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The 250-apartment complex in Revere proposed under one of the provisions of the 2020 Housing Choice Initiative

In Revere, Housing Choice Initiative helps project 'thread the needle'

Attorney: gov's response to Milton vote will be watched closely

Kris Olson//March 3, 2024

It was never a matter of *if* the zoning reforms embodied in Gov. Charlie Baker's 2020 Housing Choice Initiative would become a source of controversy, says Boston business and real estate attorney Gerry D'Ambrosio. It was just a matter of where.

The answer turned out to be Milton, where the fallout continues following a Feb. 15 vote to reject the town's plan to comply with the MBTA Communities Act.

In a Feb. 21 letter, Baker's successor, Gov. Maura T. Healey, confirmed that the town would no longer receive a \$140,800 grant for seawall and access

improvements for which it had been approved, and it would not be eligible to receive MassWorks and HousingWorks grants. The town would also be at a "competitive disadvantage" for other state grant programs, Healey said.

On Feb. 27, <u>Attorney General Andrea J. Campbell followed suit, filing a</u> <u>complaint against the town</u> at the Supreme Judicial Court, seeking declaratory, injunctive and other relief.

But the new laws have created desperately needed opportunities, D'Ambrosio is quick to add.

On Feb. 12, the Revere City Council approved the proposal of D'Ambrosio's client, Parkway Homes Owner LLC. As a result, the dilapidated, rodent-infested, crime-ridden Lee's Trailer Park is set to be transformed into a mixed-use development of 250 apartments and a storefront.

Ten percent of those apartments, or 25, will be offered as affordable housing units to households earning less than 80 percent of the area-wide median income, as determined by the U.S. Department of Housing and Urban Development.



The project represents the first application of the newly revised state statutes on the North Shore and perhaps the state, according to D'Ambrosio.

`As his client weighed the various opportunities the Housing Choice Initiative has made available, it decided not to use the provision causing the stir in Milton, the MBTA Communities Act, even though the project would have qualified as it is located within a half-mile of the Beachmont station on the Blue Line.

Instead, it opted to proceed under paragraph 13 of G.L.c. 40A, §9, which applies to commercial districts. The trade-off for developers is that if they guarantee that 10 percent of the units in a project will be affordable housing, they will need only a simple majority — in Revere's case, six of 11 city councilors — to receive approval, instead of the usual super-majority.

Revere does not have a local statute mandating affordable housing, so the "carrot" dangled by Baker's zoning reform package was an important one, D'Ambrosio says.

Meanwhile, the 10-percent affordability threshold helped the project "pencil out," in development speak, D'Ambrosio says.

If, say, 20 percent of the units were required to be affordable, as is the case under local laws in Boston and Cambridge, the project may never have been built.

"It really was a win-win," D'Ambrosio says.

It would be a mistake to look at the Revere result – the City Council voted 10-1 in favor – and conclude that the removal of the supermajority requirement did not matter, D'Ambrosio adds.

On the subcommittee that gave the project its preliminary approval, the vote had only been 3-2 in favor. What's more, within that minority were two perspectives often present in local zoning battles, with one of the objectors preferring to see no development whatsoever and the other favoring more density and more affordable units.

Getting approval of such projects has always been a bit like threading a needle, D'Ambrosio says.

"You could have a project that doesn't make enough people happy, regardless of what side of the spectrum that they're on," he says. "It's one of those situations where perfection tends to hinder progress."

The 10-1 result was a product of councilors inclined to insist upon more density or more affordable units dropping their opposition, once they realized that D'Ambrosio's client had the votes to get the project approved without them.

"If it were eight out of 11 [required], I daresay it probably wouldn't have passed, as there would have been more leverage points for these factions to shoot it down and try to extract more," he says. More results like the approval of the Revere project will be needed to reverse an unmistakable trend with housing starts in eastern Massachusetts and southern New Hampshire, according to D'Ambrosio.

The number of building permits authorized in the area dropped from 17,216 in 2021 to 15,182 in 2022 to 11,746 in 2023, according to a database maintained by the research division of the Federal Reserve Bank of St. Louis.

The trend is even more stark in cities like Boston, Cambridge and Somerville, D'Ambrosio says.

The most recent statistics from 2022 showed Massachusetts among the top laggers in the country – 41st out of 50 states – in producing only 5.9 units of housing for every 1,000 already on the market, about half the national average of 11.7.

Baker's Housing Choice Initiative holds the promise of rewriting the rules of a game often won by those who will acknowledge the housing crisis but then mount fierce opposition to any new construction in their backyard, D'Ambrosio says.

Baker's initiative upended Massachusetts' historical practice of reserving a large degree of local control over zoning matters.

"This is the first time in decades that the state has pulled back and said, 'We're going to exert some state authority on these traditionally local issues,' and it's causing conflict," he says.

But Healey's response to the situation in Milton will be under a microscope, D'Ambrosio adds. There are another 165 cities and towns that are required to comply with the MBTA Communities Act by the end of 2024, and some are already pushing back against the state, he says.

"If the state fails to enforce compliance, other municipalities may simply ignore the new Housing Choice Initiative," D'Ambrosio says.