

Commonwealth Housing Task Force

Quarterly Summary of Progress as of March 31, 2011

Note: in order to reduce the size of these reports, we have condensed the description of regular ongoing activities, and have moved much of the Chapter 40R update to Appendix I of this Report. For background, please visit www.tbf.org/chtf and click on “Quarterly Updates”. The Appendix follows at the end of this quarter’s Report.

During the first Quarter of 2011, the Commonwealth Housing Task Force focused its efforts on:

1. The implementation and monitoring of Chapter 40R, including responding to cities’ and towns’ requests for information about the program.
2. The call for an increase in state funding for affordability and monitoring of both state and federal legislation and programmatic developments.
3. Strategic planning for new initiatives of the Task Force, including assuring that the benefits of new construction under 40R and other state programs are available to the widest range of households and businesses, work with the committee to focus on public housing, and work with ULI to strengthen the State Historic Tax Credit program.
4. An expansion in participation in the Task Force itself, with a focus on diversity; and
5. Seeking further financial support for the work of CHTF.

Barry Bluestone, Eleanor White, and Ted Carman, working through the Dukakis Center for Urban and Regional Policy at Northeastern University, have carried out the staff work in coordination with active subcommittees and Boston Foundation staff.

Housing Market Updates and Trends

The Quarter began with encouraging news about the housing market. The *Boston Herald* led off with an article on January 5, 2011, titled “Optimism in Market” and quoted **Barry Bluestone**, indicating that “the dark clouds are starting to lift”. Nationally, however, as covered by *Banker and Tradesman* on February 1, 2011, housing markets remain unstable and “fragile”. And on March 2, 2011, the *Boston Globe* reported on a panel sponsored by the Greater Boston Chamber of Commerce and Sovereign Bank that predicted that the economy and housing market were entering a “rebound phase”. In a contrasting mood, on March 15, 2011, *Banker and Tradesman* reported that realtors, primarily of single-family homes, were not optimistic. The coming Spring buying season will soon be upon us and the true situation will be much clearer.

In an Op-Ed in the *Boston Globe* on February 10, 2011, Professor **Ed Glaeser** of the J.F. Kennedy School at Harvard writes “If You Love Nature, Move to the City”, very nicely making the case for Smart Growth housing and Chapter 40R. All of these articles can be found in Appendix II to this Report.

Massachusetts Housing Partnership Study

As reported in the last Quarterly Report, *Housing Briefs*, issued by Citizens Housing and Planning Association (CHAPA) on December 10, 2010, includes the following: “As part of its Foundations for Growth initiative to determine how state housing policies can avert housing shortages (suboptimal vacancy rates) and support economic growth in Massachusetts, the Massachusetts Housing Partnership (MHP) has issued a new study estimating potential housing shortages by region within the state by 2020. The study assumes current job location, housing location and commuting patterns continue and looks at likely construction activity under two possible scenarios – a baseline scenario of job growth of 2.7% between 2006-2008 and 2010 and a stronger growth scenario with a 9% increase in employment (in line with stronger years in the past decade).

Depending on the scenario, the authors estimate that Massachusetts will need *170,000 or 340,000 additional units* [emphasis added] to maintain a balanced housing supply. Based on current practice, they project a 30,000 unit housing shortage by 2020 under the baseline scenario. Greater Boston is likely to have the greatest shortage (over 46,000 units). Under the baseline scenario, they project a statewide aggregate surplus of 6,400 single family homes (though some areas would have shortages) and a 34,000 unit shortage in multifamily homes affecting 6 of 7 regions.”

This conclusion underscores the degree to which the Chapter 40R program, initiated and supported by the Commonwealth Housing Task Force, remains an important tool to facilitate the production of new housing in Massachusetts in the face of the projected continuing shortages of housing identified by both the Housing Report Card issued by the Dukakis Center and MHP.

In addition, it is worth repeating that Ballot Question #2, to repeal Chapter 40B, was defeated by a large margin last November: 58 percent in favor of retaining 40B, to 42 percent for repeal. Partly due to the intensive efforts of the 40B Campaign (described later in this Report), more than 1,249,000 citizens throughout Massachusetts voted to support affordable housing and retain 40B.

Student Housing Effort

The last Quarterly Reported commented on The Dukakis Center’s Greater Boston Housing Report Card 2010’s chapter on Student Housing and the resulting Boston City Council’s hearing on November 30, 2010; the hearing dealt with the impact of students on neighborhood housing markets and rents. For further background, please refer to Appendix V and VI of the last Quarterly Report (December 31, 2010).

The *Boston Herald* followed up with an editorial on January 7, 2011 supporting the idea of college student villages in both Fitchburg and Boston. For ready reference, please find **Barry Bluestone’s** memo to the Boston City Council and the *Herald* piece in Appendix III of this Report.

Barry Bluestone continues to meet regularly with members of the Boston City Council and the Cambridge City Council, with developers, and with builders to explore where and how such a multi-university graduate student village can be built.

Follow Up on “No on 2” (The Campaign to Save Chapter 40B)

As a follow up to the highly-successful “No on 2” Campaign, CHAPA is convening a series of 12 community meetings across the state to gather input on what critical initiatives are necessary to promote affordable housing at the state and local level. Task Force members are encouraged to attend a meeting and offer suggestions on what we need to do in order to continue to make progress and build momentum to increase affordable housing. Please visit <http://www.chapa.org/?q=event> to learn more about upcoming forums.

We are very excited to announce that CHAPA’s efforts on this campaign have been recognized on the national level! CHAPA has been named the recipient of the National Low Income Housing Coalition (NLIHC)’s second annual **State and Local Organizing Award**. The award was presented on Tuesday, March 29 at a plenary session of the NLIHC conference. CHAPA is an NLIHC state partner.

To quote NLIHC’s newsletter of February 28, 2011: “The Massachusetts-based organization campaigned to defeat a ballot initiative to repeal the states’ affordable housing law. CHAPA, along with other campaign members, were successful in preserving the affordable housing law with 58% of voters voting against the effort to repeal. The law, adopted in 1969, has been responsible for the creation of 58,000 homes across the state, and 80% of new affordable housing, outside of the larger cities, over the past decade.

CHAPA played a vital role in the organizing process, leading to a broad coalition that included elected officials, and business, labor, religious, environmental, civil rights, elderly, and disability leaders and organizations. The campaign used a variety of strategies to achieve success, such as securing more than 1,600 endorsers including all four of the state’s gubernatorial candidates, conducting public opinion polls and focus groups to test effective messaging, conducting research on the success of the affordable housing law, and producing television and online ads.

The campaign also developed a rapid response team to refute negative and inaccurate information, produced 62 editorials, 40 op-eds, and developed a website that included videos and photos of residents living in affordable housing, a campaign blog, and other resources. The coalition credits their ability to run a professional campaign to the \$1.2 million they raised through donations.

The State and Local Organizing Award recognizes outstanding achievement in the 2010 year for organizing activity at the state or local level that furthers the mission of NLIHC.”

The Commonwealth Housing Task Force was proud to be one of CHAPA’s many partners in this successful effort. Congratulations to CHAPA and its Executive Director, **Aaron Gornstein**, on this richly-deserved recognition of its leadership and effectiveness!

Other Programmatic Developments

We are also pleased to report that construction is approaching for a large project in one of the Reading, MA **Chapter 40R** districts (Reading has passed two 40R districts). This district was originally called Addison-Wesley and is now called Gateway. We are advised that a large housing development has filed for local approvals and is hoping to start construction this year. *Banker & Tradesman* reported on March 1, 2011 that Pulte Homes has submitted plans to the town of Reading seeking to develop more than 400 condominium and townhouse units, 200 of which will be age-restricted, and a percentage of the development will be within the 40R district. *Banker & Tradesman* quoted a member of the development team: "The market for land sites to support multifamily residential development continues to remain strong in greater Boston," "With its proximity to I-93 and I-95, and *in place, by-right development potential* [emphasis added], One Jacob Way generated interest from several investors."

The lack of planning grant funds for 40R continues to be a significant challenge, especially in view of the fact that 40R is the program with the most promise for facilitating large-scale housing production in the coming years, and with the most potential to avert the effects of the projected housing shortage over the next decade. During the last three years, DHCD has made critically-important planning grants to communities under the Priority Development Fund (PDF) program. See previous Quarterly Reports for a full discussion of this issue.

In addition, studies by the Dukakis Center at Northeastern University have demonstrated that over the next ten to twenty years, the preponderance of household growth in the Commonwealth will be in over-55 age cohorts, followed shortly by a need for housing for young households who are part of the “Millennial” generation of “echo boomers” – the children of the baby boomers.

In this context it is important to remember that CHTF’s mission relates to increasing the supply of housing –both rental and ownership—for all income segments. In that connection, we are delighted that the Permit Extension Act of 2010 was passed as part of comprehensive economic development legislation. This bill would allow projects—many of them delayed as a result of the financial challenges of the recession--an additional period of time in which to begin construction. The CHTF membership has previously voted to support passage of this bill.

We have also noted with interest an Advisory issued in January, 2011 by attorneys **David Abromowitz** and **Yuanshu Deng** of the law firm of Goulston & Storrs

concerning a new Massachusetts tax credit to encourage the production of market rate housing. The full Advisory may be found on the web at <http://www.goulstonstorrs.com/NewsEvents/Advisories?find=41602> .

And we were pleased to see that MassDevelopment announced the financing of an expiring use development in Boston, Bowdoin Manor. This financing will maintain affordability for 115 units of housing for low-income formerly-homeless individuals with special needs. The full article from *Banker & Tradesman* (January 25, 2011) can be found in Appendix VI.

Also in Appendix VI you will find draft guidelines for the MassWorks Infrastructure Program. This state program for financing infrastructure improvements, once implemented, should be a natural complement to development in Chapter 40R districts across the state. Please send any comments on these proposed guidelines to the Massachusetts Executive Office of Housing and Economic Development.

And on March 17, 2011, another Continuing Resolution was passed by the U.S. Congress to keep the federal government funded and running until April 8. The new continuing resolution cuts \$6 billion from the previous continuing resolution funding. Under the CR, funding will continue at FY 2010 enacted levels for most programs. For updated information on this federal funding issue, which is changing rapidly, please go to <http://appropriations.senate.gov/news.cfm?method=news.view&id=51524096-2c8b-4580-96dc-3bde5294aec8> .

Implementing Smart Growth Zoning: Increasing Interest from Municipalities and Local Groups

Chapters 40R and 40S have now been on the books for over four years. The programs have resulted in the passage of **33** Chapter 40R smart growth zoning districts in **31** municipalities, totaling approximately **12,350 zoned units supported by their communities**, with continuing interest in many more. Approved 40R Districts are demonstrating the substantial opportunities for innovative planning built into the program, and as these Districts gain increasing attention, other cities and towns are recognizing the opportunity that 40R provides for both housing and economic development, as well as neighborhood revitalization. *Please refer to Appendix I to this Report for the regular detailed update on progress under the Chapter 40R program.*

A small working group, including representatives of CHTF, DHCD and others, has met several times under the direction of **Jennifer Raitt** of MAPC to discuss 40R issues, and the group plans to continue these discussions over the coming months. In the group, there is general consensus on support for adequate funding for 40R, for more PDF planning money, and for repealing the “clawback”/recapture provision in the 40R statute (discussed more fully later in this Report).

Local resources to plan smart growth districts are scarce, and are expected to remain so, especially if state planning funds available through the Priority Development Fund grants remain unavailable. In this time of fiscal stress, these funds often represent the only way many communities can find the resources to plan for smart growth, which leaves many communities without the resources to begin such initiatives. We believe there is an opportunity, however, for property owners and developers to step forward to contribute the funds necessary and to work in partnership with municipalities to plan 40R districts. The time for communities to be proactive and plan for their future is when the construction industry is somewhat dormant; when the economy does improve to the point where new housing construction is determined to be feasible, these projects will be ready to go.

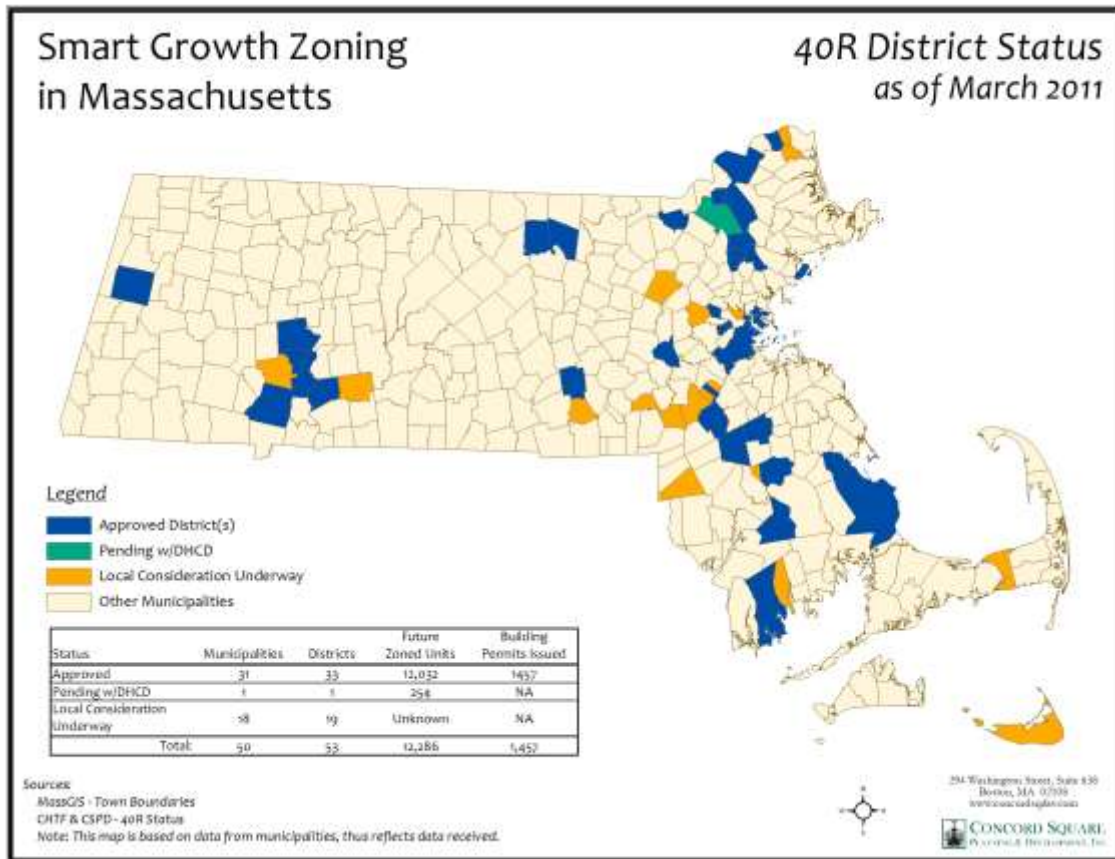
With the recent affirmation of the state's affordable housing program under Chapter 40B, the interest level in Chapter 40R is likely to be strong. Increasing funding to local communities to pursue smart growth districts is the prudent way to provide a "relief valve" for communities facing Chapter 40B developments that may be considered to be inappropriate for the location based on local comprehensive planning, site conditions, etc. And Chapter 40R is an important tool for facilitating the development of new affordable housing units at a time when some units may leave the inventory as a result of the expiration of their federal contracts (an issue which has been discussed at length previously).

Other states have also taken notice of the results that 40R has produced. Enabling Legislation for "Incentive Housing Zones" was approved in Connecticut in June 2007, with substantial input from CHTF staff, and at the end of 2008 a "Smart Housing Incentives Act" bill was filed in the New Jersey legislature with bipartisan support. Commonwealth Housing Task Force staff also contributed substantively to this New Jersey initiative, further building on the success of 40R in Massachusetts. Please refer to previous Quarterly Reports for more detail on these efforts. The legislation was modeled on Massachusetts Chapter 40R. The State of Connecticut appropriated \$4,000,000 to fund initial planning and Incentive Payments; unfortunately, just over \$1,000,000 of that was taken back by the state government to help deal with the state's budget problems earlier this year. Called HOMEConnecticut, 54 communities have applied for planning grants for this program from the state's Office of Policy and Management (OPM), and 50 grants have been awarded in amounts ranging from \$20,000 to \$50,000. Due to the budget cuts and uncertainty of funding for incentive payments, many municipalities have proceeded with their Incentive Housing Zone studies at a slow pace, but are continuing with their plans to adopt such zones. As of March, 2011, six municipalities have received preliminary approval of their overlay zoning districts from OPM. Five communities have adopted Incentive Housing Zones, and one community did not proceed with adoption. Currently OPM is in the process of finalizing approvals and making the Zone Adoption Payments for the five communities.

Implementation of Chapter 40S (the School Cost “Insurance Policy”), Funding for both Chapters 40R and 40S, and a Proposed Technical Amendment to 40R

The Massachusetts Department of Revenue (DOR) issued an “Informational Guideline Release” for Chapter 40S, dated June 2010. The release is at www.mass.gov/Ador/docs/dls/publ/igr/2010/igr10_301.pdf. More detail can be accessed in previous CHTF Quarterly Reports.

The map below, prepared by **Ted Carman** and **Karen Cullen** of Concord Square Planning and Development, indicates the communities that have already implemented Chapter 40R and those in the process of doing so. The table following the map outlines the current funding sources and obligations for Chapter 40R.



Status of Chapter 40R Payments and Obligations

Initial Funds from sale of Surplus State Land	\$3,349,370
Appropriations - Transfers, October, 2007	\$10,000,000
Sales of Surplus State Property, 2007	\$78,000
Sales of Surplus State Property, 2008	\$7,772,440
Sales of Surplus State Property, 2009	\$12,000,000
Sources of Funds	\$33,199,810
Less Transfer to General Fund, 2009	(\$18,000,000)
Net Sources	\$15,199,810
Less Payments and Obligations to Communities:	(\$13, 699,370)
Balance in Fund as of March 31, 2011	\$ 1, 500,440

At this time in the spring of 2011, and absent a new source of funding, it appears that the Smart Growth Housing Trust Fund is unlikely to have sufficient resources to make the payments that will become due to communities through the end of Fiscal Year 2012.

As reported previously, identical legislation was filed by Rep. **Kevin Honan** (House 197) and Senator **Harriette Chandler** (Senate 86) to provide for a continuing and reliable source of funding of the Smart Growth Housing Trust Fund, as discussed in detail in previous Quarterly Reports. This bill was refiled in the current session, and we are very grateful to Rep. Honan and Sen. Chandler for their strong and continuing leadership on this legislative effort.

We have also had discussions with legislative and administration officials at their request about the desirability of a technical amendment to Chapter 40R. In the final stages of passing Chapter 40R in June of 2004, a provision was added to the bill requiring DHCD to recapture incentive payments made to localities if construction had not begun in a 40R Smart Growth Zoning District within 3 years of the initial bonus payment having been received by the locality. See previous Quarterly Reports for a detailed discussion of this issue. We have suggested that repealing this provision would not only remove a disincentive to localities to participate in Chapter 40R, it would also make the program administratively easier for DHCD. Senator **Harriette Chandler** has refiled this bill in the current session to correct this situation, and we are very grateful to her and her staff.

Spreading the Word about Chapter 40R

Barry Bluestone, Eleanor White, and Ted Carman continue to respond to requests for meetings, discussions, and presentation of material about Chapter 40R from planning officials, local elected officials, affordable housing advocates, realtors and others to assure widespread education about the benefits of Chapter 40R. Please visit the

Boston Foundation/CHTF website, www.tbf.org/chtf and consult previous Quarterly Reports for a detailed description of this ongoing activity. Chapter 40R is often the subject of news and feature articles in the general press and other media. The topic has also continued to attract interest from trade and industry groups, and is regularly featured as a topic at various conferences and workshops.

As mentioned above, but worth repeating, there are two key legislative issues that relate to Smart Growth Zoning that should be addressed in 2011.

The first is the repeal of the “clawback” provision, which states that communities have three years after the passage to of a Chapter 40R Smart Growth Zoning District to issue building permits and have construction commence. Absent a construction start, the community must repay the State for the amount of the initial Incentive Payment. The three year window is coming up for a number of communities where construction has not yet commenced (often due to the state of the economy) for reasons beyond the control of the community, and repeal of this provision would be highly desirable. Its existence makes it more difficult to obtain local approval if new districts.

The second is the need for additional funds for the Smart Growth Housing Trust Fund. The current balance of \$1,500,000 is probably sufficient for the balance of this fiscal year. However, additional funds will be required as more districts are passed and as more specific properties begin construction.

We encourage you to regularly visit the CHTF website, and 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. Dukakis Center staff, led by **Barry Bluestone**, is responsible along with **Tim Gassert** at the Boston Foundation for updating the CHTF website on a regular basis.

Funding and Legislation for Affordability

Members of the CHTF, in close cooperation with CHAPA, led by **Aaron Gornstein** and **Sean Caron**, continue to focus on advocacy for state funding to support housing affordable to households at 80 percent of median income and below, especially for increases in funding for state public housing, the affordable housing trust fund, and the Massachusetts Rental Voucher Program. 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, and other forms of advocacy, in most cases through or in coordination with CHAPA.

For FY '11 (the fiscal year beginning July 1, 2010) affordable housing programs were essentially level-funded at FY '10 levels. The **Patrick-Murray** Administration released its FY '12 budget, which again level funds housing programs. Over the last 18 months, \$44 million in ARRA funds were available to bolster homelessness prevention

and rapid rehousing efforts, but those funds will be fully expended by the end of FY '11. Affordable housing advocates are requesting that a significant amount of that shortfall be filled by strategic increases in other affordable housing programs, including the Massachusetts Rental Voucher Program, Public Housing Operating Subsidies, and Residential Assistance for Families in Transition. Click here for CHAPA's FY '12 budget priorities: http://www.chapa.org/?q=state_budget.

The House Ways and Means Budget proposal is expected to be released on April 13, 2011. We encourage CHTF members to contact House Ways and Means Chairman **Brian Dempsey** and Senate Ways and Means Chairman **Stephen Brewer** to indicate your support for affordable housing programs in the FY '12 budget.

In that connection, please see the CHTF letter requesting co-sponsors for three pieces of legislation previously supported strongly by CHTF, all of which were refiled in the current legislative session. That letter, issued on February 1, 2011, can be found in Appendix IV to this Report. Many thanks to **Mary Jo Meisner, Maura Fogarty** and the co-chairs (**Larry DiCara, Jerry Rappaport, and Bob Smyth**) for responding on such short notice as **Eleanor White** drafted the letter and needed to get it issued in the middle of Boston's unending snowstorms!

2011-2012 State Legislation

The 2011-2012 state legislative session is underway, and legislative committees are considering various proposals that increase or relate to affordable housing. Last session, CHTF worked on several bills that did not become law, and Task Force members are in the process of reviewing our legislative priorities again this year. We would appreciate any input and advice from CHTF members concerning these bills:

House bill 197 would fund the Smart Growth Housing Trust Fund (which in turn funds the Chapter 40R program) by diverting the income taxes of residents living in housing in approved Chapter 40R districts. Last year the bill cleared the Community Development Committee and was in House Ways and Means but did not advance before the end of the session. This bill has been supported by CHTF since its first introduction in the legislature; it would have a major effect upon the ability of Chapter 40R to be financially self-sustaining. We also encourage members to submit other suggestions on how to fund the Smart Growth Housing Trust Fund.

Comprehensive Zoning Reform legislation cleared the Committee on Municipalities and Regional Government for the first time in decades last session and died in the Senate Committee on Ways and Means. The comprehensive bill carries many provisions, including mandating that local zoning be consistent with planning, barring exclusionary zoning practices, authorizing impact fees for limited uses, rewriting Ch. 40A into clear statements, reforming vesting and grandfathering, and replacing the Approval Not Required process with a minor

subdivision review process. The bill also creates the ability of communities to opt into defined planning and zoning benchmarks for housing in exchange for additional authority to regulate developments. CHTF was represented on the Governor's Zoning Reform Task Force which debated many elements of this bill over the last two years. We believe that the existing Zoning Enabling Act and related Planning and Subdivision Acts continue to be significant deterrents to creating the local planning and zoning we need to produce affordable housing and economic growth; we look forward to continuing the discussion on how to improve these critical statutes.

Legislation to promote innovative strategies in public housing was filed by Rep. **Sanchez** and Sen. **Chandler**:

(<http://www.mass.gov/legis/bills/house/186/ht01pdf/ht01237.pdf>). This legislation would reduce and streamline regulatory and statutory requirements for participating housing authorities. The program would maximize the efficient use of funds received by a housing authority. By not restricting the use of appropriated funds to one narrow purpose, housing authorities would be able to more effectively address local needs, which differ by locality. The bill would also authorize innovative program design on issues such as rent calculation, to reduce the administrative burden and cost on the housing authority, and to lighten the burden on tenants to produce the personal information often necessary to document income and exclusions.

Last session, the bill was reported favorably by the Housing Committee. The legislation, H. 4544, did not advance from the House Committee on Ways and Means. CHTF has been supportive of this legislation as a way to promote innovative strategies to manage and rehabilitate state public housing.

Legislation to coordinate new supportive housing filed by Representative **Honan** and Senator **Jehlen**:

(<http://www.mass.gov/legis/bills/house/186/ht01pdf/ht01222.pdf>). In order to build supportive housing for people with disabilities, elders, or extremely low income households, a developer must now access three separate pots of capital, operating, and supportive service funds through multiple applications. This consensus proposal would coordinate the process to build supportive housing by establishing formal relationships and shared principles among the relevant state agencies involved in the process. Last session, this bill was reported favorably out of Committee but did not advance from the House Committee on Ways and Means. CHTF has been supportive of this bill.

Legislation to dedicate energy efficiency funding for improvements in affordable rental housing was filed by Representative **Honan** and Senator **DiDomenico**: (<http://www.mass.gov/legis/bills/senate/186/st01/st01546.htm>). There is a significant capital cost to constructing or rehabilitating housing to ensure that the structures minimize energy use. However, if the capital investment can be absorbed, the energy savings are significant, and can reduce both the rent

necessary to maintain the property and the impact on the environment. This legislation dedicates funding to make new and existing multifamily affordable housing more energy efficient. Last session, the House bill was favorably advanced and was before the House Committee on Ways and Means, but did not advance before the end of the session.

Members interested in supporting or learning more about these proposals should contact **Eleanor White** at ewhite@housingpartnersinc.com or **Sean Caron** at scaron@chapa.org.

Foreclosures and the “Stuck” Home Mortgage Market

As foreclosure issues continue to be a serious problem for both homeowners and municipalities in Massachusetts, the U. S. House of Representatives has voted to eliminate most of the federal foreclosure programs, including the Neighborhood Stabilization Program, Emergency Homeowner Loan Program, the FHA Refinancing Program, and the HAMP Program. However, the Senate is not expected to pass this bill and the President has threatened a veto.

Further, the Treasury Department and HUD released their plan to reform the so-called GSE's (Government Sponsored Enterprises), Fannie Mae and Freddie Mac.

An excellent summary of both the foreclosure programs and the GSE proposal may be found in CHAPA's Housing Briefs of March 16, 2011, included here in Appendix V.

The Expanding Opportunities Committee

This committee, meeting since July of 2006, and chaired by **Sarah Lamitie** and **Jackie Cooper**, was 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 committee is implementing an action agenda to enhance inclusiveness in housing in cities and towns throughout the state. In connection with this diversity initiative, please extend an invitation to colleagues you may know who would be interested in joining the Task Force. They can join the CHTF 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 75 people of color and from underrepresented professions.

Please refer to the CHTF website, www.tbf/chtf and review previous Quarterly Reports for a general description of this committee, and prior initiatives of the group.

The Committee has been meeting regularly in recent months and is now readying plans for a “Welcoming Communities II” Conference to be held on May 10, 2011 at

8:30-11AM at the Boston Private Bank; research conducted for the committee will be presented, as well as the experiences of individual communities in opening up housing opportunities for people of color, younger families with children, and households with disabled members. The forum will bring together housing experts and community leaders to consider expanding opportunity “best practices” and efforts that can be undertaken to make more Greater Boston communities welcoming to new households and families. The forum will particularly focus on initiatives successfully implemented as a result of the first Welcoming Communities forum in 2009. **Barry Bluestone** and **Jessica Casey** from the Dukakis Center at Northeastern University will present their research on the impact that the increase in minority population in MA communities has had on home values, spending on education, and crime. A discussion on the policy implications of the findings will follow the presentation. To conclude the event, there will be facilitated discussions on strategies and successes in making individual communities more welcoming and what CHTF can do to support their efforts with useful tools such as a resource guide and website. Further consideration will also be given to the proposed resource guide and website (described below) to help Massachusetts communities implement new programs and approaches to this issue. If you would like more information about the event, please contact **Sarah Lamitie** at slamitie@bostonprivatebank.com.

A recent meeting of this committee included a presentation by Professor **Barry Bluestone** and graduate students **Margaret Keaveny** and **Jessica Casey** of the Dukakis Center at Northeastern University. As previously reported, the committee has been working on creating a guide to serve as a resource for Massachusetts communities seeking to be more welcoming of diverse populations, with a special emphasis on people of color, low-income people, and people with disabilities.

Barry Bluestone presented a PowerPoint presentation that summarizes the results of a statistical model the three researchers developed to test whether an increase in minority population in a municipality contributes to slower appreciation in home values, lower spending on students, or increases in crime. Using data from the 1980 and 2000 U.S. Census for virtually all the cities and towns in Massachusetts, they found that increases in minority population (up to at least 20 percent) has no discernable impact on any of these measures. Indeed, **an increase in minority population appears to be correlated with a slight decline in crime rates and virtually no reduction in home price appreciation or student spending.** The implication is that contrary to the fears that some residents have that welcoming a more diverse population into their communities will have adverse consequences, there is no evidence in Massachusetts for this occurring in the past.

The Dukakis Center Staff is continuing to research the impact of expanding affordable housing on community well-being as measured by changes in median household income, changes in property values, changes in public school spending, and crime rates. The project will also investigate actions taken by other communities throughout the country to enhance community diversity. We are excited about the

potential of this research to provide very real assistance to Massachusetts communities seeking to be more welcoming and more diverse.

Once the content of the resource guide is developed, the Committee will be working to locate it on the CHTF website, with interactive, hands-on content. The Committee's goal is to create a website that will offer the guide and other useful information, and also an online discussion forum to facilitate the sharing of ideas, successes and challenges of communities engaged in this effort. The Committee will work closely with **Tim Gassert**, the Boston Foundation webmaster, to provide content/updates to content, etc. We believe that this can develop into an extremely valuable resource for increasing the level of "welcome-ability" of communities throughout the state. We also hope that the website will prove to be a valuable resource for families searching for welcoming communities in which to settle, both those households already in Massachusetts and those moving to the Commonwealth from other states.

Finally, the committee has begun work to develop a system by which companies involved in construction in 40R districts and other state-supported development can be recognized for diversity in their selection of subcontractors and supportive services. The subcommittee responsible for this project is researching the components that would support this recognition program. More details will follow as they are developed.

All are welcome to join this committee; please send your contact information to **both Barbara McDonald**, committee member, at bmcdcard@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. Comments about the agenda for the EO Committee should be addressed to **Sarah Lamitie** and **Jacqueline Cooper**, the co-chairs of the Committee. They can be reached at slamitie@bostonprivatebank.com (Sarah) and cooperjlw@gmail.com (Jackie) respectively. Thanks to both Jackie and Sarah for their leadership of this effort, and to Boston Private Bank for providing the regular meeting space for this committee.

The Public Housing Committee

CHTF has lent strong advocacy support to the effort to significantly increase funding for state-assisted public housing development and management over the last year. Although current levels of funding are higher than at any point in almost 20 years, they are clearly inadequate to support either the needs of low-income households or of aging public housing buildings. Public housing programs represent the most efficient and effective means of providing housing for those at 50 percent of area median income and **below**, and include traditional public housing as well as demand-side voucher programs and major redevelopment efforts. This committee will be identifying programs and legislation that could benefit from CHTF support and will bring new program initiatives forward to CHTF.

Charles Eisenberg, an affordable housing consultant with extensive experience with public housing, and **Jim Stockard**, currently Curator of the Loeb Fellowship Program at the Harvard Graduate School of Design, are serving as co-chairs of this CHTF committee. Jim has also been Chairman of the Cambridge Housing Authority for more than 25 years, and is a long-time affordable housing expert.

As with all CHTF committees, membership is open to all. We particularly invite local public housing authority staff and board members, and members of community-based nonprofit organizations, to consider participating in this committee.

The CHTF Public Housing Committee met on October 20, 2010, to discuss the issues of homelessness and the State's approach to funding various solutions to this problem. Charles Eisenberg and Jim Stockard reported on that meeting as follows.

I. Associate Director for Public Housing and Rental Assistance **Lizbeth Heyer** and her colleague **Ita Mullarkey** from DHCD attended the meeting; Ita provided an extensive briefing on the available programs.

In 2009 all elements of the homelessness response were moved to DHCD (Shelters, Hotel/Motel, and Emergency Assistance). At the same time, HUD began its Homeless Prevention and Rapid Re-housing Program (HPRRP) to get people out of hotels and motels. The new "architecture" of the state's response has several elements:

- A. A focus on prevention and diversion
- B. 18 months of housing assistance with services from a social worker; some families can get a 6 month extension
- C. 2000 families are on this flexible assistance
- D. 47% who started more than a year ago need to re-enroll this year
- E. Good partnerships have been established with Public Housing Authorities (PHAs), Regional non-profits and Community Development Corporations (CDCs).

Unfortunately, HPRRP funding is now drying up. The Hotel/Motel population goes up and down (600 -1000) depending on availability of other resources. It is easy to get into Emergency Assistance (EA) but hard to get out, since standards to enroll in every other program are higher; also, if a household leaves the program, it can't come back in for 12 months.

There are 120 public housing units in a Transitional Housing Program that is going very well. There is also a 40-unit "Housing First" program which places EA eligible people in Public Housing units and places a case manager at the PHA. There are now several studies that show that Housing First with services is a more effective program than the Transitional Housing Program. The services seem to be the key to success.

II. Discussion of solutions and the future role for the CHTF/Public Housing Committee:

- A. The committee concluded that the current system is working about as well as it can, given the numerous constraints, especially in terms of funding.
- B. Services seem to be a critical part of any good solution
- C. One suggestion involved reforming the Emergency Assistance program so that not all households enter into the front door of the system; at the moment, there are minimal requirements for admission and then the system tends to back up. There also need to be more exit strategies from the shelters – a middle step between the shelter and independent affordable housing. As households were moved to the intermediate step, that would, in turn, make it possible to get more people out of hotels and motels and into shelters. Expanding MRVP would only attract more EA applicants.
- D. Jim Stockard reported on the CHA program to have a voluntary 5 year voucher where the subsidy starts off at a generous level and reduces over time. Extensive resident services are provided to help the household find work, and rents are frozen so more financial savings are possible for the families. That program has just started but looks very promising.
- E. CHTF might work on increasing the funding for Housing First, on proposing other programs for EA eligible families, or on rent reform in public and leased housing as ways to incentivize work, thus protecting families from future homelessness and potentially opening up slots in public housing as people move to the market place
- F. There was also a good deal of discussion about finding ways to combine programs of various departments (health, education, housing, labor) to provide the support services that seem critical to success in permanent housing for this population.
- G. There was some notion that certain public housing authorities might be willing to use some of their units to house adequately-supported residents who had been formerly homeless. This would probably take advantage of small, scattered-site properties where services could be focused and group activities would be a possibility.

Please refer to the last CHTF Quarterly Report for a comprehensive discussion of the issues currently being addressed by this committee.

Since the October, 2010 meeting, Republicans have gained control of the federal House of Representatives and the Obama Administration has proposed a budget which has significant impacts on HUD.

At the State level, where a multi-billion dollar deficit looms, the Governor's initial budget proposal contains major cuts that impact public housing authorities. The Governor has also proposed a significant change in the program for homeless shelter.

The Public Housing Committee expects to meet in April to discuss these and other issues. CHTF members interested in signing up for this committee can reach **Charles Eisenberg** at 617-901-3378 or ceisenberg@comcast.net, and **Jim Stockard** at (617) 495-5988 or jstockard@gsd.harvard.edu. Many thanks to MHP for providing the meeting space for this committee.

Work with the Urban Land Institute on Public/Private Partnership Initiatives

Eleanor White and **Ted Carman** have represented CHTF in a series of meetings and communications with the local chapter of the Urban Land Institute, particularly with the Public/Private Partnership ("P3") Committee, now chaired by **Nancy Ludwig** of ICON architecture. Nancy is the President of ICON, and her practice focuses on sustainable, transit-oriented residential development.

The Committee is working on ways to pursue strategic alliances that can effect change on a regional basis. Two new initiatives include: 1) discussions to prioritize a portion of State Historic Tax credits towards Gateway Cities to help spur development in economically-challenged communities, and 2) Creating a workshop on "best practices" for effective RFP and planning grant implementation in cities and towns that lack extensive professional planning staff. The P3 Committee continues to participate with the Executive Office of Housing and Economic Development (EOHCD) to promote residential and commercial development, through improving and marketing the Permitting Collaborative. This is an informal group created by EOHED to streamline permitting of projects by getting all the state agencies with permitting jurisdiction in the same room to discuss a project.

A Committee Member attended the ULI Terwilliger Center for Workforce Housing Forum in Orlando on March 7-8, to explore workforce housing practices and discuss challenges to workforce housing development.

The Committee is also working on the issue of finding a way to increase the annual amount of State Historic Tax Credits available to be allocated by the Secretary of State. The current limit is \$50,000,000. A bill has been filed by Representative **Antonio F.D. Cabral** of New Bedford that would increase this amount to \$100,000,000 and would also provide forward funding (i.e. assurance of full funding) of 10% of the total allocation for projects located in Gateway Cities.

At the invitation of the P3 Committee, a group of 25 people met on March 15, 2010 to discuss this issue. A broad range of individuals and organizations with an interest in the State Historic Tax Credits was represented. **Ted Carman** made a presentation summarizing the situation, and **Michael J. Nichols, Esq.**, Legal Counsel of

the House Committee on Bonding, Capital Expenditures and State Assets spoke about the specifics of the proposed legislation. There was a spirited discussion of the various elements to be considered. It was concluded that the matter deserved additional effort, that the proposed bill should be supported, and that a key element would be to prepare a study showing an accurate analysis of the costs and benefit of the credits. Mr. Nichols said that there would be a legislative hearing in the next four to six weeks, and all who are interested were urged to attend and make their thoughts known.

The Committee continues to work on ways to participate with the Executive Office of Housing and Economic Development to promote residential and commercial development. The Committee's interaction with EOHEd has now focused on two activities. The first is working with them on improving and marketing the Permitting Collaborative. This is an informal group created by EOHEd to streamline permitting of projects by getting all the state agencies with permitting jurisdiction in the same room to discuss a project. The second is working with the City of Gardner, potentially working with the City and the local hospital to help them to move a project forward that wasn't progressing, or to assist with an effort to develop a Brownfields site.

The committee now meets on the second Wednesday of each month; the next meeting will be on April 13, 2011. CHTF members who may wish to attend meetings of this committee and contribute to its efforts should get in touch with the current Committee Chair, **Nancy Ludwig**, at nludwig@iconarch.com.

For those who do not know Nancy Ludwig, she has had a long and distinguished career as an architect. **Nancy Ludwig, FAIA LEED AP** is the President of ICON architecture. Her award-winning work focuses on sustainable urban projects that create new paradigms for city living and ranges from infill transit-oriented development to innovative adaptive reuse. Projects mix high-design condominiums with affordable housing, artist live/work communities and retail environments, and also include hotels, collegiate facilities, municipal buildings and museums. Her projects have been case studies for nationally distributed books on urban housing, published by the Urban Land Institute, Harvard University Press, and Global Green. Her work has won numerous awards, including the 2009 Turner Prize, sponsored by ULI and UC Berkeley, for the nation's most innovative affordable housing development, multiple Builders Choice Design Awards, a Governor's Smart Growth Leadership Award, and multiple Preservation Achievement Awards from the Boston Preservation Alliance and the Massachusetts Historical Commission. She serves on numerous boards and committees, including the editorial board of Architecture Boston and has lectured at the National Building Museum, Build Boston and Residential Design & Construction conferences, and at local universities. Nancy has been an active member of the Committee and CHTF welcomes her as the Chair!

Litigation Involving Chapter 40R

As reported previously, CHTF, through its **Legislative/Legal Committee** headed by CHTF Co-Chair **Larry DiCara**, is monitoring a lawsuit brought against the Town of Natick that asserts that the bond that is required to be posted in order to challenge a “smart growth” (Chapter 40R) project approved by the town’s planning board is unconstitutional. The plaintiff, The Mills at Natick, has brought several lawsuits against the Town of Natick and others relating to the planning board’s approval of permits for the construction of townhouses and apartments in the town’s Chapter 40R Smart Growth Overlay District. Plaintiff has not yet posted the bond that is required by state law in order to challenge such projects, and has instead sought a declaration that the bond is an unconstitutional bar on access to the courts. The parties unsuccessfully attempted to reach agreement outside of court regarding all six lawsuits in the summer of 2009.

CHTF believes that the bond requirement is constitutional and is an important part of the Chapter 40R statute.

The Town of Natick and the developer for the project were pleased at CHTF’s offer to provide legal support through our Legislative/Legal Committee. **Kurt Mullen** of the law firm of Nixon Peabody and **Larry DiCara**, Co-Chair of CHTF, Committee Chair, and also of Nixon Peabody, have provided *pro bono* assistance to the Town of Natick and the project developer on this matter. The requirement to post a bond is included in the Chapter 40R statute, and was intended by the Legislature to streamline the development process and discourage frivolous and NIMBY-driven lawsuits. Nixon Peabody believes that there is strong legal precedent to uphold the constitutionality of this requirement.

In December 2009, the court hearing these lawsuits heard various motions brought by the parties, including a motion by the project developer to either require the plaintiff to post the bond required by Chapter 40R or to dismiss the lawsuit. The court took all motions under advisement and has not yet issued any rulings. In April 2010, the court heard a motion by the developer concerning drainage rights associated with the project. Since then, progress on the lawsuits has been stayed, due in part to an administrative appeal concerning drainage rights and the developer’s filing in bankruptcy court of a petition to reorganize. We understand that the developer is working to address any drainage issues, the resolution of which was delayed by the bankruptcy proceeding. The Court is expected to hold a status conference in the near future on all outstanding issues. The Legislative/Legal Committee will continue to monitor this case in the coming months.

Members of the Task Force and others are also encouraged to forward ideas to ewhite@housingpartnersinc.com for **other housing and development initiatives** where the demonstrated effectiveness of CHTF may make a difference. We have been approached by various groups interested in transportation, energy, 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. Participation in the foreclosure issue, the public housing committee, analysis of legislation expanding supportive housing and services, and our work with ULI are examples of response to such requests.

Working with the State and Federal Administrations

Many members of CHTF have provided advice and guidance (both formally and informally) to the staff of Governor **Deval Patrick**, Secretary of Housing and Economic Development **Greg Bialecki**, and UnderSecretary **Tina Brooks**. 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, as well as his demonstrated support for increased funding for affordability, and his statements in support of retaining Chapter 40B. Clearly the state fiscal situation is still difficult, and we appreciate all efforts to prioritize affordable housing.

As previously reported, **Eleanor White** represented the CHTF in a series of meetings of the Governor's Zoning Reform Task Force. Chaired by Secretary Greg Bialecki, this group met for approximately 18 months to explore ways in which cities and towns can begin to connect planning and zoning in a more coherent way, with support from the Commonwealth, and focus more attention locally on facilitating the development of affordable housing. A summary of the comprehensive legislation filed in response to this Task Force's work has been included in previous Quarterly Reports.

CHTF has been represented in a series of Stakeholders' Meetings with the Secretary for Elder Affairs of the Commonwealth, **Ann Hartstein**. The group includes representation from more than 20 organizations and coalitions dealing with issues affecting older adults in the Commonwealth.

While not directly tied to housing, **Barry Bluestone** has worked closely with Governor **Patrick** and with Secretary of Housing and Economic Development **Greg Bialecki** to develop the Massachusetts Growth Capital Corporation (MGCC), which was passed by the state legislature and signed into law by the Governor in July of 2010. The law will provide growth capital to small and mid-sized firms in the Commonwealth, along with technical advice to assist companies in expanding their operations and employment.

Barry Bluestone also helped establish the Governor's Advanced Manufacturing Task Force, which is charged with providing the Governor and the legislature with recommendations for ways to help encourage the growth of manufacturing in the Commonwealth and assure it a well-trained workforce well into the future. Both of these economic development initiatives carry with them the promise of increased jobs—and a concomitant need for housing—in the future.

We also note that **Richard Walega** has moved on from his position as HUD Region I Administrator. Taking his place is **Barbara Fields**, formerly with the Local Initiatives Support Corporation in Rhode Island. Please see HUD's press release on this in Appendix VII. We welcome Barbara and wish Richard well in the future.

Expansion of the Task Force and the Search for Resources

We have been gratified again this Quarter with requests from new people to participate in the Task Force, especially those interested in diversity initiatives and public housing. As we speak about Chapter 40R and about making communities more welcoming, we also are receiving requests from more elected and appointed local officials to get involved in the CHTF, and they are a most positive 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 both convener and a major funder of the Commonwealth Housing Task Force. Finally, a committee of the Task Force, under the leadership of Paul Grogan and Mary Jo Meisner of the Boston Foundation; **Jerry Rappaport, Jr.** and **Robert Smyth**, Co-Chairs 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. Many thanks to the Boston Foundation, which continues to be our major financial supporter, to allow CHTF work to go forward without interruption. In June of last year, the Boston Foundation Board voted support for CHTF for the following three years. We are particularly grateful for their ongoing confidence in CHTF and for their support during these difficult economic times. The staff is investigating other institutional sources of support, which are scarce, and financial contributions from the business community and individuals are always most appreciated.

Also **thank you** to all of the CHTF participants for your continued enthusiasm and participation. **Please send updates to your contact information to ewhite@housingpartnersinc.com** . We welcome comments and suggestions. You can continue to reach **Eleanor White** at Housing Partners, Inc. (617-965-1065 before 4PM Boston time or ewhite@housingpartnersinc.com); **Barry Bluestone** at the Northeastern Dukakis Center for Urban and Regional Policy (617-373-8595 or b.bluestone@neu.edu) ; and **Ted Carman** at Concord Square Planning and Development (617-482-1997 or carman@concordsqdev.com). **Please note that email messages about CHTF will often be coming from Maura Fogarty at The Boston Foundation (maura.fogarty@tbf.org).**

Respectfully submitted: Eleanor White, Barry Bluestone, Ted Carman

April, 2011

(APPENDICES FOLLOW)

Appendix I to CHTF Quarterly Report 3-31-2011 Update of Progress under Chapter 40R: Smart Growth Zoning and Housing Production Act

The current housing market in Massachusetts appears to be strengthening, with home prices stabilizing. Nonetheless, housing markets are just beginning to show more vigor, and it will be many months before the return of what we formerly considered normal. New home construction continues to be far below its past levels. In this environment, communities across Massachusetts continued to explore the adoption of Chapter 40R smart growth zoning districts during this period. *As was the original intent of Chapter 40R, these districts and the expedited as-of-right permitting process they offer will make it possible to increase production rapidly once the economy and housing market strengthen, thus providing the opportunity for housing supply to keep up with demand when market conditions warrant.*

Other states—notably Connecticut and New Jersey—have also taken notice of the results that 40R has produced. Specific information is included in the body of this Report.

As detailed in this Appendix, more than **50** cities and towns in the Commonwealth have either passed Chapter 40R districts, or are in some stage of consideration. The new table in this Appendix shows these municipalities, their district status, and data regarding their districts. We extend our thanks to **Karen Cullen** for the preparation of this information.

Since 2006, in Massachusetts the towns of Belmont, Grafton, Lunenburg, Norwood, North Reading, Plymouth, Dartmouth, Lakeville, Natick, Amesbury, Kingston, Lynnfield, North Andover, Reading (two districts), Bridgewater, Easton, Westfield, Marblehead (two districts), Sharon, and the cities of Boston, Brockton, Chelsea, Chicopee, Easthampton, Haverhill, Holyoke, Lawrence, Lowell, Northampton, Fitchburg, and Pittsfield have all successfully had Chapter 40R applications approved by DHCD and have *passed* Chapter 40R districts. Among them, these 31 localities have provided zoning as-of-right for over 12,350 units of housing, at least 20 percent of which will be affordable to households earning less than 80% of the area median income. Within the 40R Districts, 1,457 building permits have already been issued. An additional 879 residential units have received Plan Approval from the permit granting authority, but have not yet applied for building permits due to other permitting (MEPA) and market conditions.

Many more municipalities are actively exploring 40R. In addition to those having passed districts, Andover is actively seeking a 40R Letter of Eligibility from DHCD, with one district totaling 254 Future Zoned Units. The Town of Weymouth has formally rejected using 40R for the proposed district under consideration there, by vote of the Planning Board and the Town Council. That district was proposed to have a total of 38 housing units. At least five localities have applied for or received state Priority Development Fund planning grants to pursue 40R zoning, including: Amesbury (a second district), Dennis, Ludlow-Southampton (combined), and Norfolk.

Although not all the news is rosy these days, progress continues on 40R; with the continuing economic problems facing both municipalities and property owners, four towns that had been considering using 40R have recently decided to abandon their efforts at least for the time being. Attleboro and Holden have discontinued their preliminary investigations, Rockland is moving forward without 40R, and Weymouth has voted 40R down.

On the bright side, we are seeing movement in project construction, with Easthampton granting local approval for the conversion of an old mill building into 50 affordable units (project is now awaiting tax credits), Easton's 40R developer is picking the MEPA process back up, Pittsfield expects construction in their Downtown District to begin in 2011, Reading is currently reviewing a site plan for 200 units in their Gateway District, and a developer in their Downtown District has local approval and is now seeking building permits for 56 units.

We are aware of interest in Chapter 40R (or additional districts under 40R) in 17 other cities and towns, including: Amesbury, Bridgewater, Concord, Dennis, Ludlow, Medway, Nantucket, New Bedford, Newburyport, Norfolk, Northbridge, Norwood, Somerville, Southampton, Walpole, and Waltham. Other cities and towns and local groups have expressed preliminary interest in the program. In addition, we have observed that developers – both nonprofit and for-profit – are starting to explore the use of Chapter 40R in partnership with localities now that the economy is beginning to show signs of revival. 40R continues to be regularly featured in conferences and seminars for real estate professionals.

It is also noteworthy that, with only three exceptions, every locally approved 40R district that has been brought to a vote has received the required approval of 2/3 of the local governing body. This includes votes in smaller communities such as Lynnfield and Kingston in which 40R bylaws allowing significant growth were approved at Town Meetings with the largest attendance on record. We attribute this to the positive nature of the collaborative local process required to develop the 40R plan and most particularly the local municipality's right to develop their own design standards. It appears that because so much input and cooperation is required locally to develop the district proposal, by the time the question is put to a vote, most stakeholders in the city or town have contributed ideas to the plan and are supportive of the concept.

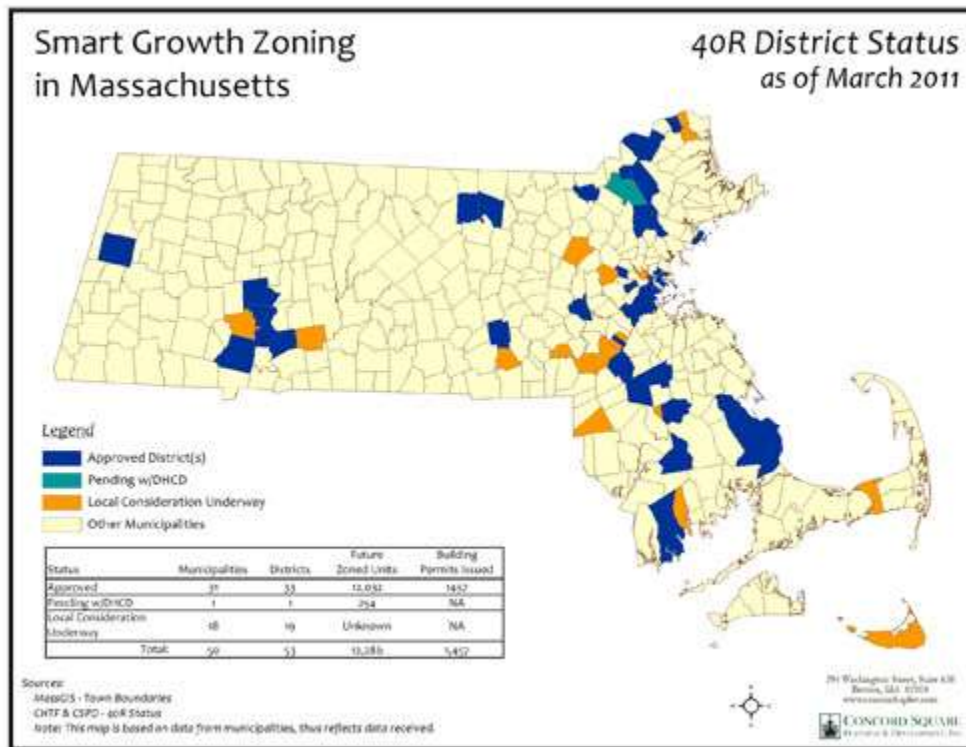
We also ask that you please let CHTF staff know where you have heard of particular interest in learning more about Chapters 40R and 40S (or where you believe that Chapter 40R would be especially beneficial to a city or town), and we will respond with outreach to those localities. Just send a message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

The following table – prepared by Ted Carman and Karen Cullen – compares zoning adoption to date to the projections included in the original Commonwealth Housing Task Force Report in October 2003, *Building on Our Heritage*, adjusted forward to account for the time lapse between the adoption of 40R in June 2004 and 40S in November 2005:

Year of Program	Calendar Year	Units Projected to be Zoned in 2003 Report	Total Units Zoned (Actual)
1	2006	0	2,883
2	2007	4,800	6,795
3	2008	9,700	9,693
4	2009	16,927	10,099
5	2010	22,085	12,350

It is important to note that many of the 17 communities that are currently in the planning stages for 40R districts have not yet determined or estimated the number of Future Zoned Units, and it is possible that the total number will increase dramatically in the coming years. It is also true, however, that the weakened economy has had and will likely continue to have an impact on the degree to which communities will focus on this program in the year ahead.

With the recent affirmation of the state’s affordable housing program under Chapter 40B, the interest level in Chapter 40R is likely to be strong. Increasing funding to local communities to pursue smart growth districts is the prudent way to provide a “relief valve” for communities facing Chapter 40B developments that are inappropriate for the location based on local comprehensive planning, site conditions, etc. Please refer to the map below showing the distribution of these localities 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 municipalities indicate that many more of them are now expressing interest in 40R. Unfortunately, we are also aware of a number of localities 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 cities and towns, must be satisfactorily resolved to enable smart growth zoning to realize its promise. We are

working to assure that a stable funding source is available to support the program's continued success in the future.

The following table provides at a glance the status of Chapter 40R:

Table of Districts Approved, Pending, or Under Consideration:

- (1) Approved: Future Zoned Units 12, 032;**
- (2) Pending with DHCD: Future Zoned Units—254;**
- (3) Local Consideration Underway: Future Zoned Units—3625**

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Town	40R District Status	Future Zoned Units	Total Acres	Building Permits Issued	District Location Type			PDF Grant?
					Transit	ACD	HSL	
Amesbury	1 - Approved	249	52	240	No	No	Yes	No
Amesbury-2	3 - Local Consideration Underway	40	8					Yes
Andover	2 - Pending w/DHCD	254	2433		Yes	Yes	Yes	No
Attleboro	3 - Local Consideration Underway				----- unknown -----			No
Belmont	1 - Approved	48	151	0	No	No	Yes	Yes
Boston	1 - Approved	578	415	51	No	No	Yes	No
Bridgewater	1 - Approved	594	1285		No	No	Yes	No
Bridgewater-2	3 - Local Consideration Underway	520			No	No	Yes	No
Brockton	1 - Approved	1096	607	0	Yes	Yes	Yes	Yes
Chelsea	1 - Approved	125	28	68	Yes	Yes	Yes	No
Chicopee	1 - Approved	778	27		No	Yes	Yes	Yes
Concord	3 - Local Consideration Underway				----- unknown -----			No
Dartmouth	1 - Approved	349	4065	0	No	No	Yes	No
Dennis	3 - Local Consideration Underway	80	7		----- unknown -----			Yes
Easthampton	1 - Approved	450	104	0	No	Yes	No	Yes
Easton	1 - Approved	280	606	0	No	No	Yes	No
Fitchburg	1 - Approved	705	355		No	Yes	No	Yes
Grafton	1 - Approved	240	137		No	No	Yes	No
Haverhill	1 - Approved	526	53	305	Yes	Yes	Yes	Yes
Holden	3 - Local Consideration Underway				----- unknown -----			No
Holyoke	1 - Approved	296	1523	5	No	Yes	No	Yes
Kingston	1 - Approved	730	109	0	Yes	No	Yes	Yes
Lakeside	1 - Approved	207	108	204	Yes	No	Yes	No
Lawrence	1 - Approved	1031	341		No	No	Yes	No
Lowell	1 - Approved	250	25	0	Yes	No	No	No
Ludlow	3 - Local Consideration Underway				----- unknown -----			Yes
Lunenburg	1 - Approved	204	837		No	No	Yes	No
Lynnfield	1 - Approved	180	8025		No	No	Yes	No
Marblehead	1 - Approved	17	033		No	Yes	No	Yes
Marblehead-2	1 - Approved	46	156		No	Yes	No	Yes
Medway	3 - Local Consideration Underway				----- unknown -----			No
Nantucket	3 - Local Consideration Underway				----- unknown -----			No
Natick	1 - Approved	138	5	0	Yes	Yes	Yes	No
New Bedford	3 - Local Consideration Underway				----- unknown -----			No
Newburyport	3 - Local Consideration Underway				----- unknown -----			No
Norfolk	3 - Local Consideration Underway	200			Yes	No	No	Yes
North Andover	1 - Approved	590	169	0	No	Yes	No	Yes
North Reading	1 - Approved	434	46	406	No	No	Yes	Yes
Northampton	1 - Approved	156	166	58	No	No	Yes	Yes
Northbridge	3 - Local Consideration Underway				----- unknown -----			No
Norwood	1 - Approved	15	078	15	No	Yes	Yes	No
Norwood-2	3 - Local Consideration Underway	35	15		Yes	Yes	Yes	No
Norwood-3	3 - Local Consideration Underway				No	No	Yes	No
Pittsfield	1 - Approved	296	1072	55	No	Yes	No	Yes
Plymouth	1 - Approved	675	568	0	Yes	Yes	Yes	Yes
Reading	1 - Approved	202	10	0	No	No	Yes	No
Reading-2	1 - Approved	256	2576	50	No	Yes	No	Yes
Rockland	3 - Local Consideration Underway	2750			----- unknown -----			No
Sharon	1 - Approved	167	1155		No	No	Yes	No
Somerville	3 - Local Consideration Underway				----- unknown -----			No
Southampton	3 - Local Consideration Underway				----- unknown -----			Yes
Walpole	3 - Local Consideration Underway				----- unknown -----			No
Waltham	3 - Local Consideration Underway				----- unknown -----			No
Westfield	1 - Approved	244	223	0	No	No	Yes	Yes
Weymouth	2 - Pending w/DHCD	38	235		No	No	Yes	No
Totals:		15,949	1,440	1,457				
Subtotals:								
1 - Approved		12,032	1,297					
2 - Pending w/DHCD		292	27					
3 - Local Consideration Underway		3,625	NA					

APPENDIX II March 31, 2011

Articles about the Housing Market

'Lots of optimism' in state's housing market

By Thomas Grillo | *Boston Herald*

January 5, 2011

The number of Massachusetts homes put under agreement rose by more than 5 percent in December - the biggest hike in seven months and a sign that the housing market could be rebounding.

"There's an awful lot of optimism out there," said local economist Karl Case, co-creator of the widely followed Case-Shiller home-price indexes. "The stock market is up, and everyone is talking about the recovery being better than we thought."

The Massachusetts Association of Realtors said yesterday that brokers placed 2,888 Bay State houses under agreement last month, up from 2,743 homes in December 2009.

A house goes "under agreement" when a buyer and seller have signed a purchase-and-sale agreement but have not yet closed their deal. Such pending sales provide hints as to where the market is heading.

Gary Rogers, a Waltham Realtor and MAR past president, said a recent rise in mortgage rates pushed many house hunters into signing purchase-and-sale contracts.

"The hike of interest rates by about 1 percentage point this fall finally caught people's attention," he said. "(It) drove people off of the sidelines. It was a motivator."

But Northeastern University economist Barry Bluestone doesn't think the December numbers are a fluke.

He said 2010 closed with lots more optimism among consumers and the business community.

"There seems to be a growing feeling that we are past the bottom, the dark clouds are starting to lift and we will see economic growth in the months ahead," Bluestone said. "And with that, home sales rise."

Banker & Tradesman: February 1, 2011

Conflicting Reports Released on State Of Nation's Housing

Two reports were released recently about the nation's housing market that carry different viewpoints, with one optimistic about its future and the other calling it "fragile."

Home prices nationwide experienced a 1.5 percent increase during the third quarter of 2010, compared to the same time a year ago, according to Fiserv Case-Shiller Indexes.

The Fiserv Case-Shiller analysis, which examined more than 375 markets across the country, found that metro area housing markets are starting to stabilize after five years of home price declines. It's estimated

that price stability will characterize 75 percent of metro markets by the end of 2011 and 100 percent of markets by the end of 2012.

Despite these optimistic statistics, a conflicting report was released from the Obama administration. The January edition of the nation's housing scorecard indicates that the country's housing market continues to be fragile.

Findings from the nation's housing scorecard include:

- New and existing home sales increased in December, but remained below levels seen in the first half of 2010. Record-low mortgage keep home affordability at record-high levels. However, home prices remain unsettled.
- Many foreclosure actions have been delayed as lenders review internal procedures, leading to lower foreclosure activity levels in December than in prior months.

"The data clearly show that the market remains extremely fragile," said Department of Housing and Urban Development Assistant Secretary Raphael Bostic. "We know that many responsible homeowners are still fighting to make ends meet."

The Fiserv Case-Shiller report, however, predicted a slow recovery despite the stabilization in home prices.

"Large supplies of foreclosed properties will continue to be the biggest downside risk for home prices and metro area housing markets," said David Stiff, chief economist, Fiserv. "Foreclosure activity declined at the end of 2010, but sales activity of bank-owned homes increased. In bubble and crash markets, the uncertain timing and volume of bank liquidated properties will cause home prices to bounce around their lows for many years."

Boston Globe

US, Mass. economic recoveries in 'rebound phase,' panel says

Lifts in housing, spending, jobs are among key factors

By Todd Wallack

Globe Staff / March 2, 2011

The US and Massachusetts economies are continuing their slow and steady march to recovery, a panel of executives and analysts said yesterday.

The panel, appearing at a breakfast program sponsored by Sovereign Bank and the Greater Boston Chamber of Commerce, cited improving housing and commercial real estate; increased business spending; and private sector job growth.

"We are moving into a rebound phase," said Greg Pinto, chief investment officer for Baystate Wealth Management, an investment adviser in Washington. "We are now cautiously optimistic."

Barry Bluestone, an economist at Northeastern University, said the Massachusetts economy has slowed in recent months, following a burst of activity and job growth in the first half of 2010. Growth in the second half was slowed by cuts in government spending, offsetting private sector job gains with losses in public sector employment.

"We are looking at slight improvement, rather than a more rapid improvement," said Bluestone, dean of NU's School of Public Policy and Urban Affairs.

Bluestone also said the state's housing market appears to have hit bottom but could rebound if the possibility of rising mortgage rates prompts buyers to make deals now.

Steven Andrews, a senior vice president at Sovereign Bank, said the commercial real estate market appears to be improving, as well.

Both office vacancy rates and rents have been stable, according to data from Reis, a research firm that tracks the commercial real estate market. And, Andrews said, the value of commercial real estate is rising.

Peter Smyth, chief executive of Greater Media Inc., which owns more than a dozen radio stations in Boston and other markets, said he's also seeing signs the economy is improving and businesses are spending more. But he is not expecting explosive growth.

"We are starting to see confidence come back," Smyth said.

An array of economic data — from unemployment to consumer confidence surveys — has indicated the US economy is slowly recovering, but remains significantly worse than it was before the recession began in December 2007.

The US unemployment rate fell to 9 percent in January, from 9.4 percent in December. But job growth has been sluggish, raising concern that unemployment could remain relatively high for some time to come.

In Massachusetts, the unemployment rate was 8.2 percent in December. The state is scheduled to release January figures tomorrow.

Todd Wallack can be reached at twallack@globe.com. ■

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Banker & Tradesman March 15, 2011

Mass. Realtors More Dismal About Housing Market

Realtors' optimism about the state's housing market dropped a staggering 32 percent in February, according to a recent report from the Massachusetts Association of Realtors (MAR).

MAR's February Realtor Market Index (RMI) was 28.06, a significant decrease compared to the 41.67 score in February 2010. However, on a month-to-month basis, the RMI increased more than 32 percent from January - the largest month-to-month gain in the three years the data has been collected.

The February Realtor Price Index (RPI) was 46.96, an 11 percent drop from the February 2010 RPI of 52.78. The RPI rose a slight 1 percent from January.

"The market continues to be fragile, but current conditions exist to produce a solid spring season," said 2011 MAR President Laurie Cadigan, broker/owner of Barrett & Co. in Concord.

The majority of Realtors (61 percent) also report that their clients' ability to secure financing in the current lending environment is more difficult than last year, according to a statement. One-third report lending conditions have remained the same and 6 percent said it was somewhat easier to secure financing.

Boston Globe
EDWARD L. GLAESER

IF YOU LOVE NATURE, MOVE TO THE CITY
2-10-11

ON A pleasant spring day 167 years ago, two young men enjoyed some fishing near Concord and cooked up some chowder in a nearby pine stump. The wind spread their fire to the nearby dry grass, and the Concord Freeman reported that “as every thing around them was as combustible almost as a fireship, the flames spread with rapidity, and hours elapsed before it could be subdued.” By the time the sylvan inferno ended, more than 300 prime acres of Concord woodland had been destroyed.

The inadvertent tree-burner was Henry David Thoreau. Today, he is a secular saint of environmentalism, but his contemporaries understandably saw the forest destroyer as a “damned rascal” and “flibbertigibbet.” It is hard to imagine any Bostonian shopkeeper or merchant who harmed the environment as much as Thoreau.

Thoreau’s story contains a moral that remains relevant today. We are a destructive species, and if you love nature, stay away from it. The best means of protecting the environment is to live in the heart of a city.

A few years ago, environmental economist Matthew Kahn and I estimated the carbon emissions associated with living in different areas of the country. We focused on household emissions, the roughly 40 percent of American carbon emissions associated with personal transportation and home energy. We calculated energy use for households with standardized size and income, so our results wouldn’t reflect the tendency of richer people with larger families to live in the suburbs.

In much of the country, cars are the biggest carbon emitters, and density determines driving. Households in areas with more than 10,000 people per square mile average 687 gallons of gas per year, while households in areas with fewer than 1,000 people per square mile average 1,164 gallons of gas per year. Even among driving families, there is a big difference between gas usage in denser places, like Brookline, and far-flung suburbs.

In the Boston area, a standardized household drives about 1,000 miles per year, which leads to about 23,000 pounds of carbon dioxide emissions. We drive more than New Yorkers, but less than residents of less dense areas like Nashville.

We estimated that a standardized household in Boston’s urban core emits about 6,700 fewer pounds of carbon dioxide per year due to driving habits than an equivalent suburban household. Certainly, when I moved from Cambridge to a woodsy suburb, I spent endless hours in my planet-polluting Subaru. The public transportation that is more common in cities does little to balance the scales.

As for electricity use, electrical appliances account for two thirds of residential use, and summer heat explains most of the differences across the nation. Boston's relatively mild summers mean that we use less electricity than either the South or the Midwest. Our electricity plants are also pretty green. As a result, emissions from home electricity in the Boston area run at around 9,300 pounds per year, less than one-third the level of super-humid Houston.

Boston is, however, less green because of home heating. Many Boston area residents rely on high-emission oil, rather than natural gas, for heating. The seven tons per year of carbon dioxide associated with heating a standardized household in the Boston area is higher than almost any other large metropolitan area.

There are also substantial electricity and home heating differences between cities and suburbs, mostly because suburbanites have bigger homes, even holding income and family size constant. After all, many people move to the suburbs precisely because they want a bigger home. On average, electricity use is 88 percent higher in single-family detached homes than in apartments in buildings with five or more units.

We estimate that a standardized household in a Boston suburb produces about 4,400 extra pounds of carbon dioxide per year from heating and about 1,800 extra pounds from electricity. All told, the standardized suburban household in the Boston area produces almost six tons more carbon dioxide per year than the standardized urban household.

Living around trees is less green than living around concrete. The next time you want to fight for nature, leave Walden Pond alone and start pushing for denser development in downtown Boston.

Edward L. Glaeser, a professor of economics at Harvard University, is author of "The Triumph of the City." His column appears regularly in the Globe. ■

APPENDIX III: March 31, 2011

College Student Housing

Summary of the Multi-University Graduate Student Village Concept by Barry Bluestone

Memo

To: Boston City Council
From: Barry Bluestone, Dean, School of Public Policy and Urban Affairs
Re: "Multi-University Graduate Student Village"
Date: November 30, 2010

As I mentioned to you at the meeting of the Advisory Board to our School, the following idea is one that I have been kicking around quietly for the better part of a year. Larry Harmon of the *Boston Globe* picked up on it and wrote a story early this year essentially endorsing the idea. I have met with a variety of developers, builders, staff of the BRA, and others to discuss its feasibility. And as I told you, Mike Ross has asked me to present the idea before a special session of the City Council. Now might be the time to give the idea more thought and encouragement.

The basic idea is for several universities and colleges (e.g. Northeastern, New England Conservatory, Boston University, Boston College, Umass Boston, Tufts Medical School, Berklee School of Music, Suffolk, Emerson) to collaborate on the development of a *multi-university graduate student village* that would attract a substantial number of graduate students and in the process take some pressure off of the Boston rental housing market.

While many of the universities provide housing for undergraduates, throughout Greater Boston less than 8 percent of graduate students are in university housing. Nearly 95,000 compete for rental housing in the region.

Here are the basic elements as I see them:

- Several universities and colleges would collaborate on *marketing* a high density graduate student residential facility that would be centrally located near public transit, would include commercial and retail space, and have commons areas that could house seminar rooms, a small lecture hall, a large screen video room, and recreational space.
- The village would be developed by a *private sector developer* with the universities and colleges having responsibility for marketing the facility to its own graduate students. The collaborating higher education institutions would not have a financial stake in the development and the facility would remain on the city's tax rolls.
- The village would include efficiencies, singles, doubles, and perhaps even some triples ... and possibly even some units for married couples with young children. Units could also differ in terms of amenities so that some smaller units could be aggressively priced while others are upscale. (Our graduate students range from "starving students" to the children of extraordinarily wealthy foreign business leaders.)
- The village would have first and perhaps second floor commercial retail space that might include a small supermarket (e.g. Trader Joes, Whole Foods), a drycleaner, drug store, a sports bar, etc.
- The village would have an underground garage with perhaps one space per 3-5 units, but a large Zip Car facility with vehicles ranging from Smart Cars to vans.

- The village would have regular programming of seminars, lectures, film festivals, etc. for residents and others sponsored by the collaborating universities and colleges ... along the lines of Northeastern's "Open Classroom" sponsored each semester by the School of Public Policy and Urban Affairs.
- The combination of a convenient location, attractive apartments, a large array of amenities, the ability to live with students from other schools, and other "village-like" attributes might make this a top residential choice among graduate students when they come to Boston.
- If the village were also open to graduate students *after* graduation for up to five years, it might serve to retain young professionals in the city – a major goal of the Mayor.
- A possible ideal site for this large project would be the Filene's location in Downtown Crossing. There is no current use for this site, the Mayor is adamant about finding an innovative use for it, the site is adjacent to the Orange, Red, and Green Lines, therefore convenient for students from Northeastern, the New England Conservatory, Boston University, and Boston College and a short walk for students at Suffolk and Emerson. If the village were developed there, it could anchor a renaissance of the entire area.
- A private developer might be encouraged to develop such a project ... and find financing for it ... with the multi-universities' agreement to aggressively market the residential rental units thereby ensuring a high probability of something close to 100% occupancy. Also, given that graduate students generally do not leave the city during the summer, most of the residents would be 12-month residents with little need for sub-leasing.

If we were to move forward to explore this idea, I would suggest the following possible steps:

1. A discussion with city officials about this idea.
2. If this proves worthy of further exploration, a meeting with university officials to explore this idea.
3. If this proves positive, a meeting with a number of local developers and builders to gauge their interest and the possibility of devising a pro forma for such a project.

Boston Herald Editorial 1-7-11

Bringing a college student village to Boston

A proposal by a state university president for a student village might bring new interest to the idea here in Boston.

According to the [Sentinel & Enterprise](#) newspaper, Fitchburg State University President Robert Antonucci is proposing the idea of a "224-acre Student Housing Overlay District in the urban renewal district" in downtown Fitchburg.

Through regulations passed by the city's planning board, the district would become more-appealing to developers looking to build housing. While the apartments would be privately owned, and therefore, not rented solely and specifically to college students, its location (and presumed pricing) is hoped to encourage them to move there instead of into other neighborhoods.

A similar idea has been proposed for here in Boston, most-recently by Northeastern University professor Barry Bluestone, who imagines a "graduated student village" of substantial size, made up of thousands of 20-somethings from area colleges.

Commonwealth Housing Task Force Quarterly Report

March 31, 2011

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Because these students are enrolled in graduate school, the idea is that they are more-focused on their schoolwork and less on causing trouble, so the village would be welcomed into any community.

The student village wouldn't have to be built inside city limits but would need to be close to public transportation and in a relatively dense area where there is easy access to restaurants, supermarkets, and retail shops.

The Fitchburg plan is for a space as large as 224 acres. Boston could certainly fill such a space, the trouble is, where to find it. Your thought might immediately turn to the Seaport District but, on second thought, you'd realize that's a non-starter, for various reasons. Not only would there be an outcry from residents in South Boston, the Seaport District is too close to downtown and too valuable a space to give it away to developers looking for relatively-moderate rents. (Plus, the land there is already owned by a couple of guys who have very serious plans in place to build a mini-city.)

Further out, there's plenty of space.

One big problem is: what if you build it and nobody comes?

Another problem is: what if you build it and everyone wants to live there? Can you keep it segregated so that only students can live there? The opposite is true, you can make apartments available to non-students only, but I don't know the legality of it all.

It's an interesting idea. I'd rather see something big and grand than small and meek (like putting a student tower in Downtown Crossing).

The need exists - how do we fill it?

APPENDIX IV: March 31, 2011
CHTF Letter for Co-Sponsors of State Legislation
February 1, 2011

Commonwealth Housing Task Force
c/o The Boston Foundation
75 Arlington Street
Boston, MA 02116

February 1, 2011

Dear Representative,

I am writing to offer support on behalf of the Commonwealth Housing Task Force (CHTF)—and ask for your co-sponsorship-- for an *Act Relative to Financing the Smart Growth Housing Trust Fund*, an *Act Relative to Community Housing and Services* and *An Act Relative to Public Housing Innovations*.

The CHTF is an ad hoc group representing widely-diverse constituencies: business and civic leaders, foundation leadership, affordable housing advocates, the environmental community, organized labor, real estate developers, elected and appointed officials at both the state and local levels, and higher education. We have come together to find common ground and to address the state's housing crisis on a coordinated basis.

The Task Force has reviewed these pieces of legislation and believes they would help address critical affordable housing challenges. *We respectfully request your co-sponsorship and support for these proposals.*

Act Relative to Financing the Smart Growth Housing Trust Fund—Rep. Kevin Honan and Sen. Harriette Chandler

This bill would provide for a continuing and reliable source of funding of the Smart Growth Housing Trust Fund, without requiring annual appropriations actions. It would make the Chapter 40R Smart Growth Zoning and Housing Production program self-supporting; the program to date has resulted in the **locally-initiated** as-of-right zoning in 28 cities and towns for up to 12,000 housing units in the Commonwealth, 20 percent of them affordable to households at low and moderate incomes.

The bill would capture a portion of **new** revenues generated by the operation of the Chapter 40R program, thus requiring no new appropriations.

Act Relative to Community Housing and Services – Rep. Kevin Honan and Sen. Pat Jehlen

Permanent supportive housing will be critical to meeting the needs of the Commonwealth's population in the coming years. With an aging population, the need for a community-based

approach to housing persons with disabilities, and increasing gaps between low income worker wages and housing costs, supportive housing can help the majority of individuals and families at

risk of homelessness, elders, or persons with disabilities achieve stability and independence in the community. To develop new supportive housing, a project requires access to three components: capital funds to support construction costs, operating assistance to make the rent affordable to extremely low-income households, and community-based supportive services.

While not sufficient to meet current needs, the Commonwealth has programs in all three of these areas. Often, however, a proposed or existing program will have access to one or two of these three vital elements but not all three simultaneously. Coordination of access to these elements is absolutely critical but requires enhanced collaboration and coordination among key state agencies including housing and human service agencies. This legislation establishes the groundwork for that collaboration, including a Demonstration Program of 1,000 units or more of permanent supportive housing, with grants to support the services in these units.

The Public Housing Innovations Act – Rep. Jeffrey Sanchez and Sen. Harriette Chandler

CHTF has lent strong advocacy support to the effort to increase funding for state-assisted public housing development and management over the last year. Although current levels of funding are higher than in past years, they are clearly inadequate to support either the needs of low-income households or of aging public housing buildings. Public housing programs represent the most efficient and effective means of providing housing for those at 50 percent of area median income and *below*, and include traditional public housing as well as demand-side voucher programs and major redevelopment efforts. The Task Force supports inventive approaches to manage this resource to preserve public housing for future generations.

The Public Housing Innovations Act was filed by Representative Jeffrey Sanchez and Senator Harriette Chandler to help spur new approaches and efficiencies in state public housing. This proposal would authorize ten housing authorities to test new and innovative programs designs on a variety of issues in state public housing management and rehabilitation.

The Commonwealth Housing Task Force is extremely supportive of these three proposals and respectfully requests that you cosponsor these pieces of legislation. We look forward to working with the Legislature, the Administration, developers and service providers to meet our shared goal of providing affordable housing to Massachusetts households, including homeless, persons with disabilities, and elders. Thank you for your consideration.

Sincerely,

Lawrence S. DiCara
Partner, Nixon Peabody
Co-chair

Paul S. Grogan
President & CEO, The Boston Foundation
Convener

Jerry Rappaport, Jr.
President, New Boston Fund, Inc.
Co-chair

Robert E. Smyth
Co-chair

Appendix V: March 31, 2011 Foreclosure Programs and Issues

CHAPA Housing Briefs, March 16, 2011

House Proposes Ending Four Foreclosure Assistance Programs

Last week, the House approved two bills to terminate two programs to help homeowners avert foreclosure: the FHA Refinance Program ([H.R. 830](#)) and soon-to-roll-out [Emergency Homeowner Loan Program](#) ([H.R. 836](#)). The House Financial Services Committee also approved bills to rescind the third round of funding for the Neighborhood Stabilization Program (NSP3) ([H.R. 861](#)) and to terminate the HAMP loan modification program ([H.R. 839](#)). The President has indicated he will veto the bills if they reach his desk.

- The FHA Refinance program helps owners with non-FHA-insured mortgages who are not behind on their loan but owe more than their home is worth. It lets them refinance into a lower FHA-insured mortgage if the current lender agrees to write down the loan balance by at least 10%. The new loan must result in a first loan to value ratio of no more than 97.75% and a total LTV including second mortgages of no more than 115%. \$8 billion in TARP funds have been set aside as a loan loss reserve. The program began in September 2010 and as of January had received 182 applications and closed 40 loans.
- The \$1 billion HUD [Emergency Homeowners Loan Program](#) (EHLPP), by contrast, targets homeowners (in 32 states, including Massachusetts) who are at least 90 days delinquent as a result of unemployment or reduction in income. EHLPP offers emergency mortgage relief of up to \$50,000 to pay arrears and the unaffordable portion of future payments for up to 12-24 months (owners' payments would be reduced to 31% of monthly gross income). Massachusetts is currently slated to receive \$61 million to help state residents.
- The HAMP program (Home Affordable Modification Program) provides payments to lenders who voluntarily agree to provide loan modifications to delinquent or struggling homeowners. The modification must temporarily reduce the owner's first mortgage payments to no more than 31% of income. Approved applicants receive a trial modification and if they can sustain it and program eligibility is established, the trial will be converted to a permanent modification. Currently, about 540,000 households nationwide have permanent loan modifications and about 145,000 more have trial modifications (about 13,500 and 3,500 respectively in Massachusetts).
- NSP is a program that provides funds to public agencies and non-profits to stabilize neighborhoods hard hit by foreclosures, through the acquisition, rehab, resale and/or management of foreclosed, vacant and/or abandoned properties. The House bill would rescind all unobligated funds out of the \$1 billion appropriated in 2010 under the Dodd-Frank bill for a third funding round ([NSP3](#)). Massachusetts received \$7.4 million in NSP funds (\$5 million for DHCD, and 1.2 million each for Springfield and for Worcester County). The House Committee report accompanying the bill indicates all \$1 billion is expected to be obligated by March 31.

Administration Issues GSE Reform Policy Paper

On February 11, HUD and the Treasury Department issued their long-awaited [plan](#) for reforming the three Government-Sponsored Enterprises (GSEs) – Fannie Mae, Freddie Mac and the Federal

Home Loan Banks. The plan does not recommend a specific approach, but instead discusses the short and longer term goals of reform and outlines three possible approaches. As [summarized](#) by HUD and Treasury, the goal of reform is to increase the role of private capital in mortgage markets, reduce risk, eliminate or limit government guarantees, and establish mechanisms to finance affordable housing.

The three options include (1) limiting government insurance to FHA and other targeted programs, (2) operating the same limited program but allowing some form of broader government guarantee as a backstop in times of financial stress when private capital is not available; and (3) allow government insurance for private mortgages that meet certain government standards, funded by catastrophic risk insurance fee. The agencies acknowledge that all of these approaches are likely to raise mortgage costs and some could limit the availability of 30 year fixed rate mortgages. Congress has begun hearings on the proposal.

Appendix VI: March 31, 2011

New Programmatic Activity

Banker & Tradesman January 25, 2011

MassDevelopment Bond Helps Keep 115 Affordable Housing Units At Boston's Bowdoin Manor

MassDevelopment has issued a \$3.2 million tax-exempt bond on behalf of Bowdoin Manor LLC, a single-room occupancy housing facility for low-income individuals in Boston with special needs who were once homeless.

Bowdoin Manor will use bond proceeds to preserve all of its 115 units as affordable housing and perform various upgrades and improvements. Wainwright Bank purchased the bonds, according to a statement.

"Bowdoin Manor provides warm shelter for those most in need of it during these cold New England winters," said MassDevelopment President and CEO Robert L. Culver. "This tax-exempt financing will ensure these units stay affordable for low-income residents with special needs in Massachusetts."

Improvements to the facility include repairs to windows and stairways; upgrades to fire safety systems; improvements to electrical systems and egress; and new energy-efficient boilers. Bowdoin Manor works to provide stability for formerly homeless individuals with mental and physical disabilities.

"Commonwealth Land Trust is an organization dedicated to the elimination of homelessness in the greater Boston area, particularly among our disabled citizens," said Commonwealth Land Trust President and CEO Ellen Tan. "To accomplish this, we provide permanent housing with strong on-site supportive services at properties like Bowdoin Manor. The people who find refuge at Bowdoin Manor are our state's most vulnerable individuals - those with serious disabling conditions, including mental illness - who have been living on the streets, sometimes for years, before finding a place like Bowdoin that is able to provide them with the perfect balance of independence, support and acceptance in a place they can call home. Without the support of MassDevelopment, which has been there from the very beginning of this project nearly 20 years ago, Bowdoin would never have come to be."

The MassWorks Infrastructure Program Draft Guidelines as of March, 2011

OVERVIEW

The MassWorks Infrastructure Program provides a one-stop shop for municipalities seeking public infrastructure funding to support:

- Housing development at density of at least 4 units to the acre (both market and affordable units)
- Transportation improvements in small, rural communities
- Community revitalization and sustainable development
- Economic development and job creation

The MassWorks Infrastructure Program provides grant funding for the construction, reconstruction and expansion of publicly owned infrastructure including, but not limited to sewers, utility extensions, streets, roads, curb-cuts, parking facilities, water treatment systems, and pedestrian and bicycle access. Eligible public infrastructure must be located on public land or on public leasehold, right-of-way, or easement. The project must be procured by a municipality in accordance with Massachusetts General Laws c.30B, c.30 §39M, c.149, and c.7.

The MassWorks Infrastructure Program is administered by the Executive Office of Housing and Economic Development, in cooperation with the Department of Transportation and Executive Office for Administration and Finance.

FUNDING PRIORITIES

The Patrick/Murray Administration is committed to implementing the Commonwealth's Sustainable Development Principles by ensuring that state funds used for infrastructure investments are consistent with these principles to the greatest extent possible. To that end, the Administration has developed spending goals for the MassWorks Infrastructure Program portfolio of investments. Going forward, including projects seeking funding during the September 2011 funding round, spending goals for the MassWorks Infrastructure Program will be as follows:

- 50% or more of the total funding be in support of developments in gateway cities;
- 67% or more of the total funding be in support of transit-oriented developments (that is, developments located within one-half mile of a transit station);
- 80% or more of the total funding be in support of developments that are re-using previously developed sites;
- 50% or more of the total funding be in support of developments that contain a mix of residential and commercial uses, with a residential unit density of at least four units to the acre;
- 100% of the funding that is committed in support of housing (or mixed use including housing) be for developments with a residential unit density of at least four units to the acre;
- 40% of the total funding will be directed to communities that score within the top 20% of Commonwealth Capital scores in the corresponding calendar year.

It is also the goal of the Administration that funding be awarded to transportation and other infrastructure investment projects that are ready to proceed. To meet the minimum threshold for consideration for MassWorks Infrastructure Program grants, projects must demonstrate:

- 25% design or greater that is consistent with MassDOT's Complete Street guidelines; and
- A timeline and funding source for completing design; and
- A complete list of required state and local permits; and
- Evidence that all required permits can be reasonably obtained within 90 days or shortly thereafter (for example, the applicant can demonstrate that all permit applications have been submitted and provide a timeline for anticipated issuance, or a detailed schedule for submittal and a schedule for anticipated issuance detailing all applicable milestones for each permit including publication dates and agency review periods); and
- All rights of way are secured or evidence that the rights of way will be secured within 90 days or immediately thereafter; and
- All sources and uses that will fund the project, and a complete draw schedule that reflects a construction start during the upcoming construction season.

APPLICATION AND CONTRACT PROCESS

There will be a primary funding round opening September 1st annually and decisions will be rendered approximately six weeks after the close of the application period. The MassWorks Infrastructure Program reserves the right to hold a second annual funding round to consider additional projects, and the availability of a second round will be announced as soon as the determination is made. **Only those projects that are prepared to proceed to construction during the upcoming construction season should apply for consideration.**

Communities with population of 7,000 or less are eligible to apply for up to 50% of total design/engineering costs along with a construction grant. In that case, the project must be able to complete design/engineering in a period that allows the project to advance to construction during the upcoming construction season. In each year, there will be a set-aside of funds available only for projects in these small communities.

Communities with population over 7,000 are eligible to apply for construction grants only.

The MassWorks Infrastructure Program may withhold up to 20% of available funds for projects of significant regional benefit that meet with Administration funding priorities and arise out of round and grants may be made at the discretion of the Secretary. Municipalities should contact the Program Manager directly to discuss projects for consideration out of round.

Applications will be reviewed for consistency with Administration funding priorities. A team of peer reviewers representing housing, economic development, transportation, community development, and other applicable interests will review all pending applications and develop recommendations for funding. Final decisions will be rendered by the Secretary of Housing & Economic Development, in cooperation with the Secretaries of Transportation and Administration & Finance.

Applicants that are approved for funding will be notified in writing of the approval with instructions for demonstrating readiness and any other required submissions as determined by the Secretary. Grant contracts will only be issued for projects that successfully meet all requirements

included in the award letter. Any project that receives an award but does not meet the requirements by the specified date will lose its funding commitment for that year and may be penalized during future funding rounds.

Applicants that are denied for funding will be notified in writing and the notification will cite the reason for denial. If the reason for denial is a lack of available funds, that application may be reconsidered at a later date that year if additional program funds become available. The Program will reset every September and applicants that have not received a contract for funding in a prior round will be required to submit a new application for consideration.

CONTACT INFORMATION

For further information, please contact:
MassWorks Infrastructure Program
Executive Office of Housing and Economic Development
1 Ashburton Place, Suite 2101
Boston, Massachusetts 02108
(617) 788-3610

Appendix VII: March 31, 2011
HUD Press Release re New Regional Administrator

HUD No. 11-017
Rhonda Siciliano
(617) 994-8355

FOR RELEASE
Friday
February 18, 2011

**HUD SECRETARY DONOVAN NAMES BARBARA FIELDS AS HUD'S NEW
ENGLAND REGIONAL ADMINISTRATOR**

Community development leader tapped for key role

BOSTON - U.S. Department of Housing and Urban Development Secretary Shaun Donovan today announced President Barack Obama's selection of Barbara Fields to serve as HUD's Regional Administrator for the six states in HUD's New England Region including Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

Fields most recently served as the Executive Director of the Rhode Island office of Local Initiatives Support Corporation (LISC), the nation's leading community development intermediary. Created by the Ford Foundation, LISC finances urban and rural revitalization efforts nationwide by leveraging philanthropic dollars with private and public investment capital to stimulate economic recovery of depressed communities.

Under Fields' leadership, a LISC office was established in Rhode Island in 1991 as a single person operation. Since then, Rhode Island LISC has become a significant local institution investing more than \$280 million to support nearly \$1 billion of development in communities across the state. In addition to her proven record of building a strong community development sector that produces affordable housing, Fields has successfully linked housing development in low income communities with strategic community economic development, education and public safety initiatives.

"Barbara's extensive knowledge of affordable housing and her comprehensive approach to community revitalization are a perfect complement to the Obama Administration," said Donovan. "When you look at Barbara's track record, her commitment to helping those in need comes across loud and clear. She will be a tremendous asset to us in carrying out HUD's mission to build strong, sustainable communities that offer affordable and healthy housing options for all Americans."

Since Fields' arrival in 1991, LISC's National Equity Fund has invested nearly \$180 million equity in multifamily housing and \$30 million equity in New Markets projects throughout Rhode Island. In addition to numerous high profile housing and commercial development projects, Rhode Island LISC has become a key partner in youth programming, child care, workforce development, and community safety efforts. One LISC targeted community, Providence's Olneyville neighborhood, became the subject of a Department of Justice book, *Building Your Way Out of Crime*, when calls for police service dropped 80% in five years.

"This is a tremendous honor. I share President Obama and Secretary Donovan's vision and enthusiasm for creating strong and sustainable communities of choice," said Fields. "During this important time of economic challenge and opportunity, I look forward to applying my expertise to help address the housing and community development challenges confronting the people and places of New England. I am determined to bring people to the table, link agendas and get results."

In her new position, Fields will serve as HUD's liaison to mayors, city managers, elected representatives, state and local officials, members of Congress, private and non-profit developers, stakeholders and customers. Fields is one of 10 regional administrators in the United States.