COMMONWEALTH OF MASSACHUSETTS

PLYMOUTH, SS.

SUPERIOR COURT DEPARTMENT OF TRIAL COURT DOCKET NO.

COMPLAINT

INTRODUCTION

This lawsuit by the Town of Marshfield and its duly elected Select Board arises from and is connected to the so-called "MBTA Communities Act" contained in Mass. Gen. L. c. 40A §3A added by § 18 of Chapter 358 of the Acts of 2020, effective January 14, 2021, amended by § 10 of Chapter 29 of the Acts of 2021, effective July 29, 2021, further amended by §§ 152-153 of Chapter 7 of the Acts of 2023, effective May 30, 2023, further amended by § 9 of Chapter 150 of the Acts of 2024, effective August 6, 2024, and further amended by §§2, 2A, 2B, and 20-26 of Chapter 234 of the Acts of 2024, effective November 20, 2024. The MBTA Communities Act creates a new zoning requirement, requiring that all MBTA communities, including the Town of Marshfield, which is considered an "adjacent [MBTA] community", zone at least one district in which multi-family

housing is permitted as of right, subject to other requirements.¹ The MBTA Communities Act was designed to address the ongoing housing crisis in the Commonwealth of Massachusetts.

The MBTA Communities Act further defines "a district of reasonable size" and specifies that any such district must be situated within one-half mile of an MBTA facility. Noncompliant MBTA communities are ineligible for funds from certain State funding sources. Mass. Gen. L. c. 40A, § 3A (b). The last paragraph of § 3A directs the Executive Office of Housing and Livable Communities ("HLC"), in consultation with three other state agencies, to "promulgate guidelines" to determine if an MBTA community has complied with the act. Mass. Gen. L. c. 40A, § 3A (c).

Shortly after the act was passed, HLC issued a preliminary announcement describing the MBTA Communities Act and giving notice of its intention to produce detailed guidelines. Over the next two years, HLC issued draft guidelines, conducted community presentations, and solicited feedback directly from affected communities. HLC also consulted with other agencies, including the Massachusetts Department of Transportation (MassDOT) and the MBTA in preparing the final guidelines. It did not, however, file with the Secretary of the Commonwealth a notice of public hearing, a notice of proposed adoption or amendment of a regulation, or a small business impact statement within the meaning of the State Administrative Procedures Act ("APA"). See Mass. Gen. L. c. 30A, §§ 2, 3. HLC issued its final guidelines on August 17, 2023.

On December 11, 2023, the Town of Milton, approved at special town meeting, a proposed zoning bylaw (Article 1) that would have complied with HLC's guidelines; however, pursuant to the

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¹ An MBTA community is defined as "a city or town that is: (i) one of the 51 cities and towns as defined in section 1 of chapter 161A; (ii) one of the 14 cities and towns as defined in said section 1 of said chapter 161A; (iii) other served communities as defined in said section 1 of said chapter 161A; or (iv) a municipality that has been added to the Massachusetts Bay Transportation Authority under section 6 of chapter 161A or in accordance with any special law relative to the area constituting the authority." The Town of Marshfield is specified as one of the other served communities in clause (iii).

Milton town charter, a sufficient number of the town's voters petitioned to have Article 1 submitted to a town-wide referendum vote; so, less than three weeks after the initial vote approving the bylaw, the Milton select board voted to schedule a referendum on the article for February of 2024. Before the vote was held, both HLC and the Attorney General sent letters to Milton town officials, giving notice that they would enforce the funding penalties listed in § 3A and take legal action should the town fail to comply with the act. Nevertheless, the Town of Milton held the referendum on February 14, 2024, and the voters in Milton rejected the proposed zoning bylaw reportedly by a margin of approximately eight percentage points. Shortly after the referendum, the Attorney General filed before a single justice of the Supreme Judicial Court, a complaint against the Town of Milton and its building commissioner seeking declaratory and injunctive relief to enforce compliance with G. L. c. 40A, § 3A, as set forth in HLC's guidelines. See G. L. c. 231A, § 1; G. L. c. 214, § 1. Milton filed an answer denying that it was in violation of § 3A and filed a counterclaim against the Attorney General and HLC seeking declaratory relief. The single justice (Georges, J.) reserved and reported the case to the full Supreme Judicial Court.

During the pendency of the matter involving the Attorney General and Town of Milton, in furtherance of the HLC's final guidelines that required the town to adopt a compliant zoning bylaw prior to December 31, 2024, the Town of Marshfield proposed zoning bylaws that the Attorney General had reviewed and approved for its April 22, 2024 Special Town Meeting in Articles 18 and 19. Articles 18 and 19 were defeated by Town Meeting by more than a majority vote. In a further effort to allow the Town Meeting to consider again whether to adopt a compliant zoning bylaw, the Town of Marshfield proposed updated zoning bylaws at a further Special Town Meeting, Articles 12-14 on December 16, 2024. Once again, the Articles 12-14 were soundly defeated by Town Meeting by a more than majority vote. Marshfield was also given written notice that certain

approved grants were at risk should it fail to comply with the MBTA Communities Act and HLC guidelines.

Also, during the pendency of the matter of the Attorney General and Town of Milton, the Towns of Wrentham, Middleborough and Methuen filed written requests with the Office of the State Auditor's (OSA) Division of Local Mandates (DLM) seeking a determination that MBTA Communities Act imposed an unfunded mandate on these cities and towns by requiring them to enact a zoning ordinance creating a reasonably-sized district in which multifamily residential use is allowed as of right," within the meaning of Gen. L. c. 29, § 27C (the Local Mandate Law). In response to these requests, DLM sent correspondence to these cities and towns, stating that it was unable to issue a determination due to the pending litigation in connection with the MBTA Communities Act that was before the Supreme Judicial Court involving the Attorney General and the Town of Milton.

On January 8, 2025, the Supreme Judicial Court issued its decision in the matter of Attorney General v. Town of Milton, 495 Mass. 183 (2025) and held that the MBTA Communities Act was constitutional, could be enforced by the Attorney General, but nullified the HLC's guidelines which the court determined had not been adopted in compliance with the APA. In response to the decision of the Supreme Judicial Court, six days after the decision in the Milton case, HLC filed emergency regulations with the Secretary of the Commonwealth to support ongoing implementation of the MBTA Communities Act and committed to adopt new regulations in compliance with the APA within ninety days. Communities like the Town of Marshfield were afforded by the emergency regulations an additional six months to adopt compliant zoning bylaws provided they filed an interim action plan with HLC prior to February 14, 2025.

On February 10, 2025, during a public meeting, the Town of Marshfield Select Board discussed a proposed interim action plan and voted unanimously not to approve and submit an

interim action plan as required by HLC's emergency regulations since Marshfield Town Meeting had repeatedly rejected proposed zoning bylaws intended to bring the town into compliance with the MBTA Communities Act. In making this determination, the Select Board understood that the grant programs identified in the MBTA Communities Act were at risk and that the town would likely be subjected to potential litigation by the Attorney General seeking to enforce compliance with the MBTA Communities Act.

On February 19, 2025, HLC notified the Town of Marshfield in writing that the town was noncompliant with Section 3A of Chapter 40A, that the consequences of its noncompliance were significant, that compliance with the MBTA Communities Law was mandatory, and stated that, in addition to the grant programs set forth in the MBTA Communities Act, all discretionary grant programs across the Healey-Driscoll Administration take compliance with the MBTA Communities Law into consideration when making funding decisions causing the town to conclude that all state grant programs were at risk.

On February 21, 2025, the DLM issued three mandate determinations to the City of Methuen, Town of Middleborough, and Town of Wrentham, finding that MBTA Communities Act constituted an unfunded mandate reserving additional time to perform a more thorough analysis of the costs imposed as the impact of the MBTA Communities Act is still being determined. DLM's mandate determinations issued under Gen. L. c. 29 §27C enables the Town of Marshfield, a similarly situated community, to petition the Superior Court for a determination of deficiency and an exemption from compliance until the Commonwealth of Massachusetts provides sufficient funding to comply with the MBTA Communities Act.

On Monday, February 24, 2025, the Marshfield Select Board discussed HLC's letter dated February 19, 2025 and the unfunded mandate determinations and voted by a majority vote to ask its legislators to file legislation asking the Commonwealth of Massachusetts to provide the town

funding to comply with the MBTA Communities Act and/or seeking an exemption from compliance until the Commonwealth of Massachusetts provides funding for compliance with the MBTA Communities Act and further, to authorize a petition to be filed with the Plymouth County Superior Court pursuant to Gen. L. c. 29 §27C for exemption from compliance until the Commonwealth of Massachusetts provides sufficient funding to comply with the MBTA Communities Act.

This action, that also seeks preliminary injunctive relief and declaratory relief concerning the implementation of the MBTA Communities Act and the HLC's regulations follows.

PARTIES

- 1. The plaintiff, Town of Marshfield, is a body politic and corporate organized and existing under the laws of the Commonwealth of Massachusetts with a usual place of business at 870 Moraine Street, Marshfield, Plymouth County, Massachusetts.
- 2. The plaintiffs, Lynne Fidler, Stephen Darcy and Eric Kelley are the duly elected members of the Marshfield Select Board, the executive office of the Town of Marshfield, and have an office address within the Marshfield Town Hall located at 870 Moraine Street, Marshfield, Massachusetts.
- 3. The defendant, the Commonwealth of Massachusetts is a state organized and existing under the laws of the United States of America and in accordance with a State Constitution with a usual place of business c/o of the Secretary of the Commonwealth, One Ashburton Place, Boston, Suffolk County, Massachusetts.

4. The Executive Office of Housing and Livable Communities (EOHLC) is a state agency created in 2023 intended, inter alia, to create more homes and lower housing costs for Massachusetts residents with a usual business address at 100 Cambridge Street, Suite 300, Boston, Suffolk County, Massachusetts.

JURISDICTION AND VENUE

5. The Superior Court in and within the County of Plymouth has jurisdiction and is the proper venue for this action in accordance with Gen. L. c. 214 §1, Gen. L. c. 231A §1, and/or Gen. L. c. 29 §27C.

FACTS

- 6. Effective or about January 14, 2021, the so-called "MBTA Communities Act" codified in Mass. Gen. L. c. 40A §3A was added by § 18 of Chapter 358 of the Acts of 2020. The MBTA Communities Act was thereafter amended by § 10 of Chapter 29 of the Acts of 2021, effective July 29, 2021, further amended by §§ 152-153 of Chapter 7 of the Acts of 2023, effective May 30, 2023, further amended by § 9 of Chapter 150 of the Acts of 2024, effective August 6, 2024, and further amended by §§2, 2A, 2B, and 20-26 of Chapter 234 of the Acts of 2024, effective November 20, 2024.
- 7. The MBTA Communities Act creates a new zoning requirement, requiring that all MBTA communities, including the Town of Marshfield, which is considered an "adjacent [MBTA]

community", zone at least one district in which multi-family housing is permitted as of right, subject to other requirements.

- 8. The MBTA Communities Act was designed to address the ongoing housing crisis in the Commonwealth of Massachusetts.
- 9. The MBTA Communities Act further defines "a district of reasonable size" and specifies that any such district must be situated within one-half mile of an MBTA facility, if feasible.
- 10. Noncompliant MBTA communities are ineligible for funds from certain State funding sources. Mass. Gen. L. c. 40A, § 3A (b).
- 11. The last paragraph of § 3A directs the defendant, Executive Office of Housing and Livable Communities ("HLC"), in consultation with three other state agencies, to "promulgate guidelines" to determine if an MBTA community has complied with the act. Mass. Gen. L. c. 40A, § 3A (c).
- 12. Shortly after the MBTA Communities Act was passed, HLC issued a preliminary announcement describing the MBTA Communities Act and giving notice of its intention to produce detailed guidelines. Over the next two years, HLC issued draft guidelines, conducted community presentations, and solicited feedback directly from affected communities. HLC also consulted with other agencies, including the Massachusetts Department of Transportation (MassDOT) and the MBTA in preparing the final guidelines.

- 13. HLC did not, however, file with the Secretary of the Commonwealth a notice of public hearing, a notice of proposed adoption or amendment of a regulation, or a small business impact statement within the meaning of the State Administrative Procedures Act ("APA"). See Mass. Gen. L. c. 30A, §§ 2, 3.
- 14. Notwithstanding these deficiencies, HLC issued its final guidelines on August 17, 2023.
- 15. On December 11, 2023, the Town of Milton, approved at special town meeting, a proposed zoning bylaw (Article 1) that would have complied with HLC's guidelines; however, pursuant to the Milton town charter, a sufficient number of the town's voters petitioned to have Article 1 submitted to a town-wide referendum vote; so, less than three weeks after the initial vote approving the bylaw, the Milton select board voted to schedule a referendum on the article for February of 2024.
- 16. Before the vote was held, both HLC and the Attorney General sent letters to Milton town officials, giving notice that they would enforce the funding penalties listed in § 3A and take legal action should the town fail to comply with the act. Nevertheless, the Town of Milton held the referendum on February 14, 2024, and the voters in Milton rejected the proposed zoning bylaw reportedly by a margin of approximately eight percentage points.
- 17. Shortly after the referendum, the Attorney General filed before a single justice of the Supreme Judicial Court, a complaint against the Town of Milton and its building commissioner seeking declaratory and injunctive relief to enforce compliance with G. L. c. 40A, § 3A, as set forth in HLC's guidelines. See G. L. c. 231A, § 1; G. L. c. 214, § 1.

- 18. Milton filed an answer denying that it was in violation of § 3A and filed a counterclaim against the Attorney General and HLC seeking declaratory relief. The single justice (Georges, J.) reserved and reported the case to the full Supreme Judicial Court.
- 19. During the pendency of the matter involving the Attorney General and Town of Milton, in furtherance of the HLC's final guidelines that required the town to adopt a compliant zoning bylaw prior to December 31, 2024, the Town of Marshfield proposed zoning bylaws that the Attorney General had reviewed and approved for its April 22, 2024 Special Town Meeting in Articles 18 and 19. Articles 18 and 19 were defeated by Town Meeting by more than a majority vote.
- 20. In a further effort to allow the Town Meeting to consider again whether to adopt a compliant zoning bylaw, the Town of Marshfield proposed updated zoning bylaws at a further Special Town Meeting, Articles 12-14 on December 16, 2024. Once again, the Articles 12-14 were soundly defeated by Town Meeting by a more than majority vote.
- 21. Also, during the pendency of the matter of the Attorney General and Town of Milton, the Towns of Wrentham, Middleborough and Methuen filed written requests with the Office of the State Auditor's (OSA) Division of Local Mandates (DLM) seeking a determination that MBTA Communities Act imposed an unfunded mandate on these cities and towns by requiring them to enact a zoning ordinance creating a reasonably-sized district in which multifamily residential use is allowed as of right," within the meaning of Gen. L. c. 29, § 27C (the Local Mandate Law).
- 22. In response to these requests, DLM sent correspondence to these cities and towns, stating that it was unable to issue a determination due to the pending litigation in connection with the

MBTA Communities Act that was before the Supreme Judicial Court involving the Attorney General and the Town of Milton.

- 23. On January 8, 2025, the Supreme Judicial Court issued its decision in the matter of Attorney General v. Town of Milton, 495 Mass. 183 (2025) and held that the MBTA Communities Act was constitutional, could be enforced by the Attorney General, but nullified the HLC's guidelines which the court determined had not been adopted in compliance with the APA.
- 24. In response to the decision of the Supreme Judicial Court, six days after the decision in the Milton case, HLC filed emergency regulations with the Secretary of the Commonwealth to support ongoing implementation of the MBTA Communities Act and committed to adopt new regulations in compliance with the APA within ninety days.
- 25. Communities like the Town of Marshfield were afforded by the emergency regulations an additional six months to adopt compliant zoning bylaws provided they filed an interim action plan with HLC prior to February 14, 2025.
- 26. On February 10, 2025, during a public meeting, the Town of Marshfield Select Board discussed a proposed interim action plan and voted unanimously not to approve and submit an interim action plan as required by HLC's emergency regulations since Marshfield Town Meeting had repeatedly rejected proposed zoning bylaws intended to bring the town into compliance with the MBTA Communities Act.

- 27. In making this determination, the Select Board understood that the grant programs identified in the MBTA Communities Act were at risk and that the town would likely be subjected to potential litigation by the Attorney General seeking to enforce compliance with the MBTA Communities Act.
- 28. On February 19, 2025, HLC notified the Town of Marshfield in writing that the town was noncompliant with Section 3A of Chapter 40A, that the consequences of its noncompliance were significant, that compliance with the MBTA Communities Law was mandatory, and stated that, in addition to the grant programs set forth in the MBTA Communities Act, all discretionary grant programs across the Healey-Driscoll Administration take compliance with the MBTA Communities Law into consideration when making funding decisions causing the town to conclude that all state grant programs were at risk.
- 29. On February 21, 2025, the DLM issued three mandate determinations to the City of Methuen, Town of Middleborough, and Town of Wrentham, finding that MBTA Communities Act constituted an unfunded mandate reserving additional time to perform a more thorough analysis of the costs imposed as the impact of the MBTA Communities Act is still being determined.
- 30. DLM's mandate determinations issued under Gen. L. c. 29 §27C enables the Town of Marshfield, a similarly situated community, to petition the Superior Court for a determination of deficiency and an exemption from compliance until the Commonwealth of Massachusetts provides sufficient funding to comply with the MBTA Communities Act.

31. On Monday, February 24, 2025, the Marshfield Select Board discussed HLC's letter dated February 19, 2025 and the unfunded mandate determinations and voted by a majority vote to ask its legislators to file legislation asking the Commonwealth of Massachusetts to provide the town funding to comply with the MBTA Communities Act and/or seeking an exemption from compliance until the Commonwealth of Massachusetts provides funding for compliance with the MBTA Communities Act and further, to authorize a petition to be filed with the Plymouth County Superior Court pursuant to Gen. L. c. 29 §27C for exemption from compliance until the Commonwealth of Massachusetts provides sufficient funding to comply with the MBTA Communities Act.

<u>COUNT I</u>

- 32. The Town of Marshfield and Marshfield Select Board (the "Marshfield Parties") repeat and reallege paragraphs 1 to 31 above, as if expressly set forth and incorporated herein by reference.
- 33. The requirement contained within the MBTA Communities Act that voters of the Town of Marshfield be compelled to vote to approve a zoning district compliant with the requirements of the MBTA Communities Act violates Gen. L. c. 40A sec. 5 that delegates the right to approve zoning amendments to the cities and towns.
- 34. As the direct and proximate result of the Town Meeting votes conducted by the Town of Marshfield Town Meetings in which votes were cast against the adoption of zoning bylaw that was compliant with the MBTA Communities Act, the Commonwealth and the HLC have withheld and

intend to continue to withhold specific grant funds identified in the MBTA Communities Act and have threatened to withhold or consider compliance with the MBTA Communities Act as a factor in all other state grant programs.

35. As the direct and proximate result of the actions of the Commonwealth and HLC, the Town of Marshfield has suffered monetary damages, costs and expenses.

COUNT II

- 36. The Marshfield Parties repeat and reallege paragraphs 1 to 35 above, as if expressly set forth and incorporated herein by reference.
- 37. Based on an analysis by the Office of the State Auditor's Division of Local Mandates under Gen. L. c. 29 §27C of the MBTA Communities Act and its enabling regulations, the MBTA Communities Act constitutes an unfunded mandate and the DLM has so determined in writing as to the City of Methuen and Towns of Middleborough and Wrentham. Said determinations dated February 21, 2025 are incorporated herein by reference.
- 38. The MBTA Communities Act and its enabling regulations constitute an unfunded mandate within the meaning of Gen. L. c. 29 §27C since because the Commonwealth did not assume the costs of the MBTA Communities Act by general law and by appropriation in the 2021 session contemporaneously with the effective date of the MBTA Communities Act.

- 39. The MBTA Communities Act does not provide a funding mechanism for compliance with its provisions.
- 40. The statutory language of § 3A and the original enacting legislation of Chapter 358 of the Acts of 2020 fail to provide for the assumption by the Commonwealth of the costs imposed by the MBTA Communities Act and did not contain an appropriation for § 3A.
- 41. The FY 2022 budget, passed during the same annual session as when the MBTA Communities Act became effective (the first annual session of the 2021–2022 biennial legislative session), and all other appropriations bills passed during the same annual session, likewise did not contain an appropriation for § 3A.
- 42.. The MBTA Communities Act was also not specifically exempted from application of the Local Mandate Law by the Commonwealth.
- 43. Based on the foregoing, the Town of Marshfield is entitled to seek an exemption from compliance with the MBTA Communities Act and its enabling/implementing regulations pursuant to Gen. L c. 29 §27C(e) until and unless the Commonwealth and/or HLC as an agency of the Commonwealth provide funding to the Town of Marshfield to comply with the requirements of the law and regulations.

COUNT III

- 44. The Marshfield Parties repeat and reallege paragraphs 1 to 43 above, as if expressly set forth and incorporated herein by reference.
- 45. There is an actual controversy and dispute by and between the Town of Marshfield and the Commonwealth and HLC as to the validity of the MBTA Communities Act and its emergency regulations since the Town of Marshfield has been deemed to be noncompliant with the laws and regulations since the law requires residents to vote to adopt a compliant zoning bylaw and they have elected not adopt said zoning bylaws as is the right of any voters under Gen. L. c. 40A §5.
- 46. There is an actual controversy and dispute by and between the Town of Marshfield and the Commonwealth and HLC as to the validity of the MBTA Communities Act and its emergency regulations since the law requires residents to vote to adopt a compliant zoning bylaw rather than creating a statutory exemption from zoning for multi-family housing within Gen. L. c. 40A §3.
- 47. There is an actual controversy and dispute by and between the Town of Marshfield and the Commonwealth and HLC as to the validity of the MBTA Communities Act and its emergency regulations since the law and regulations constitute an unfunded mandate within the meaning of Gen. L. c. 29 §27C.
- 48. The Marshfield Parties seek a determination by the Superior Court that the rights of Marshfield Town Meeting to vote have been infringed on by the application and implementation of the MBTA Communities Act and its emergency regulations and resulting in the suspension of grant funds including those not enumerated in the MBTA Communities Act and an order exempting

Marshfield from compliance and or exempting Marshfield from compliance pending the receipt of sufficient funding to cover the cost of compliance.

COUNT IV

- 49. The Marshfield Parties repeat and reallege paragraphs 1 to 48 above, as if expressly set forth and incorporated herein by reference.
- 50. Since the MBTA Communities Act and its emergency regulations violate federal and/or state law and/or constitute an unfunded mandate, the Commonwealth and HLC should be equitably restrained from withholding any state grant funds to the Town of Marshfield.
- 51. Marshfield Parties have incurred costs and expenses in evaluating and drafting proposed zoning bylaws and presenting them to Town Meetings that have not been paid by the Commonwealth and/or HLC;
- 52. Marshfield Parties expect to incur additional costs as the direct result of the mandatory requirements of the MBTA Communities Act and HLC's emergency regulations.
- 53. Marshfield Parties have been informed that their ability to access approved state grants determined prior to the effective date of the HLC's emergency regulations and all other discretionary grant programs are at risk.

54. Without preliminary relief, the Marshfield Parties will suffer a loss of rights that cannot be recovered absent an order preserving the status quo.

WHEREFORE the Marshfield Parties request the following relief:

- (a) That judgment enter in favor of the Marshfield Parties on Counts I to IV of the Complaint;
- (b) That the Marshfield Parties be awarded damages, compensatory damages, costs and reasonable counsel fees associated with the infringement of the rights of Town Meeting and its members to vote to approve zoning amendments in violation of state laws;
- (c) That MBTA Communities Act be declared an unfunded mandate consistent with the determinations by the DLM;
- (d) That the Town of Marshfield be exempted from compliance with the provisions of the MBTA Communities Act and emergency regulations pending receipt of sufficient funding to comply with the requirements of the law and regulations since they constitute an unfunded mandate in violation of state law;
- (e) That Commonwealth and HLC be preliminary and then permanently restrained from suspending or withholding state grant funds pending a final judgment on the issues and preserving the status and/or a final judgment exempting Marshfield from compliance;
- (f) That the Town of Marshfield be awarded its costs of action and reasonable counsel fees; and,
- (g) That this Court order such other and further relief as this Court deems just and equitable.

JURY DEMAND

The Marshfield Parties demand a jury trial on all issues for which they are entitled to a jury trial.

Respectfully submitted, Town of Marshfield and by their Town Counsel,

Dated: February 27, 2025 /s/ Robert W. Galvin /s/ David A. Henig

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