

MAYOR WU WANTS TO OVERHAUL BOSTON'S ARCANE DEVELOPMENT APPROVALS PROCESS? HERE ARE THREE REFORM OPTIONS.

The City of Boston's [new Planning Department](#) is currently leading a reform initiative for the city's outdated and over-complicated development permitting process. There were community meetings [throughout October 2024](#), and the city is accepting public comments until December 15th. This overhaul of the approvals process is an important opportunity to mitigate [exorbitant construction costs](#) and facilitate the [enhanced housing production](#) that is badly needed to make Boston more affordable. It will certainly take several months for a modernized process to come to fruition, but hopefully by then [the macroeconomic situation](#) will have improved for both home buyers and builders.

A piece of Boston's zoning code called Article 80 governs most of the city's development review procedures. Any project that either has at least 15 residential units, 20,000 square feet in total, or is located downtown [is subject to Article 80](#). The Article 80 process is a series of iterative review procedures originating from a 1996 effort [to improve the predictability](#) of Boston's cumbersome zoning code for what were then "unique" projects. However, today most development projects are unique (large, complex, etc.) by 1990s standards, so relatively few projects that add housing units or commercial space in Boston are permitted [without a variance](#). Thus, permitting in Boston is much more discretionary than in most of the country, presenting many opportunities to stop projects entirely.

An important reason why the Article 80 process can take many months is that the BPDA [can easily extend](#) prescribed timelines for releasing its various intermediate reviews, often by simply notifying the developer that it is extending the deadline. In total, the baseline process takes [at least 4.5 to 7.5 months](#) for large projects, not including the time it takes the developer to create the multiple intermediate documents needed to navigate the process.

There are several ways to make this process both faster and less discretionary:

- **Raise the size threshold for projects subject to Article 80.** A good goal of this reform could be to return the share of developments that go through the Article 80 process to what it was in the 1990s.



Mayor Michelle Wu delivered the State of the City address at MGM Music Hall on Jan. 9. DANIELLE PARHIZKARAN / GLOBE STAFF

- **Put more of the community engagement and public comments up front and eliminate the draft impact report and preliminary adequacy determination.** Under this scenario, the developer's final impact report and proposed mitigations follow immediately from the initial scoping determinations (which are informed largely by public input), rather than a prescribed back-and-forth between the BPDA and the developer.
- **Narrow the scope of what elements of the projects can be negotiated during the Article 80 process.** Many development standards could be well-established in advance of any particular project proposal, ideally via a comprehensive planning process with plenty of community engagement designed to build consensus. That way, individual projects that meet local needs could largely proceed by-right, and more technical aspects of the project would be scrutinized in purely administrative reviews.

In sum, the discretionary and far-reaching nature of the Article 80 process makes it opaque and cumbersome. As is the case statewide, hyperlocal politics are misaligned with city-wide housing and economic development needs in Boston. Time will tell whether these Article 80 reforms adequately navigate both [community concerns](#) and business interests while improving the transparency issues that pervade the process for citizens and developers alike.

In Boston, 35 percent of newly constructed housing units are in buildings with fewer than 50 units, down from 90 percent before 1940.

[Source: [Boston Indicators](#)]

STATE ECONOMIC DEVELOPMENT BOND BILL EXTENDS PERMIT PERIOD FOR SIDELINED CONSTRUCTION PROJECTS

On November 20, 2024, Governor Healey [signed](#) a \$4 billion economic development bill into law, with major investments in life sciences, artificial intelligence, and clean energy technology. On the housing front, the bill includes a small policy change that could facilitate a substantial amount of new construction in the coming years.

Called the “Permit Extension Act,” Section 280 of [the bill](#) extends the period of any building permit approval issued between January 1, 2023 and January 1, 2025 by an additional two years. Typically, a developer has to get a project re-approved if the building permit period expires.

It's especially important that some permitting periods have been extended through 2025 and 2026 because high construction and financing costs have kept many previously approved projects from starting construction in recent years. In July 2023, such stalled projects [were estimated](#) to include 23,000 housing units in Boston alone, and since then construction loan interest rates [have not changed much](#).

In the next couple years, as the Federal Reserve potentially lowers interest rates and construction materials costs [continue to stabilize](#), many of these sidelined projects could be financially viable to build. The Permit Extension Act helps ensure that process-based delays will not further impede this new construction.

The economic development bill also includes [a provision](#) preventing permitted projects from being subject to regulatory changes that take effect between when they are approved and when they complete construction.

Also of interest to housing stakeholders is [a newly created division](#) in the Executive Office of Housing and Livable Communities, called the [Permit Regulatory Office](#). The new office is designed to help developers comply with regulations and obtain permits, as well as advise administrative officials on how to streamline existing permitting procedures.

Over time, these policy changes and new hires could help expedite the delivery of badly needed new housing in the Commonwealth.



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We go to great lengths to protect these historical places, because everyone recognized the beauty of them and the sense of “place” they create... yet we also put in place zoning and regulations that prevent any future places like this from being built.

[Patrick Risk, Utah-based real estate investment strategy expert.](#)

QUOTE OF THE MONTH

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