

Rep. Richard Haggerty, House Chair
Sen. Julian Cyr, Senate Chair
Joint Committee on Housing
Massachusetts State House
24 Beacon Street, Room 146
Boston, MA 02133

Via E-Mail:

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Re: Support for H3934 – A Bill to Create a Plymouth Land Bank

Dear Senator Cyr and Representative Haggerty:

As a Plymouth resident and elected official, I wish to express, in the strongest possible terms, my support for the proposed Plymouth Land Bank. Through a vote of Town Meeting, the Town of Plymouth is seeking to create this unique Land Bank to address some of its most crucial needs; principal among them creating genuinely affordable housing. The timing of this legislation for Plymouth couldn't be more critical.

The Need

Plymouth is the fastest growing Town in Massachusetts, welcoming more than 1,000 new residents each year. But this growth in Plymouth has had significant consequences. Key demographics in our community are being left behind:

Those working in Plymouth have lost the ability to also live in Plymouth.

- 16,000 people commute into Plymouth to work.
- 23,000 people commute from Plymouth to work.
- Only 7,400 people live and work in Plymouth, most working remotely.

At the same time, the cost of housing has made Plymouth unaffordable for its existing residents.

- Over half of renters (51.4%) and nearly one-third (30.8%) of homeowners in Plymouth are considered cost-burdened by their housing.

- These numbers increase when applied to those age 60 and older, a demographic which represents over a third of Plymouth residents, representing a significant hurdle to those seeking to age in place consistent with Plymouth's recent designation by the Commonwealth as an Age Friendly Community.

In order to remain a thriving, year round community accessible to all demographics, Plymouth needs housing that is affordable both for those who wish to come work here as well as those on fixed incomes who wish to stay here. The need for affordable housing that fits the economics of Plymouth could not be clearer.

The Challenge

Given the rising price of land, combined with the ever-increasing costs for materials and labor, very few truly affordable homes are being constructed in Plymouth. Plymouth does have an inclusionary zoning bylaw which requires new developments to include 10% affordable housing. In addition, over the last 10 years more than 2,000 units of housing have been constructed (or are currently under construction) in Plymouth under projects approved pursuant to M.G.L. c. 40B/40R. The challenge for Plymouth is in the definition of "affordable".

As defined by the Commonwealth, utilizing federal standards, housing is considered "affordable" if its cost represents a set percentage of the income of a person/family making 80% of the Area Median Income (AMI). While well meaning, this does not work in Plymouth. That is because the Department of Housing and Urban Development (HUD) has chosen to place Plymouth in the Boston/Cambridge area for such calculations. The AMI for that area is 34% higher than the median income in the Town of Plymouth. The result of this classification is that properties intended to be "affordable" are actually priced at or above market rate in Plymouth, and thus beyond the reach of those who have a genuine need for more affordable housing. The proposed the Plymouth Land Bank would address this issue.

The Proposed Solution

To incentivize the creation of affordable housing that meets the community's needs, the proposed Plymouth Land Bank would allow for the use of funds to purchase interests in land for the limited purposes of affordable housing, open space, and municipal uses. My comments herein will focus on affordable housing, however, it should be noted that as Plymouth continues to grow, the need for land to house uses such as public safety facilities, schools, recreation areas and water supply is equally critical, and these needs are also addressed by the Plymouth Land Bank proposal.

As applied to affordable housing, the Plymouth Land Bank would allow for the purchase of interests in land which include property ownership, leaseholds, and “buydown” of AMI. It is important to note that the proposed Plymouth Land Bank legislation specifically defines affordable housing as being affordable to those making **60% of the Area Median Income (AMI) or less**. In order to utilize all potentially available resources to meet our critical affordable housing needs, the proposed Plymouth Land Bank would be able to work with any entity (municipal, Community Preservation, nonprofit, or private) willing to develop such housing in Plymouth. This affords us the greatest opportunity to create different types of affordable housing meeting a variety of needs throughout the community.

The proposed Plymouth Land Bank’s ability to provide land and/or financial incentives to those who would develop housing that is in keeping with the needs of the community is consistent with the Commonwealth’s goal to create new housing needed throughout Massachusetts. It is also consistent with the Commonwealth’s requirements for affordable housing as all projects receiving assistance from the proposed Land Bank would still be required to meet the standards necessary to include such housing as part of Plymouth’s Subsidized Housing Inventory.

The proposed funding methodology for the Land Bank is a land transfer fee which applies to higher cost and second homes, and income generating properties. It would be subject to numerous exemptions and can be reduced (and even effectively temporarily eliminated) to reflect market conditions. This will ensure that unlike a general tax it will only apply to those able to afford to contribute to the very community needs they are creating. And because Plymouth is proposing a single fee which can be used to address multiple community needs (affordable housing, open space, and municipal facilities), those paying the transfer fee will ultimately benefit directly from it.

Conclusion

The Plymouth Land Bank proposal presents a unique opportunity to promote new affordable housing suited to the needs of our community. It addresses this compelling need without imposing a further burden on residents already facing affordability challenges. For these reasons, I urge your Committee to vote in favor of the proposed Plymouth Land Bank.

Thank you for your consideration.

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