

Editorial: Housing bill crucial for state's future

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Rising mortgage rates and a national real estate slump haven't made the housing affordability crisis here in Massachusetts any less acute. With median new home prices still over \$400,000 in greater Boston, too many families are still locked out of the housing market. We need more housing built, of all kinds, if we are to hold on to young workers and the businesses that depend on them.

What the real estate slump has done is make it harder to get financing to build the new housing Massachusetts needs. That's especially true of "smart growth" and urban redevelopment projects that require major investments in infrastructure before the first home can be built. Large projects need water and sewer, roads, parking garages and other public amenities, but municipalities can't afford those investments and private financing is increasingly hard to find for the initial phase of these projects.

One promising option is to allow developers, with the consent of local officials, to create a "special assessment district," which could issue tax-free bonds to raise money. Those bonds would be paid off through charges levied on those who buy or lease the finished project.

This idea was initially incorporated into the economic development package enacted into law a year ago, but it was vetoed by Gov. Mitt Romney. The House overrode the veto, but the Senate failed to take it up. A new version, sponsored by state Sen. Richard Moore, D-Uxbridge, and known as Chapter 40T, strengthens local control over the districts and removes earlier language granting them eminent domain powers.

The measure is more important now than a year ago. At a State House hearing last week, proponents featured two projects - in downtown Worcester and small-town Upton - that have strong local support and would help provide the housing Massachusetts desperately needs. Their backers say special assessment financing could mean the difference between moving valuable projects like theirs forward or seeing them stalled by the lack of initial financing.

Legislators should enact Moore's bill before a national real estate slump derails the creation of new housing critical to Massachusetts families and the state's economic future.