



Commonwealth of Massachusetts
Executive Office of Housing and
Livable Communities



Massachusetts Innovative Housing Incentives

CSG East Housing Summit
March 1, 2025





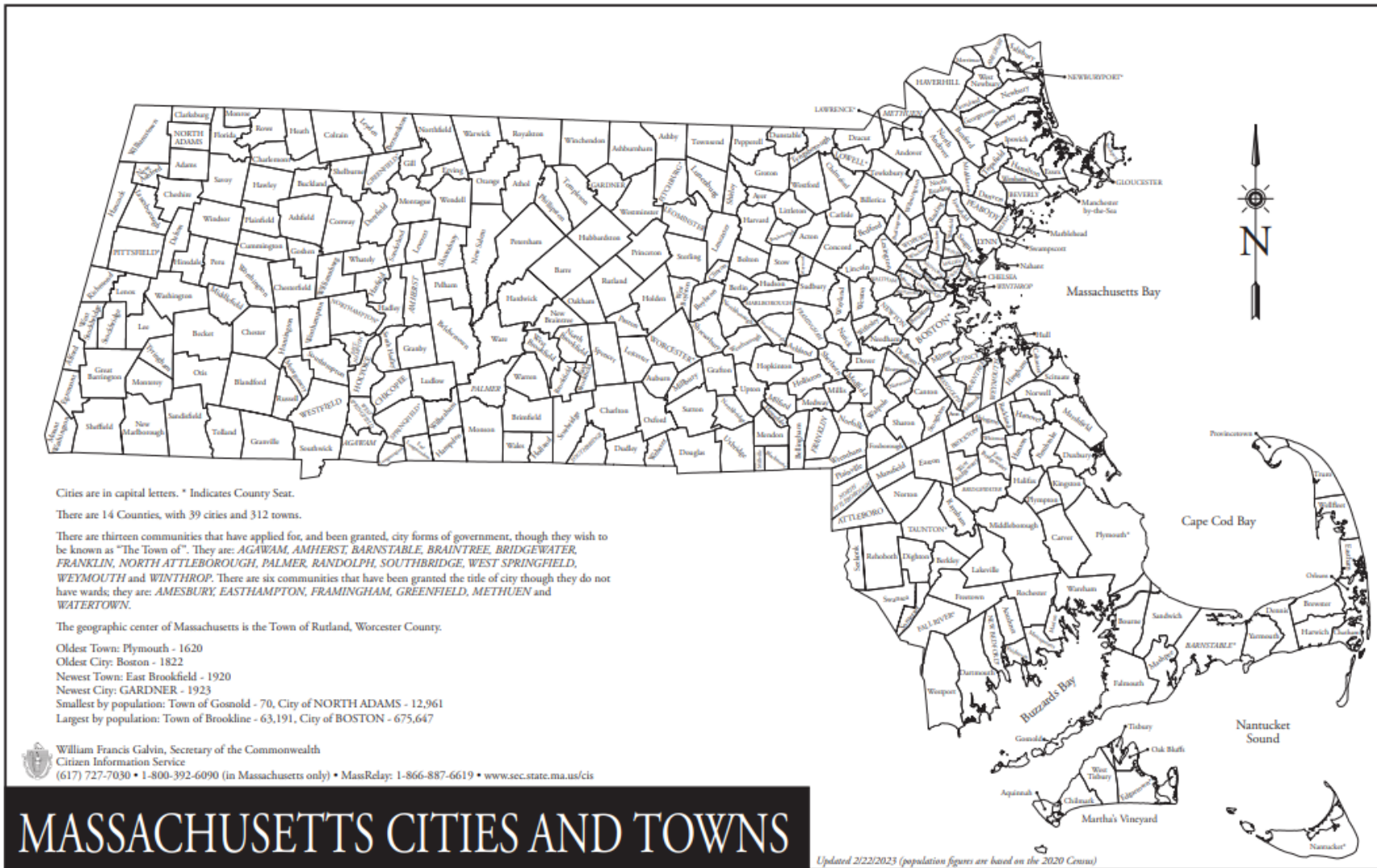
1. Introduction to Massachusetts

2. Programs that support and encourage Housing Production

- a. HousingWorks Infrastructure Program (HWIP)
- b. Housing Choice Initiative
- c. Smart Growth Zoning Overlay Districts (40R)
- d. Housing Development Incentive Program (HDIP)



Introduction to Massachusetts



About 7 million residents

351 Cities and Towns

39 Cities

312 Towns whose legislative body is "Town Meeting"

Median population of municipalities is 19,000

In 1980 MA housing costs were similar to other states, but over last 45 years MA housing prices rose faster than most other states



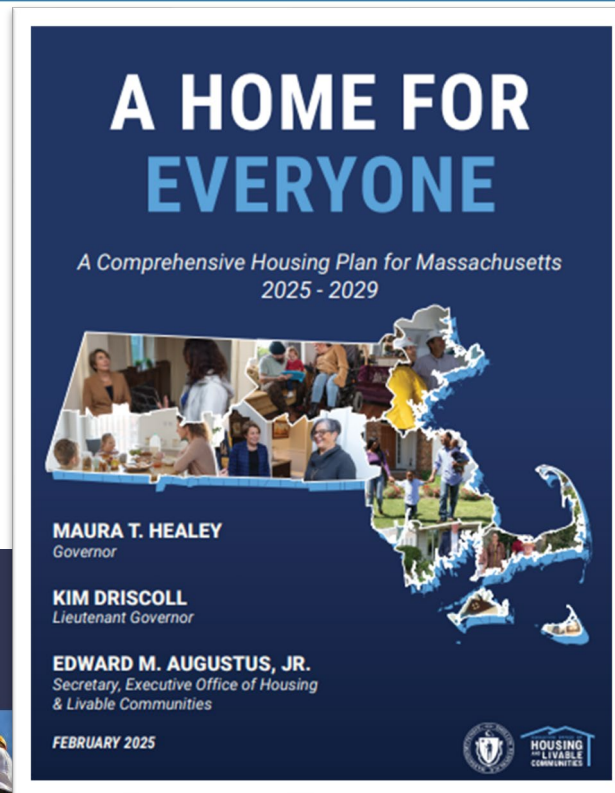
Introduction to Massachusetts

Governor Healey recently released “A Home for Everyone” - the state's first comprehensive statewide housing plan that outlines the challenges facing Massachusetts, identifies needs on both a state and local level and sets goals for housing production and preservation.

[A Home for Everyone: Massachusetts' Statewide Housing Plan | Mass.gov](https://www.mass.gov/info-details/a-home-for-everyone-massachusetts-statewide-housing-plan)

The Unlocking Housing Production Commission submitted its report “Building for Tomorrow” to the Governor. It provides recommendations across four broad themes: economic incentives and workforce development in the housing industry, updating land use and zoning practices, streamlining regulations, codes, and local permitting, and bolstering state planning and local coordination.

[Unlocking Housing Production Commission Releases Recommendations for Producing More Housing, Lowering Costs | Mass.gov](https://www.mass.gov/info-details/unlocking-housing-production-commission-releases-recommendations-for-producing-more-housing-lowering-costs)





Housing Works Infrastructure Program (HWIP)

The HousingWorks Infrastructure Program (HWIP) was established by the Healey-Driscoll Administration in 2023.

HWIP is a competitive grant to municipalities and other public entities for a variety of infrastructure projects associated with housing development.

- Capital funding of approximately \$25M/year
- Authorization source: Housing Bond Bill
- Annual application process
- Typically grants range from \$300K to \$5M
- 27 awards made in last 2 years
 - **Creating over 4,000 new housing units**

Sample HWIP Project Town of Barnstable **\$1,379,840 grant**

Redevelop a vacant 1.5 acre site in downtown Hyannis with approximately 50 units of mixed income housing that will provide opportunities for low-moderate income ownership. Grant funds will cover a wastewater system, consisting of pump station and sewer connection, enabling project feasibility and accelerating delivery of much-needed housing in the heart of the community

Housing Choice Initiative



What is the Purpose of the Program?

The Housing Choice Initiative provides incentives, rewards, technical assistance, and targeted legislative reform to encourage & empower municipalities to plan and build the diverse housing stock that the Commonwealth needs to continue to thrive.

The Housing Choice Designation recognizes and rewards municipalities producing new housing and/or implementing certain best practices.

Who is Eligible?

All Massachusetts municipalities

- Including those with current designations that expire in 2025, formerly designated communities, and communities who have never applied/been designated



Housing Choice Designation Rewards & Benefits

Exclusive access to Housing Choice Grant Program

- Part of the Community One Stop for Growth
- Awards up to \$500K for projects under Site Preparation, Buildings, and Infrastructure categories; up to \$150K for projects under Planning & Zoning category



Additional Grant-Related Benefits from Other State Agencies

- **Energy and Environmental Affairs (EEA) programs:**
 - Gateway Park Grants
 - LAND Grant Program
 - Land Use Planning Assistance Grants
 - PARC Grant Program
- **Economic Development (EOED) programs:**
 - MassWorks
 - Seaport Council Grants
- **Mass Dept. of Transportation (MassDOT) programs:**
 - Capital Program
 - Complete Streets
- **TRE/DEP Clean Water Trust program:** Housing Choice Loan Program



Housing Choice 2.0: Designation criteria – new in 2025

Housing Choice 2.0 Eligibility Criteria (“on-ramps”)

A community must demonstrate two Required Implemented Policies **and** must meet one of the following criteria:

- 1) At least 7% increase in or 700 new units* permitted over the previous 5 years
- 2) At least 5% increase in or 500 new units* permitted over the previous 5 years **AND** 6 of 21 best practices implemented (2 of which must be affordable)
- 3) At least 3% increase in or 300 new units* permitted over the previous 5 years **AND** 10 of 21 best practices implemented (4 of which must be affordable)
- 4) At least 1.5% increase in or 150 new units* permitted over the previous 5 years **AND** 14 of 21 best practices implemented (6 of which must be affordable)

**Previously vacant properties that have been rehabilitated and brought back online can count as a “new unit” for purposes of new unit production.*



Housing Choice Best Practices

1. **Inclusionary Zoning**
2. **40R/40Y District**
3. **Zoning for Transit-Oriented Development**
4. **Housing Rehabilitation Funding**
5. **Local Rehabilitation Planning and Collaboration**
6. **40B Approvals**
7. **Subsidized Housing Inventory (SHI) is at/above 10%**
8. **SHI Increase of at Least 2.5% over the last five years**
9. **Local Actions that Support Housing**
10. **City/Town-Wide Multi-Family Zoning**
11. **Mixed-Use Zoning**
12. **Zoning for Cluster Development**
13. **Zoning to allow Accessory Dwelling Units (ADU) by right**
14. **Zoning Incentives:** Demonstrate at least two policies that incentivize housing production by removing zoning barriers to housing, such as:
 - Reduced parking requirements for multi-family units,
 - No more than 1 parking space/unit for MF
 - Reduced minimum lot sizes and set-back rules, or
 - Allow for greater building height and density.
15. **Resilient Buildings**
16. **Climate Resiliency Planning**
17. **EOHLC Housing Programs participate in one of 5 programs**
18. **Housing Production Plan**
19. **Housing Plan Implementation**
20. **Land Use Board Training**
21. **Regional Collaboration**



Smart Growth Zoning (40R)

The Smart Growth Zoning in MGL c40R is **an optional program** that encourages communities to create dense residential or mixed-use smart growth zoning districts, including a high percentage of affordable housing units, **to be located near transit stations, in areas of concentrated development** such as existing city and town centers, and in other highly suitable locations.

Housing must be developable **as-of-right** or through a limited plan review process akin to site plan review. 25% of all units must be affordable to 80% of Area Median Income (AMI).

After state approval of a local 40R zoning overlay district, communities are eligible for **Chapter 40R payments**, as well as other financial incentives.

Chapter 40R seeks to substantially increase the supply of housing and decrease its cost, by increasing the amount of land zoned for dense housing. It targets the shortfall in housing for low- and moderate-income households, by requiring the inclusion of affordable units in private projects.

40R by the numbers

- 61 districts
- Over 7200 units built
- Over \$34M in payments made to municipalities

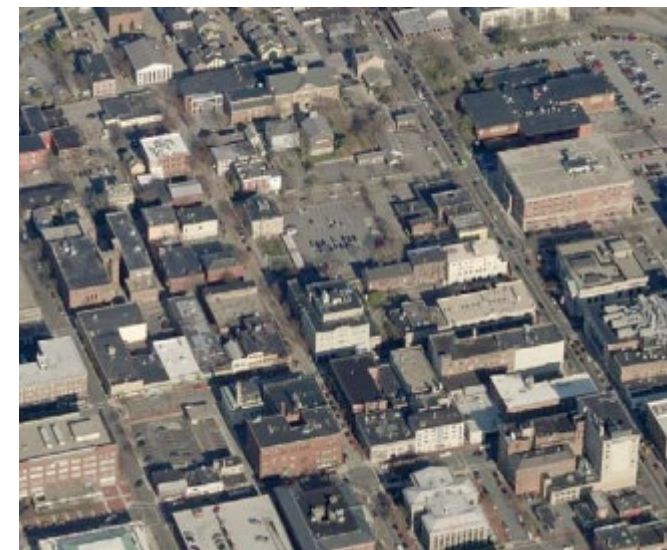


Housing Development Incentive Program (HDIP)

- ❑ HDIP is a tool for the state's 26 Gateway Cities to create more market rate housing to support economic development, expand the diversity of the housing stock and create more vibrant neighborhoods.

- ❑ The program provides two tax incentives to developers to undertake new construction or substantial rehabilitation of properties for lease or sale as multi-unit market rate residential housing:
 - A local-option real estate tax exemption on all or part of the increased property value resulting from improvements (the increment), and
 - State tax credits for Qualified Project Expenditures (QPEs) that are awarded through a rolling application process.

- ❑ When Governor Healey signed her major tax cut bill in October 2023, she strategically authorized a substantial increase to the HDIP program.
 - She increased the annual authorization for the Housing Development Incentive Program from \$10 million to \$57 million last year and \$30 million a year going forward.





Web pages

HWIP [HousingWorks Infrastructure Program \(HWIP\) | Mass.gov](#)

Housing Choice [Housing Choice Designation and Grants | Mass.gov](#)

40R [Chapter 40R | Mass.gov](#)

HDIP [Housing Development Incentive Program \(HDIP\) | Mass.gov](#)

Follow up questions? Email : chris.Kluchman@mass.gov