

LAND COSTS
Free market
Limited Availability

REGULATIONS
Zoning
Wetlands
Septic/Sewer
Growth caps/phasing

CONSTRUCTION COSTS

ZONING

- Separation of a municipality into districts
- Regulation of building and structures in such districts
- Dedication of such districts to particular uses designed to serve the general welfare

- Primary purpose is to segregate uses thought “incompatible”
- In practice, zoning used as permitting system to prevent new development from harming existing

GOALS OF ZONING

- Orderly growth and change
- Control population density
- Create attractive, healthful residential areas
- Assure property owners of relative stability

ZONING DETERMINES

- Types of buildings
- Restrictions on accessory buildings
- Size and height of buildings
- Frontage of lots, lot sizes, front side, rear set backs
- Parking
- Density
- Kinds of acceptable activities

ZONING REGULATIONS

- Must promote the good of all the people in the community rather than further the desires of a particular group
- Zoning powers cannot be worked to further private interests that conflict with the rights of the public
- Must be in accordance with a comprehensive plan
- Allow for special permits and variances
- Enforced by zoning board of appeals

CRITICISM OF ZONING

- Exclusionary
- Non-dynamic, slow to change
- Piecemeal and uncoordinated
- Separation of homes from employment, rise of “car culture”

“INCLUSIONARY ZONING” IN MASSACHUSETTS

- Exempts affordable housing from unreasonable local zoning requirements
- State zoning act (1975) authorized use of special permits to grant incentives for development of low and moderate income housing

PROMOTING AFFORDABLE HOUSING THROUGH INCLUSIONARY ZONING

- Comprehensive Permit Law (Chapter 40B)
- Cluster zoning
- Mandated affordable housing

RAPPAPORT INSTITUTE STUDY

- Regulations that increase zoning stringency reduce new construction
- Provisions like cluster housing increase the amount of new construction
- Found correlation between land use regulation and higher prices (median sales price higher in communities with large minimum lot sizes)

- 2002 – Governor’s Special Commission on barriers to housing development concluded that land use regulations were an important obstacle to meeting the region’s housing challenges
- 2004 Commonwealth Housing Task Force report proposed that the state encourage communities to build dense housing in community centers

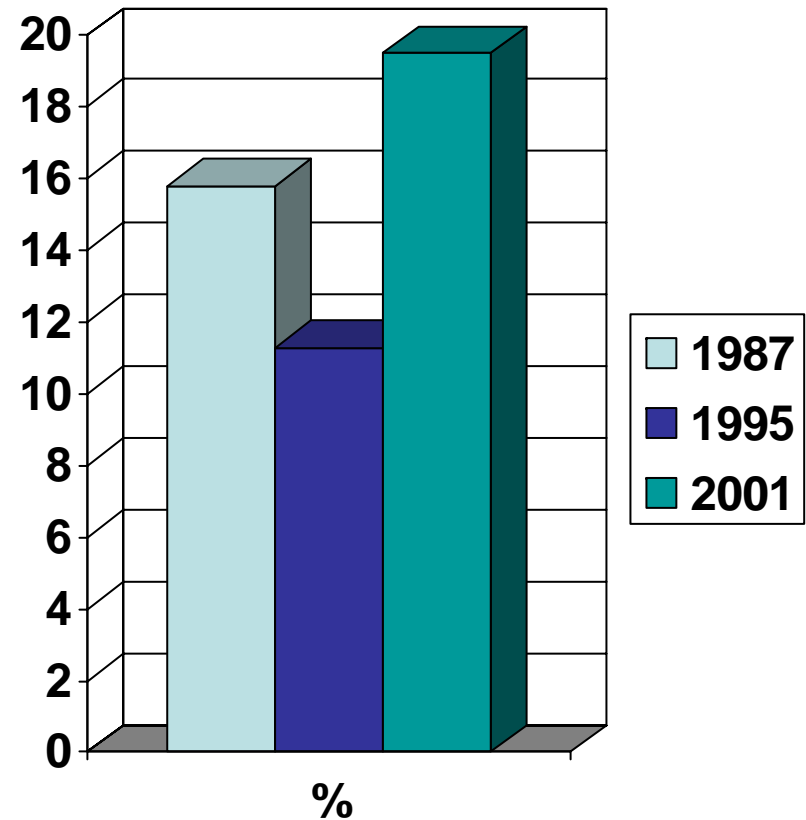
- As prices went up in the last 15 years, new construction dropped below what it was in the 1980's
- Decline particularly striking for multi-family housing

- Massachusetts land-use controls are very heterogeneous
- Minimum lot size, which remains most important form of land-use control
- Diversity of other forms of regulation also critical to limiting development of housing: septic, subdivision rules, growth caps

- Chapter 40 B law has been used to build at least 30,000 units of new housing
- Cluster zoning appears to have increased the amount of new development, inclusionary zoning has not

IMPACT OF REGULATIONS ON PRICE

- Each additional acre in minimum lot size raised median sale price of homes by 15.8% in 1987, 11.3% in 1995, and 19.5% in 2001



- Stringent land use regulations may have many advantages for individual communities, they impose costs in the rest of the state
- Localities act creatively to restrict the construction of new housing
- Current system has too much uncertainty, leading to lengthy permitting process and frequent court challenge
- Current system is economically inefficient because it has only limited procedures that allow developers to compensate current residents and communities for new development's negative impacts

ADDRESSING THE PROBLEM

- State could alter local incentives by using state aid to reward localities that encourage new construction and punish those who discourage it
- State could give state or regional entities power to overrule local land use decisions in communities with low density levels, high prices and few permits
- State could substitute existing regulations with a well-designed impact-free system that would reduce uncertainty, promote new construction, and enhance welfare of developers, abutters and communities

- Impossible to make Amherst affordable AND limit new construction
- Law of supply and demand dictates that the only real path to affordability is through more supply