

TRANSCRIPT

Gubernatorial Candidates' Forum on Affordable Housing,

Homelessness, and Community Development

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Faneuil Hall, Boston

Sponsors:

Boston Society of Architects

Citizens' Housing and Planning Association

Homes for Families

Massachusetts Affordable Housing Alliance

Massachusetts Association of Community Development Corporations

Massachusetts Coalition for the Homeless

Massachusetts Nonprofit Housing Association

Massachusetts Smart Growth Alliance

Massachusetts Union of Public Housing Tenants

[George Bachrach welcomed attendees and introduced R.D. Sahl.]

Facilitator [R.D. Sahl]

Thank you, George. I always like a short introduction, but my gosh. Welcome to all of you. It's always a little intimidating in this room with John Adams over your shoulder.

A word to the sponsors of our forum this evening. I notice that the candidates all have padded, comfortable chairs while the panelists are all in the equivalent of folding chairs. The idea is that the candidates should be in the uncomfortable chairs. We want them squirming from the beginning.

I'm glad you're all here tonight. We have a great crowd this evening for a topic that hits, well, close to home if you will. This forum will focus on affordable housing, homelessness, and community development. The event this evening is actually co-sponsored by more than 80 affordable housing, community development, and homelessness prevention organizations from all over the state. And we're here this evening at a time when there is clearly a housing crisis in the Commonwealth of Massachusetts. And we want to talk to these candidates tonight about what they will do, if elected, to address the lack of affordable housing, to combat homelessness, and to help neighborhood development throughout the Commonwealth.

In addition to what we'll hear this evening, there is an important part that all of you will play. You may have picked up

a 3x5 card when you walked in, and we would ask you to write down a question addressed to a specific candidate. And as we move into the program, we'll be using some of those questions to see what the candidates have to say.

Now, let's meet the candidates. We'll keep this pretty short because there are biographical materials in the back, and into this busy campaign season, nearing the end of June, you probably already know a lot of about them. But let's just briefly introduce them.

Democrat Christopher Gabrieli, a venture capitalist and the Democrats' 2002 candidate for Lieutenant Governor.

Independent Christy Mihos, former board member of the Mass Turnpike Authority. His family founded the Christy's convenience store chain.

Democrat Deval Patrick, corporate attorney, former assistant Attorney General for Civil Rights in the Clinton Administration.

Tom Reilly, the Attorney General of the Commonwealth and former Middlesex County DA.

And Grace Ross of Worcester, candidate of the Green Rainbow Party, a long-time political activist.

Our panelists this evening represent a variety of groups and constituencies and interests. Let me introduce them.

Kathy Bartolini is Director of the Framingham Office of Planning and Economic Development.

Andy Crane, incoming president of the Massachusetts Home Builders Association.

David Harris is executive director of the Fair Housing Center of Greater Boston.

Tom Keane, columnist for the *Boston Globe*.

Nilaya Montalvo, Homes for Families.

And Dr. Kathleen Schatzberg, president of the Cape Cod Community College.

A bit about the ground rules for our forum this evening, really divided into three parts. In the first part I'll ask some basic policy questions that are of importance to the sponsoring organizations that they would like to ask, and each candidate will have a chance to respond. Each panelist will then ask a candidate a question, and the candidate will have a couple of minutes to respond and we'll try and work in a little give and take as time permits.

Part three is about you and a little bit about me. I have some other questions that I'll throw in. And then we'll get to your questions as well. And again, those index cards are for your use if you'll pass them to the outside when you have a question ready, and they'll be collected and collated and brought out.

No openings statements tonight. We'll ask the candidates to offer minute-and-a-half closing statements as we near our 7 o'clock cutoff tonight.

So, let me begin with some sort of policy questions that are important to the sponsors of our forum this evening. And for the sake of argument, we will start with Grace Ross at the end and work our way down the panel. The first question would be this, Grace. Less than one percent of the \$25 billion state operating budget goes to fund the housing programs administered by the Department of Housing and Community Development, and out of capital funds of one-and-a-quarter billion, \$130 million is earmarked for housing. How would you increase capital and operating funding levels for the state affordable housing programs? Where is the money needed, how do you get it there?

Grace Ross

I'm going to do it the opposite direction. There's lot of money that we aren't getting as a state, and that we need for housing and a number of other things. If we simply take the taxes that everybody pays, income, property tax, sales tax, excise tax, and the fees that you pay, and you add them all together, it turns out that the lower income you are, the higher percentage you are paying of your income toward taxes in this state. Not surprisingly, then, when we're in a recession, or now, when we're supposedly out of a recession but 60 percent of us are still losing ground -- we're still in a recession -- the state doesn't have enough money. If you turn that around and you undo the reverse Robin Hood effect, then you bring in about three

billion more dollars a year. So that's part of where I would get the money. And I think there's no question, that we know from looking at a lot of the development projects out there, that providing affordable rental or homeownership opportunities is best being done through a lot of the nonprofit developers across the state. So if we want to get the most out of our dollars, that's the way to go. But we need increased housing subsidies in this state. They've been slashed over the last 10, 15 years. And those are a cheap way to house people, in comparison to a shelter that might cost up to \$36,000 a year just for two people. So we're using our money in a way to lose it, and we're not getting it from the folks who have it.

Facilitator

Tom Reilly , if money is part of the problem, and planning certainly is part of the answer, and cash, where do we get the money we need? Where do we need to put it?

Tom Reilly

First of all, our funding is certainly a big part of this problem, and more funding is clearly needed. The next governor will have at least \$500 million in additional revenue to be used for purposes like this. I also believe that there are efficiencies in state government, amounting to a significant amount of money that can be used as well. But I believe as well,

as part of my economic plan, as we grow this economy there will be additional monies in everything from subsidies for rental income to also to fund affordable housing programs. But this is more than a funding issue. This is fundamentally a leadership issue. We have some very significant tools that are at our disposal, everything from 40B to 40R to 40S. I don't believe that they are being effectively used at this point. I also do not believe that we have a creative state government, and some of the things that I'm able to do as Attorney General, from brownfields developments to abandoned housing projects, things along those lines to be a little bit more creative, to also make better use of the programs that are already in effect is the way to go.

Facilitator

I want to come back to 40R and 40S in a moment. Can you roll back the state income tax and still have the money you need for housing?

Tom Reilly

Absolutely. I believe that we can roll back the state income tax. This is about listening to the people of this state. It may be very clear they want the income tax set at 5.0. As I said, even after the rollback and I factor that in, there will be \$500 million in additional revenues, plus efficiencies in savings

and other parts of state government. At the end of the day this is about setting priorities. And the governor sets those priorities and funds those priorities.

Facilitator

Deval Patrick, same area, same question.

Deval Patrick

I want to agree with Tom about the lack of creativity in the current administration and the importance -- I think you were getting at, Tom -- of investing both public money and public leadership in the area of addressing the housing crisis. I don't think, having tried the math, that there is a way for us to meet so many of the unmet needs that we have, including in the area of housing, and also roll the income tax back. I don't think that's realistic. I do think that the way to -- I do think it's also important to acknowledge that if asked in the abstract, that is what everyone would want. That's what I would want. But the question is, do we give people a couple hundred dollars back in cash, or do we give people back that money in better and more complete services? And I think some of those services are funding the soft second program at five million dollars a year. I think doubling the affordable housing trust fund is a start. I would go further and match an additional \$25 million raised in the private sector, to encourage private employers to invest in

housing for their workers. I think it's important for us to deal with the out-of-balance we have right now in support of public housing maintenance and capital investment, because that is completely out of whack. And I think we have to deal with the fact that, frankly, most housing is and ought to be built by private developers, and the approval and permitting processes make that unduly difficult.

Facilitator

What's the incentive for private employers to subsidize the construction of housing, if it's another added cost of doing business in Massachusetts?

Deval Patrick

What we have right now is the loss of population, the only state in the nation to lose population. Most of them young and well-educated. And the number one reason they leave is because of the high cost of housing. So, it is in a business's economic interests to encourage all kinds of ways to retain those workers, including addressing the high cost of housing. Now I'm not talking about requiring businesses to do this. I think this is another opportunity to Tom's point about public leadership.

Facilitator

Christy Mihos, the money question.

Christy Mihos

The money issue. It's always about the money. And certainly it's about priorities. And I look at the supplemental budget that was released a few weeks ago, and when I look at how we fund the soft second mortgage program at five million dollars at this point, when the Boston Red Sox and their corporate neighbors are looking to get \$55 million of your money to upgrade the infrastructure in the neighborhood in and around Fenway Park, that's an 11-to-1 ratio as to how we fund the soft second mortgage to the \$55 million that they're going to get. When I see the Mass Turnpike Authority seek to get \$31 million out of the supplemental budget, that's six times what we fund the soft second mortgage program at. So the money is up there, it's just that the special interests are taking it each and every year. And we're going to be all back here together next year, the year after, and in decades down the road, until we change the structure of how the power is meted out in this state. And the Democrats and the Republicans, the two traditional parties, can't do it. They're bought and paid for by the special interests, and each and every year the people that you represent, the people that need our help the most, are at the back of the line each and every year. We have to just change the structure of Beacon Hill and an Independent can do it.

Facilitator

And an Independent governor would still have to get something through a partisan legislature, dominated by the Democrats.

Christy Mihos

Absolutely. And it's happened north of us in Maine and south of us in Connecticut, where Independent governors representing Democrats up in Maine swung over, became Independent. And my hero, Lowell Weicker, in the state of Connecticut, a stalwart Republican senator, switched and became an Independent. And worked with his party. Worked with the legislature in his state. Took the politics out of it and did it for the right reason. And that's what we have to do here. We have to do this for the right reason and take politics out of it.

Facilitator

The money question. Chris Gabrieli.

Chris Gabrieli

It's absolutely correct to say that funding reflects priorities. And for Massachusetts, addressing a housing crisis that is affecting people from the very lowest rungs of the socioeconomic layer deep into the middle class; that is, driving people away from our state, even people with advanced degrees,

even people 25 to 34 who are the future of our state; it should be a high priority. And there are some wonderful places to go, right to in the beginning. Certainly we need to take some of the affordable housing that's at the risk of losing its status, and fund things like the Capital Improvement and Preservation Fund and the Housing Stabilization Fund. I think getting people who are homeless into rentals for the Mass Rental Voucher programs, those are things I would increase. Soft seconds as well.

But we have to be creative and not just talk about what we would do, but what have we ever done? The work I did to help the Pension Fund of Massachusetts decide to invest more in Massachusetts is already making a difference at zero cost to the taxpayers. For example, they've invested in an organization that is actually increasing homeownership and subsidized mortgages in Massachusetts right now. They've invested in two funds that are doing real estate development in Massachusetts, including housing. They've taken their cash, which they used to give to a couple of banks for no particular reason, and they now give it out to banks, based on how high their CRA credit score is and their performance and whether they are reinvesting in their community, is driving more capital into those communities and rewarding banks that do the right thing. Costs the taxpayers nothing, brings capital to these markets. That's the kind of innovation in how to bring resources that I would bring as governor, in addition to making housing a higher priority than it

has been under lackluster leadership over the last 16 years on the housing matter.

Facilitator

I want to come to a topic that has been very much in the news this week, and that is enforcement of immigration statutes. Buried in the budget bill that's now in conference committee is a section that would require local housing authorities to verify the immigration status of applicants on waiting lists and to give priority on wait lists to U.S. nationals and documented immigrants. Do you support that? Anybody? Jump in.

Grace Ross

I'll jump in. I'm very concerned about the immigration issue and actually have been out talking about it a lot. I think that whenever our economy gets bad, there is this sort of, "We have to find a scapegoat," thing that goes on. And what's true is that almost all of us, if we aren't Native American, come from immigrants. And the generations of immigrants always face the same problems around housing discrimination, often living in incredibly unhealthy circumstances, and taking the jobs that usually pay the worst and are the least safe. I think that the time has come for us as an immigrant nation to look at ourselves and be honest about the fact that we are the ones who have always built this country, and that every generation of immigrants

should not go through the same painful and unhealthy circumstances that essentially pit us against each other. As somebody who's been a worker my whole life, it's pretty clear to me that if I'm getting pitted against somebody else who has no rights, then of course they're going to be treated worse, they're going to get paid less, and they might get my job.

So I think that every time that the government moves us toward policing people who are essentially here, trying to make it like the rest of us, that we're moving away from things like just labor policies, just housing policies, that actually deal with the real problems. Which is that we need enough money in our economy so that there are jobs. We need enough money in our economy so that we can renovate housing. And that's ultimately where the answer needs to come. And I'll talk more about that later. But I think it's really critical that we not use status against a small sector of people in a way that hurts most of us.

Facilitator

All right. So the answer to that is, "No." I'd encourage you to jump in here. Would you support that provision that would require housing authorities to verify the immigration status of people on the waiting list? Christy, go ahead.

Christy Mihos

If you talk to housing authority people that actually run these authorities, they will tell you that this is a huge problem for them. And I absolutely support that piece of legislation. It wasn't just tucked in there. It's about time that it was put in there. We can't even take care of our own veterans, our own elderly, and people in this country, and we're being forced right now by the federal government to take on hundreds of millions of dollars here in the Commonwealth in health care costs, in housing costs, you name it. And here we are here, today, looking for solutions to protect our own, to put roofs over our own residents' heads each and every night, and to solve the problems of homelessless.

This whole issue of illegal aliens is costing the state hundreds of millions of dollars, and it's time that we do something about it here in state government.

Facilitator

Anybody else? Deval, go ahead, Deval Patrick.

Deval Patrick

I want to just, I have to jump in at this point. First of all I would not support the provision. It isn't easy. These aren't easy issues. I do think, though, I wonder if anybody else finds it curious that the problem of undocumented workers and immigration seems to become a crisis just in time for the

election. This issue, these challenges have been with us for some time. And I think that what is warranted is a balanced approach that starts at the federal government -- and frankly, I think that the McCain Kennedy bill is a step in that right direction. And at the state level, we'd better start connecting the dots. Because every time we make a short-term political judgment, it costs us in the long term. So we say no to the undocumented worker's family having access to housing benefits, and then we deal with it at the homelessness end. We deal with it in other ways, where people aren't getting the services and the support they need.

If this were an easy issue, we'd have solved it by now. It's not easy, and we ought to stop trivializing it and oversimplifying it, and get to work.

Facilitator

Tom Reilly.

Tom Reilly

RD, I can speak from experience. It is not an easy issue. It was five years ago when I stepped into this issue, and there were very good reasons why. Because workers were being exploited in the workplace. They were being denied wages, fair wages, wages they had earned. And I decided I was going to do something about it. The overall wages were being depressed. I stepped in

and what I did is to try to develop the evidence so that we could deal with this. There was no way that illegal immigrants were going to come forward and tell us what was going to happen. They were living in horrible, unsafe situations, working in horrible, unsafe situations. I decided to do something about it. No way that they were going to come forward if they were going to be thrown out of the country.

We developed those cases. We recovered over \$17 million for workers pretty much across the board. And Deval's correct. Right now it's a political football and everyone's jumping up and down. This is a period where all of us need to take a step back and look at this period of American history, as it will be looked at some day, as to whether or not we've been fair. We've been fair, and we've honored the ideals of this country.

In terms of your question and that legislation, that being said, there is nothing wrong with inquiring and asking someone to verify their status. There's absolutely nothing wrong with that. And there is nothing wrong with that, with limited housing, to giving a preference to American citizens. There is absolutely nothing wrong with that. But it's a very complex issue and a very difficult issue, and we will be measured later as to how we deal with it, and I do agree with the bipartisan approach of Senator McCain and Senator Kennedy. This is a time for leadership right now, and sometimes you have to stand up and you

have to take it, if you're trying to do the right thing. And I've done it.

Facilitator

Chris Gabrieli [sp], wrap up this one for us.

Chris Gabrieli

I think that, when it comes to priority lists in housing, publicly-funded housing paid for by taxpayers, yes I do think it is reasonable to say that the priority, I think, and the intent of that housing, would certainly be first to American citizens, whether they're veterans or not, whether they're -- whatever the basis of their eligibility. And I think it is reasonable to expect public authorities to verify that information. But more deeply, I do think that it isn't just an election year issue. I think that we see in front of us, well-documented in both Boston newspapers over the last few days, evidence of an extraordinary pattern of employers who make extraordinary profits taking advantage of illegal immigrant labor. Not only Massachusetts, by the way, but people from other parts of the country. In fact, as I understand it, there is a preference for that for the least likelihood of getting caught and the least likelihood of facing consequences. And I do find it extraordinary that our public authorities, that our elected leadership in there and the people they appoint, have failed to ask, like, is it really validating a

Social Security number to accept a number that says 666666?
Which is what you read in the paper, was taken as, "Well, I've done my job as an employer."

And I think one of the problems in our society is the lack of responsibility and accountability of employers, and I expect publicly-elected officials to hold those employers accountable. I don't think they're doing a favor to those illegal immigrants exploiting that labor. I saw the picture in the paper of a 15-year-old doing dangerous labor high up, for I believe six dollars an hour, I think they said in the paper. Probably getting no benefits and so forth. That's not an example to me of something we should be proud of. I don't know where the public leadership has been in cracking down on that. And I think those employers do deserve to be dealt with far more severely and not let off the hook.

Facilitator

All right. So we have two "No"s and three "Yes"ses on the immigration and housing question. Let me come to the Section 40s and all of the -- we won't go through the entire alphabet -- 40B, the law aimed at encouraging the production of affordable housing by establishing a threshold of ten percent of a community's housing stock being affordable. The add-on to that is 40R. This is the provision that creates smart growth zoning districts, in

which there are incentives for local governments to encourage and produce affordable housing.

I checked today, and so far, in the entire Commonwealth, five have moved along this process far enough that they're close to approval. A sixth is just beginning the paperwork. Now, granted there's a learning curve. This is a fairly new program. But does this seem to you like it's moved a little too slowly? And if so, what do you do, if elected, in that first hundred days, to make this happen more quickly?

Tom Reilly

Again, this goes back to what I said at the beginning. We have the tools in 40B, we have the tools in 40R, and we have the tools in 40S. This is a question of leadership, and I said at the beginning, funding is part of it. Yes, it is part of it. But it's really a question of leadership. We've had a governor who has been absent, who has not rolled up his sleeves and gone into the cities and towns, and worked in the cities. I've been going around this state for many years, but for the past week, my street tour that we have. And I've been speaking to local officials and people in neighborhoods. They're looking for leadership right now, and particularly on housing. They're ready to work with state government. You have to have a state government that's willing to work with them. A state government and a governor who's willing to listen to them.

Smart growth is a great idea. They're not lacking ideas. They're lacking execution. They're lacking the ability to get things done. You build off of 40B and you get into 40R and 40S, there is tremendous potential to increase the supply of affordable housing. If local cities and towns are having problems with, say, the barriers, our schools, and building schools, then state government has to step up and help them. And it has to build in a set of incentives so that those cities and towns, this is a statewide problem, those cities and towns that work with state government to increase the supply of housing in this state will get rewards for that. That's what 40S is all about.

Facilitator

As we open this 40R area up for conversation here, are the incentives in the right place here? Should they be exclusively for the local governments? Or do you have to incentivize the people who actually hammer nails and build housing? Chris Gabrieli.

Chris Gabrieli

Well, look, it's important to reflect: 40B is almost 40 years old. And although it accounts for, what, 80 percent of all of the affordable housing that's been added outside of greater Boston in that era, and so it should not be given up on, this was

a huge philosophical step forward to say, how do we give carrots, not just the stick? How do we get communities to want to switch their position from anti-growth to pro-growth? And it's one of the few places where I think we've seen a change, a positive change, that was to some degree bipartisan. And I think it's important to be honest when you see that positive involvement of the private sector as well as the public sector. I think it's great that five communities have come forward. I think 40S is going to make a big difference. I absolutely think we need leadership that will drive that and be willing to ask, as you say, RD, over time, is it working well enough?

For example, I understand that the 40R projects that have been submitted, it hasn't been a whole zone where there's going to be a lot of development. It's really been pretty much, the application's been for the zone where there was going to be development anyway. So it isn't even just there's only five, it isn't broad. That's what leadership has to drive harder. We've got to get the incentives to that. And it's real simple. We need 25,000 to 30,000 housing starts a year in Massachusetts to change the equation.

This governor said he would double housing starts. He hasn't. I don't think we should give his lieutenant governor another shot at it. I think we should elect someone who will hold themselves accountable to getting to that 25,000 to 30,000 housing starts we need a year, by whatever mix of 40B, 40R, 40S,

and any other innovations. And yes, we will have to figure out if it's adequate. I don't think sitting here on this podium tonight, I'm in a position to say whether it is. But I will say this: I will be a governor, if elected, who will hold myself accountable, expect to be held accountable by people in this room and people across the Commonwealth, as to whether or not we achieve the level of housing starts needed to change the equation in Massachusetts for everybody.

Deval Patrick

I just want to add that the partnership between state government and local government, I am hearing from mayors and local officials across the Commonwealth, is shattered. But it is not going to respond simply to a willingness to be better listeners among state government. In fact, Kerry Healey is frequently cited by mayors as an exceptional listener in dealing with mayors. I hear stories about how she comes, she takes a pad, and she makes lots of notes. Nothing happens. And I think when we talk about housing starts, obviously we have to talk about a range of housing starts. We have to talk about smart growth and transit-oriented growth, which, as a concept that's come out of the current administration, is a terrific concept. It's a great idea. Clustered, multi-family rental units close to transportation. But they don't execute.

You don't, however, think about housing in isolation. In the same way you can't think about economic development in

isolation or in the abstract. It's connected to transportation policy, to better planning, to local aid. To what we do, through local aid, to take the pressure off the property taxes. That is the tax we have got to cut. But we cannot do that unless we restore local aid. And we cannot restore local aid if at the same time we roll the income tax back. All these issues I think are crying out for not just leadership in the name of leadership, but leadership that is comprehensive in nature, and is willing to think and plan regionally and across the entire Commonwealth and connect these different [regions?].

Facilitator

Grace Ross, you're vigorously nodding your head down there.

Grace Ross

On some of that, yeah. I actually want to re-frame this, because I hear other folks talking about leadership. My experience as a community organizer is that there is incredible leadership in our communities. A lot of the nonprofits that are developing housing are developing genuinely affordable housing. They've got a vision. They've got a plan. They've got resources. They've often got the community involved and ready to jump. The 40B legislation, I keep getting asked about this, and as somebody who's worked in a small city and among other communities in Metro West, 40B, the standards of affordability

are unaffordable for most of the lower-end workers. And so, you can talk about leadership. We've got leadership. There's tons of leadership at the community level, and I think the real question is whether you're going to sit there with a pad of paper and not do anything, or listen in other ways and not do anything. I think the issue is facilitating that leadership so that it can be effective.

And I'm not sure the private funding, we actually have tons of private development in this state, often through Section 8 development, stuff like that. And then folks top out of the program and they turn to market housing, and all the money that we have invested through tax breaks and sweetheart deals and all that kind of stuff disappears. It stops being a community resource.

So I think we need to look at long-term investment through nonprofit sources that are out there working their tails off already. And to look at real leadership, which is about following the leadership of people who have already got the vision. They are already making it happen. And, yes, property taxes are not the way to get there. But we need to look at other ways of getting money into our communities, like increasing the minimum wage, bringing jobs back into the construction industry so that we can rehab all those places that are boarded up in every downtown, in every community across the state, and really

look at where are our resources, and back the resources that are already there to make real change happen.

Facilitator

All right. Christy Mihos?

Christy Mihos

We all support these problems. That's why we're here today. That's why we want to make them all better. But right now the state is at war with its municipalities. The state has taken the life blood of how the municipalities run their cities and towns and just cut local aid. And right now, what is the incentive for anybody working at the municipal level to work with the state on any of these wonderful proposals? They've been cut to the bone by this administration, well over two billion dollars in local aid. And instead of putting more local aid down into the cities and towns right now, they're looking at a \$707 million supplemental budget that just goes to special interests.

So let's get local aid back where it should be. And Deval, I ask you to read Christy's Proposition One on my website, Christy2006.com. Because --

Facilitator

Christy, hang on to that. I want to come back to Proposition One, because I think it's something that everybody

ought to have a crack at. And to let you defend how it would produce more housing.

Christy Mihos

I'd be happy to.

Facilitator

I want to move on to the next section. Save Proposition One and remind me, people, I'll get back there. Let's move on to the second portion of this evening, and that is questions from our panelists. We've asked them each to draw a candidate's name. We did that before. As you may have noticed, we have one more panelist than candidates, and I should note that Lieutenant Governor Healey was invited to attend this evening. The sponsors tell me that her campaign initially accepted the invitation. Is that correct? That is correct. And since then they have since declined. So, what we want to do is we're going to give one panelist an additional question that will go to all of the candidates, and Andrew Crane from the Massachusetts Home Builders Association, Andy we'll let you start with that question that goes to all of the candidates. And then we'll go in rotation.

Andrew Crane

Thank you very much. This question pertains to cluster zoning. A joint study issued earlier this year by the Pioneer Institute for Public Policy Research and the Rappaport Institute

for Greater Boston at the Kennedy School of Government found that local zoning, subdivision, and environmental regulations can add as much as 30 percent to the cost of a new home. The study concluded that large lot zoning requirements were particularly responsible for the high cost of housing that is driving many young families from this state. It found that increasing minimum lot sizes by one acre is associated with an 11 to 15 percent increase in housing prices in a city or a town, and a drop of anywhere between 8 to 20 percent in a share of homes that quality as affordable. One way to reduce the size of house lots but preserve open space is through the use of conservation design zoning, often called cluster zoning. Cluster zoning allows builders to build homes at higher densities than would otherwise be allowed under local zoning, in return for preserving a portion of the land for open space. My question is, do you support cluster zoning, and would you support an exemption to the Zoning Act to allow for its use as a matter of right as a way to encourage this type of development, rather than the traditional large lot subdivisions that waste land and add to the high cost of housing?

Facilitator

And to move this along, let's try and hold the answer to a minute. Chris Gabrieli, go ahead.

Chris Gabrieli

I think you've hit on one of the central questions that the next administration has to face up to. That after a long period of time in which local actions have made it harder and harder for projects to move ahead, which is why we've had such a fall-off in new housing starts, and as you said it's both large acreage requirements but it's also the issues about irregular lots. It's the issue about septic requirements above the state minimums and so forth. And I think that as part of a grand sort of housing compact that needs to be done by the next administration, has to be an honest re-jiggering of the balance on local zoning rights. I don't think it's just about cluster zoning, but I'd go into that sympathetic to say the state has to say this is a state problem, and we cannot accept any more that every locality really wants to pass the buck to some other community. 40R and 40S are positive carrots, but I think we're going to have to go farther in limiting in some cases the right of communities to advance zoning and prevent developments that would otherwise lead to housing that our state desperately needs. I think it's time for us to face up to that. It will be a tough fight. The legislature won't welcome it. A lot of the communities won't welcome it. But I think the state's ready for a governor who's going to be honest with people that we need to get that balance back. So what's good for the common interest has to prevail more than just what's good for each separate town.

Facilitator

Okay, let's go for a minute here. If Feng Shui is important, I guess we'll keep going down the line. Christy Mihos, go ahead.

Christy Mihos

I do not support re-jiggering zoning around. I am a firm believer that we've got to get the power and the money off Beacon Hill and back to the cities and towns, and I am a firm believer in local rule in these issues. There are different ways of doing it, with a carrot, with incentives. And properly funding the cities and towns with the proper amounts of local aid so that they will accept these issues.

Facilitator

Deval Patrick.

Deval Patrick

Well, I think that the point is well taken about how the complexities and the uncertainty of the zoning process adds to construction costs, and that ultimately adds to the cost to buyers. And that helps inflate the high cost of housing here. I think cluster zoning is a smart idea. I think the problem is that you can't do -- legislation is helpful but it's not enough,

I guess is what I would say. Because there are so many other impacts that come from clustering that housing, in terms of the underground infrastructure, in terms of transportation, in terms of the impact on schools and so forth, that there has to be a coordinated approach. And a partnership ultimately, not just with the local community but with the state as well. And I'm sympathetic to Christy's point about having local communities have the resources they need to support the judgments they want to make about their own communities. But I think simply saying that 351 independent judgments is okay is frankly what has gotten us to where we are, which is stuck in neutral and sliding backwards. And it is going to take more coordination and leadership at the state level.

Accepting Grace's point about how much creativity there is at the local level, there has to be a role for the state, I think, in making clustered zoning or any other of the initiatives that we think are good for all of us, actually come to light.

Facilitator

Mr. Reilly.

Tom Reilly

I just want to ask Deval whether or not they have that cluster zoning up in Richmond, where you're building that Taj Deval there.

Deval Patrick

I don't know why my house bothers you so much. I will just say that this is the only nation on Earth where you can come from nothing and build a house like that in Richmond. And I'm damn proud of that.

Tom Reilly

You're sensitive on that point. I guess I touched a raw nerve there.

Deval Patrick

I'll cook for you.

Tom Reilly

Maybe I'll take you up on that. First of all, I believe that cluster zoning is a very promising idea. I think it's a win-win for the cities and towns. I think it's a win-win for developers. And I think it's a win for the environment as well. I do believe that this is a choice and a decision that has to be made at the local level. But I believe that state government should build in incentives certainly to encourage it. Because we've got to do something about this. I think cluster zoning is a very promising idea and something I would support.

Facilitator

Grace Ross. Try and hold it to a minute, please. Our timekeeper down here will flash a sign.

Grace Ross

It's fascinating to listen to how everybody's thinking about the cluster zoning issue. Coming from the perspective of a community group that runs a nationally-recognized, low-income transportation service, which my previous organization is still doing, and meeting with regional planning people and transportation experts and grassroots environmental groups, they're all ready to jump on cluster zoning. Like, this isn't about imposing it from above. They're running into some real logistical problems, which is that planning is not generally done regionally in this state. Planning is generally done town by town and city by city.

But what we know, and you can look at the figures in terms of public transportation, you can look at it in terms of the impact of smog and just the paving of greenspace that happens a lot with buildings that are far apart from each other, there's no question this is the answer. And I think that there is an impulse already that exists in our communities. We've held out this image that somehow the ideal is a big house that's so far away from your neighbors that the kids can't even play with each other. And I think most of us are remembering things about our childhood, at least most of the folks I talk to, about

neighborhoods where, when you got yourself into trouble, it didn't matter if your parents were watching, because someone's parents were watching. And it got back to your parents. And those are communities where we all take responsibility in a diverse way for everybody and for all the kids. And cluster zoning supports that. So it's good economically, environmentally, and in terms of our neighborhoods and our communities.

Facilitator

Okay. Thank you. Actually, Kathy, you're going to start. Now we come back to the head of our group of panelists and we'll work our way down again. Each will ask a question of an individual candidate. I'd ask each of that candidate to try and hold the response down so that we can sort of stay on our timeline here. Kathy Bartolini, go ahead. This is for Chris Gabrieli.

Kathy Bartolini

Thank you. Municipal government used to be a strong partner with many state administrations for many, many years. Partnering on housing, education, growth, and economic development. Then there was a policy shift. Local government was named just another special interest group. The local advisory committee on local government was relegated from monthly meetings with the

governor down to meetings with the lieutenant governor. And then EOCD was dismantled and somewhat hidden over in administration and finance.

Mr. Gabrieli, if you were to be elected governor, what would your administration do to rekindle the strong partnership? And might we expect that as a first step, the Department of Housing and Community Development today would be elevated back to the secretariat level?

Chris Gabrieli

That's a great question. Yes, I do think it would make sense. Because, again, I think housing needs to be a priority as one of the major issues facing our state. So I do think it should be returned back to cabinet level.

I have a lot of experience with how hard it is to get these results, and the suspicion that's out there. I've been working, as many of you know, for the last years to change the school day. And we got through the state last year a proposal to make Massachusetts the first state in the country where the state would fund school districts that had the vision and the leadership to actually come up with a plan for kids to spend two hours a day more, both in the classroom and getting homework help, getting enrichment.

What I discovered in doing all that work is, first of all, how challenging it is to implement, to work with districts across

the state, from North Adams all the way here to Boston. How difficult it is for local folks to believe that the state will fund them. And with good reason. And that turned out to be one of the great challenges, which I think is similar to the 40S issue.

There are some things we can do to build trust again. I'll give you a couple of small examples, that I think are actually really important. I've said I would propose multi-year budgets. If you don't see multi-year budgets and you don't know whether someone's assuming, for example, your 40S funding is going to continue, it's a big decision to believe this year's legislature that you'll keep getting that money. Another example would be, we should have the local aid number out, as we're supposed to have, by March first, so that every community knows in advance what's the plan for local aid, not this July. Even today we don't know how much money there's going to be for extended learning time next year, because the House number was different from the Senate number. So we don't know how many schools are actually going to open, and school's not that far away, sadly, from opening again. Sadly, for the kids.

So, it starts with doing the basics better. Telling communities in advance what's your number going to be for that year. Showing them that your budget plans are actually going to continue to happen over time. Obviously it happens by getting around the state. I've committed to doing town meetings in every

part of the state twice a year, personally, and not just like the George Bush ones where it's only your supporters let in. Anybody can come in. You're going to hear some stuff you don't want to hear. It won't always be the most pleasant part of the day. That's how you learn about what's really happening, is talking to people out in the communities. People with the line jobs, not just to people who report to you, who will always tell you it's going better than it is.

So getting results absolutely requires those partnerships, and there are some specific things you have to do. It's not enough to say you're philosophically for it. You have to have experience working with these communities to get these results, and you have to have a commitment to the processes that allow them to happen.

Facilitator

All right. Thank you. David Harris, a question for Grace Ross, please.

David Harris

Yes. Ms. Ross, for years studies have shown that the state remains characterized by extreme racial segregation and differential housing outcomes, with members of groups protected by state and federal fair housing laws. Including not only people of color but persons with disabilities, families with

children, and participants in the Section 8 program. Additional studies by the Fair Housing Center of Greater Boston have shown that each of these groups is subjected to continued discrimination in the housing market. What do you believe is the state's role and responsibility for addressing these matters? What specifically would you do, if elected, and what resources would you provide to combat discrimination and break down the patterns of segregation we face?

Grace Ross

I need to ask you whether the very first part of that question is something I need to hear, or whether I would have gotten the gist of it, because I didn't hear the first little bit there.

David Harris

What do you believe is the state's role and responsibility for addressing these matters? Segregation and discrimination in the housing market.

Grace Ross

I think it's critical because the state, by its policy choices, things like cutting education funding, that impacts more low-income, more communities of color, sets the tone for everything that happens in the state. I think that the ongoing

discrimination, I see it all the time in my work. It doesn't surprise me that there are statistics to back it up. But what we do know is that we need several things. We need leadership at the cabinet level that is more connected with communities and deals more directly with the local situations that our people are facing. We need a cabinet and leadership that represents the full diversity of who we are as a people in the state, so that folks can look to each other and understand that there's going to be a level of understanding that comes from shared personal experience at many levels. Lots has been done in terms of legal cases, but I think what's more interesting is to begin to look at what are the policy choices about where the funding goes? What the role of banking choices are. What the roles are in terms of employers and who gets employment. And begin to look at the deeper infrastructure that leads to ongoing practices that are why people describe racism as systemic, or different kinds of discrimination as systemic. Because it's not just what's happening in housing. It's about the question of whether we as a people recognize that this state is moving toward, for instance, being a majority of people of color. And can we find a way to learn to work in partnership with each other? Which I think is going to be mostly a challenge for the folks in power right now, to learn how to share power better and how to respect each other better. And I think it's a large task that I actually think the people of Massachusetts are ready for.

Facilitator

All right. Thank you. Tom Keane with a question for Deval Patrick.

Tom Keane

Mr. Patrick, my question actually touches on an issue you had brought up earlier. As you know, numbers released by the Census Bureau over the last few years seem to indicate that the State of Massachusetts has lost an average of 42,402 people annually between the years 2000 and 2004. Many people cite high housing costs as the reason for that departure. But a *Boston Globe* study that was published in mid-May cited other concerns from those who left. Concerns that have appeared predominated, including jobs, taxes, traffic, and, unbelievably, the weather.

Does this loss bother you? Do you think it reflects something about the desirability of the state? Why do you think it is happening? And, finally, if it is a problem, what would you do, aside from fixing the weather, to reverse it?

Deval Patrick

How many questions do you get?

Grace Ross

He really wants to know if you can fix the weather.

Deval Patrick

Right. Grace says what you really want to know is whether I can fix the weather. There are things we can do things about. January and February we can't do anything about.

I think it is -- I have read those studies. I've talked to a lot of young people as well, out on the campaign trail, and I can remember a couple of events I've been to where they were events for young professionals, for example, or other young workers. And you look across the room and I say, "Gosh, look at all this talent in this room." And then I ask how many have a five-year plan to get the heck out of here, and the hands shoot up. And the reasons I hear have a lot to do with the high cost of living, particularly housing. And while I don't think that there is a magic bullet for that, I do think there are two strategies that help. And they will help over the medium and the long term. One is supply. We just don't build very much multi-family, clustered rental units in particular. Our starter home stock is going or gone. And I do think that that has to do with things like how complex and difficult it is to get the approvals. The ways we don't fund strategies that work, like the soft second program, or the affordable housing trust fund. We don't fund them adequately. And a leadership issue beyond legislation and money, and the importance of focusing on affordable housing

opportunities and construction across the Commonwealth. Not just in Boston, not just in major cities, but across the Commonwealth.

I think the other strategy that matters is transportation. Because frankly, if you work here in downtown Boston, for example, and you can get a fast train to New Bedford at the end of the day in 45 minutes, it's a different housing market. It's not cheap, but it's a different housing market. It's a start. We've got a line that goes out to Worcester now that the schedule is dreadful. But it doesn't have to be dreadful. The Blue Line to Lynn, things like this.

There are other reasons that I hear about those, some of which you've mentioned. One, I see the time thing is up, but I just want to mention, I hear a lot that people feel it's hard to break in. They can get a job but it's hard to become a part of civic and community life here, and that has nothing to do with legislation. That has a whole lot to do with attitude. And I will tell you, when I am governor we will change that tone here in Massachusetts.

Facilitator

Our next question goes to Christy Mihos, from Nilaya Montalvo.

Nilaya Montalvo

Homeless services and prevention programs are truly successful when they result in permanent, safe, affordable housing. Extremely low-income households who rely on these services to avoid homelessness, and/or get out of homelessness, simply cannot afford rents in Massachusetts, even in the units that are supposed to be affordable. Rental subsidies are the fastest and most effective way to assist extremely low-income households in obtaining permanent housing. Given that we can no longer rely on federal housing subsidies, do you support rental subsidy programs such as Massachusetts rental voucher program, and the alternative housing voucher program? Where do programs like these and ending homelessness rank among the priorities?

Christy Mihos

Right now, shelters are basically triage units. And unless we adopt the housing first program and start to build housing, and get the chronic homeless off the streets and into housing so that they can have a chance at a life -- because right now, this is not only a social nightmare, it is a fiscal nightmare also. The chronic homeless over the last few years have visited our emergency rooms by over 18,400 times. It costs about \$23,400 to bring health care Medicaid costs to a chronic homeless person. But when we have some type of shelter to a homeless person, that number goes down to \$6,000 per annum. All those programs have to be funded. I do believe that the people that have gotten us into

this problem, the Republicans over the last 16 years and the Democrats that have worked with them to not fund these programs properly, not pick up the slack when the federal government has dropped the ball on these issues, can only be done when someone who is not bought and paid for, basically, by the special interests, and will fund these things properly so that we can finally, finally bring a solution to some of the most devastating issues confronting us each and every day.

Facilitator

Dr. Kathy Schatzberg with a question for Tom Reilly.

Dr. Kathy Schatzberg

The scarcity of affordable rental housing is a huge problem for young people in Massachusetts. Students attending community colleges face particular difficulties, as do young families, single-parent families, and also the elderly. In my region during the summer, renters are often priced out of and forced to vacate their cheap winter rentals. If you became governor, Mr. Reilly, what would you do to increase the supply of affordable rental property?

Tom Reilly

First of all, I want to pick up on the last question, because those safety net programs have been cut, have been

absolutely devastated. I also think that the situation you describe at the community college, to the best of my knowledge there are no dormitories in any of the community colleges that I know. So I certainly would support increasing and building dormitories, and I would expect more out of our private schools in terms of their impact that they're having with their students, and driving up rents and driving people out of their homes. So a combination of that, I believe at the end that we have to, it's a supply and demand. Part of it will be more density, tying in with some of the things that we talked about. Part of it is tied in with transportation, opening up parts of the state. So, yes, I would support the [sounds like "morno"] safety programs.

Number two, adding to the dormitory space at our public universities. Expecting more out of our private universities as well. But at the end of the day it is going to come down to more building, increasing the supply of housing, and better partnerships between -- that's overall. I think all of us are saying this. This is broken down between this governor, quite frankly, and there is a reason Kerry Healey was not here tonight. Because this has been a terrible record by Mitt Romney and Kerry Healey and by George Bush. Section 8 cutbacks.

That's what's going on, and I've taken on Bush on that. And what we need here is leadership and is proven leadership, and somebody's going to start developing those partnerships at the

local level and start getting things done in this state. That's what's needed.

Facilitator

All right. Our thanks to our panelists, appreciate your questions. We move now to the third part of our forum this evening. And your questions are part of that. I have a couple, three I wanted to get in here as well. Deval Patrick, I'd like to start with you, please. When is your resignation from the Ameriquest board effective? You said, I think, by July first.

Deval Patrick

Right. In six days if I can read this.

Facilitator

I know that you've been asked questions about this before, but I want to come back to, just to try and get the timeline right and figure out what happened here. You were at the Department of Justice when you went to the Ameriquest people and encouraged them to settle the discriminatory lending.

Deval Patrick

Not exactly, but go ahead. Finish your premise.

Facilitator

But there was then a later settlement to the tune of \$325 million.

Deval Patrick

That's this year's.

Facilitator

Which one of those were you --

Deval Patrick

There were two different companies. But go ahead.

Facilitator

Let me just cut to the chase. If you knew the record of Ameriquest, why did you go to work for them?

Deval Patrick

First of all, the case that you are referring to at the Department of Justice was a predecessor company called Long Beach Capital. Same founder, that's what they have in common. That company is out of business now. And we did settle that matter. It was a predatory lending matter. In fact, we had the most aggressive, most far-reaching, and I believe most successful fair lending and fair housing enforcement program in the history of the division. I'm very proud of that.

When I was approached by the chairman then of Ameriquest, they were already -- this is now two years ago -- they were already beginning to realize that the practices during a period of extraordinary growth were completely -- maybe it's overstating it -- certainly out of control in a lot of places. Basic issues of fairness about disclosure, about the predictability of the terms. Mind you, this is a company which is a part of an industry which is the fastest-growing industry in poor communities, because they lend to folks the big banks won't touch.

Facilitator

So-called sub-prime lending.

Deval Patrick

Exactly, sub-prime. Folks with bad credit. Folks who can't get loans downtown. I've been working in this area for decades, starting here in Massachusetts. And I have the reputation and some expertise in how you begin to address, systemically --

Facilitator

No concerns that you were going to be co-opted in this process by taking a paycheck from them?

Deval Patrick

No. Listen, there's a view out there that the only way to effect change is by standing outside. And by the way, if I thought that were true, I wouldn't be running for governor. I think you've got to get inside. You've got to be willing to get inside, roll up your sleeves, and do the hard slog of making reform real. And that's what I tried to do at Ameriquest. Now, there was a very, very important element of this, which Tom had a role in. Together with --

Tom Reilly

Every one of us.

Deval Patrick

Forty-nine other attorneys general.

Facilitator

And that was the \$325 million settlement.

Deval Patrick

I want to be clear. I was involved with that board trying to address those issues of lack of control within by top management down through the ranks of that organization before Tom and the Attorneys General settled that case. I had something to do with helping the company settle that case. I think it's a good settlement. But the number is one thing. After the money is paid and the fanfare of the announcement, then comes the hard

work of making those control processes real. And I stayed on the board until I was satisfied that that was happening. I don't think it is complete by any means, but I think that they're on a very much improved course.

Facilitator

All right. Anybody else what to talk about Ameriquest for just a moment? Let's just open it up. Let's clear the air on it.

Tom Reilly

First of all, Long Beach Mortgage Company and Ameriquest, they're one and the same. The company is essentially owned by one-person Mr. Arnall, who Deval says is a good person. I don't believe he's a good person. He's the most notorious predatory lending company probably in the recent history of this entire nation. These are people, as part of their business plan, that turn the American dream, the dream of owning a home and owning your own home, into an absolute nightmare for generations of people. They've been doing this for decades. Now they were prosecuted by the Justice Department when Deval was there. Why in God's name he ever went to work for a company like that is beyond me. But let me tell you about the actions by the Attorneys General. Every single Attorney General in this country took this company on. That's how bad they are. And they are

tough. They are absolutely tough. And to say, for anyone to suggest that they changed their ways, they have not changed their ways. They're still foreclosing on people's homes. They are still, I keep on getting stopped every time on the street with people right here who say, "They have turned my dream, my dream of owning my own home, into an absolute nightmare." I was part of this settlement, and if Deval was part of it I never saw him. I never saw him. I met with Ameriquest.

Deval Patrick

And I never saw you.

Tom Reilly

Because you weren't there, Deval. And the Attorney General, the lead negotiator, Tom Miller of Iowa, will say that. You were not there. You went to work for the company, and to think that things have changed, this agreement calls for a former Attorney General of Mississippi to oversee this company and oversee its board to this very day. That's what's going on with this company.

Facilitator

Deval, quick response, and then anybody else, and then I want to move on.

Deval Patrick

Just to respond on a couple of points. First of all, Ameritrust blew it. I've said that over and over again. We knew that when I went on the board. That's why I was asked to go on the board. This would not be a subject of this election but for the fact that there is an opportunity by my colleague here to take a cheap political shot. This is a serious problem. But to talk about a settlement of this significance, which you signed onto, Tom, and supported, and say it makes no difference, that there's been no change, makes me wonder why you signed the agreement in the first place. If it is about --

Tom Reilly

Because we have a [inaudible] --

Deval Patrick

If it is about getting the headline, great. I understand the politics of it. But if it's about making change real, then I think that is the ultimate value of this settlement and why it's important.

Tom Reilly

It will take years to change the culture of this company. That is how bad it is, and that's why there is a monitor, approved by the company, to watch the company, to watch you, to watch everyone.

Facilitator

Three other candidates here. Anybody want to check in on this?

Deval Patrick

Nah.

Grace Ross

Yeah.

Facilitator

Well, I thought I'd ask.

Grace Ross

I actually would, from a very different position. Which is that the predatory lending situation is horrendous. It is an unregulated industry. It's not regulated the way the banks are. And I think that the issue here is, I hope that some folks who can't be accused of being quite so partisan will do some research on this and come to the public with some real answers. But what we do know is that this industry is out of control. It continues to be out of the control. I know folks whose dreams were ruined, friends of mine, less than a year ago. This isn't a practice that's gone, and if we the people care about our communities, then we've got to regulate this industry and we've got to watch

it like hawks. Thank goodness for what the Attorneys General have done, but it's not enough because it's happening to our neighbors, and we've got to be each other's keepers in this situation.

Facilitator

All right. Thank you. Let me move on. Christy Mihos, I promised I'd come back to your Proposition One. I'll shorthand it. You'd like to see 40 percent of state tax revenue go to local aid. You'd like to see property values frozen from the time of purchase until sale. And you say that will stabilize property taxes. Explain to us how your Proposition One will encourage and result in affordable housing development.

Christy Mihos

It certainly will help those homeowners and business owners out there that are basically in a system right now that property taxes are growing like never, ever before. And capping them at this present level, which is amongst the highest property levels ever in the history of the Commonwealth, at least there will be some type of certainty as to what people's property taxes are each and every year. And the 40 percent, growing local aid from 28 percent to 40 percent, which will yield about \$1.1 billion a year, that's a number given by the Mass Taxpayers Foundation. That's a good number. That's what they believe. A think tank

that's been studying this for years, believes that the cities and towns need to run the services that they have each and every year.

Facilitator

Understood. So that money then goes into the general fund or goes to schools or whatever a local community wants to do with it. Right?

Christy Mihos

Whatever the local community wants to do with it, yes.

Facilitator

How then does this plan contribute to the development of affordable housing for people who aren't already in the system?

Christy Mihos

Certainly, in addition we've got to do other things. And Deval and I have attended the MAHA forum in Roxbury a couple of weeks ago, where we both agreed that the trust fund has to be bolstered by another, at least \$20 million, and the soft second program has to be doubled, at least. And the standards have to be changed for that sort, that makes it easier for people to buy housing. But again, just going back to the 40B again, we've got to take developers and city and town planners alike and put forth some carrots for them to deal with this each and every day.

Right now they're not going to want to bring forth any affordable housing units because they don't have the funding to provide for schoolchildren to come through there, and I think -- I read a few of your comments, Kathy, about this, and it rings true to most of the planners in the cities and towns across the Commonwealth.

Facilitator

Okay. Let's move on to your questions. We're going to run this about 10, 15 minutes over because we started a little late. This does not have a particular candidate at the top of the card, so we'll just let everybody check in on it very quickly. We'll see how many we can get through.

What will you do to preserve and modernize the Commonwealth's 50,000 units of state public housing?

Tom Reilly

I think that's a really important question. I happen to have a very dear family friend who lives in such a unit in Nahant, and even next to -- she's a retiree, someone who's had some hard luck in her life. Husband died in the Korean War. And seeing the poor quality of the maintenance there compared to federal public housing is shameful, and it's clearly a place where we've got to make the investments. Folks who are there deserve better. And if you've been to visit one of these facilities, you'd be disappointed in what we call state public

housing maintenance. And I think we need to make that investment again. It's about your priorities. That should be a high priority.

Facilitator

Anybody want that one? Go ahead.

Grace Ross

I think that we again need to look at the priorities for development in this state. If you look at the bond bills that keep getting passed for development, we throw tons of money into the Big Dig and I don't know how many of you thought we were going to get at least one more lane out of that development. I was shocked. I'm like, okay, I'm now finally driving through the tunnel, and it's the same size as it was. We spend all this money but we're not spending it where we need it. And we need to look at the fact that there's tons of development money in this state. It's mostly going into the pockets of very large, mostly billionaire developers, and they're not going into where we need it, where the people need it, and where the money would actually be used, dollar for dollar, and not go into profit of those who are already making a big profit off of our economy. So, yes, we need to put money into redeveloping that housing and all of the subsidized housing in this state, much of which is in bad repair. And the monies there, we've just got to choose to put the money into this kind of development.

Facilitator

All right. Anybody? I'll move on if you want.

What would you do to assure that all housing is accessible to people with disabilities? I know we have laws on the books. We all know they're not always followed.

Deval Patrick

I'll say a word or two about that. Had some experience enforcing the ADA when I was in the Justice Department. And a couple of common sense lessons. One is that it's a lot easier to make units accessible before we build them. What happens is, we don't pay attention to the accessibility issues during the design stage, where all that it costs is the cost of an eraser to make the sight lines, to make the accessibility issues simple. Renovation is a lot more complicated, but we have a commitment to keep and we have to keep that commitment. And frankly, the fact that we have so under-invested in the capital needs of public housing in particular, and the importance of reinvesting in public housing in terms of those capital needs, so that the operating expenses can begin to come down, and so that the housing is fundamentally decent, is a real opportunity for us to begin to correct the accessibility issues in so much of our current stock of public housing.

Facilitator

A question that I'll add to, just a little bit. It's a question about streamlining development approval without compromising local community prerogatives. How would you encourage development while remaining sensitive to local concerns? And it comes back to the question about zoning and a couple of the others that we've heard this evening. We love the notion in New England of the New England town. That you're self-sufficient. You're responsible for your real estate, if you will. Has that concept now, are we pushing the usefulness of that concept as we try to deal with the affordable housing issue in this state? And if so, what would you do about it? Would you take away some of that power?

Grace Ross

I think that we need to look at the question of the New England town model the way that you framed it. We don't have those kinds of towns any more. I walk down the street, downtown area of tons of towns in this state, when I've been out organizing, and they're dried up. They're all boarded up and nobody sees their neighbors any more. So I don't think we're talking about losing that. I think we're talking about how do we reclaim that? And part of the way we reclaim it is that it also used to be this concept of we're a Commonwealth. The concept was that the wealth at some level is at the service of the common.

And that's not what we have, either. When people are individually developing their own thing, with no concept of what it means in terms of building a community, and those are the kinds of local regulations that we need, that help build real communities, not separate us out.

Facilitator

But, Grace, where's the incentive for communities to set aside their parochial, local interests and do exactly what you're talking about? Where is the incentive to do that?

Grace Ross

I talk to developers all the time. City planners, that's what they want to do. I think that the problem is that when we talk about streamlining, who are we streamlining for? We're not streamlining for my friends who make \$30,000 a year, to own a home. We're talking about streamlining a process for large developers who are going to come in and create an entire development, separate from the rest of the community.

Facilitator

Chris Gabrieli, I know you've thought about this issue.

Chris Gabrieli

Getting results means recognizing sometimes you're going to have to take somebody on. And some of the answers in the cluster zoning question, I kind of heard, "I'm all for it, except I wouldn't take anybody on." Look, I'm running for governor to get that result. I said hold me accountable for those housing starts. That means some diminution in local control with regard to the development side. And I know that that's not the most popular thing to say. Even here it might not be the most popular thing to say, and I know I'm saying it to all the voters of Massachusetts. But I think that they want the results of a state where they and their children and others can afford to live, even up through the middle class. And that means we've got to admit that the balance has gotten too heavy in favor of local resistance. I hear a lot of encomiums tonight to how wonderful all the localities are. Localities are generally resisting further housing. That's pretty well documented across the board. And that resistance is a big problem for our state. Let's be honest about it. Let's be willing to take it on. And that's how we'll get results. And if people want to elect someone who's going to promise something during the campaign they can't deliver, then fine. Vote for people who say they're going to get more development with no loss of local control and no change in the balance. Because they're promising it all and they won't get it done.

Facilitator

Is this the third rail, Tom Reilly, touch it and you die?

Tom Reilly

This has to be a two-way street. There are communities throughout Massachusetts that are crying out, and understandably so, and rightfully so, for more state aid. More state aid across the board for the schools, the infrastructure, their fire and police. And they deserve that. But it's a two-way street. This is a statewide problem. And I do believe that this state has, in terms of state government and as governor, we will have a program that will build in incentives for those cities and towns that will increase the supply of affordable housing in their cities and towns. That's the way it's got to work. And people are -- last night I was in Shrewsbury -- people are ready for this. They're ready for this type of leadership right now. They say, "I will help you if you will help us. And more importantly, will you help the people of this state, and help particularly our kids?" Our kids can't even afford to live here any more. They're leaving the state. They can't do it. So it's got to be a statewide -- we've got to look at this, we're all in this together. This is about the future of the state, particularly for our children. I would build in incentives and reward those cities and towns that work with me to increase the supply of housing.

Facilitator

The practical politics of doing this. You've got to run this through the legislature. A snowball probably has a better chance outside Faneuil Hall.

Tom Reilly

I'll tell you, and Christy said it, in terms of money, if they want more help and they want more funding and they want more assistance, then there's going to have to be --

Facilitator

The trade-offs. Deval.

Grace Ross

I also think that -- you asked me a further question when I responded the way that I did. One of the communities that I've spent much of my adult life working in is Framingham. It's a model, and they use it for the heart studies across the country, because it represents the widest demographic. It's the largest town in the country. And it's a town. It has a city downtown. It's people of color, it's this very diverse, wonderful, rich culture downtown. The folks who run it run it as a town government with town meeting. The folks who live in the low-income areas and the inner-city areas of that community are not represented at the town level because of the kind of government

it has. So you're right. There is a problem. The problem is not with the will of people in those communities to do what they know they need to do to build the housing. The question is who's in charge, and whether we have a real democracy at that level or at any level. And I agree with you about incentives, but I think a lot of this has to do with who's getting to make the decisions. And the people who know what they need are not the ones getting to make the decisions. And they're not the ones who are getting the incentives.

Facilitator

Okay. Grace, you've had two bites of the apple here. Let me just sharpen it. Would you favor an attempt to diminish the power of local communities in areas like zoning, to get affordable housing built? Deval Patrick.

Grace Ross

I would do two things.

Facilitator

This is now your third bite at the apple. Let's give Deval and Christy a shot at it. We'll come back to you. It's fine.

Deval Patrick

Look, I think in practical fact we've already done that. The problem is that the legislation all by itself isn't enough. Everybody has talked about the ways in which the partnership between state government and local government is in tatters. And that has to be rebuilt, and it's not going to be rebuilt through just legislation. Grace, I disagree with one thing you said tonight. Which is that speed to market, if you will, that the speeding up of approval processes, is not of interest to folks who make \$30,000, who are looking for housing. I differ. I think it is. Because I think we have a crying need for that supply.

But the framework we need to increase that supply is a much better regional and ultimately statewide planning, and I think there is a quid pro quo, and Tom and I agree on this I think, for the return -- I think -- if we're going to restore local aid, at least in my administration, the condition is that local officials have to participate with me in better planning. And that planning is not just about housing, frankly. It includes housing but it also has to be about transportation and other wise infrastructure investments that make not just the housing market and the quality of life better but also stimulate the economy.

Facilitator

Christy Mihos.

Christy Mihos

I just really don't agree. Local aid is giving back the cities and towns their money for local control as to how they want their cities and towns to look, run, and operate. And until you do that, you will get incredible resistance each and every day from anything that the state brings forward. From unfunded mandates to any type of legislation that you try to cram down their throats. I'm a firm believer in giving back the people their money to run the cities and towns the way they see fit, as best they can.

Facilitator

All right. We've come to the time when we ask our candidates to make their closing statements. But there's one card here that I think really wraps up our conversation very nicely tonight. The person writes, "I'm not poor and I'm not rich. I'm a hardworking Massachusetts resident. But my housing options, my ability to buy a home, is almost nonexistent." That I think is a nice summary of where we are and what's being asked of candidates in this campaign. Closing remarks. Up to a minute, minute and a half, to try and get everybody back to where they want to be. We started, I think, at the open, with you, Chris, didn't we? Okay. Where did we begin at the first question? Grace. Chris, go ahead.

Chris Gabrieli

Thank you, first of all, for the extraordinary group of organizations on the back of this program, and the key sponsors. It's very important in a governor's race that critical issues facing the state be confronted and make the candidates confront them. And so, congratulations to all of you.

We have a very serious housing problem in our state. It's well-documented. I'm preaching to the choir, to this audience. What we need are some results. I want to talk about three people's idea of what results mean.

First I want to talk about what Mitt Romney and Kerry Healey have meant by results. They promised doubling housing starts. They failed. It's another example of election year promises, failure to deliver. I think they should be held accountable for that.

Second group I'd mention is Eileen and Alex Flag [sp?]. I don't know them. They were in the Globe. They moved, in that article about people who leave. They moved from 1,000 square feet in Acton to 3,000 feet in Dallas. They have a swimming pool. If you remember that picture of her in the swimming pool. And they got \$10,000 back out of it. They got the results they needed at the expense of our Commonwealth.

I want to tell you about the results I've gotten. I may be, I think, the candidate who's done the most in the last four years on this issue, and I'm not elected to anything. I went to our state pension fund. I said you should invest more in

Massachusetts. You could get some results at no cost to taxpayers. There's \$170 million more invested from the pension fund. A significant percentage of it is going into guaranteed mortgage programs for homeownership and new real estate developments. Three hundred million dollars last year given to banks, based on their CRA credits, so that we get more responsible loans, we get more loans back into the community.

I will be a governor who will be accountable for the results that matter. And on housing, whether you're at the bottom of the ladder, whether you're a middle-class person who's just wondering, like that card, whether it's time to check out of Massachusetts, you should expect a governor who will actually get housing starts across the spectrum up to the level where Massachusetts will again be a place where people want to stay and their children can stay as well. Thanks for your interest tonight.

Facilitator

Christy Mihos, please.

Christy Mihos

Thank you. And thank you for the invite tonight. This was a wonderful discussion tonight. But I'll close this way. Independent, speaking truth to power. The two parties that have gotten us into this mess cannot be looked to, to get us out. For

the well-being of the Commonwealth and going forward, it's time to change the way things are done on Beacon Hill. It's time to take the power and money from Beacon Hill and get it back down into the cities and towns, so we can stop the mass exodus, the brain drain. And the only way to do that and to begin is to elect an Independent. Someone that will not come to this each and every day by throwing grenades and rifle shots at Democrats and Republicans. But will do it at the end of each day for the right reasons, and reach across the aisle to a Democrat or a Republican. Who want to do the right thing, but they're just overcome by this process that are controlled by the special interests. And that's why I'm not going to take any of their money. If you're a state employee, you can't give me money. I'll take your vote but I won't take your money. Or a state contractor, the same. Or a political action committee, the same. Or a lobbyist, the same.

I want to do this for the right reason and restore this Commonwealth back to where it should be. This is for the well-being of the Commonwealth. Thank you very much.

Facilitator

Deval Patrick.

Deval Patrick

I guess I'd say that I view housing as both an economic necessity and a moral imperative. It's an economic necessity because without housing, and affordable housing in particular, we will continue to lose jobs and population. Our future will begin to become even more bleak.

It's a moral imperative because of a whole range of challenges, starting with homelessness, and how we in one of the richest communities in the world can continue to walk and drive by people who have no shelter on a day to day basis and live that way chronically, to all the ways in which we discourage young people and young families who are getting a start from getting their toehold in the middle class. Which frequently is what housing and getting your first home in particular is all about.

We've talked about programs that range from funding, the soft second program, to the affordable housing trust fund, to the rental voucher program. All kinds of different programs. But I want to be a candidate that is not just about a list of programs. I do want to be about bringing together the leadership we know exists, to Grace's point, in communities, and that has been lacking at the state level. And bringing people together with the best ideas and the best creativity that we can muster. And being candid with all of you, and with those you represent, that this will take a sustained focus, a commitment to keep it a priority if we're going to move Massachusetts forward in fact. That's the kind of leadership I want to bring to the governor's

office, and I'd love to have your support and your help. Thank you.

Facilitator

Tom Reilly

Tom Reilly

Thank you RD. I want to close by telling you a little bit about the street that I live on. My wife Ruth and I live in a second floor of a two-decker in Watertown Square. We've lived there for 36 years and we brought up our children. It's a wonderful neighborhood. And I've seen how things have changed. I've seen middle-class families who have been driven out by the cost of housing in that area. I've seen our children -- we have three daughters, and I see all the kids that went to school with my daughters and played with my daughters. They can't even afford to live there. They have to sometimes go to others states to find the housing that they want to live in. That's what's going on, on my street. It's going on in every street throughout the Commonwealth of Massachusetts, at least most of them.

This didn't happen overnight. We've had 16 straight years of Republican governors. Not one of them has stayed around long enough to finish the job. I will. I've finished every single job that the people of this state have given me.

I've been a creative Attorney General. They talk about funding. When funding was cut back on the brownfields projects, cleaning up polluted sites, I kept that program going with no funds. We got it done. It was a question of priorities. And seeing new housing created and seeing new development take place in those areas. We've taken abandoned houses in Boston and other places. We've rehabilitated those, and we've made them into housing for folks. We've enforced fair labor and fair housing laws, and we've also, as you've heard tonight, cracked down on predatory lending.

As governor I will do even more. I will be, and what you will see is not just leadership. You will see proven leadership. You will see experienced leadership that can get something done for the people of Massachusetts with action. Thank you.

Facilitator

Grace Ross, please.

Grace Ross

I'm a community organizer by background and I have always lived on the money that I made. And I've struggled with trying to keep a roof over my head. And I recently, actually, moved out of Somerville because I couldn't afford it any more, and moved to Worcester. So, housing issues, I've walked the corridors at the State House talking to legislators and working on these issues

for 23 years. So I would argue that I've certainly put my time in fighting for things like all of the not just homeless service programs, but trying to increase the number of housing subsidies in Massachusetts and lived through the total destruction of that program a number of years ago, and had friends who actually died in their cars because they couldn't afford a place to live.

So I'm profoundly committed to this. But I think I'm committed to it from a slightly different angle. Sixty percent of us, the bottom 60 percent, I think that means most of us, are still in a recession. We're not any better off than we were five years ago. And what that means is that we don't have monies in our communities because we don't have monies in our pockets.

So we need to deal with how expensive housing is through all of the millions of examples that we've given tonight. But we also need to look at what brings money into our communities. And one of those things is increasing minimum wage to a living wage. Increasing other benefit programs. And looking at money that will help local nonprofit development rebuild our communities and bring the monies in and keep the profits there, like small businesses do, instead of sweetheart deals to the huge developers. And we know that doesn't work. We've seen decades of it.

So, I'm going to facilitate all of the leadership that all of you bring when I'm in office, because that's what I've done my entire life. Thank you.

Facilitator

And there we are. Thank you all very much. Candidates, thank you for being here. Great to have you here tonight. Panelists, thank you. Our thanks to the consortium as well. Have a good night. [end]