



Ruthanne Fuller
Mayor

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Barney S. Heath
Director

Newton Housing Partnership (NHP)

August 22, 2023 from 5:00 pm - 7:00 pm

Virtual meeting: <https://newtonma-gov.zoom.us/j/87974636003>

Meeting ID: 879 7463 6003

- 1. Review and Approval of May minutes, 2023 Meeting Summary**
- 2. Project Updates**
 - a. Northland Charlemont 40B
 - b. 528 Boylston 40B
- 3. Village Center Zoning & Affordable Incentives**
 - a. Recap of public hearing
 - b. Partnership discussion
- 4. Coordination with Affordable Housing Trust and Fair Housing Committee**
 - a. Partnership discussion
- 5. Newton Housing Partnership Update**
 - a. Economic Stability / Mobility Initiative – EMPATH Partnership
- 6. Proposed New Meeting Day and Upcoming Meeting**
 - a. Fourth Tuesday of each month, from 5:00 pm to 7:00 pm
 - b. Next Meeting: September 26, 2023, 5:00 pm - 7:00 pm via Zoom

Attachments:

- August 7, 2023 letter addressed to the Newton Zoning and Planning Committee
- Establishing Newton Affordable Housing Priorities

Meeting Access Instructions

No in-person meeting will take place at City Hall.

The Newton Housing Partnership will hold this meeting virtually on August 22, 2023 at 5:00 pm.

Access the meeting audio and video on your smartphone:

- 1) Open your smartphone's app store. If the Zoom app is already installed on your smartphone, this step is not necessary
- 2) Download the "ZOOM Cloud Meetings" app
- 3) At the above date and time, open the ZOOM Cloud Meetings app, and tap, "Join a Meeting"
- 4) Type the following Meeting ID into the dialogue box: 879 7463 6003

It is also possible to open your smartphone's internet browser app, navigate to www.zoom.us, and join the meeting with the same Meeting ID: 879 7463 6003. Doing so would provide access to the meeting's audio and video.

OR

Access the meeting audio only on your phone or smartphone:

- 1) Dial +1-305-224-1968
- 2) Dial the following Meeting ID: 87974636003#

OR

Access the meeting audio and video on your computer:

- 1) Open your internet browser on your computer
- 2) At the above date and time, copy the following link into your browser's URL bar:
<https://newtonma-gov.zoom.us/j/87974636003>
- 3) Type the following Meeting ID into the dialogue box: 879 7463 6003

The location of this meeting/event is wheelchair accessible and Reasonable Accommodations will be provided to persons with disabilities who require assistance. If you need a Reasonable Accommodation, please contact the city of Newton's ADA/Section 504 Coordinator, Jini Fairley, at least two business days in advance (2 weeks

for ASL or CART) of the meeting/event: jfairley@newtonma.gov or (617) 796-1253. The city's TTY/TDD direct line is: 617-796-1089. For the Telecommunications Relay Service (TRS), please dial 711.



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Members:
Lizbeth Heyer, Chair
Mark Caggiano
Eliza Datta
Chuck Eisenberg
Ann Houston
Josephine McNeil
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Newton Housing Partnership

August 7, 2023

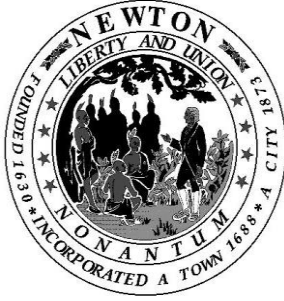
Chairperson Deb Crossley
Newton Zoning and Planning Committee
Newton City Hall, Newton, MA
02459

Dear Chairperson Crossley and members of the Zoning and Planning Committee,

Thank you for the opportunity a few weeks ago to testify on the proposed Village Center zoning changes. In our brief remarks we alluded to the oversimplification of Scott Oran's comments in his second letter to your Committee opposing affordability incentives. Mr. Oran asserted once again that the proposed affordability incentives -- in the form of additional one- or two-story heights for greater than standard affordability requirements under Newton's Inclusionary Zoning ordinance -- are insufficient incentives to motivate developers to select affordability beyond that required under Newton's Inclusionary Zoning ordinance. We'd like to take this opportunity to further elaborate on why we believe Scott's arguments miss the point of the proposed incentives and strongly encourage you to adopt this provision to stimulate affordable housing production.

Mr. Oran's case imposes a one-size-fits-all approach to the economics of multi-family development that ignores the opportunities and challenges faced by affordable housing developers. It fails to recognize that decisions by affordable housing developers and their investors to invest or not in an affordable or mixed-income housing development consider the impact of more elements than real estate cash flow which is the sole focus of Mr. Oran's analysis. Tax-credit benefits for the financial investors, management fee income for the sponsor or their management partners, development fee earnings for the sponsor available upon a project's completion and occupancy, and mission-based outcomes, all figure in to their decision to go forward or not with a project.

And the key point of these incentives, which Mr. Oran overlooks, is that the feasibility of affordable housing developments is enhanced as the unit count increases. As you know, these height benefits do not dramatically increase project size, calling for one- and two-story height increases, but they will make a difference by allowing the developer to spread his or her transaction costs, and the capital subsidies needed to support those costs, over more units. This makes for a more efficient use of the precious



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subsidies available and also improves operational efficiencies in the long term, something that is equally important to developers and operators in this space.

We note that Mr. Oran says he has long advocated a 25% affordability requirement in Newton's Inclusionary Zoning ordinance. We wonder how he can advocate such a policy when he rejects exactly that policy even with the financial enhancements contained in these incentives.

Mr. Oran makes two erroneous factual assertions about affordable housing finance that need correction.

One, he claims that the MassHousing Workforce program, which finances projects with affordability targeting the 60%-to-120% AMI range, which he used for his excellent 28 Austin Street project, was "short-lived" and "has been fully invested". That program cannot be described in that way; it was not "short-lived", as it lasted seven years in its first phase and while its resources were fully utilized recently, it will again be funded in the upcoming five-year housing bond bill under consideration by the Governor and Legislature, so that the state can continue to support the production of critically needed workforce housing for households in that "missing middle" income range. But whether Workforce financing is available or not is irrelevant to these affordability incentives, and it makes no sense to argue against them on the basis of an erroneous premise about the absence of Workforce housing resources.

Two, Mr. Oran seems to suggest that Newton's Inclusionary Zoning ordinance would somehow prohibit a tax-credit project from proceeding. This is not the case. There is nothing in the IZ ordinance prohibiting a project with deeper affordability than the IZ standard of 15% @ 65% AMI from proceeding with the advantage of the proposed height incentives. The IZ ordinance sets a minimum required affordability standard, not a maximum.

The key point here goes beyond technical details about affordable housing finance programs. All involved with housing policy in Newton agree that we must unlock our transit districts from zoning that restricts multi-family development. But we don't only want more units. We want a meaningful increase in housing affordability as well. Newton has an effective IZ ordinance, but the NHP believes that, with this rezoning, we need to do more – we need to include measures into this rezoning effort that simply offers developers choices that make possible deeper and broader affordability than 15% of the units at 65% AMI.



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Mr. Oran suggests that we speak to developers about these incentives. We can assure the members of ZAP that we have indeed done so, including the four members of the Partnership that are developers. Our basic theory that these incentives would be enabling for housing developers, and embraced by them, has been clearly borne out in our inquiries on this point.

We at the NHP are glad to engage in conversations about affordability policies like the subject affordability incentives. In this case, we are fully satisfied that this policy will enhance the prospects for Newton to bring more badly needed affordable and mixed-income housing into its village centers.

There are of course no guaranteed outcomes. But the opportunities to make meaningful differences in our city's affordable housing crisis through innovative land use policies are rare indeed. This policy, in the context of the significant Village Center Rezoning effort from the Planning Department and your Committee, offers such an opportunity.

We continue to urge ZAP to support the proposed additional affordability incentives.

Sincerely,

Thank you for your consideration,

Lizbeth Heyer

Lizbeth Heyer, Newton Housing Partnership Chair

David Rockwell

Partnership Co-lead on Zoning

Charles Eisenberg

Partnership Co-lead on Zoning

Cc.

Mayor Fuller
President Albright
Newton City Council
Newton Planning Board
Barney Heath

Establishing Newton Affordable Housing Priorities

Working Document

Housing Partnership - August 22, 2023 (v3)

Goal: Create shared Newton priorities for affordable housing that guide use of resources

- **Why? Proactive vs. Reactive; Developers prefer clear rules; allow integration of ideas across related committees (e.g., FHC and Partnership); get us on one page – speaking with same voice**
- City Financial Resources
 - HOME
 - CDBG (housing plus)
 - CPC/Trust
 - IZ payments
 - [ARPA and similar]
 - Potential: repayment of loans and/or land payments (e.g., Warren School)
 - Others?
- Other Resources
 - Land (“70 parcels”)
 - Zoning
 - RE Taxes

Establishing Newton Affordable Housing Priorities

(identifying areas
that meet pressing
needs, not an
exclusive list of
what City will fund)

- WHO: AHT, Housing Partnership, Fair Housing Committee in partnership with City Staff
- Process:
 - Convene task force to propose goals to city committees
 - Understand need by updating key elements of the Newton Leads 2040 blueprint to provide current picture of needs in Newton (MAPC)
- Priorities will inform AHT: *partnership discussions with prospective developers, policy considerations.*
 - Marketing strategies for Trust (*brainstorm*)
 - Priorities to guide creative use of Trust funds
- Other resources to make Newton attractive for affordable housing:
 - City properties available for development (70~)
 - VC3+ properties (help ZAP identify)
 - Other? (*brainstorm*)
- Proposed Timeline:
 - Priorities update by November 1, 2023
 - Implementation by February 1, 2024

Full Report
Available on
City Website
along with
summary,
detailed back-
up, and updates



Newton Leads 2040

A BLUEPRINT TO PROMOTE AFFORDABLE,
DIVERSE HOUSING & ECONOMIC GROWTH

Newton Leads 2040 Residents

Update demographics:
hh composition - e.g., family, single
income
hh size & ages
race & ethnicity
disabilities needs

Details on who is cost burdened by hh type and income

Match of housing prices (rental and ownership) to average incomes for key jobs, including City staff, retail, day care teachers, NPS teachers, EMTs, fire fighters, police, health care workers

Newton's Housing Demographics

Newton's demographic profile and trends are significant indicators of housing needs. Three major indicators include age/life stage of residents, size of families (households), and the number of people who live alone. Further analysis can be found in "Demographic Analysis" Chapter One of the Housing Strategy Report.

Age Profile and Projections

The number of persons 55 years and older increased between 2000 and 2013 by nearly twice the amount of total population growth in the same time period.

The increase in older residents contrasts with the decline in number of younger adults, particularly the 25 to 44 year olds. This finding is significant because of changes in housing preferences as adults age into seniors.

Source: Housing Strategy Report, pg.12



Housing Affordability in Newton

Demand for housing in Newton has driven housing costs up to the point where the median single-family home price in 2016 is \$1.1 million and \$500,000 for condos. At these prices, it is a limited range of people who can afford to purchase a home in Newton.

Between **4,713** and **5,092** lower income households in Newton are housing cost burdened*



Source: Housing Strategy Report, pg. 35

*Cost burdened is when a low- or moderate-income household pays more than 30% of its monthly income on housing costs.

Per Comp Plan, 31% of ALL Newton households are cost burdened.

Newton Leads 2040 *Housing Stock*

Update subsidized housing by income and type (left graph)

Analyze city investment trends at 5, 10, 20 years by affordability, housing type, production vs. preservation, leverage and city investment

Analyze SHI, segregating market and rent restricted units

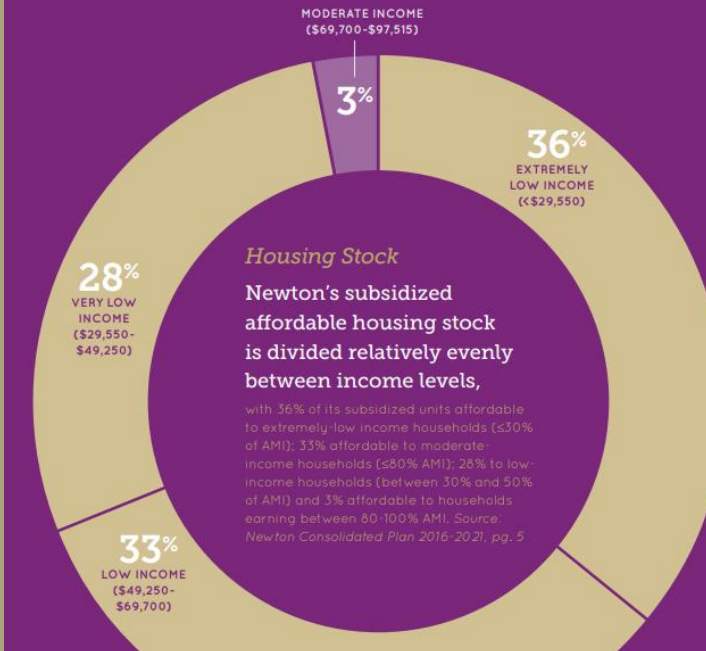
Age and condition of stock

bedroom mix

naturally occurring affordable -

Subsidized Housing in Newton

Newton has 2,438 subsidized housing units whose affordability is partially maintained by government funding. These deed-restricted units are designated for low- and moderate-income families and individuals. Almost all subsidized units in Newton are further restricted to seniors, persons with disabilities, mental illness, or survivors of domestic violence. The City needs to continue to serve these populations, but additional populations stand to benefit from affordable subsidized housing.



Newton Leads 2040

Strategies to implement

Evaluate City Parcels and prioritize 3-4 for development

Use AHT funds to encourage development that responds to priorities

Market AHT market Newton as a great place to live and raise a family

partner with employers

assist with selecting VC 3+ properties

learn from Fair Housing study on tenant selection

Learn from NHA strategic plan

Housing Strategies



Engage the community and City Council as decision-makers in the effort to create context sensitive housing options

- Community conversations about the housing strategy
- Housing trusts



Make policy changes to support housing development

- Inclusionary Zoning
- Accessory Apartments



Identify affordable & diverse housing opportunity sites.

- Over 70 sites identified
- 7 sites promoted by the Mayor



Preserve affordability

- Expiring restrictions, rehab & deed restriction program
- Accessory Apartments



Develop financing tools for supporting affordable housing

- Work with non-profit and for-profit developers on mixed income projects
- Explore housing trust



Housing for homeless individuals and homeless families

- Combining housing and services