

STEVE BAILEY

Downtown

Saying yes to housing

There has been a lot of noise coming from Beacon Hill, and business has much at stake. There are rival healthcare plans, and the question of who will pay. There is auto insurance reform, and the question of who will compete. Then there is the retroactive capital gains issue, and the question of why anyone should have to pay taxes four years later.

But the piece of legislation that should matter most to business this year was passed barely unnoticed, and is to be signed into law today by Governor Mitt Romney. The new law is aimed at doing something about the number one competitive issue facing Massachusetts — the high cost of housing — and goes to the heart of the reason communities most often cite for saying no to new construction.

By itself, the new law won't solve the issue.

Cities and towns have a litany of reasons for rejecting new housing — some good, some not. One that does make economic sense: More housing, particularly affordable housing, means more children, and educating those children costs money.

The legislation, known by the unsexy name of 40S, takes that reason off the table by providing state funding to make up the difference between what communities collect in property taxes from the new homes and the cost of educating children who move into them. The pro-

gram is projected to cost the state about \$35 million a year by 2014, a pittance if it can get balky suburban towns to get in the housing game. The law complements another passed a year ago that pays communities to approve housing near transit stops and town centers. If the carrots don't work the state still has its unpopular but effective big stick: 40B, the so-called snob-zoning law that allows developers to go around communities that have less than 10 percent affordable housing.

The state has gotten smarter about dealing with the intractable housing crunch. For instance, rather than just doling out millions in pork to communities for everything from sewer systems to parks, the state now ranks cities and towns on how they comply with the state's smart-growth criteria. That \$500 million in annual grant money, says Douglas Foy, the state's secretary of Commonwealth Development, offers powerful leverage if used correctly. Housing is the single biggest driver behind Massachusetts' well-earned reputation as a high-cost state. No state in the nation has seen greater appreciation in home prices in the past 25 years. "Massachusetts right now is committing slow suicide by its lack of receptivity to young families and children," says Paul Grogan, president of the Boston Foundation.

By itself, 40S is not going to solve the Massachusetts housing issue. What it does, though, is remove one of the last major above-ground reasons for saying no to housing. Soon all that will be left are the underground reasons: ugly reasons like classism and racism, which are harder to legislate but no less real.

"Affordable housing" can be code for "the wrong kind of people." But we need to ask ourselves: Who will live in that affordable housing? The answer is our sons and daughters. The answer is our future.

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THURSDAY, NOVEMBER 24, 2005

New England in brief

BOSTON

State to tie school aid to 'smart growth'

Governor Mitt Romney said yesterday that he has signed legislation to reimburse communities for increased education costs associated with families that move into new, moderately priced housing built within "smart growth" districts. The growth measure complements zoning reform legislation enacted last year that provides incentives to communities that build housing near transit stations, town centers, and other locations. In the past, some cities and towns have been reluctant to add family housing, citing the increased municipal costs that follow. The new law ensures that school aid increases with enrollment that arises from new housing in smart-growth districts. (AP)