

An aerial photograph of a city, likely Los Angeles, showing a mix of urban development and construction. A semi-transparent blue rectangle is overlaid on the right side of the image. On the left side of the image, there is a white line-art map of a city grid, showing streets and building footprints. The text is centered within the blue rectangle.

Reforming Land Use Regulation to Encourage Housing Supply

October 1, 2024



DISCLAIMER

The views expressed today are the presenters' and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.



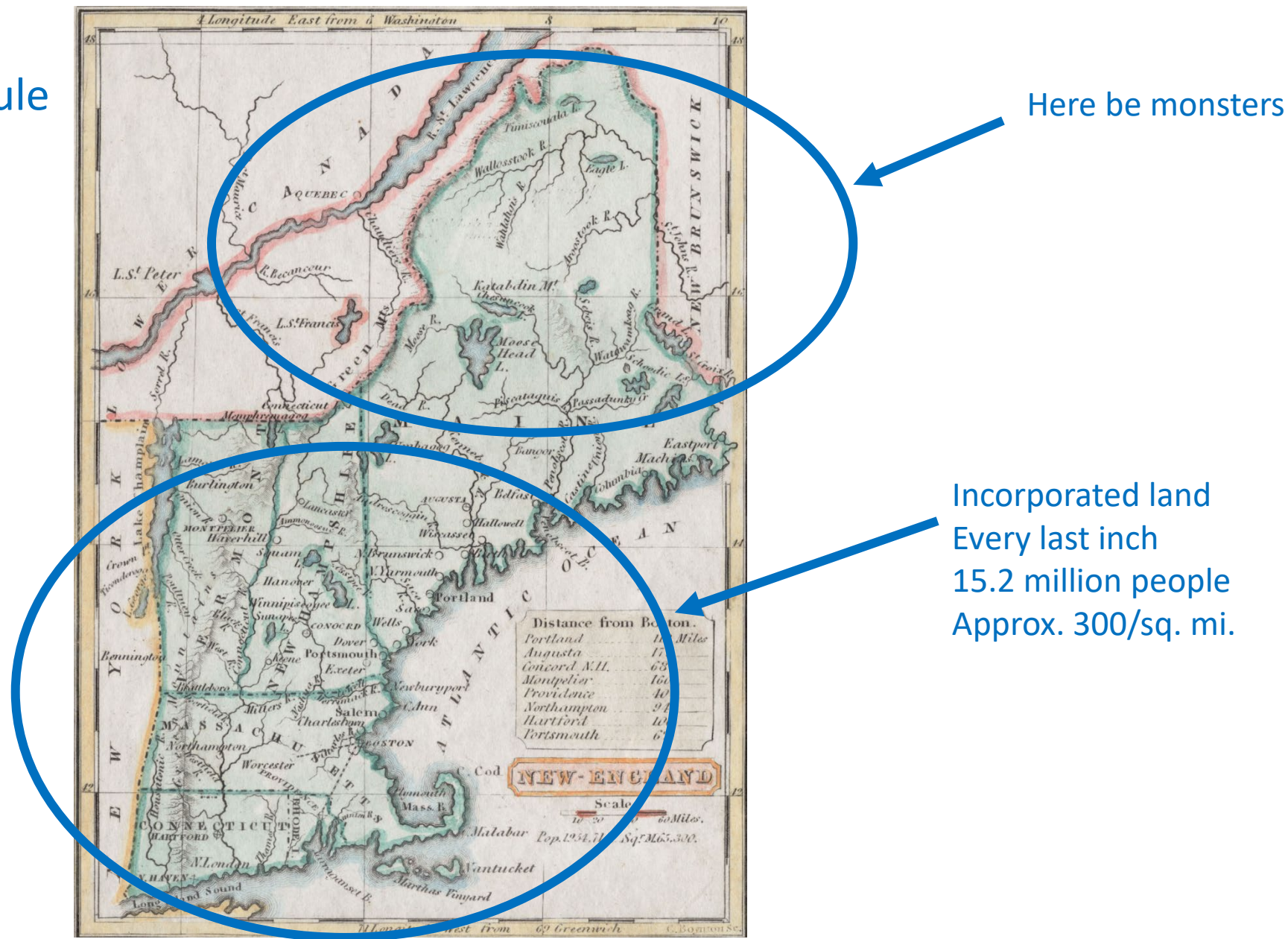


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October 1, 2024

Strong tradition of Home Rule
Town Meeting
Referendum-Based Law



HOME Act

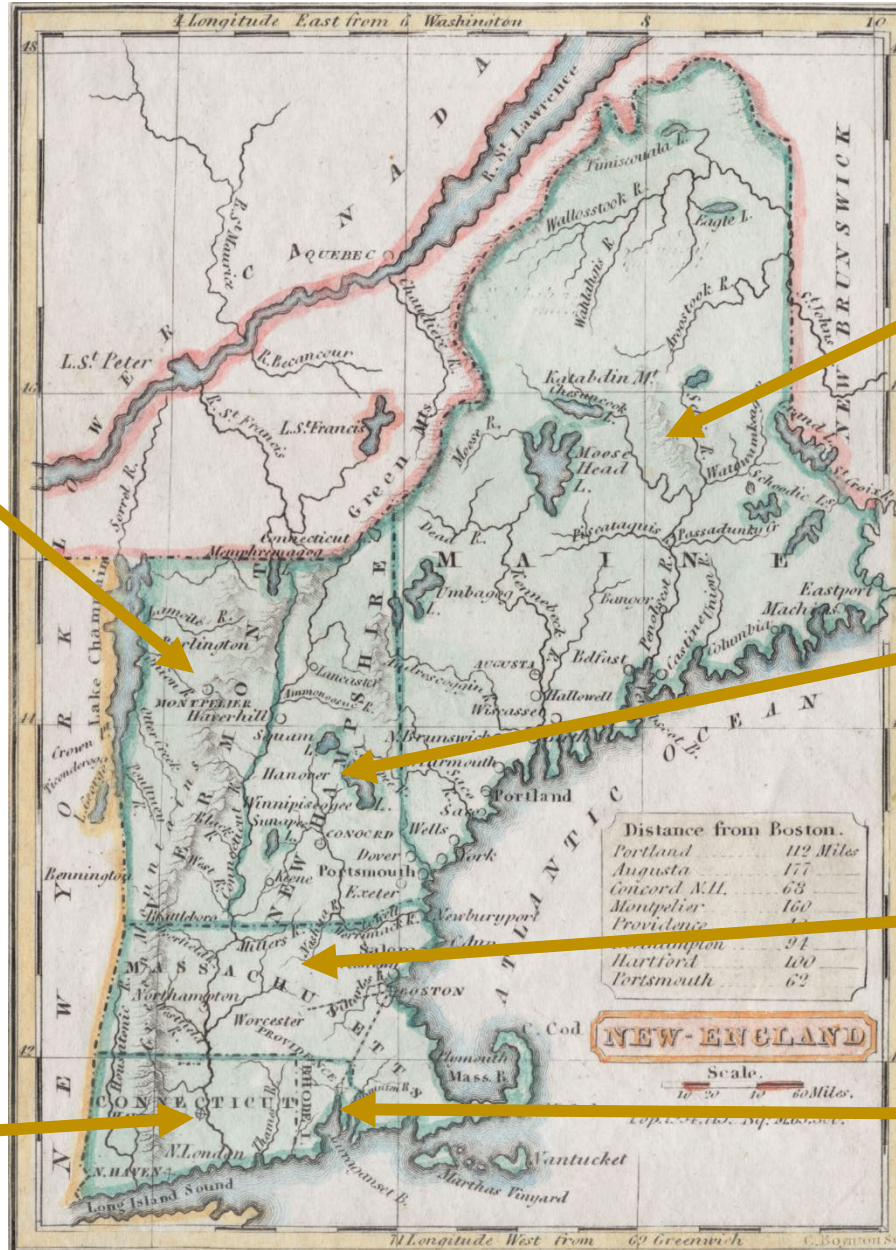
LD2003

Housing Appeals Committee
ADU bill

Chapter 40B
Section 3A ("MBTA Communities Act")
Affordable Housing Act

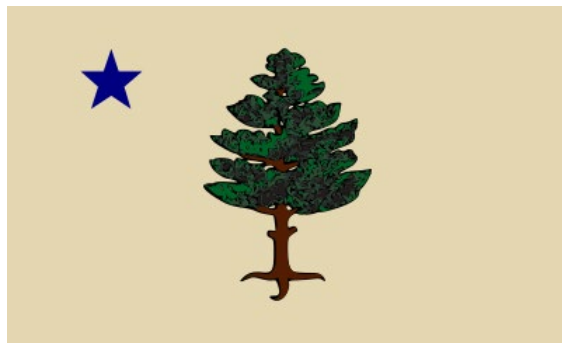
ADU bill

CGS § 8-30g



Accessory Dwelling Units permitted in all six New England states

Some with more strings attached than others



Maine and Vermont have abolished single family zoning

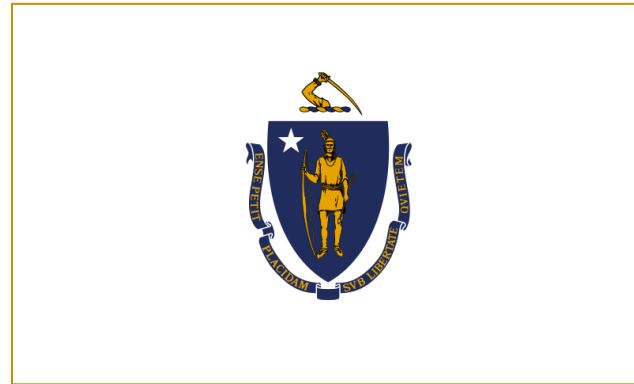
2 to 4 units permitted on lots in zones that allow housing

Focus on growth zones outlined in local Comprehensive Plans

Focus on areas with centralized water and sewer

Some restrictions still allowed such as lot area per dwelling unit

Chapter 40B



774 of the Acts 1969 aka the “Anti-snob Zoning Act”

Survived a statewide repeal referendum in 2010

Connecticut’s CGS § 8-30g similar

40B turns zoning on its head

- Goal is to encourage production of affordable housing in all cities and towns in the Commonwealth
- Proposed housing development must be at least 20 to 25% affordable at 80% of Area Median Income
- Developer must be a public agency, nonprofit organization or limited-dividend company
- Applicant may seek a “Comprehensive Permit” that encompasses all land use approvals from a municipal Zoning Board of Appeals
- In communities where less than 10 percent of the year-round housing and less than 1.5% of the land area consists of affordable housing, the permit must be issued within a limited time and may (must) override local zoning
- Only allowable conditions are ones that do not render the project uneconomic

Executive Office of Housing and Livable Communities
Chapter 40B Subsidized Housing Inventory (SHI)
as of June 29, 2023*

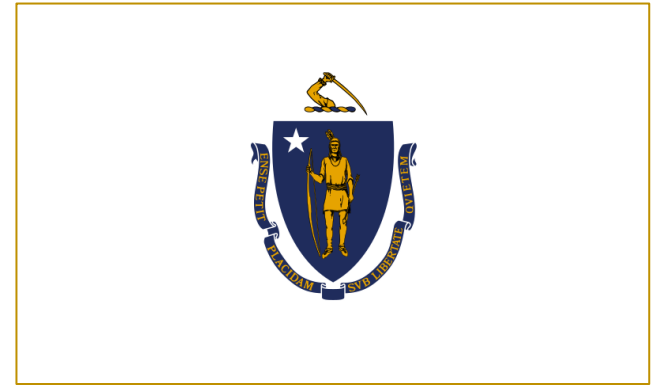
Community	2020 Census Year Round Housing Units	Total Development Units**	SHI Units	%
Abington	6,799	666	489	7.19%
Acton	9,151	1,517	737	8.05%
Acushnet	4,275	125	95	2.22%
Adams	4,299	324	324	7.54%
Agawam	12,313	620	558	4.53%
Alford	237	0	0	0.00%
Amesbury	7,808	841	663	8.49%
Amherst	10,684	1,467	1,252	11.72%
Andover	13,464	2,212	1,675	12.44%
Aquinnah	215	33	33	15.35%

Saint Aidan's (Brookline, MA)



- Former Catholic church and grounds
- Original plan to redevelop from the ground up as a tax credit project with 144 affordable units.
- Local objections resulted in more complicated (and smaller) project.
- 59 units within four buildings, with 36 units below-market affordable
- Many layers in the capital stack:
 1. Low Income Housing Tax Credits
 2. \$6.1 million in Town funding from CDBG funds (conservation easement); Housing Trust; and other sources
 3. Additional state financing

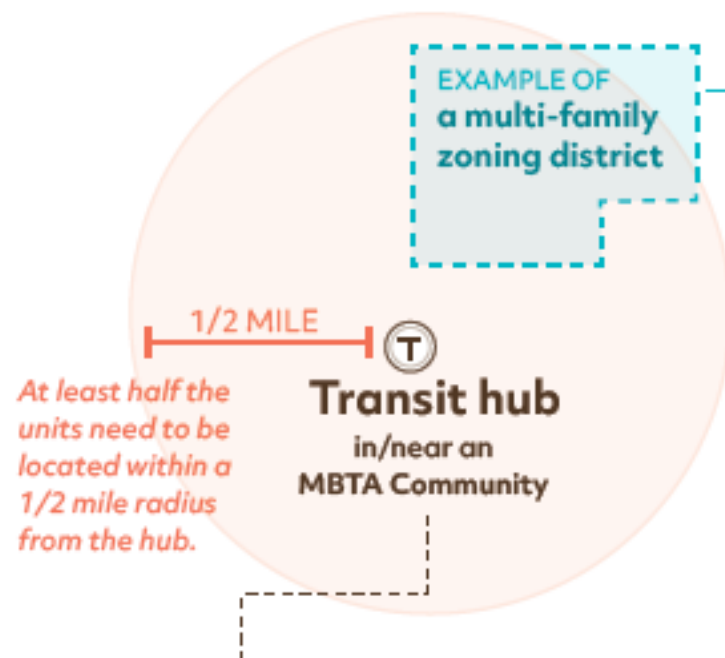
Section 3A (the MBTA Communities Act)



Amendments to Chapter 40A of Massachusetts General Law (the Zoning Act)
Apply in 177 eastern Massachusetts communities with MBTA service nearby

What are the law's requirements?

The law requires MBTA Communities to have a multi-family zoning district near their transit hub.



Multi-family zoning districts must have

- Multi-family housing permitted "by-right" (no discretionary review process)
- Zoned for minimum gross density of **15 homes per acre**
- No age restrictions, and suitable for families with children, and no limits of number of bedrooms.

MBTA Communities:

- 12 on rapid transit *must submit plan* by end of '23*
- 71 on the commuter rail *must submit plan by end of '24*
- 59 adjacent towns *must submit plan by end of '24*
- 35 small adjacent towns *must submit plan by end of '25*

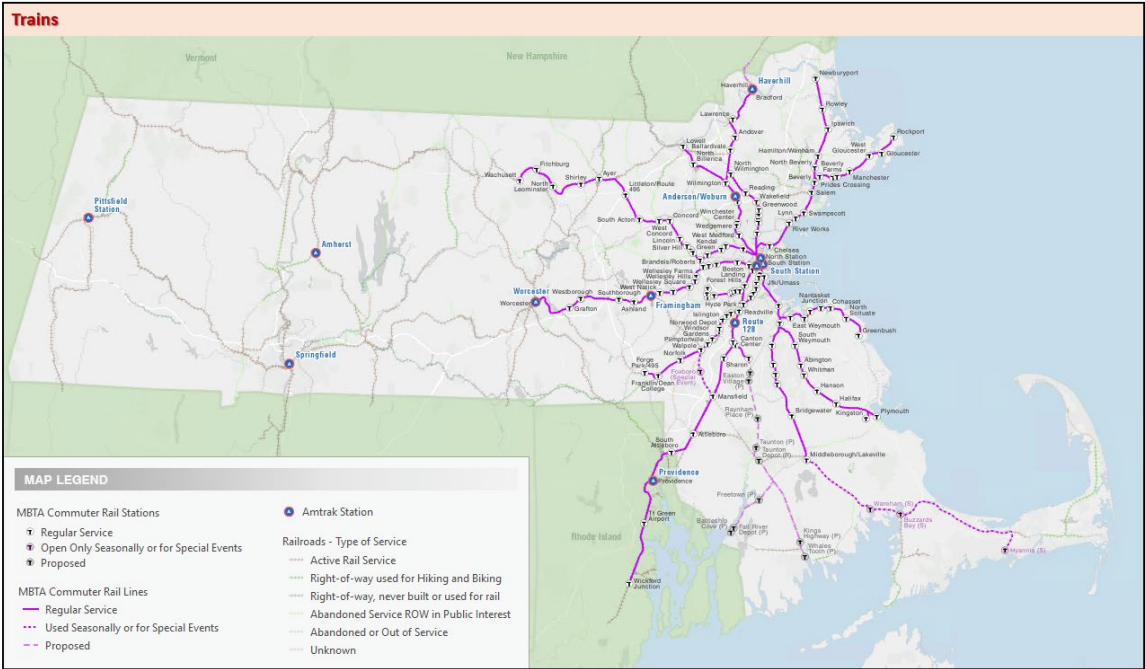
*Must submit their zoning plans for compliance review.

What does 15 homes per acre look like?



- ✓ In rapid transit communities, commuter rail communities, and adjacent communities, the minimum land area of the multi-family zoning district is 50 acres, or 1.5% of the developable land in an MBTA community, whichever is *less*.
- ✓ In adjacent small towns, there is no minimum land area. In these communities, the multi-family zoning district may comprise as many or as few acres as the community determines is appropriate, as long as the district meets the applicable minimum multi-family unit capacity and the minimum gross density requirements.
- ✓ In all cases, at least half of the multi-family zoning district land areas must comprise contiguous lots of land. No portion of the district that is less than 5 contiguous acres land will count toward the minimum size requirement. If the multi-family unit capacity and gross density requirements can be achieved in a district of fewer than 5 acres, then the district must consist entirely of contiguous lots.

Category	Percentage of total housing units
Rapid transit community	25%
Commuter rail community	15%
Adjacent community	10%
Adjacent small town	5%

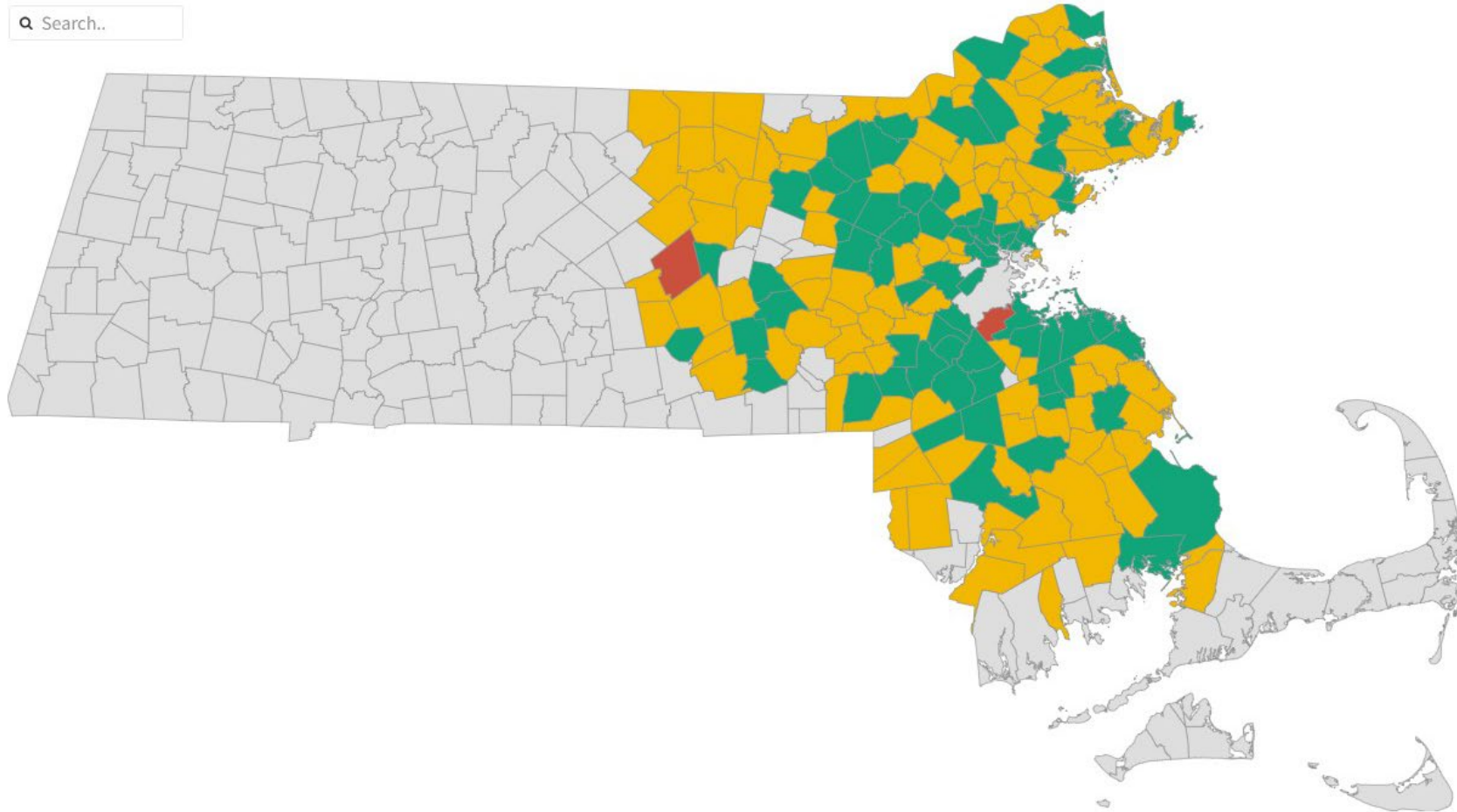


Which towns are on track for MBTA-based rezoning

177 cities and towns in eastern Massachusetts must comply with the MBTA Communities Law, which requires multi-unit zoning near rapid transit or commuter rail stops. Not every town has made the required changes as the deadlines approach, however.

■ Passed zoning intended to comply ■ Hasn't reached deadline ■ Out of compliance

🔍 Search..



Source: Massachusetts Executive Office of Housing & Livable Communities
(Roberto Scalese and Sydney Ko/WBUR)

LD2003



Legislative implementation of the 2021 Report of the Commission to Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions

LD 2003 in Brief

Effective Aug. 8, 2022

Statewide Housing Production Goals

(5 MRSA §13056, sub-§9)

Effective Aug. 8, 2022

Municipal Role in Fair Housing/ Short Term Rentals

(7 30-A MRSA §4364-C)

Effective July 1, 2023

Accessory Dwelling Units

(6 30 A MRSA §4364-B)

Effective July 1, 2023

Affordable Housing Density in Growth Areas Bonus

(4 30-A MRSA §4364)

Effective July 1, 2023

Two to Four Units

(5 30-A MRSA §4364-A)

Source: Maine Department of Economic and Community Development Housing Opportunities Program

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IN GENERAL, AS LONG AS THESE ACTIONS ARE CONSISTENT WITH LD 2003, MUNICIPALITIES MAY:

CONTINUE to develop Growth Management programs, including comprehensive plans and zoning consistent with those plans

ENFORCE local shoreland zoning ordinances consistent with state shoreland zoning law

REGULATE how many square feet of land are needed for each dwelling unit (other than accessory dwelling units)

CONDUCT site plan review, if authorized by local ordinances, of any residential development

REGULATE the maximum size of accessory dwelling units

REGULATE short-term rentals in their community

CREATE rate of growth ordinances so long as they do not limit the number of accessory dwelling units outlined in Section 6

CREATE local ordinances that are more permissive for residential housing development than the requirements of LD 2003

REGULATE housing development based on documented water and wastewater capacity constraints

Affordable Housing Density Bonus

30-A MRSA §4364

For any development that is at least 50% affordable at 80 to 120% of Area Median Income, in a designated growth area or served by water and sewer, and in an area that permits multifamily housing:

- The number of units allowed will be 2.5 times the number allowed for a development not designated affordable.
- The off-street parking requirements may not exceed two spaces for every three units