Commonwealth Housing Task Force
Quarterly Summary of Progress as of December 31, 2006

Note: in order to reduce the size of these reports, we have condensed the description of ongoing activities. For background and to review previous Quarterly Reports, please visit www.tbf.org/chtf and click on “Quarterly Updates.” Appendices follow at the end of this quarter’s report.

During the fourth Quarter of 2006, the Commonwealth Housing Task Force focused its efforts on (1) the implementation of Chapter 40R and protecting the source of funding for local incentives; (2) outreach to communities to provide information about the new program; (3) review of planning and regulations for Chapter 40S and new regulations of the Massachusetts School Building Authority relative to covering the cost of new schools; (4) the extension of Section 548 – the expedited sales of surplus state land; (5) the call for an increase in state funding for affordability; (6) planning for working with the new state administration, (7) strategic planning for new initiatives of the Task Force; and (8) an expansion in participation in the Task Force itself, including a focus on diversity. Barry Bluestone, Eleanor White, and Ted Carman, working through the Center for Urban and Regional Policy at Northeastern University, have carried out the staff work in coordination with active subcommittees and Boston Foundation staff. Angus Jennings and Adam Duchesneau, working with Ted Carman at Concord Square Development Company, Inc. and Charles Eisenberg, working with Eleanor White at Housing Partners, Inc., have also played an important role in this work.

Implementing Smart Growth Zoning: Increasing Interest from Communities

As more and more communities learn about the benefits of 40R and 40S, ever-greater numbers are beginning the work of planning 40R Smart Growth Zoning districts. As reported before, the biggest impetus to interest on the part of localities was the passage of Chapter 40S, insuring the communities against any net deficit in school costs relating to 40R development.

During 2006, the towns of Lunenburg, Norwood, North Reading, Plymouth, Dartmouth, Lakeville, Natick, and the City of Chelsea have all successfully had Chapter 40R applications approved by DHCD and have PASSED Chapter 40R districts. Among them, these eight communities have provided zoning as-of-right for over 2,100 units of housing, at least 20% of which will be affordable. We would like to take this opportunity to again commend DHCD on their administration of the new program. They have brought intelligence, flexibility, enthusiasm and unfailing courtesy to the daunting process of getting a new and complicated program off the ground.

We ask again that you please let CHTF staff know where you have heard of particular interest in learning more about Chapters 40R and 40S (or where you believe that Chapter 40R would be especially beneficial to a city or town), and we will respond with outreach to those communities. Just send a message to
ewhite@housingpartnersinc.com and we will follow up with the community to offer support as may be needed. It will be helpful if you include the name of a contact person in the community with phone number and email address, but if you cannot provide that, just send the name of the city or town.

We are asked repeatedly which communities have expressed interest in Chapter 40R to date. Many communities are actively exploring 40R: in addition to those communities having passed districts - Lunenburg, Norwood, North Reading, Plymouth, Dartmouth, Lakeville, Natick and Chelsea - eight additional communities are actively seeking 40R Letters of Eligibility from DHCD, including Boston, Brockton, Gardner, Grafton, Haverhill, Kingston, Lynnfield and North Andover.

We are aware of interest in more than 20 others, including: Ashburnham, Belmont, Chicopee, “Devens”, Easthampton, Holyoke, Lawrence, Lowell, Medfield, Medway, Nantucket, Newbury, Northampton, Pittsfield, Reading, Sharon, Somerville, Spencer, Sterling, Stoughton, Westfield, Westport, and Williamstown. Taking into account only those communities that have identified a specific site or sites for potential 40R adoption, we have identified the potential for over 6,000 zoned units in addition to the 2,100 already passed by the first eight communities. Many other communities have expressed interest in the program. In addition, we anticipate that many developers—both nonprofit and for-profit—will be exploring the use of Chapter 40R in partnership with communities as an alternative to Chapter 40B.

We expect this list to continue to expand over the coming year. We had previously established a goal of 20 communities being in active stages of planning for Chapter 40R districts, with 5 or 6 districts actually passed at the local level, by the end of 2006. Since eight communities have passed districts, that goal has been achieved. As the list above indicates, we have identified over 30 communities that have indicated some level of interest, with the potential of almost 8,000 new units zoned. We will also be ahead of the original projections of development activity under the 40R program.

Please refer to the map on the following page showing the distribution of these communities throughout the Commonwealth. We are particularly gratified that interest is being expressed by cities and towns of all sizes and types.

Our conversations with Regional Planning Agencies and others who regularly provide technical assistance to communities indicate that many more communities are now expressing interest in 40R. Unfortunately, we are also aware of a number of communities that, after careful consideration of 40R adoption, decided against pursuing a 40R District because of local leaders’ concern about the long-term stability of the funding source for 40R and 40S. This issue, which is under discussion in many communities, must be satisfactorily resolved to enable smart growth zoning to realize its promise. We are working with the legislative leaders to address this issue (see discussion below).
We are also working with DHCD and MassHousing as those agencies draft guidelines for communities interested in the development of design standards relative to Chapter 40R. The design standards adopted in the districts already approved are proving helpful as examples. The ability to establish design standards is an important feature of Chapter 40R. We are sensitive to the need to maintain sufficient flexibility so that particular local issues can be reflected in the standards, allowing a range of different types and appearances for the housing that is to be built in 40R districts.

Implementation of Chapter 40S: the School Cost “Insurance Policy”

As mentioned above, the passage of Chapter 40S has been a huge spur to localities’ interest in Chapter 40R. Regulations are now being drafted by the
Departments of Education and Revenue, including input from DHCD (with Revenue taking the lead) and we are pleased that the Commonwealth Housing Task Force staff has been asked to assist in this process, once an initial draft of the regulations is available. Our primary focus is in assuring that there is no ambiguity in the interpretation of this statute and no confusion about how it is to be implemented. Concurrent with the issuance of regulations, the state will also be issuing informational guidelines to clarify and simplify the reporting process for cities and towns. We would hope that these regulations make it through the normal State process within the next several months.

Since the last Quarterly Report, we have followed up with legislative leaders in the Housing, Ways & Means, and Revenue Committees to discuss ways to assure communities that there is a reliable stream of funding available for the 40R incentive and density bonus payments and (as important) the covering of school cost deficits under 40S. Through the summer and fall, we met with legislative staff to work out some unresolved technical issues. We are hopeful that legislation will be filed during the next legislative session. Attached as an appendix to this report is one proposed bill that would capture income tax revenue from residents of housing units in Chapter 40R districts to provide funding --as necessary--to the Smart Growth Housing Trust Fund for 40R and 40S payments. We are very grateful to Rep. Kevin Honan, Co-Chair of the Joint Committee on Housing and Sen. Harriette Chandler, Co-Chair of the Joint Committee on Community Development, for serving as the sponsors of this bill. We will be working toward passage of a bill during 2007; it could play a major part in instilling confidence in communities about the 40R/S program.

Further, as reported previously, CHTF staff met some months ago with Katherine Craven, the Executive Director of the Massachusetts School Building Authority, to initiate discussions about coordinating the regulations for School Building Assistance with Smart Growth Zoning. We were very pleased to report that Katherine Craven advised us in September, 2006 that all of our requests were incorporated into the new regulations for school business assistance. We are grateful to the School Building Authority for taking this significant step to support efforts to encourage the use of Chapter 40R.

**Extending Provisions for the Expedited Sale of Surplus State Land: Funds for 40R**

While we secured initial funding for Chapter 40R from the sale of state surplus land under Section 548 ($3.4 million to date), we were not successful in our attempt to persuade the Legislature to adopt a new expedited disposition process. Both branches passed bills, but the two sides were not able to reach agreement on a compromise bill. (Refer to the CHTF website for the text of the CHTF letter of support for the legislation that was pending, as included in the CHTF Quarterly Report of 6/30/06.)

The Administration had been estimating that by the end of FY2007 there would be between $12 and $20 million in the Smart Growth Housing Trust Fund to fund the Chapter 40R incentive payments. As this report goes to press at the beginning of January,
2007, we have just learned that the disposition of a large building on Somerset Street to Suffolk University, which had been planned for dormitory space, has been delayed; it is unclear at this time whether this is a serious setback for the flow of funds into the Smart Growth Housing Trust Fund or simply a timing issue. However, news reports suggest that Suffolk University may be purchasing the site from the state, with a different potential use, which would result in a minimal negative effect on the Trust Fund.

The aggregate of incentive payments required for municipalities with approved 40R districts to date totals $2,885,000, with density bonus payments expected to total $303,000 this fiscal year, although none of that has been drawn. Currently DHCD reports that there is a total of $3,349,370.40 in the Trust Fund. This amount, plus deposits to the Trust Fund during the remainder of 2007, should be adequate to fund 40R incentives in the near term, but it will be critical to establish a stable, long-term funding source for the future. As stated above, efforts at establishing this new funding source are well underway.

Also included in the Appendix is a copy of the DHCD report to the Legislature for Chapter 40R in 2006. It will also be available on the CHTF website at www.tbf.org/chtf. The report emphasizes the degree to which the program has generated early success, with a great deal of increasing interest. NOTE: in this quarterly report we may mention some communities that do not appear in the DHCD report; this is due to those communities being so early in the process that they have not made an official approach to DHCD.

Funding for Affordability

The CHTF, under the auspices of the Strategic Planning Committee led by Robert Beal, continues to focus on advocacy for a significant increase in state funding to support housing affordable to households at 80 percent of median income and below.

At the March 1, 2006 plenary meeting of the CHTF, the Committee presented detailed recommendations, which were endorsed unanimously by those in attendance. The Commonwealth Housing Task Force recommended the following programs for the FY 2007 state operating budget in a March, 2006 letter to legislative leadership signed by the CHTF co-chairs and convener. The results of the budget process for FY 07 were as follows:

1. Massachusetts Rental Voucher Program (7004-9024)
   FY 06: $26.2 million       FY 07 Request: $36.2 million
   The Legislature approved a $1.2 million increase for the MRVP, bringing the FY 07 funding level to nearly $27.5 million. Governor Romney attempted to reduce the account down to its FY 05 level by vetoing $3.2 million from the account, but the House and Senate overrode the veto.
2. Public Housing Modernization Pilot Program--a 5-year public/private pilot program to demonstrate cost effective, mixed-finance revitalization methods for state-aided public housing.

FY 07 Request: $4 million

This item was not included in the FY 07 budget; however, there are ongoing discussions with the Joint Committee on Housing regarding this issue, and language to create such a program is expected to be included in legislation that will be filed for the 2007-2008 legislative session.

3. Affordable Housing Trust Fund

FY 06: $20 million (Bond)  FY 07 Request: $30 million (Operating) & $20 million (Bond—subject to A&F)

The Executive Office of Administration and Finance still has not released the FY 07 capital funding levels, even though we are several months into the fiscal year.

We anticipate $20 million in bond authority. The Legislature approved $2 million from the operating budget, a 100% increase over FY 06.

The CHTF continues to be in contact with legislative staff to underscore our commitment to housing affordability. Though more slowly than we might like, the legislature continues to increase funding for affordable housing programs. It is clear that additional advocacy is needed in this area of affordability, and we will continue to develop recommendations for priority funding initiatives, and will assist where we can be helpful with Op-Ed articles, letters to legislators, etc. We were also very pleased to learn that these priorities also appeared in the final report of Governor Patrick’s Transition Working Group on Housing as recommendations to the new administration.

Streamlining the Administrative Process for Applying for Chapter 40R Approval

We have had discussions with DHCD about ways to make it easier for communities to apply for and receive approval of Chapter 40R districts. MassHousing’s Priority Development Fund provides planning money for communities that do not have sufficient staff capacity to carry out the design of a Chapter 40R district, and that PDF funding has proven to be extremely valuable. To the extent that CHTF has sufficient resources to support this effort, CHTF staff has been assisting communities pro bono in applying for these technical assistance funds on a first come, first served basis. This is one of the issues that we expect to raise to officials in the new state administration in 2007.

The Expedited Permitting Bill

We have also reported that due to the long-term and effective advocacy of GBREB (the Greater Boston Real Estate Board), NAIOP (the National Association of Industrial and Office Properties), and many individual members of CHTF, in late July the legislature passed a statute designed to streamline the production process that will shorten the permitting process for both commercial and residential projects in
Massachusetts. As in the case of Chapter 40R, communities would voluntarily opt into the provisions of this bill. Refer to www.tbf.org/chtf and the Quarterly Report of 6/30/06 for more details on this bill.

While some members of CHTF would have preferred the inclusion of smart growth criteria for site selection, on balance this bill as passed would seem to have the potential to improve the efficiency of the permitting process at the local level for both commercial and residential development.

**Spreading the Word about Chapter 40R**

Barry Bluestone, Eleanor White, Ted Carman and Angus Jennings have continued to make presentations throughout the State about Chapter 40R and 40S to cities and towns, professional organizations, practitioners in the field, and others. CHTF staff is implementing a comprehensive plan for outreach to planning officials, local elected officials, affordable housing advocates, realtors and others to assure widespread education about the benefits of Chapter 40R.

As described in previous reports, we have forged alliances with the Greater Boston Association of Realtors, the Massachusetts Association of Realtors, and the Massachusetts Municipal Association to hold information sessions with their memberships to discuss Chapters 40R and 40S. We are very grateful for the support of GBAR, MAR and MMA in helping to spread the word about these programs.

In addition, all of the staff continued to make both formal and informal presentations on the Massachusetts housing situation and the Chapter 40R and 40S legislation throughout the State. We have met with real estate/housing/planning organizations, developers, attorneys, individual town planners, planning directors, community development directors, and local elected officials in communities throughout the State, including presentations on 40R at the Build Boston Convention, the Boston Bar Association Land Use and Development Committee, the Real Estate Bar Association, the Rental Housing Association, the Old Colony Planning Council, and the MAPC North Suburban Planning Council. Sessions are well-attended and generate detailed questions and follow-up contacts for additional information.

Barry Bluestone, Eleanor White, and Ted Carman have also participated in numerous interviews and conversations with representatives of the media this quarter, and that effort will continue. CHTF, Chapter 40R and 40S have received excellent ongoing coverage in the media.

Although the staff has not sought them, we have received requests about Chapter 40R and 40S (and their programmatic underpinnings) from several other states. They have learned about the programs partly through the national media, and partly by word of mouth from Massachusetts state officials who have traveled to national professional conferences.
We have been gratified at the increasing interest in Chapter 40R/S. However, we have also identified much misinformation about these programs. For example, many believe that to be eligible, a proposed 40R location must be near a transit stop; in fact, two other categories of eligibility exist—areas of concentrated development, including town centers, and “other highly suitable locations”. Please refer to the last Quarterly Report for a detailed discussion of this issue.

We also encourage you to regularly visit the Boston Foundation/CHTF website at www.tbf.org/chtf. We welcome all comments and suggestions for improvement. The website serves as the central repository for documents, status reports and resource material on the Task Force itself, Chapter 40R, Chapter 40S, press coverage, and related matters. CURP staff, led by Barry Bluestone and Joe Christo, is responsible along with Tim Gassert at the Boston Foundation for updating the CHTF website on a regular basis.

New Initiatives

While the passage and implementation of Chapters 40R and 40S have been significant accomplishments and have stretched the resources of the Task Force, they are only the first initiatives of CHTF. Much work remains to be done on other fronts.

The Strategic Planning Committee, led by Robert Beal, has been revisiting the issue of inclusionary zoning, both prior to and since the issuance of Mayor Menino’s Executive Order for inclusionary zoning in the City of Boston. This complex issue has tested the strength and viability of the CHTF coalition; however, we believe that we can identify common ground among the many different points of view represented on CHTF and develop an approach that will result in more availability of affordable housing while not choking off pending development projects. During the previous Quarter, the committee has met to discuss this issue, and during September, 2006, the committee members met with Michael Colby, Geoff Lewis and their staff at the BRA to surface several issues that needed clarifying and consideration. The BRA has indicated that they share the goal of refining the program so that as much housing is produced as possible in the City of Boston, with ancillary benefits for low- and moderate-income residents.

Further, members of CHTF, at the March 1, 2006 plenary meeting, also recommended exploration of ways to deal with the Expiring Use/Preservation issues (including the utilization of existing lower-rent properties) as a way to extend affordability at much lower cost than construction of new units. This recommendation was reiterated at the September 27, 2006 plenary meeting. In the recent discussions about inclusionary zoning in Boston, the point was underscored that the same amount of funding will support many more affordable housing units already existing in the market than newly constructed units for lower-income households. To the extent that we have sufficient resources, we will be pursuing this issue in the coming months; it will certainly be part of the long-term agenda of CHTF.
The Expanding Opportunities Committee

Participants at the plenary meeting in March, 2006 also suggested that a new committee be formed to explore possible diversity initiatives, both to increase participation in CHTF by people of color and other underrepresented groups, and to assure that programs supported by CHTF will have a positive effect on social justice and equity issues. The new committee has been formed (although more members are most welcome to join), and has met monthly since July, 2006. Refer to the last Quarterly Report for a detailed report of the early meetings of this committee. It is well on the way to developing an action agenda to enhance inclusiveness in housing and communities throughout the state. In connection with this diversity initiative, please extend an invitation to colleagues you may know who would be interested in the Task Force. They can join by sending their contact information to Eleanor White at ewhite@housingpartnersinc.com. Since the inception of the committee, we have been very pleased to have received “memberships” in CHTF from more than 30 people of color and from underrepresented professions.

At its meeting in November, 2006, the committee established a long-range agenda that includes support for groups already working to assure that people of color, low-income households, single parents, people with disabilities, and others that have experienced discrimination in the past have full opportunities to live throughout the Commonwealth, exploring ways to assure that these groups learn about housing that is available for occupancy, and exploring ways to assure that developers do an adequate job of marketing their units.

All are welcome to join this committee; please send your contact information to BOTH Barbara McDonald, committee member, at bmcddcard@aol.com and Maura Fogarty at the Boston Foundation, at Maura.Fogarty@tbf.org. Only those who have signed up for this committee will receive notices of future meetings.

We are also pleased to remind CHTF members that Sarah Lamitie of Boston Private Bank and Jacqueline Cooper of Madison Park CDC are serving as co-chairs of the EO Committee. They can be reached at slamitie@bostonprivatebank.com (Sarah) and jcooper@madison-park.org (Jackie) respectively. Thanks to both Jackie and Sarah for taking on this responsibility!

Members of the Task Force and others are also encouraged to forward ideas for other housing initiatives where the demonstrated effectiveness of the Task Force may make a difference. We have been approached by various groups interested in transportation, zoning and permitting issues, as well as the spectrum of affordability concerns, and will be reviewing the degree to which we can move into new areas.
Preparing to Work with the New State Administration

Many members of CHTF have provided advice and guidance (both formally and informally) to the staff of governor-elect Deval Patrick, who will have taken office by the time this Quarterly Report reaches CHTF membership. We have been encouraged by Governor Patrick’s support of both 40R and 40S and the smart growth and affordable housing concepts underlying these initiatives.

We were also pleased to learn of the appointment of Dan O’Connell as Secretary of the new cabinet level Secretariat of Housing and Economic Development. Dan is well-known to many of us, having served for many years in public and private capacities in the commercial real estate industry, including service as Executive Director of the predecessor agency to MassDevelopment. Secretary O’Connell has indicated his support of Chapter 40R and 40S, particularly in light of the programs’ recognition of the interdependency of housing and economic development, and has indicated his willingness to work with the Commonwealth Housing Task Force. We were similarly pleased to learn of the appointment of Ian Bowles as Secretary of Energy and the Environment; Ian has most recently been Executive Director of MassINC and publisher of Commonwealth, a magazine that has given extensive coverage to CHTF and Chapters 40R, 40S and 40B. We are looking forward to working closely with the new Administration to realize the full potential of Chapters 40R, 40S, and affordable housing.

Expansion of the Task Force and the Search for Resources

We have been gratified again this Quarter with requests from many new people to participate in the Task Force, especially those from the Realtor® community and those interested in diversity initiatives. As we speak about Chapter 40R, we also are receiving requests from more elected and appointed local officials to get involved in the CHTF, and they are a most welcome addition as well. As mentioned above, we are especially interested in increasing our representation of people of color on our email list, and in their active participation in committees and plenary meetings.

The Boston Foundation, under the leadership of Paul Grogan and Mary Jo Meisner, continues to play the critical role of convener of the Commonwealth Housing Task Force. The Boston Foundation is truly a national leader in carrying out this function across many topic areas. We are indebted to them and their staff for their wisdom and generosity.

Finally, a committee of the Task Force, under the leadership of Paul Grogan and Mary Jo Meisner of the Boston Foundation; Jerry Rappaport, Jr., co-chair of CHTF; and Robert Beal, chair of the Strategic Planning Committee, continues the effort to raise the resources necessary to support the ongoing work as outlined above. That committee meets on an ongoing basis, and a major fundraising effort is underway. Thanks to the Boston Foundation, the Surdna Foundation, and others who have made financial contributions to allow this work to go forward without interruption.
Also thank you to all of the CHTF participants for your continued enthusiasm and participation. So that we may keep in touch with you, we again ask that you please update our mailing list information if you have not yet done so, with your name, affiliation, address, phone, fax and email. Please send updates to ewhite@housingpartnersinc.com. We welcome comments and suggestions. You can reach Eleanor White at Housing Partners, Inc. (617-924-7240 x11 or ewhite@housingpartnersinc.com); Barry Bluestone at the Northeastern Center for Urban and Regional Policy (617-373-8595 or b.bluestone@neu.edu); and Ted Carman at Concord Square Development (617-482-1997 or carman@concordsqdev.com). Please note that email messages about CHTF may often be coming from Maura Fogarty at The Boston Foundation (maura.fogarty@tbf.org) so please include her email address in your list of allowed senders and do not delete her messages!

Respectfully submitted: Eleanor White, Barry Bluestone, Ted Carman
January, 2007

(APPENDIX FOLLOWS WITH TWO DOCUMENTS)
Appendix to Commonwealth Housing Task Force Quarterly Report 12/31/06 (2 items)

An Act Relative to Financing the Smart Growth Housing Trust Fund.

SECTION 1. Chapter 10 of the General Laws, as appearing in the 2004 Official Edition, is hereby amended by striking out section 35AA, and inserting in place thereof the following section:

Section 35AA. There shall be established and set upon the books of the commonwealth a separate fund to be known as the Smart Growth Housing Trust Fund to be used, without appropriation, by the department of housing and community development and the department of revenue for the purpose of making payments to communities under section 10 of chapter 40R and section 3 of chapter 40S. Available revenues from the sale of state surplus lands, as provided for in law, revenue received by the commonwealth pursuant to section 6L of chapter 62, appropriations from the General Fund and monetary sanctions imposed by the department of housing and community development under subsection (c) of section 7 of said chapter 40R shall be deposited into the Trust Fund. All monies deposited into the Fund shall be expended exclusively for the purposes set forth in this section. No expenditure from said Fund shall cause said Fund to be in deficiency at the close of a fiscal year. No later than December 1 of each year, the department of housing and community development, after consultation with the department of revenue and the department of education, shall estimate the anticipated obligations under chapter 40R and chapter 40S during the next occurring calendar year. In January of each year, any amount in the Trust Fund exceeding one and one-half times the anticipated obligations for that year shall be paid over to the General Fund.

SECTION 2. Section 1 of chapter 40S, as appearing in the 2004 Official Edition, is hereby amended by adding the following definition:

“Trust fund”, the Smart Growth Housing Trust Fund, established by section 35AA of chapter 10.
SECTION 3. Section 2 of said chapter 40S, as so appearing, is hereby amended by striking out, in line 1, the words “Subject to appropriation” and inserting in place thereof the following words:– From the trust fund.

SECTION 4. Section 3 of said chapter 40S, as so appearing, is hereby amended by striking out subsection (f) and inserting in place thereof the following subsection:–

(f) Upon receipt of all data and calculations required by this section, the division of local services shall calculate the smart growth school cost reimbursement pursuant to section 2. The commissioner of revenue shall make a single payment from the Trust Fund to each municipality for the amount of its smart growth school cost reimbursement; provided however, if the Trust Fund is insufficient to fully fund the cost of the reimbursement, the division shall calculate the percentage of each municipality’s reimbursement as a share of the statewide reimbursement, and prorate each municipality’s reimbursement proportionally.

SECTION 5. Chapter 62 of the General Laws, as appearing in the 2004 Official Edition, is hereby amended by inserting after section 6K the following section:–

   Section 6L. The commissioner shall, upon receipt of a list of addresses of new smart growth development pursuant to section 3 of chapter 40S, identify every individual inhabitant of such addresses filing a return of income pursuant to section 6 of chapter 62C. All revenue received by the commonwealth pursuant to chapter 62 from any resident or inhabitant domiciled, or with a place of abode, in newly constructed or substantially renovated housing in an approved and certified smart growth zoning district as defined by chapter 40R, shall be credited by the comptroller to the Smart Growth Trust Fund as established by section 35AA of chapter 10.
December 15, 2006

The Honorable Therese Murray  
Senate Committee on Ways & Means  
State House, Room 212  
Boston, MA 02133

The Honorable Robert DeLeo  
House Committee on Ways & Means  
State House, Room 243  
Boston, MA 02114

Dear Chairwoman Murray and Chairman DeLeo,

Pursuant to Section 92 of Chapter 149 of the Acts of 2004 I am submitting the Department of Housing and Community Development (DHCD) Report on Chapter 40R “Smart Growth Zoning and Housing Production”.

Since 40R was successfully passed by the legislature, DHCD has been working with a number of communities interested in adopting “Smart Growth Zoning” districts and we are proud that in the past six months much of that hard work and diligence has begun to show significant results. In June we were happy to issue our first approval of a Chapter 40R district to the town of Plymouth, and have subsequently issued six additional approvals.

Through DHCD’s extensive community outreach and technical assistance, the success and benefits of this development tool has resulted in the Department hearing from dozens of communities interested in pursuing this zoning designation. In addition to the seven communities with already established 40R districts, we have seven that are far along in the application process and should be approved within the coming year. We also have been in contact with twenty-one communities who have expressed varying degrees of interest, with that number growing each month. Those communities are: North Andover, Pittsfeld, Chicopee, Medway, Northampton, Easthampton, Holyoke, Westfield, Westport, Soughton, Southborough, Belmont, Newbury, Lawrence, Nantucket, Raynham, Spencer, Devens, Medfield and Williamstown.

Needless to say, we are excited about the success thus far, and the potential for more in the future, especially aided by the recent passage this past session of Chapter 40S. Should you have any questions...
regarding this report please do not hesitate in contacting my Legislative Director, Katie Stone, at 617-573-1111.

Sincerely,

Jane Walls Gumble
Director of DHCD

CC: Senator Brian Joyce
    Representative Kevin Honan
    Sarah Young, DHCD
    Katie Stone, DHCD

Enclosure: 1

[two additional pages follow]
Chapter 40R Smart Growth Zoning and Housing Production Report
Fiscal Year 2006
November 15, 2006

Approved Smart Growth Zoning Districts:  (6)
Plymouth, North Reading, Norwood, Chelsea, Dartmouth, Lunenburg

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<th>Multi-Family</th>
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Building Permits Issued (1)
One-Family 0
2/3 Family 0
Multi-Family 15
Mixed Use 0

Housing Units Completed (0)

Proposed Residential Units Under Review (0)

Proposed Smart Growth Zoning Districts:  (1)
Lakeville

Land Area (in acres) Zoned for:
One-Family
2/3 Family
Multi-Family 10.5
Mixed Use
Smart Growth Housing Trust Fund
Balance as of 11/15/06

$3,349,370.40

Incentive Payments:
Payments as of 11/15/06

Anticipated Payments FY 2007

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<td>200,000</td>
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</tbody>
</table>

$2,845,000

Density Bonus Payments:
Payments as of 11/15/06

Anticipated Payments FY 2007

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Payment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chelsea</td>
<td>270,000</td>
</tr>
<tr>
<td>Norwood</td>
<td>33,000</td>
</tr>
</tbody>
</table>

$303,000

Municipalities Actively Seeking Letters of Eligibility in FY 2007

<table>
<thead>
<tr>
<th>Municipality</th>
<th>District Size in Acres</th>
<th>Residential Units</th>
<th>Incentive Payment</th>
<th>Time of Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston</td>
<td>18</td>
<td>523</td>
<td>$350,000</td>
<td>Unknown</td>
</tr>
<tr>
<td>Gardner</td>
<td>33.93</td>
<td>650</td>
<td>$600,000</td>
<td>Unknown</td>
</tr>
<tr>
<td>Grafton</td>
<td>10</td>
<td>240</td>
<td>$350,000</td>
<td>Unknown</td>
</tr>
<tr>
<td>Brockton</td>
<td>24.6</td>
<td>602</td>
<td>$600,000</td>
<td>Unknown</td>
</tr>
<tr>
<td>Haverhill</td>
<td>3.87</td>
<td>526</td>
<td>$600,000</td>
<td>Unknown</td>
</tr>
<tr>
<td>Kingston</td>
<td>69.6</td>
<td>730</td>
<td>$600,000</td>
<td>Unknown</td>
</tr>
<tr>
<td>Natick</td>
<td>5</td>
<td>138</td>
<td>$200,000</td>
<td>Unknown</td>
</tr>
</tbody>
</table>