

Home Builders and Remodelers Assoc. Annual Banquet

Remarks by Secretary Ed Augustus

Nov. 14, 2024

As prepared for delivery

Good evening. Thank you for having me here tonight.

Thank you, Joseph [Landers] for that generous introduction.

Here in Massachusetts, we have genuine reason to be proud. When it comes to meeting the housing challenges of today, we are united in purpose. United in doing the work to bring housing costs under control and to keep Massachusetts a place where everyone can afford to live. And not only do we stand united, but we're working together to build a roadmap to the future.

Up through the 1980s, Massachusetts was building around 30,000 new homes a year. Since then, production has dropped by nearly half. This is why increasing our housing supply is one of the Healey-Driscoll Administration's top priorities.

The Executive Office of Housing and Livable Communities was created with the task of building more homes and building them faster. With your help, we CAN meet our state's housing needs.

So how do we do that?

It starts with the Affordable Homes Act. I want to thank you for your support and help in getting this important bill passed. As you know, some fantastic initiatives are coming out of that bill. First, we are really excited about ADUs. As I'm sure you are all aware, the Affordable Homes Act allows ADUs under 900 square feet by right.

Last week we held the first of a series of webinars to get feedback from municipal planners and staff. Eight-hundred and fifty people attended this inaugural webinar to learn more about our next steps. This part of the law goes into effect on Feb. 2 and the administration is committed to creating regulations to help communities with implementation. That means this is a tight turn around. So, we need your input and feedback this holiday season.

ADUs are part of a broader solution to create enough housing for people at all income levels and stages of life.

ADUs have been permitted in California, New Hampshire and elsewhere and we learned from both the successes and challenges of other states.

For example, we know it didn't eliminate single-family homes. Not every family has the money or desire to add an ADU.

But we estimate that statewide we'll see 8,000 to 10,000 ADUs built in the next five years with this one change. That's at no cost to the state. That's private homeowners making that investment.

Think of the big home with a finished attic or basement that can be converted into a studio apartment. Think of the garage or other detached building on someone's property that has space for a bedroom and kitchenette.

In many cases, the result is invisible from the outside.

What a difference that apartment makes for the young professional just starting out. Or the aging homeowner who wants to stay in their home and needs a little extra income.

But we need your input.

We are working now to draft regulations and develop model bylaws for communities. We're also creating resources for property owners, and information on financing, funding and ADU construction to help make this easier. We are even looking at creating an ADU design competition to make it as easy as we can for homeowners to build an ADU. A homeowner would be able to download plans right off the state website for free and then take those to a builder.

You can stay informed of the progress on this at mass.gov/adu.

The Affordable Homes Act also creates a process to help free up state surplus land to be used for housing.

Right now, we are consulting with teams across the administration to identifying surplus properties around the state. This is anticipated to unlock hundreds of acres for housing.

Through the Affordable Homes Act, we've doubled the state historic rehabilitation tax credit. We've created a new Homeownership Production tax credit. We're supporting affordable homeownership opportunities through both increasing the production of those homes and providing help to first-time homeowners through programs like MassDreams. And we've created a Commercial Property Conversion program that will help spur transforming many of those empty commercial spaces throughout our state into housing.

The Affordable Homes Act is a monumental step, but only one step in our strategy.

The MBTA Communities Law has been instrumental in ensuring we can build more multifamily housing in the places that make the most sense – near public transportation. That's good housing policy, but also good transportation policy and good environmental policy.

I'm pleased to announce that as of yesterday, we're now at **87 communities** that have voted to adopt multifamily zoning as a result of this law. Lynnfield was number 87.

Although the law itself doesn't require building, we've already seen more than **2,800 housing units** in the pipeline in these new districts. It's working.

Last year, Governor Healey expanded the Low-Income Housing Tax Credit and the Housing Development Incentive Tax Credit – or HDIP. She increased the Low-Income Housing Tax Credits by \$20 million to **\$60 million a year**. This program has been key to building subsidized housing across the state and we needed to give it major boost.

She increased HDIP from \$10 million to \$30 million. She also authorized a one-time infusion of \$57 million to kickstart projects this year. HDIP has been essential to building more market-rate housing in our gateway cities. Those increased funds are already having an impact. But while taking action now is important, we also recognize that we need to be planning for the future.

We're doing just that through the creation of two groups – the Housing Advisory Council and the Unlocking Housing Production Commission.

The Housing Advisory Council is working right now on developing the first statewide Housing Plan in over 40 years. This Housing Plan will identify our future housing needs by region, what types of housing we need to accommodate our diverse communities and the levels of affordability we need.

The plan will outline strategies for housing production and growth. And highlight how we are going to implement, fund and build more housing.

The work of the Housing Advisory Council is instrumental to identifying how we move forward together.

Also significant is the work of Governor Healey's Unlocking Housing Production Commission.

This commission has been tasked with compiling recommendations that would address zoning, regulatory, and financial challenges and create new opportunities for housing production.

I want to thank Jeff Brem for his contributions to this commission. Jeff's insights have been a tremendous value to the UHPC.

For the past year, the group has been hard at work, meeting several times per month. The commission is in the final stages of preparing its report which we hope to release in the new year.

I'd like to give you just a sneak peek of some of the ideas they've discussed:

They include zoning reforms and best practices that would create more development capacity. Financial incentives geared toward lowering costs for builders. Supports and assistance for municipalities. And exploring innovative forms of housing production such as modular housing

Stay tuned for the final report.

Ultimately, the commission looks to recommend several additional actions that, along with the Administration's many ongoing efforts, will continue to help move the needle on housing production.

So yes, we have been doing a lot, but we also know there's much more to do.

In the coming months we're building a Senior Housing Commission, an Accessible Housing Commission and an Extremely Low-Income Commission.

These will recommend policies, programs, and other investments to expand the supply of housing for our most vulnerable residents.

But commissions and new policies alone don't get us where we need to be. We need your help. You are the voice of the industry. And you know how to get it done. We need you to stay engaged and advocate for housing not only as an organization, but individually in your own communities.

I look forward to working with you in the coming year as we build a better blueprint for the future together.

###