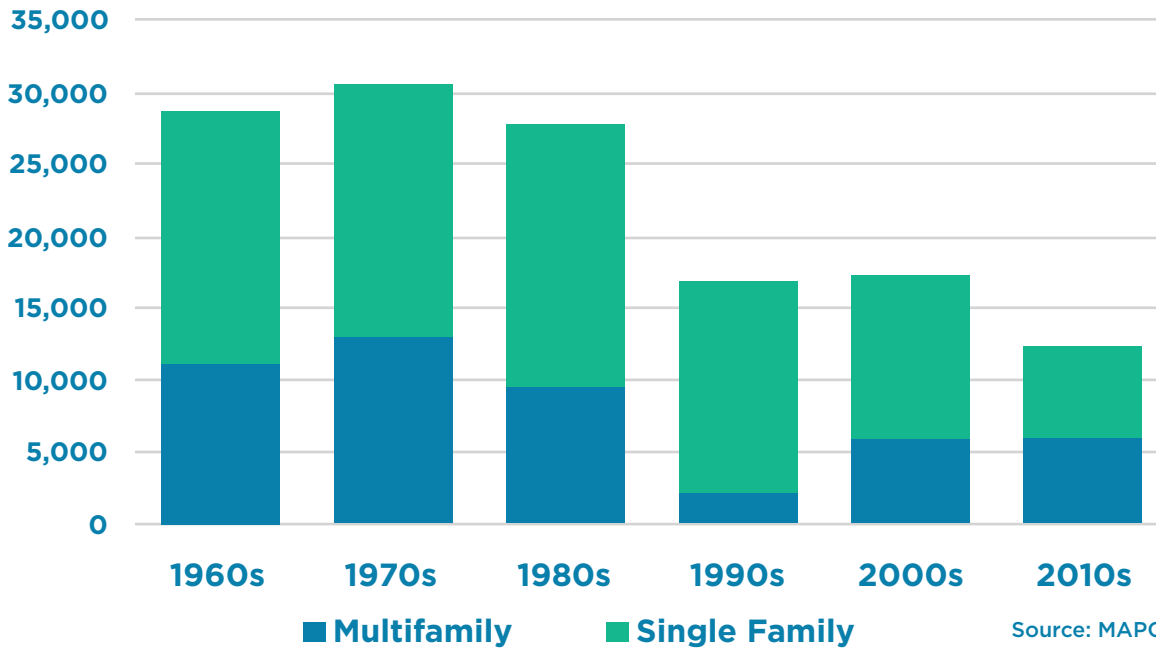
## WHY THIS MATTERS

- Inadequate supply drives up rents and home prices across the entire housing market, making Massachusetts ***a less attractive place to live***
- Increased housing costs ***disproportionately harm lower income households***
- High housing costs and slowed housing production result in ***outmigration of business*** and ***slower job growth*** as firms seek a ready supply of labor elsewhere
- High housing costs due to inadequate supply result in outmigration, making it ***difficult for businesses to recruit and retain qualified workers***, leading to ***decreased investment in Massachusetts***

## HOW WE GOT HERE

- Since 1990, housing production in Massachusetts has dropped by approx. 50% compared with the previous three decades (the '60s, '70s, and '80s)
- Studies show that unreasonably restrictive regulation is the primary cause for low levels of new construction. The most significance of these are local zoning and land use rules.
- ***One major barrier is the required supermajority (a 2/3 vote) to adopt any zoning change, including zoning best practices related to housing development***
- Multifamily housing represents about 2/3 of the state's housing need; however, half of all multifamily permits in the last 5 years have been located in just 4 cities and towns: Boston, Cambridge, Everett, and Watertown

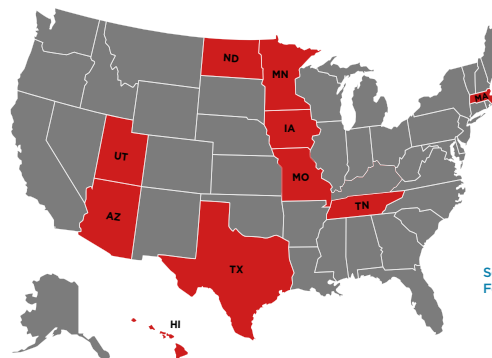
## Annual Housing Production in Massachusetts by Decade



## HOW MA COMPARES TO OTHER STATES

- In most states, development is regulated at the regional or county level; in MA, it is regulated by 351 individual cities and towns
- MA permits 35% less new housing per capita than the national average, ranking 38th out of the 50 states in housing production
- When compared to the 20 most similar innovation economies, Metro Boston ranks 16th on housing production and near the top on housing costs, leading to a net loss of population to domestic competitors
- Until January 2021, Massachusetts was one of only 10 states that require a supermajority to change local zoning

**States requiring a supermajority for zoning changes as of 2020**



Source: Housing Forward-MA

# Housing Choice Bill

In January 2021, the state legislature passed and Governor Baker signed Housing Choice into law as part of several housing provisions in the Economic Development Bill. This law allows **specific, smart growth zoning changes** to be passed by a **simple majority vote** of a local governance body.

## The following zoning changes may now be passed by a majority vote:

- Multifamily housing or mixed-use development in eligible locations, either by-right or special permit
- Accessory Dwelling Units (ADUs), either by-right or special permit
- Open-space residential development, by-right
- An increase in the permissible density in a proposed multi-family or mixed-use development, by special permit
- A decrease in the amount of required parking, by special permit
- Transfer of development rights or natural resource protection zoning
- Adoption of a Smart Growth or Starter Home Zoning District (per MA Chapter 40R)
- Modification of regulations concerning bulk, height, yard sizes, lot area, setbacks, open space, parking, and building coverage requirements to allow for additional housing units
- Multifamily housing located within 1/2 mile of an MBTA station (*given 10% affordability*), by special permit
- Mixed-use development in centers of commercial activity (*given 10% affordability*), by special permit

Housing Choice is the biggest change to Massachusetts zoning laws in decades, and has been described as a “game-changer” by the Governor Baker, state and local policymakers, and housing advocates alike. These long overdue reforms have the potential to not only encourage much needed housing development but, in doing so, to help address other issues such as strengthening climate resiliency and decreasing historical public school segregation. Removing these unnecessary obstacles to production is an important step toward helping to solve the current housing shortage in Massachusetts.

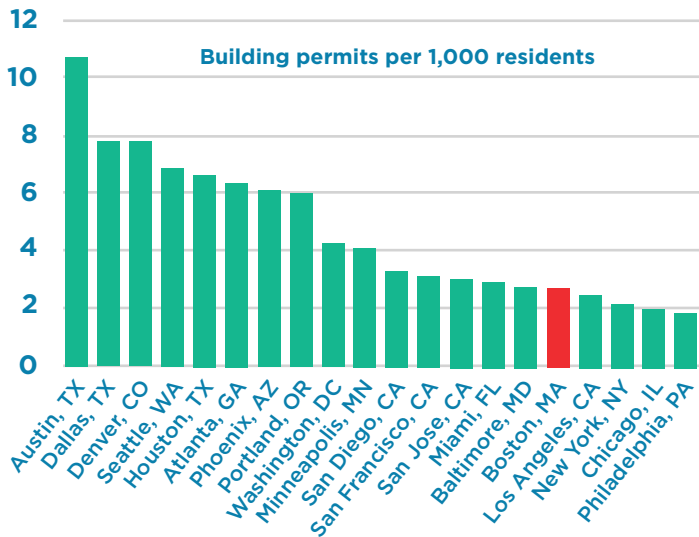
# SOURCES

1. <https://malegislature.gov/Bills/191/H4263>
2. <http://www.mapc.org/wp-content/uploads/2018/05/Housing-Choice-handouts.pdf>
3. <https://www.mhp.net/about-us/data>
4. [https://www.hks.harvard.edu/sites/default/files/centers/rappaport/files/brief\\_housingregs.pdf](https://www.hks.harvard.edu/sites/default/files/centers/rappaport/files/brief_housingregs.pdf)
5. <https://malegislature.gov/Bills/191/H5250>
6. [https://www.bostonglobe.com/2021/02/09/business/housing-choice-brings-biggest-changes-massachusetts-zoning-laws-decades/?fbclid=IwAR2qFs1\\_etGzE66\\_Ua1Uaa9GL65ibqCGz9efyKFPmdqi2FEKuS2f8HaJ9aE](https://www.bostonglobe.com/2021/02/09/business/housing-choice-brings-biggest-changes-massachusetts-zoning-laws-decades/?fbclid=IwAR2qFs1_etGzE66_Ua1Uaa9GL65ibqCGz9efyKFPmdqi2FEKuS2f8HaJ9aE)

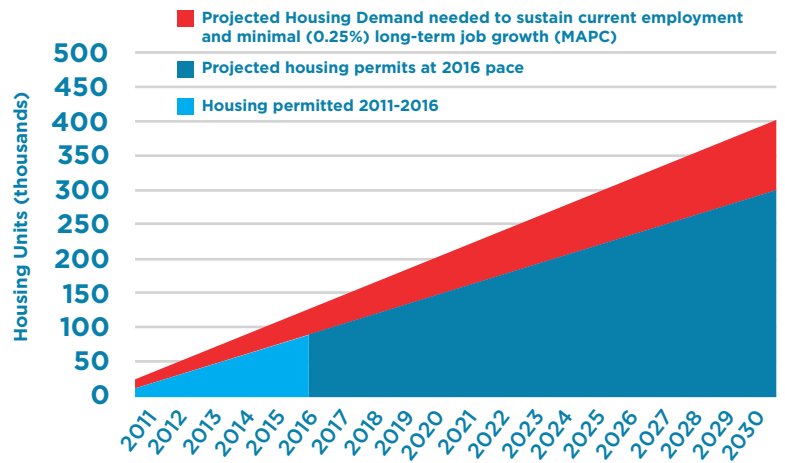
## ADDITIONAL DATA

### Building Permit Rates of the 20 Largest Innovation Economy Metros

Source: U.S. Census Bureau, 2016 Building Permits Survey and 2016 Population Estimates

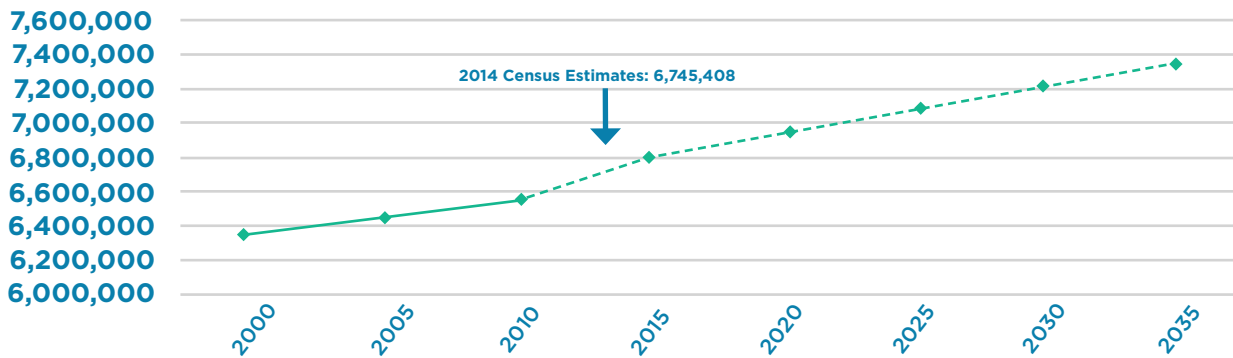


### Massachusetts Housing Production Compared to Projected Demand: 2011-2016



Source: <https://www.mhp.net/about-us/data>

### Massachusetts Actual and Projected Population 2000-2035



Population	6,349,097	6,450,755	6,547,629	6,792,591	6,950,668	7,015,878	7,231,126	7,319,469
Numeric Change		101,658	96,874	244,962	158,077	155,077	125,248	88,343
5 Yr. % Change		1.6%	1.5%	3.7%	2.3%	2.2%	1.8%	1.2%

Source: [http://pep.donahue-institute.org/downloads/2015/new/UMDI\\_LongTermPopulationProjectionsReport\\_2015%2004%20\\_29.pdf](http://pep.donahue-institute.org/downloads/2015/new/UMDI_LongTermPopulationProjectionsReport_2015%2004%20_29.pdf)