

NEXT STOP: INCENTIVES

No Rapid Path to Housing Boom After MBTA Rezoning

Financial Markets Represent Lingering Slow Zones

By [Cameron Sperance](#) | Special to Banker & Tradesman | Dec 24, 2023 | [Reprints](#) | [Unlock Link](#) | [Print](#)



An Orange Line train pulls into the MBTA's Wellington station, located in a proposed overlay district where Medford officials are considering approval of 5- to 9-story multifamily buildings. Photo by James Sanna | Banker & Tradesman Staff

A vital ingredient in generating more housing across Massachusetts is moving forward in several municipalities ahead of an end-of-year deadline.

But that doesn't mean there's suddenly a silver bullet for housing creation and general affordability across the Bay State. Developers say current headwinds in the financial markets point to the need for passage of Gov. Maura Healey's \$4.1 billion bond bill and the public incentives it offers for housing production.

The 12 municipalities crossed by rapid transit lines all appear to have met their Dec. 31 deadline, as required by the MBTA Communities Act, to enact new multifamily zoning around MBTA service areas.

Many of these communities see the new zoning requirements as a tailwind for ongoing development initiatives like in Medford, where last year the city was already [seeking air rights development proposals](#) at Wellington station. Further, it can provide new economic opportunity.

"This is something we're open to and that we're not doing this against our will the way some cities are," said Nicole Morell, president of the Medford City Council. "I would hope that sends a message to developers

that this isn't something that we're going to fight you tooth and nail on."

At a vote Dec. 12, the Medford City Council backed a strategy to comply with the law focusing on rezoning parcels at and around the MBTA's Wellington station.

The overlay district would allow construction of 5-story multifamily buildings by-right, and offer developers density bonuses for 9-story buildings that include active ground-floor space, a higher percentage of income-restricted units than the existing minimum, affordable retail space for local or nonprofit tenants and sustainable building systems.

But not every municipality is rolling out a welcome mat for denser housing development around MBTA stations.

While Milton passed the new zoning earlier this month, opponents of the measure have [reportedly met the petition threshold for a town-wide vote](#) where residents could weigh in on the zoning ordinance. Tim Czerwienski, Milton's director of planning and community development, declined to comment for this story.

Milton's version encourages multifamily development along the MBTA's Mattapan trolley line, a section of Blue Hills Parkway, and around East Milton Square.

The upzoning passed in Newton, while above new state requirements, is still a slimmed-down version of an original proposal that would have originally greenlit multifamily housing in all 13 village centers of the municipality.



Dorchester Lower Mills, on the Boston-Milton line and next to areas Milton officials rezoned this month to comply with the MBTA Communities law.
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Difficult Market Conditions Pose Hurdle

Each municipality could still see thousands of new units of housing created under the new zoning rules. But high construction and labor costs, coupled with high interest rates, continues to make housing creation extremely difficult to pencil out right now.

That could mean a lag in new market-rate housing proposals coming forward after all the new zoning rolls out.

But experts still see the upzoning, coupled with Gov. Maura Healey's \$4.1 billion bond bill to spur housing creation, as a potential one-two punch for providing desperately needed housing stock across the state – especially in terms of enabling affordable housing to make sense thanks to the new zoning allowing greater density.

“There might be some opportunities there certainly for affordable housing developers to take advantage of this new zoning,” said Jason Korb, principal at Newton-based housing developer Capstone Communities. “Hopefully, we’ll see land prices fall somewhat, too, because that’s the variable here that needs to change.”

Gov. Maura Healey’s proposed five-year housing bond bill, which is designed to encourage 40,000 new housing units statewide, nearly doubles the state’s spending on housing creation. The bill includes programs and policy changes designed to expand affordable and market-rate housing production alike.

“It could really enable some really great workforce and affordable housing to happen in these various areas near transit,” Korb said.

That said, housing advocates are advised to exercise patience. In Minneapolis, the city’s 2018 ban on single-family housing was widely hailed as a groundbreaking step. But the changes were only responsible for creating 100 new housing units through mid-2022, according to a Bloomberg report.

“You’re not going to see stuff happen overnight,” said Matt Zahler, a principal at Milton-based MPZ Development. “We have been talking to market-rate developers that are looking to get into the mixed-income space, but it’s a really steep learning curve.”

Advocate: One Piece of Larger Battle

Dana LeWinter, chief of public and community engagement at the Massachusetts Housing Partnership, said zoning reform is a partial victory in the larger housing battle.

“Bringing down construction costs and adding additional funding and resources at the state level for affordable housing in particular are things that we are focused on as well,” LeWinter said. “It’s not the only solution, but it is a key component and I think, with it being so new, we’re waiting to see what happens on the development front.”

But additional buy-in needs to come from all levels of the planning, approval and zoning process. Korb pointed to the opposition his firm faced on a now-withdrawn, 9-story affordable housing development proposal at 2072 Massachusetts Ave. in Cambridge’s Porter Square in 2021.

The new MBTA communities zoning and other measures, such as the elimination of a required two-thirds majority vote for zoning changes related to housing, signal there are brighter days ahead for housing creation in Massachusetts.

But it also took so long to pass that the financial markets make it difficult to generate new housing in the near future.

“What we’ve ended up doing over the last decade is both deny permits for projects or made it exceptionally difficult for projects to get permitted. Now we’re sitting here, interest rates have gone up, market-rate development is stalled, and we just passed this really great new zoning bill,” Korb said. “It’s like, we can’t get out of our own way. Long-term, I think the bill is going to be very positive. I just think short-term, I don’t know how much of anything we’re going to see in the next year or two.”

Editor’s Note: This story has been updated to reflect that all 12 towns and cities covered by MBTA Communities law’s “rapid transit” category have now passed transit-oriented zoning packages, with Chelsea’s Dec. 21 vote being the last to take place.

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