



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE DEPARTMENT

STATE HOUSE • BOSTON 02133

(617) 725-4000

MITT ROMNEY
GOVERNOR

KERRY HEALEY
LIEUTENANT GOVERNOR

FOR IMMEDIATE RELEASE:
March 11, 2003

CONTACT:
Shawn Feddeleman
Jodi Charles
617-725-4025
Beth Bresnahan
617-727-7755 x127

ROMNEY ENCOURAGES CITIES AND TOWNS TO BUILD MORE HOUSING
Proposes \$50 million in local aid incentives in FY 2005 to spur housing creation

Taking steps to boost the supply of housing in the Commonwealth, Governor Mitt Romney today said he will give additional local aid to cities and towns that create new housing. Romney said he will dedicate \$50 million of next year's local aid payments to rewarding communities that issue occupancy permits.

"If Massachusetts is to remain economically strong and competitive, it must have more housing that is affordable to those across a broad range of incomes," said Romney. "This local aid incentive will provide communities with additional funds to offset infrastructure and education expenses associated with a growing population."

Under Romney's proposal, local aid bonuses will be awarded to communities in Fiscal Year 2005 based on the number of occupancy certificates issued during Fiscal Year 2004. It is estimated that communities could receive up to \$3,000 for each new and rehabilitated home.

The \$50 million in Fiscal Year 2005 will come from the eventual phase out of the Transitional Mitigation fund provided temporarily in Romney's Fiscal Year 2004 budget.

Romney made the announcement in Burlington, where a 250-unit mixed-income rental development will be built.

The new development will boost Burlington's percentage on the state's subsidized housing inventory to 10 percent, bringing the community into compliance with Chapter

-more-

housing task force to assess the effectiveness of Chapter 40B, the controversial state law that allows developers to avert local land use regulations for affordable housing projects.

The 24-member task force, which held its first meeting March 6, will make recommendations to improve the law to promote the creation of more housing.

The group will report its findings, including recommendations that would mitigate harmful impacts of 40B or improve its effectiveness, to the governor by the end of May.

Romney says that while 40B has led to the creation of affordable housing, Massachusetts still has "some of the highest-cost housing of any state in the nation."

Romney has instructed

housing stock means increased costs for cities and towns, which must provide essential municipal services without any increase in local aid. Romney suggested revising local aid formulas to address this issue. The MMA opposes attempts to reformulate key local aid accounts, which could cause disproportionate disruption in these accounts. The MMA's position is that simply shifting local aid funds around is not an adequate approach. New local aid dollars must be used to make such a proposal workable.

The governor said the task force may also examine the site approval criteria for 40B developments as well as local and state handling of approvals. The group may also look at the review and permitting process.

ward the creation of affordable housing in existing urban areas near public transportation and thereby reduce sprawl.

The group may also consider rewards for communities that increase their housing supply.

The task force includes local officials, state legislators, state housing officials and other stakeholders. Representing the MMA are Methuen Mayor Sharon Pollard and Westwood Town Administrator Michael Jaillet, a member of the MMA Housing and Land Use Task Force.

Legislative leaders have indicated that they will delay consideration of the 70-plus bills filed this year that would change Chapter 40B. The proposals range from allowing the counting of manufactured housing units toward a community's affordable housing goal to the outright repeal of the law.

The town of Norton has

means to alleviate the crisis cities and towns are facing and to allow adequate time to review the law.

All Chapter 40B proposals will be reviewed by the MMA's Housing and Land Use Task Force.

The MMA is urging the governor's task force to consider the fiscal impacts of Chapter 40B projects on education and local infrastructure. The MMA seeks to protect local land use decision making while addressing affordable housing needs.

Chapter 40B, enacted in 1969, allows developers to appeal local zoning board decisions if a community's affordable housing stock, affordable to persons earning no more than 80 percent of area median income, does not exceed 10 percent of a community's total year-round housing stock. The state's housing appeals committee has repeatedly overturned local zoning decisions. *

Romney proposes housing incentive aid

Gov. Mitt Romney has proposed increasing local aid payments to cities and towns that increase the number of occupancy certificates issued in any given year.

Romney said that he will try to dedicate \$50 million of next year's local aid payments to rewarding communities.

"If Massachusetts is to remain economically strong and competitive, it must have more housing that is affordable to those across a broad range of incomes," Romney said at a press conference March 11 in Burlington.

He said he is "committed

to doubling the housing starts in this state under this administration."

The first awards from the \$50 million account would be issued in fiscal 2005. The funding would come from the phase out of the Transitional Local Aid Mitigation account proposed by the governor in his fiscal 2004 budget plan to provide one-time relief to communities facing sharp reductions in local aid.

Under the Romney plan, it is estimated that cities and towns could receive a one-time payment of up to \$3,000 for each new or re-habilitated home.

- Matthew G. Feher



40B changes discussed

At the March 13 meeting of the MMA's Housing and Land Use Task Force, Jane Wallis Gumble (right), director of the Department of Housing and Community Development, discusses the governor's new Chapter 40B Task Force. Also pictured is Fred Habib, deputy director of DHCD. The new chairs of the Legislature's Joint Committee on Housing and Urban Development, Sen. Harriette Chandler of Worcester and Rep. Kevin Honan of Boston, also attended.

BEACON ; April 2003



2.

CITY OF CAMBRIDGE • EXECUTIVE DEPARTMENT

Robert W. Healy, City Manager

Richard C. Rossi, Deputy City Manager

April 14, 2003

To The Honorable, The City Council:

In response to Awaiting Report Item No. 03-41, regarding a report on an analysis of Governor Romney's plan linking local aid to housing construction in Massachusetts and its potential impact on Cambridge, please be advised of the following:

A copy of Governor Romney's press release of March 11, 2003 together with a related article from the April issue of the Beacon concerning this proposal are attached. Key features of this proposal appear to include the following:

- A one-time payment of up to \$3,000 for each new or rehabilitated dwelling unit would be provided (a "rehabilitated" dwelling unit has not yet been defined).
- The payments would be made in FY05 based on the number of certificates of occupancy (CO's) issues during FY04.

If this proposal is enacted, the Inspectional Services Department maintains an accurate record of the number of CO's for new and rehabilitated residential units for FY04.

Very truly yours,

Robert W. Healy
City Manager

RWH/mec
Attachments

3-145

Consent Agenda #2

Awaiting Report Item Number 03-41, regarding a report on an analysis of Governor Romney's plan linking local aid to housing construction in Massachusetts and its potential impact on Cambridge.

In City Council April 14, 2003

**REFERRED TO HOUSING
COMMITTEE ON MOTION OF
COUNCILLOR GALLUCCIO.**

*Copy sent
4-16-03
me*