

Zoning and Planning Committee

December 10, 2018

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SECTION 5.11

INCLUSIONARY ZONING ORDINANCE

***MAKING IT WORK FOR
TODAY'S NEWTON***

The Inclusionary Zoning Update Process

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One of the priority actions to come out of the 2016
“Newton Leads 2040 Housing Strategy”
was an amendment to the
City’s Inclusionary Zoning Ordinance

**2017
Proposal**



**RKG Financial
Feasibility Analysis**



**2018
Proposal**

Guiding Principles of the Updated Ordinance

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- To more effectively leverage private development for the creation of affordable housing throughout Newton.
- To increase the required percentage of inclusionary units from 15% up to 20%.
- To put forth an ordinance that considers the financial feasibility of residential development in Newton and strikes a careful balance between the City's need for affordable housing and the nuanced economics of housing development.

Guiding Principles of the Updated Ordinance, cont'd

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- To clarify confusion and multiple interpretations around the current ordinance language.
- To introduce a tiered system of affordability requirements, including units designated for middle-income households earning between 81% - 110% AMI, to more specifically target and balance the need for affordable housing across the City's diverse spectrum of income levels (units for low, moderate, and middle-income households).

Next Steps

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The Planning Department will docket the following items related to the updated IZ ordinance:

- ❖ An alternative compliance option for those rental projects that set aside a percentage of their total units for households with annual incomes at or below 30% AMI (extremely low-income individuals and households).
- ❖ A more detailed and specific inclusionary housing requirement for Elder Housing with Services projects – a provision that is more tailored to the nuances of these types of projects and the strong differences that exist between them and other mixed-income housing developments.

Strengthening the Ordinance for Today's Newton

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Question:

How would the IZ requirement change if we were to favor Tier 1 units (at or below 50% AMI)?

➤ Policy Decision for ZAP:

- Option 1: Favor Tier 1 Units
- Option 2: Balance across all three tiers of affordability, while increasing the overall percentage requirement per project
- Option 3: Favor Tier 3 and Tier 2 units

Strengthening the Ordinance for Today's Newton

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Question:

Why do the Tier 1 and Tier 2 percentage requirements decrease when you jump from a 34-unit project to a 35-unit project?

- Stick over podium construction (\$205/sq. ft.)
- 100% underground parking

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QUESTIONS?