



Zoning & Planning Committee Report

City of Newton In City Council

Monday, April 8, 2019

Present: Councilors Albright (Chair), Krintzman, Downs, Brousal-Glaser, Danberg, Baker, Leary and Kalis

Also Present: Councilors Greenberg, Lappin and Schwartz

Planning Board Present: Peter Doeringer, Kelley Brown, Kevin McCormack and Jim Robertson

City Staff Present: Barney Heath (Director, Planning Dept.), James Freas (Deputy Director, Planning Dept.), Rachel Nadkarni (Long Range Planner), Amanda Berman (Director, Housing and Community Development), Eamon Bencivengo (Housing Development Planner), John Lojek (Commissioner, Inspectional Services) and Marie Lawlor (Assistant City Solicitor)

#127-19 Submission of the FY20 Annual Action Plan To HUD

HER HONOR THE MAYOR requesting City Council authorization, pursuant to the 2019 Revised Citizen Participation Plan, to submit the FY20 Annual Action Plan to the US Department of Housing and Urban Development (HUD) for the City of Newton Community Development Block Grant (CDBG) and Emergency Solution Grant (ESG) funds and the WestMetro HOME Consortium.

Action: Zoning & Planning Approved 8-0

Note: Amanda Berman, Director of Housing and Community Development joined the Committee. She noted that there will be a Community Development Week during April 22-26. This is a national week for communities that receive HUD funds to celebrate the work that they've done over the year and share plans future projects. Newton will have a Community Development gallery at City Hall highlighting the work and there will be a tour of housing projects, by invitation, among other events and trainings. She urged the Committee members to be involved in all the activities and trainings available during the week. The week will close with a celebration of the Newton Highlands Playground in partnership with the Parks & Recreation Department. CPA funds were also very critical for the development of the park.

The full draft FY20 Annual Action Plan, including the FY20 program budgets may be found on the City of Newton website at: <http://www.newtonma.gov/civicax/filebank/documents/95876>

Ms. Berman explained that the Annual Action Plan is part of a larger, ongoing planning and reporting process that the City is required to do and is part of the FY16-FY20 Consolidated Plan. This will be the last Annual Action Plan as part of that Consolidated Plan and the next 5-year Consolidated Planning process will begin this summer. In addition to the Action Plan, the Consolidated Annual Performance and Evaluation Report (CAPR) reports on the activities for the prior year.

The City receives three entitlement funds from the Department of Housing and Urban Development (HUD): Community Development Block Grant (CDBG); Energy Solution Grant (ESG); and the WestMetro Home Investment Partnerships Program (HOME). The goal of these funds is to develop viable urban communities through the vision of decent housing, suitable living environment, and the expansion of economic opportunities for low- and moderate-income persons. The dollar amounts provided in this report are estimates because the actual allocations have not yet been received by HUD. The estimates are formulated based on FY19 allocations and information that was reported to the City at the federal level. The City is estimated to receive \$1.9 in CDBG funds; \$161K in ESG funds; and \$1.4M in HOME funds which includes a 13-community consortium of which Newton is the lead entity. A public comment period began last week and will conclude on May 1st.

Ms. Berman provided a presentation which is attached to this report. It contains detailed breakdowns of the budget allocation of each of the funds and details about projects. The Planning Memo also provides information and may be found at:

<http://www.newtonma.gov/civicax/filebank/documents/96274>

Committee Comments/Questions

A Committee member asked how much of the money for the Auburn Street project (See attached presentation) is from this year and from last year and if there is any money left to be awarded this year. Ms. Berman said that Danielle Bailey is the grants manager and it is a complicated inflow/outflow of funds. She will follow up with Ms. Bailey and get the numbers for each year. She does know that there is money left to be awarded and she will find out how much.

A Councilor wondered if there have been any dramatic increases or decreases in ESG funds. Ms. Berman said there were some minor fluctuations. The City received over \$308K in requests so the Committee had to decide how to allocate the limited funding. Based on previous years' monitoring, how much an organization receives is weighted against how their programs and proposals match against the City's criteria. The City looks at the benchmarks for success that came out of the Brookings Institute and how that plays a role in bringing households out of poverty and moving toward the middle class. Rachel Powers heads up a team of reviewers from several departments in the City who look at the criteria for ranking. Peter Doeringer was a part of that review team and explained they were unanimous about how to levy the inevitable cuts in resources. It was analytical – they did not do across the board equal cuts.

It was asked if ESG funds are open to individuals or just to organizations. For instance, someone might need a critical repair to a home and not be able to afford it. Ms. Berman said ESG would not provide those funds and instead agencies would be funded who would have direct contact with individuals that might be at risk for homelessness. Home repair assistance would fall within the housing rehabilitation program which is operated out of the City's Housing and Community Development division. That program would directly fund homeowners. Last year, approximately 5 homeowners were provided with that type of assistance.

A Committee member asked about the other communities in the HOME consortium. Ms. Berman explained that some of the communities are entitlement communities, like Newton, who receive funds for affordable housing. Some are not entitlement communities, like Concord, who opted in so that it could receive some funds to assist in the effort. If they do not use all their money, they can put their money back in that pool and a community can submit a proposal to access those funds. It helps to move funding around in a more timely and strategic way.

A Councilor noted that HUD considers Newton an "exception" community and she wondered what that might mean going forward for funding. The community used to decide how funds would be spent and they generally went between Newton Corner and Nonantum, but that is no longer the case. Mr. Freas said that Newton has been an exception community for a long term. Often, communities that have a high percentage of low-income residents have a high-percent of older building stock, but Newton is an exception to that rule. There is always talk about changing formulas because communities like Newton receive funds and do not have a high percentage of low-income residents, but that funding formula is irrespective of the amount of money the president allocates to the program. So far, there has been no appetite to change the formula.

It was noted that In the Plan, it looks like there has been a big increase in the number of families and individuals living below the poverty line since the last census. Is that because of the high cost of housing? It seems a significant difference. Peter Doeringer feels it is probably because of the aging of residents since the last census.

The Chair noted that CAN DO used to be the Community Housing Development Organization (CHDO) in Newton. Ms. Berman said MetroWest is a CHDO and is working in partnership on the Auburn Street project. Any CHDO can develop in Newton. The Chair felt that MetroWest is probably not interested in developing all that much in Newton.

The Committee thanked Ms. Berman for her presentation. Councilor Danberg moved approval and the Committee voted in favor unanimously, 8-0.

#187-18 Zoning Amendment for Inclusionary Zoning

DIRECTOR OF PLANNING requesting amendments to the Inclusionary Housing provisions of Chapter 30, Newton Zoning Ordinance, to increase the required percentage of affordable units; to require that some affordable units be designated for middle income households; to create a new formula for calculating payments in

lieu of affordable units; and to clarify and improve the ordinance with other changes as necessary.

Action: Zoning & Planning Held 8-0

Note: Amanda Berman, Director of Housing and Community Development joined the Committee. She explained that staff has been having conversations with affordable housing advocates based on further research and comments from this Committee relative to the inclusionary zoning ordinance. Staff have also had conversations with for-profit developers in Newton to discuss the proposal and additional ideas that have come up in the last few months.

Several questions about the ordinance and it's potential impact from the Zoning & Planning Committee were posed at the last discussion of this item and she would like to address those this evening.

Land Values

Relative to the IZ policy and the potential negative impact on land values in Newton, it was asked whether that impact would include all properties or just those properties being considered for multi-unit projects. The research, the consultant and the field in general states that increased IZ requirements could potentially impact land values downward to the price point a developer is willing to pay in order to make the project financially feasible. This is also the feedback staff have been receiving from the for-profit developers in Newton. It was determined that the impact would be primarily on the zoning districts that have the potential for multi-unit housing, particularly in commercial corridors with that potential.

Cambridge/Somerville

The Committee had asked for updates on the Cambridge and Somerville IZ ordinances that were recently introduced. In 2017, Cambridge's new IZ policy went from requiring 15% of total project units be affordable, to 20% of the total dwelling unit net floor area, which is a very different way of calculating the requirement. They did a gradual transition from 15% of the total dwelling unit net floor area and over a few months went to 20%. Cambridge then issued a status report in 2018 but noted that many of the projects in the pipeline prior to the changes were still awaiting the approval process and had not been built, therefore, they are continuing to assess the effect of the changes. Somerville is in the process of going through their assessment and have hired a consultant to look at the results of the increased requirement since then went into effect last year. Boston is also going through a similar study and they are at a 13% requirement.

Parking & Affordability

The RKG model set cost levels for surface, aboveground and underground parking but assumes underground costs (\$40K per space) when running the model. Therefore, for example, a 140-unit project with a parking ratio of 1.25 would result in 175 parking spaces. Those parking spaces would cost the developer \$7M. On the other hand, if the market rate value of a 1-bedroom unit is \$487K, and the value of a 50% AMI 1-bedroom unit is \$45K, the value gap or differential is \$441K. That \$441K is the subsidy the developer would need to be made whole on the affordable unit. Therefore, that \$7M could instead provide 15 1-bedroom units set at 50% AMI. This is the very

simplistic way of looking at it, however, because there is no way to know if the savings the developer could see from providing less parking are going to equal that same amount of equivalent affordable units.

Payments in Lieu

Ms. Berman said the Committee had not been interested in utilizing the Department of Housing and Community Development QAP number of \$389K when calculating payments or fractional cash payments for units. One alternative is to look at the average development costs in Newton for affordable housing projects the City has funded over the last few years. Research is showing that number to be \$500K a unit. Developers calculate this number differently – some are inclusive of land costs and some are not. More research needs to be done on this number to be sure all the same costs are included as they are being averaged out. Another option is to utilize a consultant to look at the average differential or the average cost to the developer for providing an affordable unit and use that number as the basis for calculation.

For Profit Developer Conversations

Staff has been speaking to for-profit developers looking for red flags in the 2018 proposal. Staff also floated the idea at adding the 2.5% increase at the middle-income tier onto the existing 15% requirement. In general, the developers who produce larger projects felt that increase was reasonable and manageable. Developers of smaller scale projects felt they did not have the financial cushion to handle this especially since many of them are now providing parking underground which means significantly increased costs. In general, the developers felt that predictability and equal application of the ordinance would be key and would allow creation of a project pro-forma that would work.

Developers also said that allowing a significant increase in density is a sure way to see greater affordability in a project. Many of them referred to Cambridge because they provide that density bonus to offset the increased affordability requirements. They also would like to see a transition period for any coming changes so they can rework numbers to make projects work.

Affordable Housing Advocates

The affordable housing advocates felt they really did not want to see any affordability decrease in the existing ordinance, particularly in the way rental units must average out at 65% AMI when 2 or more rental units are required.

Newton Housing Partnership

The Newton Housing Partnership is now up and running and is an advisory group to the Mayor and the City Council for housing and affordable housing issues. A good amount of time at their last meeting was providing an update on the IZ ordinance. The Partnership spent a significant amount of time at their last meeting discussing the updates and will be dedicating their April and May meetings to the update process. Specifically they will help determine an appropriate baseline for the required units table to really hone in on where project size additional percentage requirements

could come into play, and to help think through the new basis for the cash and fractional cash payments and an alternative compliance option.

Next steps are to work with the Housing Partnership over the next couple of months, update the elder housing with services section and come back in May to the Zoning & Planning Committee with an updated proposal for discussion and then hold a public hearing in June.

Committee Comments/Questions

In reference to the impact on land values, the Chair was concerned with the way this issue was being expressed. Land has value but the IZ policy does not affect the land price. If the land is not being used for this purpose, then it moves to another purpose and the price is not affected. The price of the land is not changing, just the manner in which the land might be used. Other Committee members said that when the Inclusionary Zoning requirement is high enough, a developer will choose not to buy a parcel and not build because it is not financially feasible. A credible consultant has said that for a parcel to be sold in order to meet a certain IZ requirement, the land must be at a certain price to make that financially feasible and that price might have to be lower. The Chair said the IZ policy from 20 years ago did not change the price of the land – landowners did not drop their prices – instead, the result was the creation of very few affordable units.

A Committee member noted that while parking has been singled out because the question was asked, there are a number of other requirements that could be picked out as well that have a cost associated with them. There are differences among people about parking requirements, but all the various requirements should be looked at.

A Councilor stated that the existing Tiers are split between 50% AMI and 80% AMI. Ms. Berman said this requirement will remain. There is a footnote to explain that the project has to average out at 65% when the project is two or more rental units.

A Committee member asked why developers of small projects are constructing underground parking when it is so expensive. Ms. Berman said conversations with developers who are maxing out at the smaller 20-unit projects are feeling the market pressure for this from neighbors, councilors and others. The Councilor said that reducing the parking requirement to 1 from 1.25 for affordable units would substantially bring down costs which would result in more of those affordable units.

A Councilor said the change in the construction cost number of payments in lieu is a good one. If the goal is to increase the number of units created because the current IZ ordinance has not done so, then keeping it so close to the current ordinance is worrying. The information from other communities is helpful but it is still hypothetical at this point so it is hard to determine the right strategy and it might be wise to wait for more concrete data to come in. Ms. Berman said she will be bringing new data on projects in the pipeline and the number of proposed units will shift quite a bit from what has happened in the past. More and more IZ eligible projects are coming in for

special permits so the climate has changed significantly from a year ago. It is difficult to understand what has flipped the switch. Expanding the ability of the ordinance to create more units is possible with the proposed requirements.

It was asked if more data might be available on IZ ordinances and their effects by looking further abroad. Ms. Berman said they have looked at best practices nationwide and where policies are heading, but they did not look at communities outside this region or market. The Chair said IZ is very controversial across the country so there is not even a conclusion that is a beneficial thing to do. Mr. Heath said each community's market is so unique and calibrating an ordinance is very sensitive. It takes a number of years to catch up with any changes, so that is why there is hesitance in making sweeping changes in Newton. RKG was hired to be sure the City was not doing anything disastrous and the slight tweak of the ordinance is a move in the right direction.

It was asked if staff will be able to identify changes in other costs such as INI funds that are required, that might have had impact on development to determine what has changed to now spur more projects.

The Chair said that staff is going to have to help explain how the 2.5% increase is supportable by a 21-unit project. This may too onerous at that size when this is the same requirement for projects with hundreds of units. Perhaps the cut off should be at 100 units and not 21 with some gradual increases in between. Ms. Berman said when the proposal was for 20% and 25% requirement, Northland responded that it would not be a viable option for their project. It is one of the reasons a consultant was brought in to test the feasibility of proposals to find the right number. The conversations that staff has been having the developers have shown that the 21 units can support the additional 2.5% requirement.

The principal feature of this ordinance is that affordable housing will be a requirement and not just through the special permit process.

When there are affordable rental units, they count toward the state housing inventory. If the project is at least 25% affordable, all the units in the project can be counted, but this ordinance does not reach the 25% requirement. All units in a Chapter 40B projects for rental would be counted. Ms. Berman said the City should be providing a diverse stock of rental and ownership opportunities. The ordinance is requiring that ownership be set at 80% AMI at its lowest knowing the increased costs associated with ownership. There could be HOA fees or special assessments to consider and there can be challenges with increased costs. The hope is to set up households for success whether for rent or ownership. It was asked if there is a preferred form of housing that will be more available to people instead of providing units that people might not be able to afford. Ms. Berman said the concept it a mirror image of the existing ordinance with an increase of 2.5% at a middle-income tier. This might be something to discuss further with the Housing Partnership.

It was asked if the ordinance could provide a linkage program with businesses. Ms. Berman said those funds provided by a commercial development to go to affordable housing and is above and

beyond the IZ requirements. Mr. Heath said this was looked at early on and there was a policy decision that the City did not want to discourage commercial development by adding another fee. While some communities have chosen to do that, most have not for that reason.

A Committee member said there is a lot of negotiation around the number of affordable units on special permit projects. Kessler Woods is renting out some units at \$7K-\$8K a month so perhaps they do not need that level of flexibility. The Chair noted that developers are really looking for predictability and the negotiations in the special permit process can make things very difficult. Therefore, this ordinance should really give more predictability. The new zoning ordinance, if passed, will provide more by-right opportunities and there will not be any negotiation which a good thing.

The Committee thanked Ms. Berman for her continued dedicated and thorough work on this ordinance. The Committee voted to hold this item, 8-0.

#128-19 Zoning Amendment for short-term rentals

DIRECTOR OF PLANNING proposing to amend Chapter 30, City of Newton Zoning Ordinances, in order to create a short-term rental ordinance that defines the short-term rental and bed & breakfast uses, identifies what zoning districts they would be allowed in and under what criteria, conditions, limitations and permitting process.

Action: Zoning & Planning Held 8-0

Note: See note below. Mr. Freas noted that the state law goes live on July 1st and staff would like to have this ordinance go into effect at the same time. A public hearing will be required for the zoning component and staff is looking at June 10 to schedule that hearing. Staff would also like this public hearing to be an opportunity to get the word out to owners so they can get in the queue to get their fire inspections done.

Referred to Zoning & Planning, Public Safety, and Finance Committees

#136-19 Short-term rental ordinance with fees

DIRECTOR OF PLANNING proposing amendments to Chapter 20 and 17 of the Revised Ordinances of the City of Newton to create a short-term rental ordinance with fees that would require registration of short-term rentals with the City's Inspectional Services Department and fire inspections to protect public health and safety.

Action: Zoning & Planning Held 8-0

Note: James Freas, Deputy Director of Planning, explained that a short-term rental is a room, or an entire unit or home made available for short durations stays by an owner to tourists or visitors. This use has become much more common and has led to a range of concerns in neighborhoods and could also represent a loss of units that might otherwise be available for full time residents. The state has just passed a law that allows cities and towns to receive lodging taxes and provides a framework to regulate the use.

The general ordinance is explained and may be found in the Planning Memo which was provided prior to the meeting. Please refer to it for details. Drafts of the general ordinance and the zoning ordinance are provided as well. The memo can be found at

<http://www.newtonma.gov/civicax/filebank/documents/96262>

Committee Comments/Questions

It was asked why the City should allow short term rentals in places where the owner is not on site. Mr. Freas said there is a difference between properties that are bought for the sole purpose of short-term rentals and the owner never lives there and never intends to live there, and short-term rentals while an owner is away on their summer vacation, for example. The challenge will be to define all of these uses precisely and provide proper enforcement. Mr. Yeo said the issue is not the revenue. Many different departments have spent time thinking through these issues based on problems already seen in the City. The goal is not overregulating the industry which largely works very well without incident. There are of course isolated incidents and this ordinance should provide methods to shut those down. They are not always a bad thing.

A Committee member said accessory apartments are not allowed to have short-term rentals and must be owner-occupied. The abuses he has heard of have occurred when no owners are on-site. Commissioner Lojek said the problems have been with properties dedicated to short-term rentals and there have never been problems in homes that people live in, even if they are away during the rental. People tend to be more careful when putting people in the homes they live in. It was asked if a violation is subject to civil ticketing. Marie Lawlor, Assistant City Solicitor explained that the current draft does allow for that. The Councilor would not like to see multiple violations occur before anything happens at the site. He would also like to consider some sort of responsible person designated for contact if there is a problem, such as is required in the lodging house ordinance. Mr. Freas said much of the drafting has come from the lodging house ordinance. Most of the complaints come at night so the police would have enforcement authority.

Another Councilor would like to see some sort of clause for being considerate to the neighborhood and following ordinance. Things like shoveling and leaf blowing should be considered. House Rules are included in the ordinance and more could be added to that provision in order to cover some of those concerns.

It was pointed out that vacation rentals are generally monitored by brokers. Renters have to go to the real estate office and get the key so there are eyes on these properties.

A Councilor asked if the City has any liability if it is collecting taxes or licensing these rentals. Ms. Lawlor said it is a discretionary function as to whether the City regulates these rentals. She does not see any liability. The state requires the owners or platforms to have adequate insurance. The City will require fire inspection and building code inspection for all short-term rental units. The Fire Department did not see a problem providing the inspections

It was asked if university housing was included in this ordinance. Mr. Freas said the ordinance is not meant to include university housing and staff will look at this further.

A Councilor said there are two large homes in Ward 8 right across from each other. They are rented every weekend and are advertised for family reunions, bachelor parties, etc. The neighborhood has seen parking, noise and traffic issues over and over. The Commissioner said the neighbors complained to Councilors and others but did not call the police. Prohibition of commercial events is necessary, and she appreciates this draft. Enforcement has been complaint driven and inspections will need to be done. Will inspections happen every day, because that seems like a lot of work to check the online sites to see what is happening in Newton. Mr. Freas said the state is requiring registration, and that registration has to be brought to Newton to allow registration here. The City will get that list from the state every year and compare them to what the city has registered. Commissioner Lojek said you cannot really rely on the sites and the addresses are not provided. Staff will have to rely on state lists and complaints primarily. This could be a big burden on staff and the way they have been able to enforce in the past has been to cite owners for running a business in a residential neighborhood. The state knows how many days the rental is being rented because taxes are being paid on each rental term. If taxes are not paid, then the operator is evading taxes to the state and that will be a serious issue. This is new so it remains to be seen exactly how this plays out on the ground.

The Commissioner wondered if these rentals would have a negative effect on affordable housing options in the City. Councilors agreed and would like to know if there is any data on this issue. Mr. Freas said when the units are taken off full-time rental roles, the supply is reduced and the price increases. There is surprisingly little data on this so far. A Councilor pointed out that this is also a way to help supplement resident's income so they can pay taxes which might allow them to stay in their homes longer term.

If someone is operating a short-term rental right now, that owner has to come in and register. There will be no "grandfathering". The effective date is July 1.

It was asked if a renter can have a party. Mr. Freas said the language says that because you are paying for a unit, if you hold a party, it triggers that as a commercial event which is prohibited.

It was suggested that the City come up with a one-pager for rentals with best practices for the owners.

The Committee would like to see a pro/con on only allowing owner occupied rentals. They would also like to see a sample of some "house rules".

The Committee thanked staff for the presentation and voted to hold this item.

#220-18 **Discussion relative to the Washington Street Corridor Action Plan**
DIRECTOR OF PLANNING requesting monthly progress discussions on the
Washington Street Corridor action plan.

Action: **Zoning & Planning Held 8-0**

Note: Report to follow.

#43-19 **Discussion of Riverside Vision Plan**
DIRECTOR OF PLANNING requesting regular progress reports on the Riverside Vision
Plan.

Action: **Zoning & Planning Held 8-0**

Note: Report to follow.

Respectfully Submitted,

Susan S. Albright, Chair



FY20 ANNUAL ACTION PLAN
Zoning and Planning Committee
April 8, 2019 Public Hearing

Department of Planning and Development

Federal Grants

**Community
Development Block
Grant**

Provision of decent housing, suitable living environment, and expansion of economic opportunities for LMI persons.

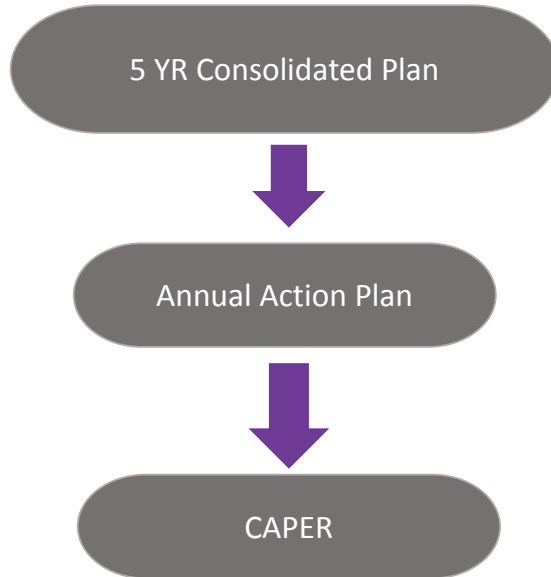
Creation of affordable housing for low-income households, including building, acquiring, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance.

**HOME Investment
Partnerships
Program**

**Emergency
Solutions Grant**

Supports outreach, operation and improvement of shelters, and prevention/rapid rehousing services for homeless and at-risk individuals and families.

Planning



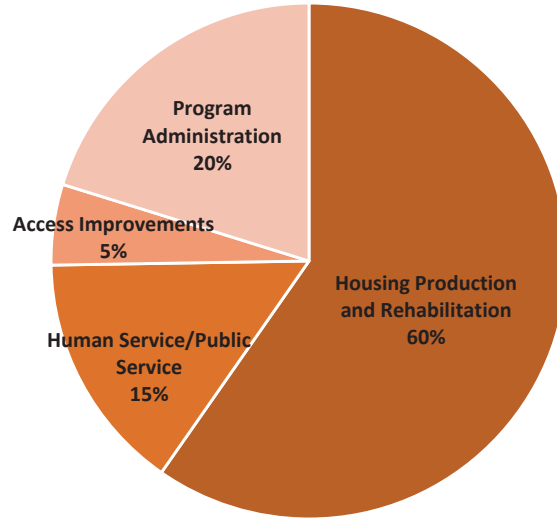
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Expected FY20 Allocation

Program	FY20	% Change
Community Development Block Grant (CDBG)	\$1,900,000	1.0% ↓
HOME Investment Partnerships Program	\$1,437,500	10.0% ↓
Emergency Solutions Grant (ESG)	\$161,000	3.0% ↑
Total	\$3,498,500	

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Recommended FY20 CDBG Allocation



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FY20 Housing Program

➤ Haywood House

- \$625,000 in CDBG funds
- 55 affordable rental units for seniors
 - New construction of 32 - one bedroom units at or below 60% AMI
 - 11 units set aside for households with incomes at or below 30% AMI



➤ 236 Auburn Street

- \$1,172,939 in CDBG funds/ \$732,271 in HOME funds
- Completion of 8 affordable rental units
 - Historic Preservation of one 3-br unit at or below 60% AMI
 - New construction of one 2-br and one 3-br at or below 60% AMI
 - New construction of 5-br congregate living facility at or below 30% AMI

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FY20 Housing Program



➤ Housing Rehabilitation Program

- Assist LMI homeowners, Newton Housing Authority (NHA) and non-profit agencies to rehabilitate up to 5 housing units
 - ❑ Repairs address public health & safety, accessibility and lead mitigation



➤ Downpayment/Closing Cost Assistance Program

- Assist approximately 3 first-time homebuyers
 - ❑ Support sustainable homeownership in affordable, deed-restricted units

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FY20 Fair Housing

Increase Awareness of Fair Housing Policies & Practices

- Collaborate with the FHC to increase knowledge about fair housing laws and obligations
- Identify and address discriminatory actions
- Increase capacity to affirmatively further fair housing
- Advance access to housing opportunity

Protected Classes – Federal and State

- Federal**
- Race
 - Color
 - National Origin
 - Religion
 - Sex
 - Familial Status (including families with children under the age of 18)
 - Disability

- State** includes all of the above and:
- Ancestry
 - Age
 - Marital Status
 - Source of Income (including Section 8)
 - Sexual Orientation
 - Gender Identity and Expression
 - Veteran/Military Status
 - Genetic Information



Note: Income level is not a protected class

Human Service Program

➤ Human Service category capped at 15% of annual allocation (\$308,520)

- FY20 Human Service Grant application process
 - RFP issued in January 14, 2019
 - Requests totaled \$404,397.45 from 14 applicants
 - 14 organizations funded

- Evaluation Criteria
 - City of Newton’s Priority Needs (Consolidated Plan)
 - Connection with Brookings Institute’s Benchmarks for Success
 - Proposed Outcomes and Results



Human Service Program

Rank	Agency	Program	Allocation	Priority Need
1	The Second Step	Residential & Community Programs	\$35,000.00	Adults/Family
2	Boys and Girls Club	Financial Aid for Teens/Families	\$16,000.00	Children/Youth
3	NCDF	Resident Services Program	\$28,000.00	Elderly/Older Adults
4	EMPath	CFO Program	\$35,000.00	Adults/Family
5	Horace Cousens Fund	Emergency Payments	\$12,000.00	Adults/Family
6	Barry Price Center	Independence/Employment Programs	\$15,000.00	Persons w/Disabilities
7	REACH Beyond Domestic Violence	Ind. Support & Advocacy	\$11,520.00	Adults/Family
8	Family ACCESS	Social Mobility for Young Families	\$48,000.00	Children/Youth
9	Riverside Community Care	Mental Health Services Promoting Economic Mobility	\$40,000.00	Adults/Family
10	2Life Communitys (formerly JCHE)	Caring Choices and Wellness Nursing for Low-Income Seniors	\$12,500.00	Elderly/Older Adults
11	Newton Housing Authority	Resident Services Program	\$23,000.00	Elderly/Older Adults
12	JF & CS	Stabilization & Recovery Services	\$12,500.00	Persons w/Disabilities
13	Plowshares	Tuition Assistance	\$10,000.00	Children/Youth
14	Newton Senior Center	Fitness Program	\$10,000.00	Elderly/Older Adults

Architectural Access #127-19



➤ Implementation of Architectural Improvements for Persons with Disabilities

- A total of 5% (\$95,000) in CDBG funds anticipated for FY20 +\$30,000 prior year program funds
- Funds will be used for the installation:
 - Rectangular Rapid Flashing Beacons (RRFB)
 - Accessible park pathways
 - Curb cuts

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#127-19

Emergency Solutions Grant

Provision of Supportive Services for the Homeless and At-risk of Homelessness

- BoS approved funding priorities January 9, 2019
- RFP issued January 14, 2019
- Review committee convened February 13, 2019

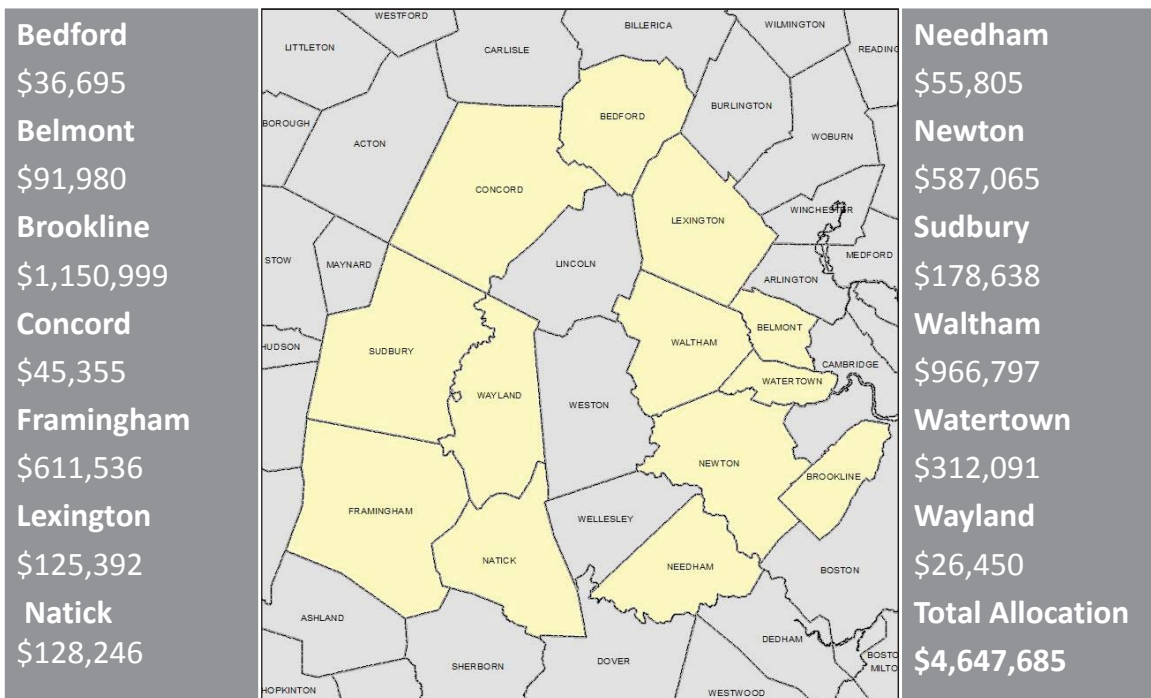
Eligible ESG Category	FY19 Award	FY20 Recommendation
Shelter Services	\$63,000.00	\$66,788.00
Homeless Prevention	\$55,000.00	\$58,500.00
Rapid Re-housing	\$26,542.35	\$23,600.00
Administration	\$11,719.65	\$12,122.00
TOTAL	\$156,262.00	\$161,000.00

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ESG Proposed Projects

ESG Category	Agency	Program	Allocation
Homelessness Prevention	Brookline Community Mental Health Center	Homelessness Prevention	\$52,500.00
	The Second Step		\$6,000.00
Rapid Re-housing	Brookline Community Mental Health Center	Rapid Re-housing	\$17,600.00
	The Second Step	Rapid Re-housing/Stabilization	\$6,000.00
Emergency Shelter Services	Community Day Center of Waltham	Stabilization Program	\$17,000.00
	REACH Beyond Domestic Violence	Emergency Shelter for Survivors of Domestic Violence	\$18,000.00
	Middlesex Human Service Agency	Bristol Lodge Men’s and Women’s Shelters	\$13,788.00
	The Second Step	Emergency Shelter for Survivors of Domestic Violence	\$18,000.00

HOME Consortium



FY20 Proposed Projects and Programs

- Creation of **83** HOME-assisted rental units (Framingham, Newton, Sudbury)
- Preservation and rehabilitation of **22** HOME-assisted units (Brookline, Framingham, Lexington, Waltham)
- Assistance of **100** households through Tenant Based Rental & Security Deposit Assistance (TBRA) (Bedford, Framingham, Natick, Waltham)

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#127-19

Public Comment

Plan available at:

www.newtonma.gov/gov/planning/resources/special_reports_n_studies.asp
www.newtonma.gov/gov/planning/bc/board/

- Email comments and questions to rpowers@newtonma.gov
 - 30-day comment period ends Wednesday, May 1, 2019
 - Submission deadline to HUD: May 15, 2019 *(or 60 days following notice of allocations)*
- Write to:
 - Department of Planning and Development
 - Newton City Hall
 - 1000 Commonwealth Avenue
 - Newton, MA 02459
 - Attn: Rachel Powers
- Call the Planning Department at 617.796.1125
- Sign up for the Department's Friday Report by registering at: <http://www.newtonma.gov/gov/planning/news.asp>

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Zoning and Planning Committee April 8, 2019

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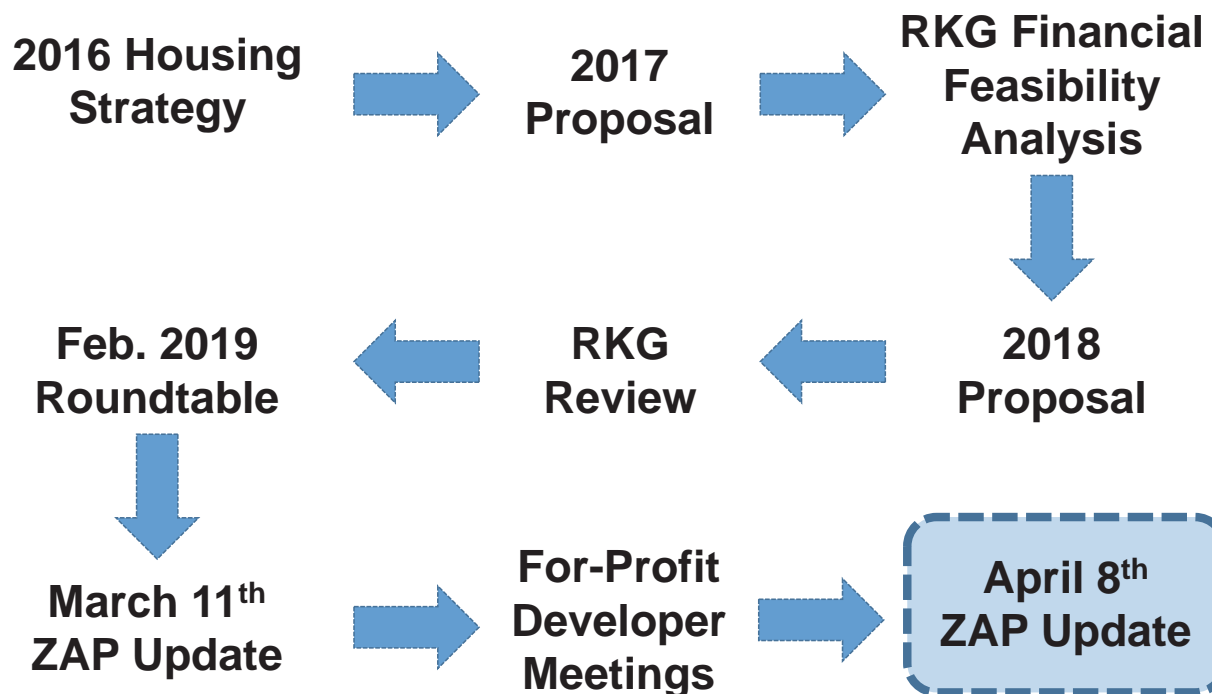
SECTION 5.11 INCLUSIONARY ZONING ORDINANCE

MAKING IT WORK FOR TODAY'S NEWTON

4/8/19

The Inclusionary Zoning Update Process

2



Further Clarification Needed

3

IZ's Connection to Land Values

LAND VALUE IMPACT FROM EXPANDING CURRENT IZ POLICY

Unit Count	Adding 2.5% at 110% AMI	Adding 5.0% at 110% AMI
20 Units	10.7% Impact	10.7% Impact (no new units)
35 Units	6.1% Impact	6.7% Impact
50 Units	3.4% Impact	5.4% Impact
75 Units	5.6% Impact	7.7% Impact
105 Units	3.5% Impact	4.1% Impact
150 Units	1.9% Impact	4.0% Impact
205 Units	1.9% Impact	3.8% Impact
250 Units	2.6% Impact	4.7% Impact
400 Units	2.7% Impact	4.7% Impact

NB - Assumes no payment for partial units

Further Clarification Needed

4

Connection between parking & affordability

The Cost of Parking in Newton:

- Surface parking: \$8,000 per space
 - Aboveground: \$25,000 per space
 - Underground: \$40,000 per space
- Example: 140-unit project; parking ratio of 1.25
- 175 parking spaces
 - Assuming 100% underground parking



Cost to the developer would be **\$7,000,000**



Further Clarification Needed



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Connection between parking & affordability

Value of Affordable Unit vs. Market-Rate Unit:

- 1-bedroom, market-rate unit: \$487,364
- 1-bedroom, 50% AMI unit: \$45,873
- Value Gap, (aka “differential”): **\$441,491**

➤ Differential = the subsidy a developer needs to be “made whole”


 Cost of parking for 140-unit project (\$7,000,000) =
 

15, one-bedroom units at 50% AMI

Further Clarification Needed

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A new calculation for payments-in-lieu

➤ Consensus that the QAP (\$389,000) should not be the basis for this calculation

Alternative #1:

- Average TDC in Newton = **~\$500,000**

Alternative #2:

- Value Gap Approach
- **\$441,491** (from previous example)
- “Cost” to the developer in terms of lost revenue

For-Profit Developer Conversations

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- **2.5% increase at Middle-Income Tier**
 - Reasonable and manageable change for larger-scale developers, but
 - Concerning for smaller-scale developers

- **Predictability is key**

- Inclusionary Zoning requirements should be applied **consistently** and **equally**

For-Profit Developer Conversations

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- **Allowing for significant density** is a sure way to see greater affordability in a project, a la Cambridge

- **Transition period needed** to give developers time to reevaluate their projects under new requirements

A New Required Units Table

At 21+ Units: 2.5% Increase at Middle-Income Tier

Number of Inclusionary Units Required (April 2019 Concept)								
Tier Level	7-9 units*		10-16 units**		17-20 units***		21+ units	
	Rental	Owner	Rental	Owner	Rental	Owner	Rental	Owner
Tier 1, 50% - 80% AMI	15.0%	15.0%	15.0%	15.0%	15.0%	10.0%	15.0%	10.0%
Tier 2, 110% AMI	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	2.5%	7.5%
Total	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	17.5%	17.5%

Newton Housing Partnership Review

The Newton Housing Partnership will...

- Help determine an appropriate baseline IZ requirement (required units table)
- At what project size could an additional % requirement come into play (economies of scale)?
- Identify new basis for cash payment and fractional cash payment calculation (rather than DHCD’s QAP Index of \$389,000)
- Alternative Compliance Option – worth pursuing?

Next Steps

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April:

- Update to ZAP, 4/8
- Newton Housing Partnership, 4/16 Mtg.
- Further research / consideration of stakeholder ideas and questions
- Elder Housing with Services section
- Alternative Compliance Option

May:

- Newton Housing Partnership, 5/14 Mtg.
- Presentation to ZAP: new proposed ordinance
- Assign public hearing

**June 2019:
Public Hearing**



Zoning and Planning Committee April 8, 2019

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DISCUSSION