



COMMONWEALTH OF MASSACHUSETTS
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OP-ED: State and builders can jumpstart construction sector

Residents need housing, workers need jobs
by Guy Webb and Michael O. Moore

Over the past two years, as we have grappled with the worst economy since the Great Depression, the term stimulus package has become an ever increasing part of our vocabulary. The term has mostly been used when referring to taxpayer dollars spent to leverage private economic activity.

Now Massachusetts has the opportunity to create a privately funded stimulus package that can generate tens of thousands of jobs, billions of dollars in business and personal income, and hundreds of millions in new tax revenue and other income for state and local governments.

The stimulus that could put thousands of construction workers across the state back on the job is a no-cost legislative proposal called The Permit Extension Act. Without spending one dime of public money, The Permit Extension Act can save hundreds if not thousands of project approvals from expiration, which in turn will help get our sputtering economy moving again.

The Act would keep valid shovel-ready, permitted construction projects that have already received exhaustive reviews, but haven't moved forward due to the recession and the resulting credit crunch. The bill would extend permits issued between January 1, 2008 and January 1, 2011 for a period of three years.

Obtaining state and local land use permits can be difficult, time consuming and expensive. It would be a shame to waste those public and private resources already expended, especially since doing so would serve only to kill badly needed jobs.

And the timing of this legislation, already approved in New Jersey, North Carolina and South Carolina, could not be better. A new study shows that residential home building, both single-family and condominium, creates thousands of jobs, billions in income for workers and small businesses, and contrary to popular belief, millions in net public revenue for state and local

governments.

The study shows that 5,465 residential dwelling units built in 2009, a very slow year, created 22,111 Massachusetts jobs. To put that in perspective, Central Massachusetts' largest employer, UMass Memorial Health Care, Inc., had 14,467 employees in 2009, according to the Worcester Business Journal's Book of Lists for that year.

In addition to creating tens of thousands of jobs, home building that year pumped \$1.82 billion in personal and business income into the economy and generated \$314.6 million in revenue for state and local governments. This exploded the myth that home building represents a net revenue loss for municipalities. And these benefits continue, albeit at a lower rate, for many years after the homes are occupied, as the owners and their families contribute to the economy.

The Home Builders Association of Massachusetts commissioned the study that was prepared by Dr. Elliot Eisenberg, Chief Economist at the National Association of Home Builders. Prof. Michael Goodman, Chairperson of the Department of Public Policy at UMass Dartmouth, independently reviewed the study and affirmed its findings.

The Permit Extension Act enjoys broad support on Beacon Hill. First filed by Representatives Michael Rodrigues (D-Westport) and Kevin Honan (D-Boston), the bill received a favorable report from the Joint Committee on Community Development and Small Business. Its provisions were included in the Senate's economic reorganization bill, as well as in the Patrick-Murray Administration's economic stimulus package.

The Legislature must enact the Permit Extension Act before the ends its formal sessions on July 31 if we are to begin putting Massachusetts back to work.

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