

Zoning and Planning Committee

March 11, 2019

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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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**2016 Housing
Strategy**



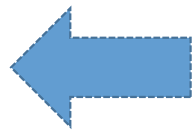
**2017
Proposal**



**RKG Financial
Feasibility
Analysis**



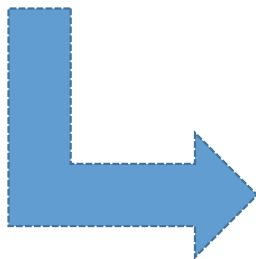
**Feb. 2019
Roundtable**



**RKG
Review**



**2018
Proposal**



**March 11th
ZAP Update**

IZ Roundtable with Housing Advocates

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Meeting Purpose:

To explore questions and concerns relative to the current IZ proposal, specifically as they relate to the Financial Feasibility Analysis and Model, and to identify points of agreement or disagreement.

IZ Roundtable with Housing Advocates

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**Change in IZ
Requirements**



**Impact on Land
Values in Newton**

*“The more value you take away from the land,
the more you are likely to chill development.”*

But how long does it take to rebound?

IZ Roundtable with Housing Advocates

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

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Other Questions for RKG...

- Difference between the model and “on-the-ground” reality of bigger projects?
- Why shouldn't Newton build a policy around these larger anomaly projects?
- Is the data built into the model outdated at this point?
- As we re-assess the ordinance every 3-5 years, what indicators should we be looking for to understand its impact?

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- Don't reduce the existing IZ requirement at the Tier 1 and Tier 2 levels
- Let's push the market in an effort to increase the number of affordable units per project
- DHCD's QAP Index of \$389,000 should not be used as the basis for the cash payment and fractional cash payment calculations



**Consensus
amongst
advocates:**

Next Steps

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March:

- Identify areas that ZAP feels need further explanation
- Discussions with for-profit developers
- Further research / consideration of stakeholder ideas and questions
- Elder Housing with Services section
- Alternative Compliance Option

April:

- Update to ZAP
- Newton Housing Partnership engagement

May:

- Presentation to ZAP: new proposed ordinance
- Assign public hearing

**June 2019:
Public Hearing**



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DISCUSSION