

**TESTIMONY OF CLARK L. ZIEGLER, EXECUTIVE DIRECTOR
MASSACHUSETTS HOUSING PARTNERSHIP
BEFORE THE JOINT COMMITTEE ON HOUSING
REGARDING GOVERNOR BAKER’S ACT TO PROMOTE HOUSING CHOICES, H. 4075**

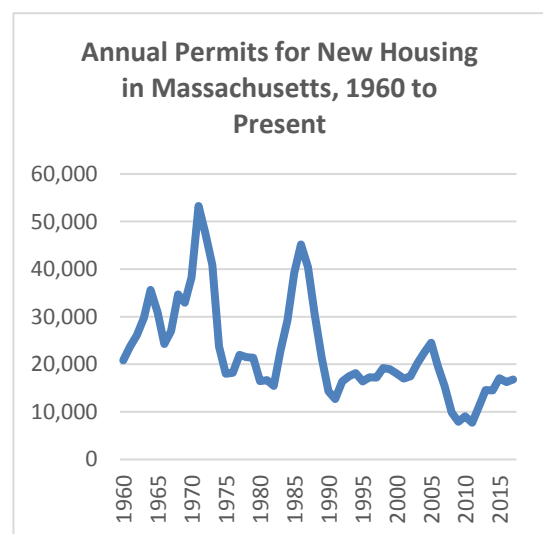
January 30, 2018

Thank you for the opportunity to testify today in support of Governor Baker’s proposed Act to Promote Housing Choices, H. 4075. My name is Clark Ziegler, and I am Executive Director of the Massachusetts Housing Partnership (MHP).

As you know, MHP was founded to help local public officials and community leaders tailor solutions to address their own housing needs. In that role we have worked with local officials to expand housing opportunities in 325 cities and towns and our annual Massachusetts Housing Institute has provided training to more than a thousand municipal officials. We have pioneered many of the tools used by local officials to produce affordable housing through the Community Preservation Act and municipal affordable housing trusts. And we have played a key role in making the state housing finance system more responsive to local priorities and local concerns.

MHP’s other primary focus is providing long-term financing to help meet the state’s housing needs. We have provided \$1.2 billion in financing for 23,700 rental housing units across the Commonwealth, three-quarters of which are affordable to low- and moderate-income families and nearly half of which are in smaller developments of 30 units or less. We also established the ONE Mortgage program (formerly known as SoftSecond), which since 1991 has provided \$3.6 billion in below-market bank financing and made it possible for 20,700 low-income families in Massachusetts to achieve the dream of home ownership.

At MHP we are extremely proud of what we have accomplished in partnership with cities and towns across the Commonwealth to expand the availability of housing – but we know that it is not nearly enough.



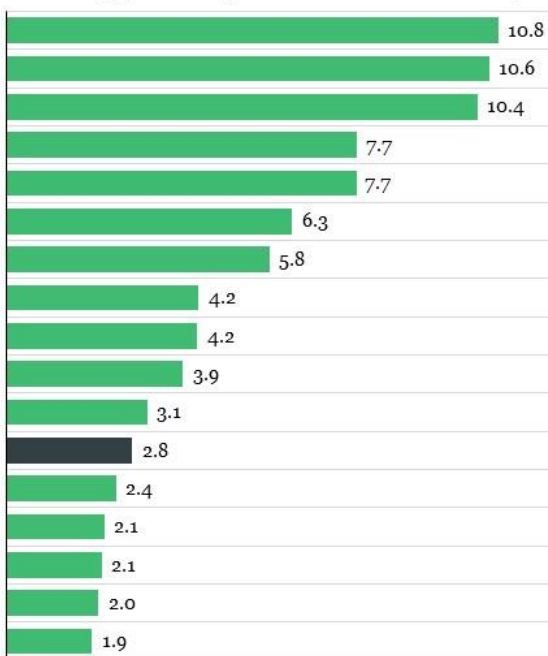
For more than a decade MHP has testified before this committee about the critical lack of housing supply in the Commonwealth and the regulatory barriers that prevent construction of the new housing that we need. The state's housing supply is already about 38,000 units short of demand, and that gap will grow substantially as more than a million baby boomers are projected to retire from our workforce by 2030. We don't have enough housing for our existing workforce in Massachusetts, let alone enough housing for the new workers we need to replace future retirees. If we don't find a way to substantially increase housing production we are leaving ourselves without the capacity to support future job growth.

Nothing illustrates our housing supply problem better than the competition for Amazon's second headquarters. It's no wonder that Massachusetts is attractive to Amazon. We have the best educated workforce in the U.S. and are home to a constellation of innovative companies and to some of the strongest hospitals and universities in the world.

But then it's equally important to ask how competitive we look -- to Amazon or to any other growing company -- when it comes to housing and the cost of living.

Amazon HQ2 finalists

Housing permits per thousand residents, 2016



Net metro-to-metro migration, 2012-2016



Data Sources:
U.S. Census Bureau, Building Permit Survey, Population Estimates Program and American Community Survey: census.gov
Statistics Canada, Building Permits (64-001-X) and Population Estimates and Projections: statcan.gc.ca

* Washington D.C. MSA includes three finalists: Washington, D.C., Montgomery County, MD, and Northern VA

** New York MSA includes two finalists: New York City and Newark, NJ

The answer is that Massachusetts ranks near the bottom. Our housing production per capita is almost 40 percent below the national average and metro Boston ranks 14th among the Amazon finalists. We lose thousands of talented workers to states that build more housing and have a lower cost of living.

Regardless of the outcome, Amazon's vetting process should be a wake-up call about the importance of housing supply to our economic competitiveness.

The primary cause of our housing shortage in Massachusetts is restrictive local policies that went into high gear beginning in the 1980s. The average lot size for new single family homes in metro Boston is now larger than an acre, even though most consumers express a preference for homes on smaller lots in walkable neighborhoods. Housing clustered around town and village centers is now rarely allowed by local zoning in Massachusetts, even though it's what contributes to our communities' unique historic character. Local zoning in most cities and towns makes it difficult or impossible to build multifamily housing, such as townhouses and apartments, even though that type of housing is essential to sustain a strong economy and already part of the fabric in most communities.

What's exciting about the Housing Choice Initiative is that it starts to bridge the divide between restrictive land use regulations adopted under home rule and the economic interests of the Commonwealth as a whole. We see three major reasons why the governor's proposal could be a game-changer. First, a range of state and local stakeholders now acknowledge the magnitude of our housing supply problem and have embraced the governor's goal of permitting 135,000 new housing units by 2025. Second, through the administration's leadership there is now broad-based support for eight "best practices" that need to be widely adopted by cities and towns in order to close the housing supply gap. And third, there is recognition from stakeholders – many of whom you will hear from at today's hearing -- that the two-thirds local vote now required to adopt any of these best practices is unreasonable and out of touch with most other states.

For the record, this is not the first time these issues have come before the Joint Committee on Housing. You have reported strong housing production bills in each of the last two legislative sessions that would break down some of the most significant regulatory barriers to new housing. These governor's proposal and the committee bill, H. 3845, may take a different approach but they share a common purpose and support many of the same local best practices.

It is long past time to bring these housing issues to a head and find a way to move forward as a Commonwealth. The governor's bill is a significant step in that direction and we urge you to report H. 4075 with a favorable recommendation.