

Zoning and Planning Committee

September 12, 2018

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SECTION 5.11

INCLUSIONARY ZONING ORDINANCE

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

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Question #1:

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

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Number of Inclusionary Units Required: Examples - Favor Tier 1 Units (Sept. 2018)									
Tier Level	16 new units		24 new units		47 new units		78 new units		225 new units
	Rental	Owner	Rental	Owner	Rental	Owner	Rental	Owner	Rental
Tier 1, up to 50% AMI	2	2	3	4	0	0	10	10	34
Tier 2, 51%-80% AMI	0	0	1	0	0	0	0	0	0
Tier 3, 81%-110% AMI	0	0	0	0	0	0	0	0	0
Total	2	2	4	4	0	0	10	10	34

Number of Inclusionary Units Required: 2018 Proposal Examples									
Tier Level	16 new units		24 new units		47 new units		78 new units		225 new units
	Rental	Owner	Rental	Owner	Rental	Owner	Rental	Owner	Rental
Tier 1, up to 50% AMI	0	0	1	0	0	0	2	0	6
Tier 2, 51%-80% AMI	3	1	2	2	1	4	8	8	28
Tier 3, 81%-110% AMI	0	2	1	2	7	5	4	6	6
Total	3	2	4	4	8	8	14	14	39

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Question #1:

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
- Option 3: Favor Tier 3 and Tier 2 units

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Question #2:

How would the IZ requirement change if we reduced the parking ratio from 1.25 to 1?

➤ Policy Decision for ZAP:

- Option 1: Base IZ requirement on current parking requirements and development realities
- Option 2: Base IZ requirement on lower parking requirement (hypothetical)

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Question #3:

Elder Housing with Services projects – require affordable beds or fee-in-lieu?

➤ Policy Decision for ZAP:

- Option 1: Require affordable beds on site
- Option 2: Require cash payment to IZ Fund

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Question #4:

How would the IZ requirement change if we required the building of units *and* a cash payment for fractional requirements under 0.5?

➤ 2017 IZ Proposal Cash Payment Calculation:

Inclusionary Housing Cash Payment Calculation:	
A = # of new dwelling units X IZ % Requirement (per Required Units Table)	X
<i>Multiplied by</i>	
B = 2017 DHCD Total Residential Dev. Costs Index (avg. of large & small unit projects)	\$389,000
<i>Total Cash Payment Due for Project</i>	Equals A X B

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➤ 2018 IZ Proposal Fractional Cash Payment Calculation:

IZ / Cash Payment requirement for a rental project with **48 new dwelling units**:

Tier 1: $48 \times 0\% = 0$

Tier 2: $48 \times 2.5\% = 1.2$, so the fractional requirement would be 0.2
($2 \times \$20,000 = \$40,000$)

Tier 3: $48 \times 15\% = 7.2$, so the fractional requirement would be 0.2
($2 \times \$20,000 = \$40,000$)

= *Total IZ / Cash Payment Requirement for Project* =

Tier 1: 0 Inclusionary Units

Tier 2: 1 Inclusionary Unit *plus* a Cash Payment of \$40,000

Tier 3: 7 Inclusionary Units *plus* a Cash Payment of \$40,000

= 8 Inclusionary Units plus a total Cash Payment of \$80,000

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Question #4:

How would the IZ requirement change if we required the building of units *and* a cash payment for fractional requirements under 0.5?

➤ Policy Decision for ZAP:

- Option 1: Institute Round-Up and Build Units methodology (current staff proposal)
- Option 2: Institute Round-Up and Build Units *plus the Fractional Cash Payments (under 0.5)* methodology

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Question #5: How effective has our existing IZ ordinance been?

➤ Between 2003 – 2017:

- Building permits issued for 117 affordable units
- 14 of these 117 units were a result of IZ

➤ Currently:

- 240 affordable units under construction, permitted, or in the development review / permitting process (projects connected to IZ)

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QUESTIONS?