

THE RIGHT TO BUILD DENSER, MORE ABUNDANT HOUSING CAN BOOST TRANSIT RIDERSHIP AND PROMOTE AFFORDABILITY IN MASSACHUSETTS

CHARLES GARDNER

Research Fellow, Mercatus Center at George Mason University

Massachusetts Joint Committee on Housing
House Bill 1379, "An Act to Promote Yes In My Backyard," and House Bills 1335 and 1336
July 26, 2023

Chair Edwards, Chair Arciero, Vice Chairs Keenan and Kilcoyne, and members of the Joint Committee on Housing, thank you for allowing me to offer informational testimony relating to House Bill 1379, "An Act to Promote Yes In My Backyard," and House Bills 1335 and 1336 concerning accessory dwelling units (ADUs) and multifamily zoning. I am Charles Gardner and I'm a research fellow at the Mercatus Center at George Mason University. I study housing policy and affordability across the country and how reforms like those proposed in these bills have affected housing market outcomes.

LOCAL LAND USE REGULATIONS CAN IMPEDE TRANSIT RIDERSHIP AS WELL AS HOUSING AFFORDABILITY

With respect to House Bill 1379, mass transit is a statewide concern in Massachusetts, involving statewide transportation objectives, serving a statewide ridership and funded through state budgets. State policymakers therefore have an important role to play in ensuring that each taxpayer dollar invested in Massachusetts's trains, subways, buses, and ferries provides the highest possible return to their constituents. On that note, I have two primary points I would like to make today:

1. Maximizing Massachusetts' investment in mass transit requires adequate ridership levels, which are correlated with density of housing near stations.
2. Allowing more homes to be built in the vicinity of stations therefore has the potential to boost ridership in addition to addressing the state's acute housing needs.

Massachusetts has a legacy of rail transportation dating back nearly two centuries. Today, transit is essential to the state's economy, with Massachusetts having the third highest rate of transit ridership among all 50

For more information or to meet with the scholar, contact
Mercatus Outreach, 703-993-4930, mercatusoutreach@mercatus.gmu.edu
Mercatus Center at George Mason University, 3434 Washington Blvd., 4th Floor, Arlington, Virginia 22201

The ideas presented in this document do not represent official positions of the Mercatus Center or George Mason University.

states as of 2021 according to the Bureau of Transportation Statistics.¹ Ridership has been recovering from lows reached during the pandemic but has not yet returned to the levels seen prior to 2020. Due to this decline, state transportation budgets have suffered and the MBTA faces potential budgetary shortfalls.

House Bill 1379 proposes a modest increase in by-right density in areas within a ten-minute walk of transit options with exemptions from inclusionary housing mandates for smaller projects. House Bill 1336 would require rezoning of modest portions of suitable municipalities for multifamily housing of up to 20 units per acre. Recent research has found rapid ridership gains as housing density close to transit rises to around 30 units per acre,² but some towns and cities across Massachusetts enforce low-density zoning in the vicinity of transit stations, limiting the number of persons who can access those stations without a car and contributing to the state housing shortage.³

As to affordability, several recent studies, including one examining the Boston area, have found little evidence that mandatory inclusionary zoning increases housing supply or lowers prices.⁴ In those cases where housing production was not affected, the practice appears to hinder smaller projects and favor large multifamily projects. An exemption of smaller projects from affordability mandates, also proposed in a recent Connecticut zoning reform bill, avoids inadvertently penalizing single-family housing and small multifamily housing types common in Massachusetts, such as duplexes and three-decker apartments.

HOUSING AFFORDABILITY AND ACCESSORY DWELLING UNITS

To date, lawmakers in nine states have passed laws allowing homeowners to add ADUs to their properties. The proposed legislation that addresses ADUs, House Bills 1335 and 1336, would separately allow municipalities to create ADU zoning districts and require that ADUs be allowed as of right in all single-family districts. Both would protect homeowners from common local barriers to ADU construction, including the location, dimensions and design of ADUs.

Accessory dwelling units offer homeowners several potential benefits. They create an opportunity for homeowners to offset a portion of their mortgage payment by renting out part of their space. They also create opportunities for greater housing flexibility to meet peoples' needs as the country's demographics change. They make intergenerational living feasible, allowing young adults or elderly people to live with family members in spaces that can be built to accommodate any accessibility requirements.⁵

¹ "Bureau of Transportation Statistics," United States Department of Transportation, <https://www.bts.gov/browse-statistical-products-and-data/state-transportation-statistics/commute-mode>

² Robert Cervero and Erick Guerra, "Urban Densities and Transit: A Multi-dimensional Perspective" (Institute of Transportation Studies Working Paper, University of California, Berkeley, September 2011).

³ Sarah Crump, Trevor Mattos, Jenny Schuetz, and Luc Schuster, "Fixing Greater Boston's Housing Crisis Starts with Legalizing Apartments Near Transit" (Research, Brookings Institution, Washington, DC, October 14, 2020). <https://www.brookings.edu/articles/fixing-greater-bostons-housing-crisis-starts-with-legalizing-apartments-near-transit/>

⁴ Emily Hamilton, "Inclusionary Zoning Hurts More Than It Helps" (Mercatus Policy Brief, Mercatus Center at George Mason University, Arlington, VA, September 2019). <https://www.mercatus.org/research/policy-briefs/inclusionary-zoning-hurts-more-it-helps>

⁵ Emily Hamilton and Abigail Houseal, "A Taxonomy of State Accessory Dwelling Unit Laws" (Mercatus Policy Brief, Mercatus Center at George Mason University, Arlington, VA, March 2023). <https://www.mercatus.org/research/policy-briefs/state-accessory-dwelling-unit-laws>

Accessory dwelling units also tend to be less costly than alternative types of housing for renters. Because ADUs are built on land that is already attached to a single-family home, their land cost is effectively zero. In Washington, DC, basement apartments are the most common type of ADU, and they tend to rent for hundreds of dollars less per month than standard one-bedroom apartments in the same neighborhood. A survey of homeowners with ADUs in Los Angeles County found that ADUs typically rent for \$400 less per month than the county's median rent.

Massachusetts, which has residential lots that tend to be larger than those of most states outside New England, due in part to the prevalence of large minimum lot size requirements, is particularly well-suited to accommodating ADUs given that many homeowners have ample unbuilt land on their properties.⁶

CONCLUSION

Local government authority to regulate housing density is based upon the state-granted power to protect health, safety and the general welfare. The effects of local rules that prevent homes from being built in one locality are not confined to that locality, however, but spill over to the next. Local land use regulations that limit population growth, economic growth and income mobility within one municipality limit growth and opportunity for the state as a whole. When local authority is employed in a manner that interferes with state transportation goals and the urgent housing needs of state residents, lawmakers have the responsibility to consider interventions tailored to advancing the welfare of all state residents. Allowing increased density near transit options and legalizing ADUs are two means of providing greater housing choice and allowing for a more abundant and flexible housing supply while supporting state objectives for public transportation.

⁶ Emily Hamilton "Legalizing Accessory Dwelling Units at the State Level: A New Hampshire Case Study" (Mercatus Policy Brief, Mercatus Center at George Mason University, Arlington, VA, March 2023).
<https://www.mercatus.org/research/policy-briefs/new-hampshire-adu>