

Speaker backs a housing boost

State would cover extra school costs from new homes

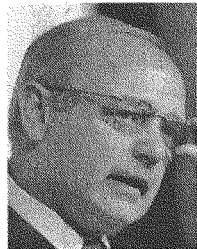
By Scott S. Greenberger

GLOBE STAFF

Aiming to spur the construction of more low-cost housing, House Speaker Salvatore F. DiMasi said yesterday that the state should make up any difference between what communities collect in property taxes from new homes and the cost of educating the children who move into them.

The Senate approved the approach in legislation passed last week, and DiMasi's endorsement greatly increases the chances that it will become law. A spokeswoman for Governor Mitt Romney declined yesterday to comment on the idea, but Romney has generally supported proposals to spur housing construction.

Many cities and towns cite additional school costs as a primary reason for their resistance to new residential development. Meanwhile, housing costs in Massachusetts are among the highest in the nation, in large part because new construction



SAL DIMASI
"A fair formula"

is not keeping up with demand.

The legislation, known as "40S," is supposed to complement a measure approved on Beacon Hill last year, "40R." Under 40R, the state pays communities to ap-

prove new residences near transit stops, in town centers, and in abandoned industrial areas. The state pays \$1,000 per unit once local officials change their zoning to allow such construction, and an additional \$3,000 per unit once building permits are issued. Twenty percent of the new units must be less expensive than what is available on the market.

Even communities are considering changing their zoning to allow such homes, according to the state.

A recent study by the Commonwealth Housing Task Force, which proposed both housing measures in a report it released two years ago, found that in most of the 238 communities where state school aid does not grow with student enrollment, the roughly \$2,000 in new property tax revenue from a \$350,000 home would not cover the education costs for one child, which range from \$7,000 to \$10,000. The Housing Task Force includes housing advocates, developers, business and civic leaders, and academics.

"One of the things that has been impressed upon me is that cities and towns may have additional educational costs," DiMasi said yesterday in an interview with the Globe. "It's a fair formula. Once you look at it, you realize that many cities and towns, with the services they have to provide, will need this incentive to make sure they change their zoning and create these densely populated areas around transportation."

But some doubt that many communities will be eligible for the money. A study by the Executive Office for Administration and Finance, based on 2000 data from 215 cities and towns, found that in 80 percent of the communities, revenues from median-priced single-family homes exceeded school expenses.

Because construction takes time, the measure wouldn't cost the state anything until 2008, when it would cost an estimated \$2 million, DiMasi said. But by 2014 it may cost as much as \$35 million annually, assuming that 22,000 apartments and 11,000 single-family homes were built in 40R districts.

Eleanor White, who cochairs the Commonwealth Housing Task Force, said that is a small price to pay to ease the state's housing crunch. The state spends a total of about \$4 billion annually on school aid.

"When you go to a community to interest them in any affordable housing development, their first reaction is that they can't afford it because the school costs will bankrupt them," White said. "We believe, based on what we've been told by the Massachusetts Municipal Association and many cities and towns we've talked to, that this would make a major difference."

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