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NEWTON AFFORDABLE HOUSING TRUST MEETING MINUTES

**January 18, 2024 at 4:00 P.M.
Room 204, Newton City Hall**

The hybrid meeting was held on Thursday, January 18, 2024, beginning at 4:05 PM. Newton Affordable Housing Trust (NAHT) members Councilor Susan Albright, Ann Houston, Jason Korb and Peter Sargent were present at City Hall in Room 204. Trust Members Tamirirashe Gambiza and Judy Weber attended virtually.

Staff present in Room 204 included Director of Planning and Development Barney Heath and Director of Housing & Community Development Lara Kritzer. Councilor Rena Getz and Josephine McNeil were also present in Room 204 for the discussion.

Chair Ann Houston called the meeting to order and asked those present to introduce themselves. She welcomed Councilor Albright to the Trust, noting that she was now the appointed representative for the City Council.

Ms. Houston stated that she also wanted to recognize the incredible work that Mr. Heath and the Planning Department staff had done throughout the Village Center Overlay District process. She noted that the new zoning was a good start and that the next task was to make these changes happen and take the process to the next level. Trust members agreed that approval of the new zoning was an important step in moving forward with greater housing development.

Review and Approval of Draft Minutes for November 16, 2023

It was noted that the November minutes were still being updated and revised. It was agreed to continue this item to the March meeting.

Discussion and Approval to designate an authorized signatory to execute contracts and other documents, including but not limited to grant agreements, on behalf of the Trustees of the Affordable Housing Trust

Ms. Kritzer explained that the Law Department had recommended that the Trust vote to designate a Trust member or staff person as the authorized signatory for the Trust on future documents and contracts. She explained that since the Trust funds were separate from other City funding, the grant

agreements and other funding documents issued for those funds would need a Trustee or designated staff to sign them. Mr. Sargent agreed that it would be good to have a staff person as the signatory and suggested that the Trust's Chair could serve as the backup signatory in cases when staff were not present. Ms. Houston asked if the staff person should be Ms. Kritzer or Mr. Heath. A second question was raised as to whether it would be better to have the back-up person be a City staff member. It was agreed that Ms. Kritzer would check with the Law Department to confirm who would be the best person to serve as the signatory.

Ms. Weber added that the agenda item read as if the approvals could be signed separate from the Trust's review. She wanted it noted that these signatures would only be completed after the Trust voted to approve a proposed change or project.

Review of Potential Conditions and Process for releasing Trust funding

Ms. Kritzer noted that the Community Preservation Committee (CPC) regularly added conditions to their funding approvals based on the type of project and what it was intended to accomplish. She noted some of the common conditions used to confirm how funds were used, when funding had to be used by, and what needs to be accomplished. Ms. Weber noted that the CPC had voted to take funding away from a project that had not moved forward in years based on the condition in their funding agreement that the work needed to be completed within a specific time frame.

Mr. Gambiza asked how funds would be released – would the Trust advance funds for work to be done or use a cost reimbursement system. He thought this needed to be kept in mind as well when the CPC approved a project. The idea of using these funds as seed money was also discussed and how the conditions for using those funds might be different from ones associated with other projects.

Ms. Houston asked if the projects might fall into categories. Conditions could be tied to the category of the project and the Trust could review funding recommendation which were developed based on that category including release conditions, reporting conditions that might be tied to a final funding, performance timing, and affordability provisions. Categories could include preservation or production, whether the funding was a grant or a loan, etc.

Mr. Korb asked if the City used MassDocs. Ms. Kritzer explained that the City has in the past but that it usually depends on the size of the project. Mr. Korb explained that MassDocs is a process for coordinating the use of multiple funding sources without requiring agreements from each funding source. He noted that their documents cannot be negotiated which can make the process easier for everyone. He suggested that in the future the Trust vote to use MassDocs whenever possible. Trust members also agreed that there would be no future funding of reserves. Ms. Kritzer was asked to develop categories of funding for the next meeting and to recommend draft conditions that might be needed for each one.

Discussion on approaches to encouraging deeper affordability than IZ requires.

Ms. Houston had researched what it would cost to buy down the affordability of Inclusionary Zoning units from 80% AMI to 50% AMI and had determined that this would be prohibitively expensive. She stated that she would email members her exact numbers if anyone was interested in looking into the question in more detail. Mr. Sargent stated that he did not want to give up on encouraging deeper

affordability and suggested that they continue to explore other options for achieving these goals in the future.

Ms. Houston asked if other members agreed and they did. She noted that she had also asked a former colleague at Toll Brothers to look at her numbers and that they had also agreed with her results. Mr. Korb agreed that deeper levels of affordability would not be possible with the current economic environment.

Report on the Housing Priorities Review

Ms. Houston gave a presentation on the work to date of the Housing Priorities Review Team. She explained that the team had met twice to date and that she would continue to bring the information they reviewed back to the Trust. She added that she was happy to share this PowerPoint presentation which had been prepared for the Fair Housing Committee.

Ms. Houston noted that the Housing Priorities Review Team had been pulled together across the City's three housing committees to try and establish some overall priorities for its housing programs and funding. She explained that they had worked to match the perspectives of the three committees and to ground their discussions in current data. She added that Councilor Albright had already agreed to step in for Councilor Bowman in working with this group.

Ms. Houston wanted all of these groups to be on the same page and more proactive. She noted Ms. Weber's suggestion that they go out and look at what the City needs and explained that this process was a way to do this by working with the other committees. She hoped that they could also educate the community about the City's housing needs and priorities and added that the plan was to finish up this process within 6 months. Ms. Houston stated that the Trust can then use the priorities as a basis for a housing implementation strategy and future funding investments. She added that she wanted to make sure that the Trust was supporting the City's top housing priorities.

Ms. Houston stated that their first job had been to look at the available data on housing supply and inventory and to update key portions of the Newton Leads 2040 plan. The City had engaged Judy Barrett to update that data and they were currently working to review the new information received. They were also looking at the City's housing supply and investments based on based on initial information on projects funded in the last 20 years. Based on the present breakdown, it appeared that projects that are smaller take a greater proportion of the City funding, while larger projects have been able to substantially leverage City funds with state and other funding sources. She explained how the funding had been used in recent years and the breakdown in funds between preserving existing units and producing new ones. Ms. Houston explained that they had also tried to break down the costs over time but was not sure that it would make sense due to inflation. She noted that she had tried several ways of looking at the funds but did not think that they were useful.

It was noted that between 2014-2024, the City invested in 431 units of which 28% were family units and 68% were senior units. The funds were nearly evenly split between preservation and production funds work. Ms. Houston stated that they had more analysis to do but that this gave them a good sense of the information.

Mr. Korb asked how the units broke down by income limit. Ms. Houston stated that they were adding in the Inclusionary Zoning and 40B project data and would break those units down by affordability. Ms. Houston also wanted to take a deeper look at demographics. She noted that household size had remained stable and was no longer diminishing but that they were not sure if that was just a statistical bump from Covid. They also needed to confirm the shift in age, but it appeared that the 24–44-year-old households had shrunk while the 45–64 year old households had risen and there was a significant gain in the number of residents over 65 since 2011. Mr. Sargent agreed with this trend and noted that it was not easy for young families to move to Newton. Ms. Houston added that they had also reviewed race and ethnicity. Newton was 75% white, 15% Asian, 4% two or more races, 3% Hispanic, and 2% Black. Ms. Houston asked Ms. Weber if it would be possible to get additional demographic information from the Newton Housing Authority (NHA) and noted that they were also interested in looking into the City's population with disabilities. Ms. Weber noted that the NHA could provide information only on Newton while the review team is also interested in looking at the region and broader population. Ms. Houston was asked if the group would look at the demographic shift as well as the age shift. Mr. Korb believed that any race and ethnicity were probably pretty flat.

It was noted that between 2015 and 2022, 66% of the new construction in Newton was multifamily. Ms. Houston noted that this was a big jump in multifamily construction compared with single family homes and that they were looking further into that change. It was also noted that the City had reached Safe Harbor and that they would need to think strategically on how to address concerns with new construction and a potential lack of 40B leverage. In terms of the State Housing Inventory (SHI), only 55% of the units in the inventory were affordable. This was higher than had been anticipated and was believed to be possible because Newton had a high percentage of 100% affordable senior housing. Ms. Houston noted that only 25% of rental units in a 40B development had to be affordable but that 100% of the actual units could be counted on the SHI.

The data had also noted a shift in the average size of units. While households were smaller, new units were generally larger and given current development costs, were even further out of range for most families. Ms. Houston stated that the review team wanted to look at the different types of affordable housing and to separate out the rental from the home ownership units in the inventory. They also wanted to analyze the SHI by the age of housing, population served, and affordability.

Ms. Houston stated that they also wanted to learn more about the availability of mobile vouchers and would be asking Sec. 8 and MRVP providers for that information. The team hoped to learn more about where people with these vouchers ended up and to look into the possibility of layering vouchers. Ms. Weber stated that half of Newton's housing vouchers were used in other communities due to the high cost of rentals in Newton. The NHA was trying to increase the number of vouchers available, but this was hard work. She did not think that they were using small area FMR but every year they were trying to increase the voucher amount to make them more useable locally. She agreed that these were important issues that the Trust will want to debate. Ms. Houston noted that the current median affordability for a four-person household was \$149,300 and that the median sale price for a house in Newton is \$1.7 million. She explained that a household would need well beyond the median income to support the average Newton rent of \$3,491.

Ms. Houston asked if there was any other information that Trustees would like to see. Mr. Sargent asked if the Housing Priorities Review Team would be willing to share its information. Ms. Houston asked what information would be helpful to have for the next meeting and offered to provide

everyone with a deeper dive into the information. She thought that this was a great start but that more information was needed to move forward.

Ms. Houston asked if Ms. McNeil had anything to add. Ms. McNeil stated that she did not necessarily have anything to add but appreciated the work done to put this information together. She stated that in her experience, housing developed in Newton in fits and starts. For years, CANDO was the City's only housing producer, then several new groups came in to produce all of the senior units. She added that almost no State funding came into Newton for decades.

Ms. Houston thought it was also important to look at the last five years when larger projects have allowed the City to bring in more State funds. She thought that it was interesting to look at Inclusionary Zoning and 40B projects in comparison to City funded work. She explained that they were trying to see where we are now, what has really been happening in Newton, and how to move forward. Mr. Sargent thanked Ms. Houston for the presentation.

Other

It was noted that the West Newton Armory project was still moving forward but had slowed down while waiting for the next available bonding round.

On December 22, Ms. Houston and Mr. Sargent had a zoom meeting with the City Council's new leaders, Councilor Lipoff and Councilor Kalis. They provided the councilors with an introduction to the Trust and how they worked and discussed how best to keep the City Council up to date on the Trust's activities. Councilor Lipoff had suggested that the Trust be aware of the Zoning and Planning, Finance, and Land Use Committees and keep in good coordination with those groups. Mr. Sargent stated that he had created a list of the councilors on each of the three committees which he was happy to share. Councilor Albright was impressed by the data being discussed at this meeting and thought that the Zoning and Planning Committee, which she is on with Councilor Getz, might also appreciate seeing this presentation. Councilor Albright also noted that ZAP will be doing a look back at the IZ Ordinance and thought that this group's work would be helpful in that planning effort. Ms. Houston offered to email out the presentation and asked members to send in any comments.

Mr. Gambiza moved to adjourn the meeting and Mr. Korb seconded the motion. The meeting was adjourned at 5:08 P.M.