Housing Needs Analysis and Strategic Recommendations
City of Newton, Massachusetts

June 2016

Prepared For:
City of Newton
Department of Planning and Development

Prepared By:

RKG ASSOCIATES INC

1359 Hancock Street, Suite 9
Quincy, Massachusetts 02169

Contents

executive summary

PROJECT BACKGROUND

The City of Newton has much to offer its current residents. Newton is a suburban community that is walkable and well-located within the Boston Metropolitan Area, with access to public transportation and regional highways. Newton's school system is also highly sought after and attractive to families with school-age children. However, limited available and developable land coupled with a high demand for housing has led to escalating housing values and limited housing diversity. With continued growth and economic success throughout the region and a changing demographic profile, the City acknowledges that a strategy to provide greater housing diversity in order to preserve its character and quality is paramount and necessary.

Toward that end, the City retained RKG Associates, Inc. to assist with creating a housing strategy to address current and projected housing needs. RKG Associates is a full-service economic, planning and real estate consulting firm with extensive experience analyzing residential markets and possesses a strong familiarity with housing policy and the regulatory environment at both the federal and state level. RKG was hired to conduct a detailed analysis of the current housing market in Newton, identify development site recommendations for any future housing development in the City and review existing policies, regulations and incentive programs. For this project, RKG partnered with Sasaki Associates, an internationally renowned architecture, planning, and design firm, to ensure the site analysis and policy recommendations are viable from both the market and physical perspectives. The project included an array of community engagement opportunities, including meetings with key stakeholders and elected officials, public presentations and workshops, and online tools.

The ultimate goal of this strategy is to provide options so that all residents in Newton have the opportunity to find a range of high-quality housing through housing preservation and mutually-beneficial partnerships for revitalization and development. The recommendations in this report provide policy, regulatory, and financial approaches intended to help the City be more efficient and effective in addressing its housing needs now and for the future, within the City's limited resources.

HOUSING NEEDS

RKG's primary research task was to identify the housing need within the City of Newton. Accordingly, RKG's research focused on three main questions; [1] Is the City's current housing supply sufficient to meet the existing needs of its residents? [2] Is the City positioned to meet the future needs of its residents? and [3] What approaches are available to the City to better meet the existing and future need of Newton citizens? The research task addresses the first two questions.

Housing Demand

- **Aging population**. Newton's empty-nester, retiree and senior adult population is growing substantially. This has had and will continue to have a notable impact on housing demand. The number of persons 55 years and older has increased by approximately 4,600 in Newton between 2000 and 2013. This almost doubles

the net change for the City as a whole (2,412 gain). The increase in older residents came at the expense of younger adults, particularly the 25 to 44 year olds (-4,141 person decline). This finding is significant because of changes in housing preferences as adults age into seniors.

- **Newton is attractive to families, but typically older parent families.** Population age cohort analysis indicates that Newton's population is more family friendly. Since 2000, the number of people under 14 years increased six times faster in Newton (8.1 percent) than the surrounding region (1.3 percent). This finding is consistent with anecdotal information about the high quality the City's school system, as it is a major draw for residents.

- **Still, the rate of decline in the populafon 25 to 45 years in Newton was double (14.5 percent loss) that of the surrounding region (7.6 percent loss) during the same time period.** Rather, the City saw a 46.9 percent increase in persons 55 to 64 years old, compared to 37.5 percent in the surrounding region. The data indicate that Newton is attracting households that are starting families later in life and/or having more children per household.

- **Newton's household formations have been stagnant since 2000, but are projected to increase at an accelerated pace through 2030.** Between 2000 and 2013, the estimated increase in total number of households in Newton was 94: less than 0.3 percent during the study period. The City's limited amount of developable land, the substantial tear down/rebuild activity, and existing housing development policy constraints all have limited the net increase in new household formations. However, the Metropolitan Area Planning Council's (MAPC) regional projection data indicates that the Boston Metro area will experience substantial growth. Using their allocation analytics, MAPC projects Newton will experience a net increase of 1,900 to 3,300 households by 2030.

Housing Supply

- **Housing diversity is limited in Newton.** With its roots as an early suburb of Boston, ownership housing represents the predominant form of housing in Newton. Single family housing and condominium units make up more than 70 percent of the housing in the City. Duplexes/triplexes make up another 21 percent of the City's current housing supply, offering a mix of owner and renter occupied housing options. By contrast, multifamily development accounts for less than 8 percent of the City's total housing stock.

- **New residential development is limited and does not offer much relief.** Recent development patterns indicate that new construction tends to be higher intensity and with greater lot coverage than historic levels. Approximately 31 percent of all new development since 2005 has been multifamily housing. The scarcity (and therefore cost) of land in Newton is motivating developers to maximize the lots they can acquire. The 1,286 new units developed since 2005 would appear to represent a 4.3 percent increase over pre-existing housing. Despite this activity, however, Census data indicate that Newton has just 683 more housing units in 2013 than it did in 2000. The disparity in total development versus net new units reflects the impact of demolition-rebuild activity, where single units are being demolished and built back as 1-3 units on the same lot.

  The relatively low level of development activity is not having a substantial impact on the variety of housing types or prices. In fact, the City's property assessment data indicate that all new development since 2005 that was not done through a public private partnership has focused exclusively on the high-end market (200 percent of AMI and up).

- **Development patterns are affected by demand for high-value housing and the high costs of development in Newton.** As noted, all development occurring in Newton that is not part of a public private venture to mitigate housing costs is targeted to the most affluent consumers. Simply put, Newton's desirability as a place to live combined with the lack of opportunity for large-scale development has allowed the most financially capable consumers to corner the market. The new units being developed are often a much larger single family homes or 2-3 luxury townhouse style units, for which sales and development activity prove there is an ample market of high income households.

If the City is to grow as it is projected to through 2030, development patterns will need to change to accommodate anyone other than the wealthiest consumers. Given the limited amount of available vacant land, a mix of moderate density (multi-unit) development will need to be considered to accommodate additional households and allow for greater housing choice. That said, the City will not 'build its way to affordability.' The imbalance of demand and supply is so great that the City could not physically accommodate the development needed to affect pricing in a substantial manner. To this point, a combination of preservation and new construction will be necessary to ensure some level of price diversity within Newton.

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Affordability Analysis

- The City's concentration of high value housing has created substantial cost burdening. While most of the households in Newton earn incomes sufficient to afford the high value homes in the market, few options exist for households with lower incomes. Rental housing provides the greatest range of housing unit prices in the City but there is not a sufficient supply of these units to meet the current demand for households with low, very low and extremely low incomes. In short, households earning less than $61,000 have very little choice within Newton. The analysis indicates that between 4,713 (conventional loan assumptions) and 5,092 (FHA loan assumptions) of Newton households earning below this threshold are cost burdened based on their ability to pay.
- Growth projections reveal affordability will continue to diminish. The MAPC projection data for Newton indicate there will be more than 1,900 new households within the City by 2030. This projection assumes additional housing units will be built, as there are not 1,900 currently vacant units to occupy. Given there are fewer than 800 units being considered for Newton (and resistance to new construction is substantial in the City), the continued increase in demand will further drive prices in the City. This supply/demand imbalance does not even consider the natural appreciation of housing in the City, which has been substantial since the recession. To these points, a 'do nothing' position by the City will see naturally occurring affordable housing diminish as pressure from the market will drive prices.
- Preservation and development will require City participation. Addressing the lack of diversity in terms of housing type and price has the potential to reduce the substantial shortage of units for existing senior households, current modest income residents, and individuals with special needs. However, given the current market for housing in Newton and the continued demand for housing at the highest values, the marketplace will not provide this housing on its own. The City will need to be an active partner in the preservation and development of these housing options. Assistance will need to be in the form of financial participation as well as regulatory/policy changes.

OPPORTUNITY LOCATIONS AND SITES

The intent of this analysis is to qualitatively identify locations and sites well-positioned to accommodate new residential development. It should not be interpreted or used as an exhaustive account of all development/redevelopment opportunities in Newton.

Housing Locations

The first stage of the housing location recommendations includes a city-wide analysis of development/redevelopment opportunities based on a series of physical conditions. The purpose of this exercise is to identify general areas throughout the City where new housing units should be considered more thoroughly and to identify the types of opportunities that are best suited for those areas. The following conditions and criteria were used in identifying areas for the housing location recommendations.

- Proximity to transit,
- Proximity to public open space,
- Proximity to grocery stores and food markets,
- Proximity to retail/commercial areas,
- Historic development patterns, and
- Public priorities and preferences (as identified in the Housing Location Selection Workshop, the online survey, and meetings with Newton's public officials).

Locations throughout the city were identified in two ways.

Transformation Zones. These zones are located in neighborhoods/locations throughout the city that have been identified as having a high potential for change over time. Transformation zones might have a surplus of underutilized land, have close adjacency to major thoroughfares/transit lines, or exist in an inefficient development pattern and could be reimagined with a greater density and/or mix of uses. For some of these areas, the City should consider master planning to coordinate opportunities, infrastructure investment, and development policies/regulations.

Housing Opportunity Corridors. These corridors are primarily situated along major thoroughfares, transit routes, and village centers. These corridors are presently lined with significant development, but by nature of their proximity to the city's employment and commercial areas, they could support infill development as properties become available or renovation/addition opportunities are identified. Densification could include new construction, reconstruction, renovation (higher density conversions), or additions to existing structures.

Housing location recommendations are identified on a citywide map (Map 5-1). Chapter 5, Site and Location Analysis, includes descriptions identifying appropriate uses, housing types, and development strategies for the City to consider as it works to steer housing development in the future. Conceptual/prototypical massing was produced for each area type (transformation zones and housing opportunity corridors) to illustrate development/redevelopment potential within recommended housing locations.

Site Recommendations

Using the findings from the housing location stage, Sasaki and RKG refined the analysis of development areas to recommend specific sites for further evaluation of development potential. In addition to the criteria listed above, the site recommendations were informed by feedback received from public outreach efforts and meetings held with local public officials representing Newton's eight wards. Additional factors considered include the following:

- Site availability/redevelopment potential
- Site ownership (public vs. private)
- Immediate context of uses/adjacencies
- Development/redevelopment suitability

Housing site recommendations are identified on a citywide map (Map 5-2). Chapter 5 provides a brief text description of the characteristics and development potential of each recommended site. Identification of sites for potential redevelopment is intended to help the City and the community to target and conceptualize redevelopment opportunities and should not be understood as an exhaustive account of all redevelopment opportunities.

HOUSING STRATEGY PRINCIPLES

- **Pursue diverse housing choices to meet changing housing needs of a diverse population.**

  As a City that is predominantly composed of single family homes, Newton's current design essentially serves households of similar disposition and stage of life. A diverse population is best served by a diversity of housing choices. In particular, Newton's growing senior population would be well served by increasing the supply of single level, elevator served residences in walkable and transit accessible locations, with design features as outlined in the Council on Aging's Age Friendly Housing Checklist.

- **Locate housing to promote access and choice.**

  The cost of transportation is a significant component of the total cost of living for any given location. When housing is located in walkable, transit-accessible locations, people have more transportation choices and this, in turn, helps to manage the high cost of living in communities like Newton. At the same time, choice also includes providing a mix of housing in all parts of the City. Integrating lower-cost housing into a variety of market areas and neighborhoods across the entire city will help promote a stronger sense of community.

- **Balance Housing Needs with the Need for Commercial Space.**

  Almost all of the market-appropriate parcels available for new housing development will require redevelopment from the existing use. Commercial properties are often presented as the best options to expand housing choices, and in some cases, they are. The City must recognize and balance the need for commercial space in the City, which is generally in limited supply. In transit-accessible and walkable locations, mixed-use buildings offer an opportunity to retain or expand commercial space while also gaining additional housing options.

- **Seek high-quality design that is responsive to context.**

  Newton's sense of place – the inherently unique attributes of its natural resources and built environment – is one of the City's strongest assets. New housing should contribute to that asset by respecting the context of the place where it is located. Village centers that are predominantly one- and two-story buildings must be able to evolve, including with new, taller buildings, but those buildings should use architectural styles and materials to reflect the surrounding context.

- **Maintain a process that is predictable and efficient.**

  The City's regulatory environment currently makes development (and redevelopment) overly complicated and challenging. RKG and Sasaki heard concern about the 'politicizing' of development numerous times. While having oversight is important—particularly on large-scale, transformative projects—the City's current regulatory process can sometimes lead to decisions that are inconsistent with existing Council-approved strategies and plans. To this point, a number of these recommendations are targeted at positioning the City to be more predictable in reviewing projects that meet local need and vision.

- **Pursue green design.**

  In the era of concern about issues of climate change, local environmental health, and conservation of natural areas, it is important for Newton to encourage green design in new development. Green design includes both technological solutions for reducing energy and water usage and reducing the environmental impacts of a project as well as placing new development in locations that promote alternative forms of transportation and reduce the need to create housing on greenfield locations on the periphery of the region.

1 demographic trends

INTRODUCTION

The existing characteristics of the households in the City of Newton have a direct impact on understanding who lives in Newton, the type of housing they choose to occupy and the type of housing they might demand in the future. In order to gain a complete picture of the current residents of Newton, RKG Associates analyzed a variety of demographic information from both a household and population perspective. The following narrative provides a detailed summary of this analysis which serves as the foundation for understanding the real estate market and housing affordability findings presented in this report.

MAJOR FINDINGS

- **Newton's household formations have been stagnant since 2000, but is projected to increase at an accelerated pace through 2030.** Between 2000 and 2013, the City's household total increased by 94, or less than 0.3 percent during the study period. The City's limited amount of developable land, the substantial tear down/rebuild activity, and existing housing development policy constraints all have limited the net increase in new household formations. However, the Metropolitan Area Planning Council's (MAPC) regional projection data indicate that the Boston Metro area will experience substantial growth. Using their allocation analytics, MAPC projects Newton will experience a net increase of 1,900 to 3,300 households by 2030. If the City maintains or slows its recent pace of residential development (discussed in the Real Estate chapter), the continued market pressure for housing in Newton likely will accelerate rent and purchase price increases and residential development pressure.

- **The lack of diversity in housing type and pricing has shaped the City's demographic trends.** Population age cohort analysis indicates that Newton's population is more family friendly, but skewing older than surrounding communities. Since 2000, the number of people aged under 14 years old increased six times faster in Newton (8.1 percent) than the surrounding region (1.3 percent). Despite this, the rate of decline in people aged 25 to 45 years old in Newton was double (14.5 percent loss) that of the surrounding region (7.6 percent loss) during the same time period. Rather, the City saw a 46.9 percent increase in people 55 to 64 years old, compared to 37.5 percent in the surrounding region. The data indicate that Newton is attracting households that are starting families later in life and/or having more kids per household. This finding is consistent with anecdotal information praising the City's school system, as it is a major draw for residents. At the same time, the population of empty-nesters, retirees, and senior adults is increasing, potentially generating different housing needs than the City currently offers.

- **Newton's empty-nester, retiree and senior adult population is growing substantially which has and will continue to have a notable impact on housing.** National trends indicate Baby Boomers are downsizing, particularly in terms of housing. This trend is substantial, given the large share of population Baby Boomers comprise of the national (and Newton) population. The 'early' Boomers have begun

transitioning into the retiree/senior segment, a group that is eager to age in place in Newton but not all can afford or prefer to remain in their existing home. This group also is likely to seek locations in Newton with cost effective ownership or rental units housing and easy access to transportation as their lifestyles begin to change. Anecdotal data corroborate this finding, as it was reported that a substantial portion of the residents in the Avalon properties are over 55 years old. This population of 55 year-olds and over generates a demand for greater ownership and renter diversity, not just in terms of the type of units but also the price. While data indicates that there are a growing number of retirees and seniors with high incomes that can afford higher value homes, a notable portion of this generally less transient age group may find that they have been outpriced in this high demand market.

METHODOLOGY

Study Areas

In order to better understand Newton and its residents, RKG worked with the City to determine a Regional Study Area and internal Submarket areas. **Map 1-1** identifies the Regional Study Area, which includes the communities of Brookline, Dedham, Needham, Waltham, Watertown, Wellesley, Weston and two groupings of U.S. Census Tracts, Allston-Brighton and West Roxbury. When appropriate, Massachusetts was also included within this analysis.

The submarket areas within Newton were determined based on socioeconomic similarities, real estate market similarities, socially-defined areas, physical boundaries, and infrastructure such as the MBTA and major roads. Due to availability of data, the analysis had to be conducted at the tract level. As a result, the submarket areas are not intended to reflect ward or village boundaries. **Map 1-2** illustrates the submarkets used here and in Chapter 2, Residential Market Analysis.

Data Sources

The primarily data source used for the demographic analysis is the *Demographic Trends and Housing in the City of Newton, Massachusetts* prepared by Northeastern University for the City of Newton, and the U.S. Census Bureau's American Community Survey (ACS). In order to show trends overtime, 2000 decennial data were used as well as the 2009-2013 ACS Five-Year Estimates, which reflect the average of sample data take from 2009 to 2013. For simplicity within this section, the ACS 2013 5-Year estimates will be referred to as 2013 data. When relevant, population and household projection data prepared by the Metropolitan Area Planning Council (MAPC) Data Services Department were used as well. MAPC"s data are available on the agency website, www.mapc.org/data-services/. In cases where other data sources were used to supplement the U.S. Census data, the source is identified within the report.

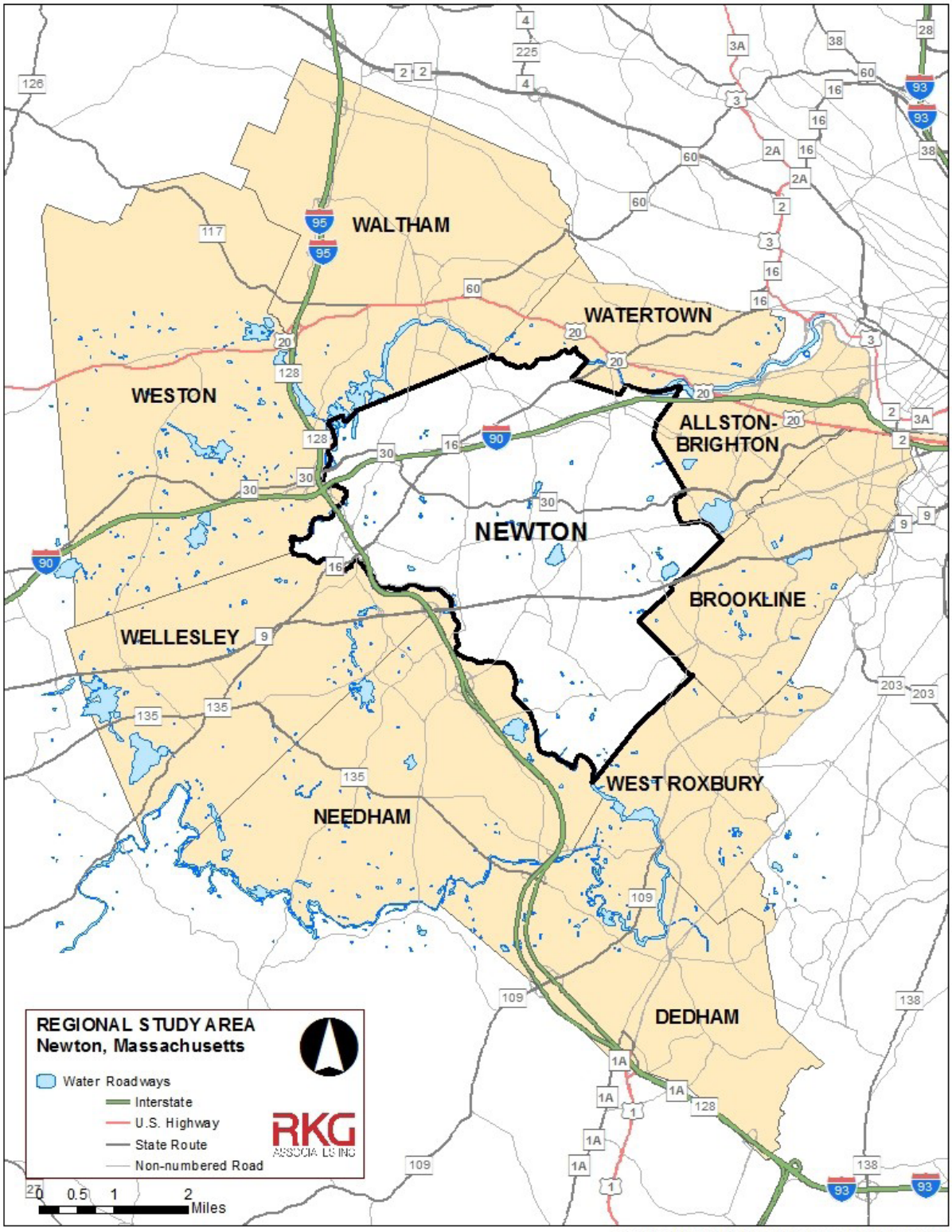
POPULATION

Newton has an estimated population of 86,241 in 2013, a substantially larger population than that of the surrounding communities within the Regional Study Area (**Table 1.1**).. Between 2000 and 2013,

Table 1.1
Population, 2000 - 2013 Estimate
Newton, Massachusetts and Surrounding Area

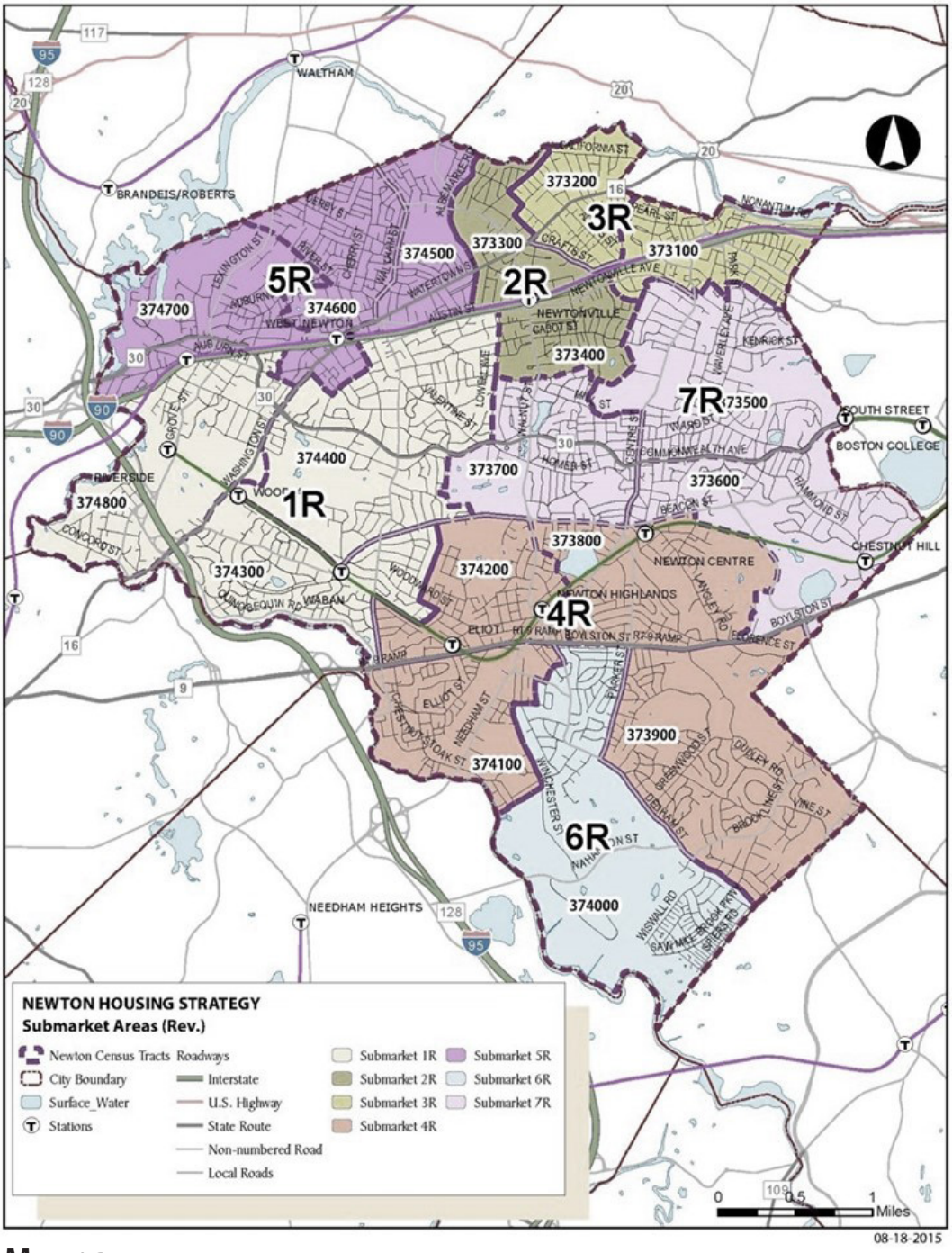
			Change '00 - '13	
Geography	2000	2013 Estimate	Persons	Percent
NEWTON	83,829	86,241	2,412	2.9%
Allston-Brighton	69,648	65,291	(4,357)	-6.3%
Brookline	57,107	58,738	1,631	2.9%
Dedham	23,464	24,906	1,442	6.1%
Needham	28,911	29,240	329	1.1%
Waltham	59,226	61,321	2,095	3.5%
Watertown	32,986	32,352	(634)	-1.9%
Wellesley	26,613	28,504	1,891	7.1%
West Roxbury	26,108	28,198	2,090	8.0%
Weston	11,469	11,538	69	0.6%
Surrounding Area	335,532	340,088	4,556	1.4%
Massachusetts	6,349,097	6,605,058	255,961	4.0%

Source: U.S. Census Bureau, ACS 2013 5-Year Estimates, RKG Associates, Inc., 2015



Source: MassGIS, Esri, U.S. Census Bureau, 2016

Map 1-1


NEWTON HOUSING STRATEGY
Submarket Areas (Rev.)
Newton Census Tracts
City Boundary
Surface_Water
Stations
Roadways
Interstate
U.S. Highway
State Route
Non-numbered Road
Local Roads
Submarket 1R
Submarket 2R
Submarket 3R
Submarket 4R
Submarket 5R
Submarket 6R
Submarket 7R
1R
2R
3R
4R
5R
6R
7R
374700
374600
374500
373300
373200
373100
373400
374400
373700
373500
373600
374800
374300
374200
373800
373900
374100
374000
WALTHAM
BRANDEIS/ROBERTS
WEST NEWTON
NEWTONVILLE
NEWTON CENTRE
NEWTON HIGHLANDS
BOSTON COLLEGE
CHESTNUT HILL
SOUTH STREET
RIVERSIDE
WABAN
NEEDHAM HEIGHTS
0 0.5 1 Miles
08-18-2015

Map 1-2

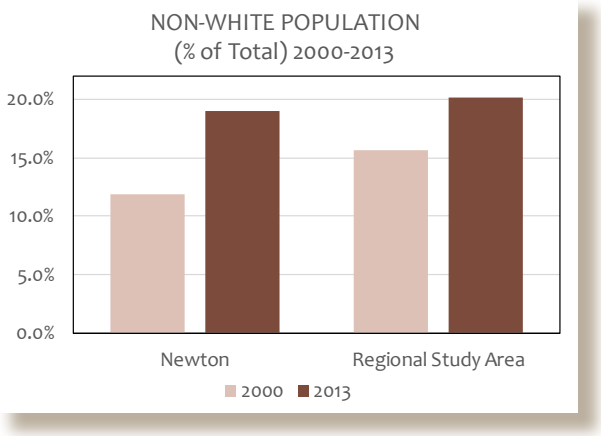
Newton's population growth (2.9 percent) was in the mid-range of these neighboring communities all of which experienced annual population change (growth or decline) of less than 1 percent during this period. The limited change in population across the Regional Study Area is consistent with fully-developed suburban communities with limited available developable land and reflects the impact of the economic downturn on population growth.

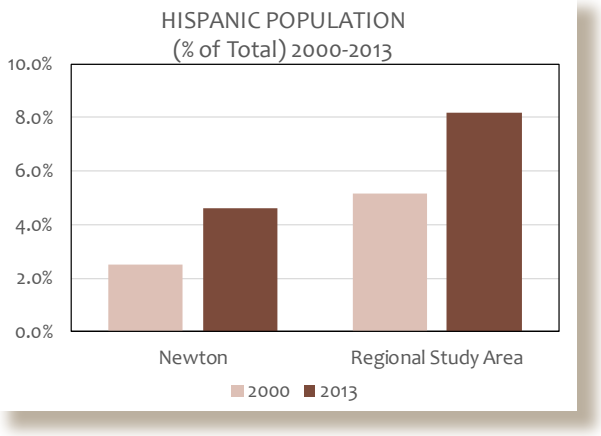
The growth that Newton experienced during the study period was primarily a result of increases in population in three of the City's largest submarkets, 1R (945) 4R (1,220) and 5R (1,118). Submarkets 1R and 4R were directly affected by the development of three large apartment complexes, Arborpoint at Woodland, Avalon at Chestnut Hill and Avalon at Newton Highlands, during this period. The population growth in Submarket 5R reflects an influx of families with school age children that are attracted to the high quality schools and community amenities, and are taking advantage of a comparatively more "affordable" area of Newton.

Looking ahead, population projections prepared by MAPC indicate that the population of Newton will continue to grow between 2010 and 2030. According to MAPC's "Status Quo" and "Stronger Region"[1] projections, Newton population's will reach between 86,191(Status Quo) and 89,585 (Stronger Region) based on calculations made using 2010 data. Projections for the communities in the Regional Study Area also show that most communities around Newton will experience population growth through 2030.

RACE & ETHNICITY

Newton does not have a large minority population, but it is growing. In 2000, approximately 12 percent of Newton's population was non-white. The portion of minorities had increased to an estimated 19 percent by 2013, reaching a similar level of diversity as that of the surrounding Regional Study Area (20.1 percent), as indicated in **Figure 1.1**. Most of the City's minority population growth has occurred among Asians, but Newton has also experienced African American and multiracial population growth as well.





Figures 1.1 and 1.2

Figure 1.2 shows that the Latino population is also growing both in Newton and the Regional Study Area. Latino residents constituted 4.6 percent of the City's population in 2013, almost doubling from 2000 levels. However, estimates for 2013 indicate that the total Latino population comprises a larger portion of the total population in the Regional Study Area (8.2 percent) than in Newton (4.6 percent), both of which are below the statewide average (9.9 percent). While growth rates indicate that Newton is becoming more racially and ethnically diverse, the minority population percent is below the surrounding region, particularly neighboring communities with lower costs of living and more diverse, affordable housing options.

Newton's minority population is most concentrated in Submarkets 4R and 5R due to the large Asian populations in these two submarkets, 3,128 and 2,240 respectively. These Submarkets also have the largest Latino population. The growth and concentration of minority and ethnic populations is likely due to the proximity to major transportation net-

[1] A detailed report on these projections, including assumptions used for the Status Quo and Stronger Region scenarios, can be found on the MAPC website: http://www.mapc.org/available-data/projections.

works, new apartment developments in Submarket 4R and diverse ownership and rental options in Submarket 5R. These features are not just attractive to minority and ethnic populations; they also have led to an increase in total population for both submarkets as mentioned earlier.

Racial and ethnic diversity has increased more rapidly in Newton than the surrounding Regional Study Area since 2000. However, the more rapid expansion largely is due to the relatively low baseline level of diversity in Newton in 2000. To this point, racial and ethnic diversity within Newton, as a percentage of the total population, remains below that of the surrounding Regional Study Area. However, the continued growth of non-white residents in Newton has the potential to affect the type of housing in demand. Market data indicate that minority and international households have a higher incidence of large households and multi-generational cohabitation.

Table 1.2
Geographic Mobility in the Past Year, 2013 Estimates
Newton, Massachusetts and Surrounding Area

	NEWTON		Allston-Brighton		Brookline	
	Estimate	Share	Estimate	Share	Estimate	Share
Same House 1 Year Ago	72,717	85.1%	44,447	68.6%	46,878	80.6%
Moved within Same County	4,967	5.8%	7,556	11.7%	3,542	6.1%
Moved from Different County within MA	3,244	3.8%	5,420	8.4%	3,397	5.8%
Moved from Different State	3,424	4.0%	5,155	8.0%	2,395	4.1%
Moved from Abroad	1,132	1.3%	2,259	3.5%	1,952	3.4%
Total Population 1 Year of Age or More	85,484	100.0%	64,837	100.0%	58,164	100.0%
	Dedham		Needham		Waltham	
	Estimate	Share	Estimate	Share	Estimate	Share
Same House 1 Year Ago	21,676	87.8%	26,403	91.2%	48,894	80.6%
Moved within Same County	1,163	4.7%	1,071	3.7%	5,228	8.6%
Moved from Different County within MA	1,447	5.9%	816	2.8%	2,293	3.8%
Moved from Different State	234	0.9%	504	1.7%	2,672	4.4%
Moved from Abroad	155	0.6%	149	0.5%	1,563	2.6%
Total Population 1 Year of Age or More	24,675	100.0%	28,943	100.0%	60,650	100.0%
	Watertown		Wellesley		West Roxbury	
	Estimate	Share	Estimate	Share	Estimate	Share
Same House 1 Year Ago	26,579	83.4%	24,889	88.0%	25,066	90.1%
Moved within Same County	2,712	8.5%	648	2.3%	1,381	5.0%
Moved from Different County within MA	1,410	4.4%	899	3.2%	913	3.3%
Moved from Different State	944	3.0%	1,172	4.1%	353	1.3%
Moved from Abroad	214	0.7%	667	2.4%	110	0.4%
Total Population 1 Year of Age or More	31,859	100.0%	28,275	100.0%	27,823	100.0%
	Weston		Surrounding Area		Massachusetts	
	Estimate	Share	Estimate	Share	Estimate	Share
Same House 1 Year Ago	9,863	86.4%	274,695	81.6%	5,668,601	86.7%
Moved within Same County	940	8.2%	24,241	7.2%	493,607	7.6%
Moved from Different County within MA	400	3.5%	16,995	5.0%	174,879	2.7%
Moved from Different State	127	1.1%	13,556	4.0%	140,764	2.2%
Moved from Abroad	81	0.7%	7,150	2.1%	57,100	0.9%
Total Population 1 Year of Age or More	11,411	100.0%	336,637	100.0%	6,534,951	100.0%

Source: 2009-2013 ACS Five-Year Estimates, RKG Associates, Inc.

MIGRATION

In order to better understand the movement of population across the United States, the American Community Survey collects data on geographic mobility based on a person's movement within the last year for all people at least one year of age. A majority of the population in Newton, the surrounding communities within the Regional Study Area, and Massachusetts have lived in the same house for the last year from the time surveyed. While approximately 85 percent of Newton's population has remained in the same home, there is overall less mobility within the populations of Needham (91.2 percent) and West Roxbury (90.1 percent). Conversely, Allston-Brighton experienced the greatest transience, within its population with 68.6 percent of people living in the same house as they did the year before (**Table 1.2**).

Of those individuals who moved within the last year, the largest percentage typically moved from somewhere in the same county (Suffolk or Middlesex) or a different county in Massachusetts. Unlike the rest of the region and Newton, Allston-Brighton's migration patterns are heavily influenced by the internationally recognized Boston College and Harvard. Approximately 11 percent of individuals who moved in the last year came from another state or abroad and a relatively small portion of the population (68.6 percent) had lived in the same house one year ago when compared to communities in the surrounding region. Given the proximity to Boston College and the presence of Boston College's Law School in Newton, it is interesting to note that Newton does not have a similarly high rate of transience or portion of the population that moved from another state or abroad. From a housing perspective, this indicates that the housing in Newton is not of a type or priced at a level that is attractive to students when compared to other options in the region.

In addition to analyzing migration patterns for Newton's population, RKG Associates also looked at migration data for notable age cohorts 25 to 34 years of age and 65 years of age or older. Migration patterns of this population reflect the different lifestyle choices of these two age groups. Data indicates that these young professionals and retirees/seniors in Newton have similar migration patterns to their counterparts in the larger Regional Study Area. Overall, young professionals are relatively transient with only 66.7 percent of this age group in Newton residing in the same house as they did a year ago. Surveyed young professionals who had not lived in their home for at least a year were similarly likely to have moved to that house from within the same county (Middlesex) or from a different county within Massachusetts. By comparison, the vast majority (94.7 percent) of retirees and seniors in Newton were living in the same house as they did a year ago from when they were surveyed. This indicates that young professionals are more likely to have a mobile lifestyle as they move for jobs, relationships, and family at the beginning of their careers while retirees and seniors are more

Table 1.3
Select Geographic Mobility in the Past Year, 2013 Estimates
Newton, Massachusetts and Surrounding Area

	Newton				Surrounding Regional Study Area			
	25 - 34 Years		65+ Years		25 - 34 years		65+ Years	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent
Same House 1 Year Ago	5,424	66.7%	12,976	94.7%	40,002	67.7%	44,169	93.8%
Moved within Same County	928	11.4%	486	3.5%	7,110	12.0%	1,628	3.5%
Moved from Different County within MA	915	11.3%	157	1.1%	5,890	10.0%	767	1.6%
Moved from Different State	685	8.4%	54	0.4%	3,912	6.6%	406	0.9%
Moved from Abroad	178	2.2%	27	0.2%	2,170	3.7%	139	0.3%
Total Population 1 Year of Age or More	8,130	100.0%	13,700	100.0%	59,084	100.0%	47,109	100.0%

Source: U.S. Census Bureau, ACS 2013 5-Year Estimates, RKG Associates, Inc., 2015

often inclined to remain in a location in which they have built their life. These seniors that are interested in aging in place in Newton find that the ability to do so is limited due to the lack of housing diversity (**Table 1.3**).

HOUSEHOLDS

Although Newton continues to have the largest number of households in the Regional Study Area, the City experienced limited household growth between 2000 and 2013. Newton has an estimated 31,295 households in 2013, only 94 more households than in 2000 (**Figure 1.3**). This is due in part to limited available and developable land within the City, the prevalence of teardown/rebuild activity and housing vacancy that reflects a high demand market but overall limited inventory for new households. Regionally, a majority of the surrounding communities experienced a decline in households leading to an overall loss of total households for the Regional Study Area during this period. Similar to Newton, many of these communities have limited available developable land and felt the impact of the 2008 recession, the effects of which are part of the 2013 5-Year estimates.

Within the City, household dynamics were mixed. Only Submarkets 5R (121), 1R (187) and most notably 4R (881) experienced household growth, consistent with the growth in population in these Submarkets. Submarket 1R and 4R were impacted by the development of the Avalon and Arborpoint apartment complexes and Submarket 5R by the development of more than 100 single family, condominium and duplex/triplex units during this period. Submarket 7R also experienced a notable decline in households (701) likely due to adjustments related to reclassifying student housing within the U.S. Census data which impacted the change in household and population, in particular, when comparing 2000 decennial Census data to 2013 ACS 5-Year estimates..

MAPC projections indicates that Newton may experience substantial household growth through 2030. Newton is projected to absorb between 1,900 and 3,300 new households between 2010 and 2030 depending on the projection scenario (**Figure 1.4**). Only Brookline and Waltham are projected to experience a larger number of household formations. However, similar limitations related to development in Newton which affect population

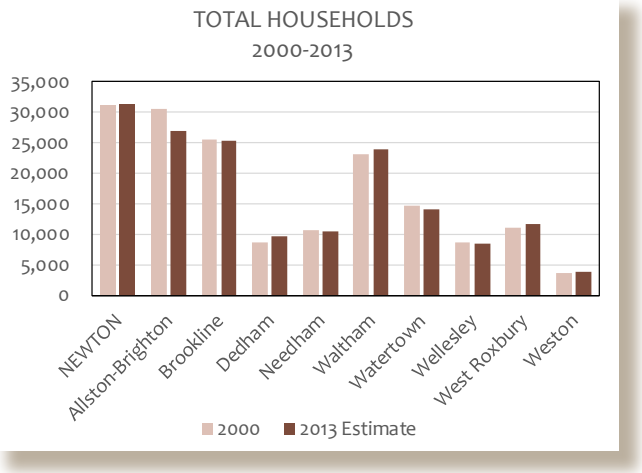


Figure 1.3

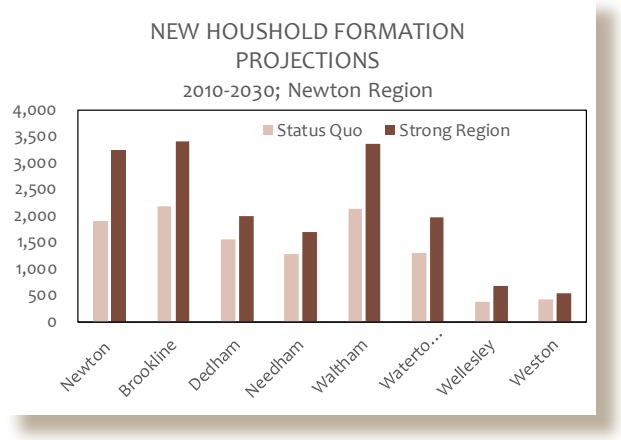
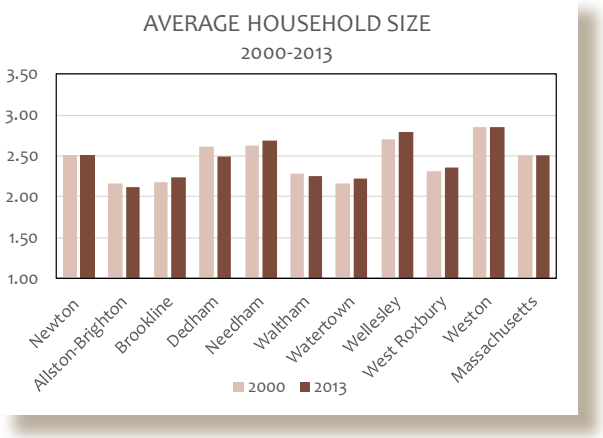
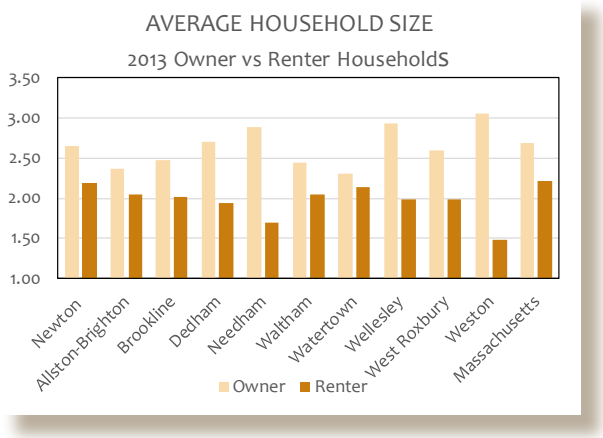


Figure 1.4

projections can also affect household projections. Still, household formation projections indicate that the current lack of household growth in Newton is not anticipated to continue. Instead, Newton will experience a demand for additional housing through 2030 that exceeds current growth levels if the household projections prove to be indicative of future trends. Without additional housing development, this growth in demand will continue to escalate housing prices at rates above cost of living adjustments.

Although Newton experienced a net increase in housing units since 2000, the number of new households only increased by 94. As noted, the economic downturn has played a role in the disparity of growth levels in both in the City and the Regional Study Area. However, the lack of household formation also is due to the slow pace of residential development and the prevalence of tear-down/rebuild of single family lots, which reduces the number of net new housing units. While MAPC projec-





Figures 1.5 and 1.6

tions indicate a growth in households for Newton through 2030, the same physical and policy limitations that may slow or limit growth in population will have a similar impact for households.

HOUSEHOLD SIZE

Change in households and population impact the average household size of a community. Given the limited amount of growth between 2000 and 2013 for both the population and households in Newton, the average household size experienced a minimal amount of change, declining from 2.51 to 2.50 during this period. From a regional perspective, the average household size for Newton is larger than more than half of the surrounding communities, all of which have moderately to substantially higher concentrations of renter-occupied housing units. However, Newton has a smaller average household size than communities such as Weston and Wellesley, which average between 2.79 and 2.85. Both of these communities have higher concentrations of owner-occupied housing units, which typically accommodate a larger number of people..

In terms of housing tenure – owner and renter – the average household size based on 2013 estimates indicate that owner households (2.65) in the City of Newton are larger households on average than renter households (2.18) (**Figure 1.6**). This is consistent with trends seen throughout the region. However, renter households in Newton are getting larger while owner-occupied households are getting smaller. This finding is consistent with population by age data, as Newton's largest growth cohort is the population 55 years and over.

Submarket household size trends corroborate this finding. The average household size in Submarket 4R declined from 2.51 to 2.40 between 2000 and 2013, consistent with the growing population of people age 55 years and older. Conversely, Submarket 5R which has experienced a substantial growth in households with school age children, the average household size in this Submarket has increased from 2.52 to 2.66 during this period. Submarket 7R also experienced a growth in average household size to 2.77 people in 2013, an increase that is consistent with the large owner-occupied housing units (83.4 percent) in this Submarket. Additionally, the greatest disparity between owner households and renter households in 2013 is in Submarket 1R (2.88 owner, 1.78 renter). This may be due to the fact that 1R includes a large number of single-family homes and the impact students at Lasell College are having on housing in this submarket..

Overall, from a housing perspective, the declining owner-occupied unit average household size and large renter-occupied average household size support the changes in Newton demographics in terms of population age. This may impact the type of housing developed in Newton as it reflects changing market demands. Existing units will also continue to be impacted as they become prime candidates for demolition and redevelopment into larger, more expensive homes. That said, the increase in larger households (with children) has offset the impact of increasing smaller, older households. Given the renter household size has increased since 2000, the data reveals the desirability of Newton for family households, even if it requires these families to rent housing. This also

will continue to impact the City's existing housing stock by increasing rents, and therefore rental conversion, if existing affordable housing is not preserved and/or no new housing is built to meet this demand.

HEAD OF HOUSEHOLD

Age of Head of Household

Consistent with the growing population of empty-nesters, Newton has seen substantial growth in households with a head of household who is 45 years to 64 years of age (**Figure 1.7**). In comparison, the declining population of young adults and net number of families is further supported by the decline of households headed by people age 25 years to 44 years (1,428).

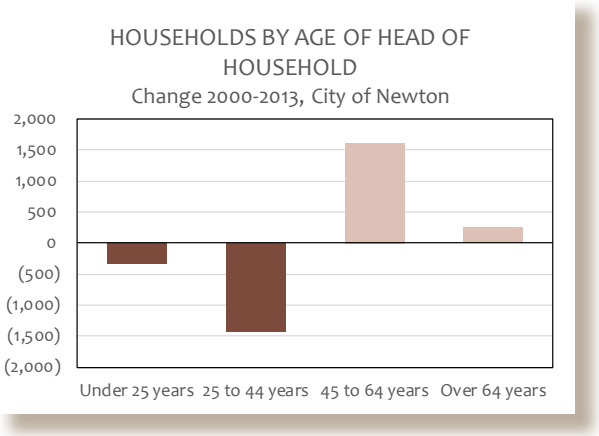


Figure 1.7

The findings at the City level are generally consistent with both the Regional Study Area and State level. However, the City and surrounding Regional Study Area experienced a similar or greater nominal loss in households headed by people age 25 year to 44 years than the gain of households headed by people 45 years to 64 years. In Newton, heads of household in 2013 between 45 years and 64 years comprise 41.7 percent of the households compared to 30.2 percent of householders age 25 years to 44 years. Higher concentrations of older heads of household correlate to greater wealth on average due to advancement in their given careers (detailed in the Affordability chapter).

Similar notable trends in the age of head of household also occur at the Submarket level. However, Submarkets 2R, 5R and 6R also experienced declines in householders 65 years and older. Most of Submarket 2R and 5R is separated from most City amenities and the growing retiree population in central Newton by the Mass Pike. Additionally, Submarket 6R has a limited housing inventory and is in a relatively remote location in the southern part of the City. These Submarkets are likely not as attractive to retiree households who are prioritizing proximity to amenities and community as they make housing choices. Additionally, Submarket 7R experienced an overall decline in householders over the age of 24 years due to the reclassification of student housing in this Submarket.

The relative cost of housing combined with strong location amenities has made Newton and its surrounding communities very attractive to live. The demographic data suggest older households with the greatest means to pay have constituted the largest portion of new residents/households in the City. That said, migration data, corroborated by anecdotal data from process participants indicate there is a large segment of the City's market of people who have lived in Newton for years, moving into the City when housing costs and incomes were not as divergent as today. Both findings have the potential to impact future housing demand in Newton. Without proactive preservation and development of market affordable housing, housing costs will continue to be unachievable to all but the wealthiest. Furthermore, as long-time and recent active adult and senior households continue to age in place, demand for a greater diversity of housing will increase.

Household Projections by Age of Householder

Based on household projections produced by MAPC, householders between 45 years and 64 years of age in Newton will experience a decline in households between 2010 and 2030 using either growth projection metric (Status Quo or Stronger Region). Conversely, the retiree population (65 years or older) is projected to increase by more than 5,000 people in both growth scenarios (**Figure 1.8**). These growth projections are generally consistent with existing trends, as 20 years will age the householders between 45 years and 64 years into the 65 years and older age group and the Baby-Boom generation continues to age in place. Therefore, the declines currently experienced in head of household under 45 years of age will not reverse course through 2030.

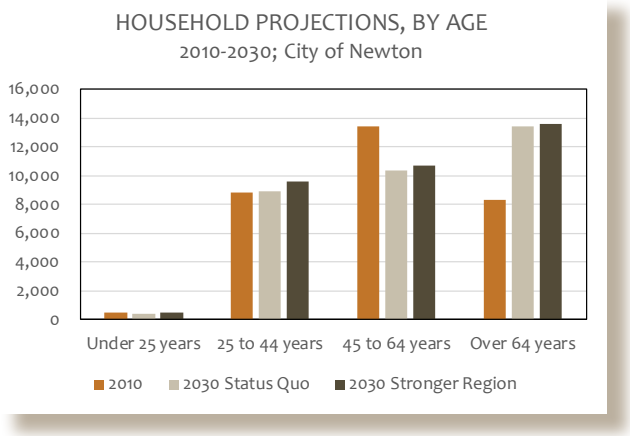


Figure 1.8

To the extent that these projections can anticipate future trends, they support the continued aging of the heads of household within Newton and further indicate that demand for accessible housing for a growing senior population is essential. These households will have different housing needs than young adults and middle-age householders. Projections also suggest Newton will not be able to accommodate younger householders or these aging senior households unless action is taken to diversify the existing housing stock to include smaller housing options at a range of price points.

EDUCATION ATTAINMENT

Newton has a highly educated population. In 2013, 48.8 percent of the City's population of people 25 years of age or older have attained a professional or graduate degree. This represents an increase of more than 23 percent since 2000. Regionally, Newton has one of the highest concentration of residents with a graduate or professional degree. Other similarly educated communities, all far exceeding that of the State (17.1 percent), include Weston (53.5 percent), Brookline (52.9 percent), Wellesley (49 percent) and Needham (42.2 percent). All other communities in the Regional Study Area had less than 30 percent of their resident populations over the age of 24 years with a graduate or professional degree and an overall lower level of education attainment. This indicates that there are concentrations of highly educated people in specific communities within the region, which is not surprising given the relatively high cost of housing in these communities (**Figure 1.9**).

At a Submarket level, 2013 estimates indicate that 7R (64 percent), 1R (58.3 percent) have the highest concentrations of people with graduate and professional degrees and the highest level of education attainment. Submarkets 1R and 7R also have the highest average household incomes in Newton. This is consistent with the correlation between education attainment and income discussed earlier in this section. In terms of housing, these Submarkets also have a highest percentage of high value traditional ownership units, which require higher incomes to be affordable.

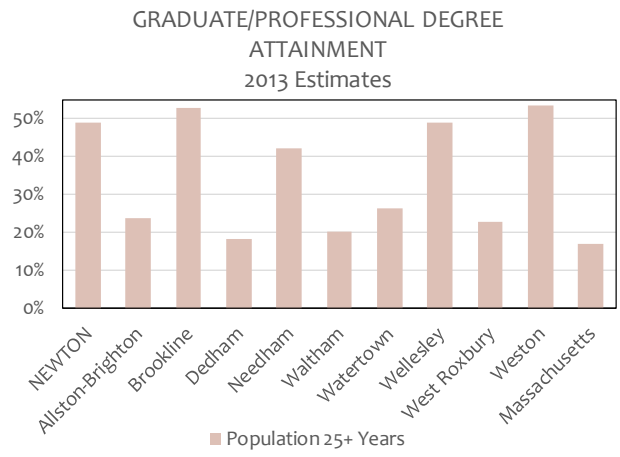


Figure 1.9

2 residential market analysis

INTRODUCTION

In order to understand housing affordability dynamics in Newton, RKG Associates analyzed demographic trends (Chapter 1) and conducted an assessment of the City's housing market: current housing stock, recent development activity, pricing patterns, and housing development plans in the permitting process and pipeline. This chapter focuses on the market analysis.

It is important to note that the analysis presented here reflects the results of RKG's efforts over the course of the entire project. The initial housing market analysis was presented to the community in October 2015. Thereafter, RKG continued to collect data, update the analysis, and clarify data and data sources. There are some instances where information provided in October 2015 has been updated to reflect continued work on the Housing Strategy. As a result, some of the tabulations in this chapter are slightly different from those presented in October. Nevertheless, none of the updated data has materially changed the original findings.

KEY FINDINGS

- **Newton has limited housing diversity.** Not surprisingly, detached single-family homes make up a majority of Newton's housing units, as is the case in many metro Boston suburbs. While condominiums and duplexes or triplexes provide a greater range of ownership options in terms of housing type, they offer little relief in housing cost. A more diverse range of housing options may provide more cost effective options for retirees looking to age in place or to accommodate more modest-income young adult and young family households. However, existing demand for high-value housing and the high value of developable vacant land means that price diversity will not be driven by market forces but rather, through incentives, policies, and regulatory actions.

- **New residential development is limited and does not offer much relief.** Recent development patterns indicate that new construction is tending to be higher intensity and greater lot coverage than historic levels. Simply put, the scarcity of land in Newton is motivating the development community to maximize the lots they can acquire. However, the relatively low level of development activity is not substantially affecting the variety of housing type or cost diversity. In fact, all new development that was not done through a public-private partnership has focused exclusively on the high-end market, i.e., 200 percent of area median income (AMI) and up.

- **Demand for high-value housing and the high costs of development in Newton are affecting development patterns.** As noted, all development occurring in Newton that is not part of a public private venture to mitigate housing costs is targeted to the most affluent consumers. Simply put, Newton's desirability as a place to live combined with the lack of opportunity for large-scale development has allowed the most financially capable consumers to corner the market. The new units being developed are often much larger single-family homes or 2-3 luxury townhouse style units for which

there is an ample market of high income households. Even in cases with new development, most ownership housing units developed over the last decade have on average been larger than the existing inventory and of higher value reflecting the imbalance between local and regional supply and demand.

- **If the City is to grow as projected through 2030, development patterns will need to change.** Given the limited amount of available vacant land, a mix of moderate density (multi-unit) development will need to be considered to accommodate additional households and allow for greater housing choice. That said, the City will not "build its way to affordability." The imbalance of demand and supply is so great that the City could not physically accommodate the development needed to affect pricing in a substantial manner. To this point, a combination of preservation and new construction will be necessary to ensure some level of price diversity within Newton.

METHODOLOGY

The residential market analysis focuses on the housing inventory in Newton and seven submarkets within the City. This approach was used in order to understand the existing and proposed supply of housing in Newton and highlight unique development patterns within the City. Identifying trends in residential market metrics, such as value and unit type, provide the basis for evaluating how the existing housing stock meets (or does not meet) the demand of current households. It also helps to define the housing characteristics of submarkets where potential development might occur.

Data Sources

The primary data source used for this analysis is the fiscal year 2015 property tax assessment database maintained by the City of Newton Department of Assessment. It is the most current and complete property information available to assess the City's residential real estate market. Property tax assessment records provide a variety of information such as living area, year built, value and sales data for all taxable property in the City. RKG also used Multiple Listing Service (MLS) data, marketing information from apartment complexes, and interviews with local real estate developers and brokers to verify findings identified in the property assessment information.

It is important to note that the analysis is not intended to be a 100 percent census of residential real estate within Newton. The property assessment database is the most complete source available to understand development within the City. However, the database has limitations that make a full census of properties challenging. Notably, the database is not updated daily, meaning any changes that occurred since the most recent update and the time RKG was given the data are not accounted in this analysis. To this point, the following analysis provides a clear understanding of current and recent residential trends in the City.

DEVELOPMENT PROFILE

Single Family

Single family housing units are the primary housing type in Newton.[1] More than 55 percent of the 30,856 housing units within the City are single family homes (**Figure 2.1**). Although they exist throughout Newton, they are most prevalent south of the Massachusetts Turnpike. Submarkets 1R, 4R, and 7R account for approximately 66 percent of all single family units in Newton (Appendix A, Table 2.1-2.8). In terms of housing concentrations, single family units account for more than 75 percent of all units in Submarkets 1R, 6R, and 7R (**Map 2-1**). By contrast, the areas north of Mass Pike and along Boylston Street (Submarket 4R) have greater variety in housing stock. The northeast portion of Newton has the lowest number and concentration of single family units in the City. Submarkets 2R and 3R account for less than 10 percent of the single family units in the City. These areas also have much higher concentrations of duplex and triplex units (41 percent and 48 percent, respectively) than they have single family units (33 percent and 21 percent, respectively).

From a market value perspective, the average assessed value per property for single family housing units in Newton is high ($870,102). The assessment data indicate that the highest single family valuation in in the areas between the Mass Pike and

[1] Single family includes single-family detached units that do not have a condominium contract attached to the title.

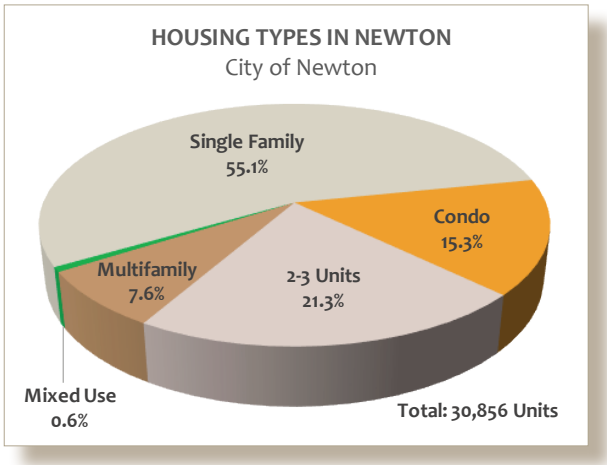


Figure 2.1
Source: RKG Associates, Inc.

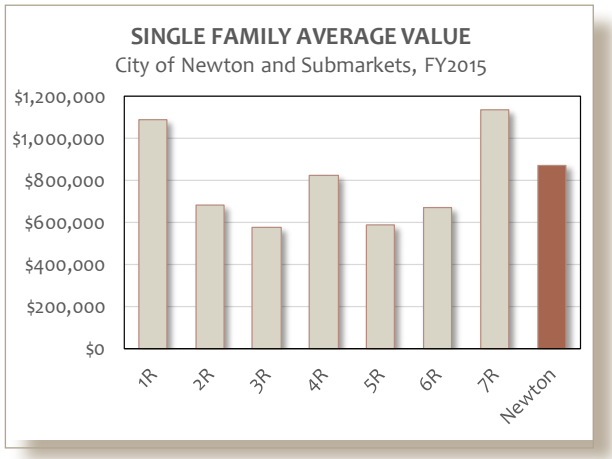


Figure 2.2
RKG Associates, Inc.

Boylston Street. Submarkets 1R ($1,091,492) and 7R ($1,137,648) constitute most of this area, and have the highest average value per property at more than $1,000,000 per property. That said, even the more 'affordable' areas of Newton still have a comparatively high property value. The lowest level is in Submarket 3R, at almost $559,000 (**Figure 2.2**).

It is important to note that single family valuation is noticeably different north of the Mass Pike than the rest of the City. Submarkets 2R, 3R, and 5R have the lowest average values relative to the rest of the City. Discussions with local real estate professionals indicate the market differences between areas north of the Mass Pike and south of the Mass Pike are substantial. Most notably, the north side of I-90 has a more diverse mix of units, including a higher concentration of smaller houses. Additionally, the area south of Mass Pike has larger lots and more historic neighborhoods, which are highly sought after (and therefore drive up value).

The average unit size data corroborates this finding. Single family housing units in Newton have an average living area of 2,443 square feet (sq. ft.). Within the City, Submarkets 7R (2,981 sq. ft.) and 1R (2,863 sq. ft.) have the largest single family homes in terms of average living area. This is consistent with the concentrations of affluence and high value single family housing units in 1R and 7R and the ability to pay for a larger home in a high cost market. Conversely, Submarket 5R (1,856 sq. ft.) has the smallest average living area for single family units. This indicates that, when combined with one of the lowest average values per square foot ($586,728), Submarket 5R provides a more cost effective option for households wanting a traditional, though smaller single family home.

That said, the larger lot sizes are more desirable as potential redevelopment properties (where zoning allows) than simply for a bigger yard. According to the respondents, market demand for new, luxury housing is so great that the land under these houses is more valuable than the property as-is. To this point, the higher values south of the Mass Pike likely are due to the combination of the new luxury units being developed and the market valuation for lots that can be redeveloped.

Duplex/Triplex (2-3 Units)

The City of Newton also has a notable number of housing units that are 2-3 family properties (21.3 percent) in addition to single family units (**Figure 2.1**). To be classified a duplex/triplex, these small multi-unit buildings must have shared ownership. Therefore, at least one unit is not owner-occupied. In contrast, a condominium building (regardless of the total number of units) has individual ownership for each unit in the building.

There are 6,575 units among the 3,142 duplex and triplex properties in Newton (Appendix A, Table 2.1 through 2.8). Approximately 72 percent of these units are located north of the Mass Pike in the 3R (29.5 percent), 4R (20.3 percent) and 5R (22.4 percent) Submarkets. This is consistent with the consultant's visual inspection of Newton. As noted in the single family discussion, duplexes and triplexes account for a disproportionately large share of Submarket's 2R, 3R, and 5R total unit count than the other Submarkets. In fact, Submarket 4R has the next highest local concentration at 15 percent. This

indicates that higher density housing is more common in these three submarkets than in single-family dominated markets such as 1R, 7R. As a result of having a high concentration of development where at least 50 percent of the units are renter occupied, the Submarkets north of the Mass Pike have higher proportion of renter-occupied units than the rest of the City.

The average property value for duplexes and triplexes ($630,487) is lower than that of the more prevalent single family units. Consistent with single family property trends, the highest value 2-3 family homes are in Submarket 1R ($716,442) and 7R ($781,045) and these units are still less than the average single family units in these Submarkets. The average value per property for duplexes and triplexes means that these units are a more cost effective ownership option in Newton compared to single family units. However, ownership of these units means that a household must either share ownership with a relative or friend or become a landlord. Not all households who want and need more affordable options in Newton are interested in or capable of managing this type of ownership arrangement. As a result, these properties provide only a limited amount of ownership housing diversity within the Newton housing inventory.

Condominiums[2]

Although they comprise a smaller share of the housing inventory than single family and duplex/triplex units, condominiums account for approximately 15 percent of all housing units in Newton (**Figure 2.1**). Condominiums include both apartment-style and townhouse-style units. There are condominiums in all of the submarkets in Newton, but the largest concentration occurs in Submarket 4R. Approximately one in four housing units in Submarket 4R are condominiums, which is also the largest concentration of this type of housing unit within any single submarket. Submarket 4 has a growing population of empty nesters and retirees. RKG learned anecdotally that many of these households in Newton are focused on downsizing and embracing their changing lifestyles. To this point, it is likely Subregion 4R has demand for both single family and multifamily ownership opportunities. Although nominally smaller, condominiums also make up a notable portion of the total housing units in submarkets 2R (19.1 percent) and 3R (17 percent).

Condominiums in Newton have an average value of $498,819, the lowest average value of all traditional ownership units in Newton. Most Newton submarkets have an average value per condo ranging from $448,000 to $501,000. Regardless of unit type, condominiums are generally of lower value than single family dwellings.

Submarket 6R has the highest average value per condominium ($691,356) and the largest average living area (1,914 sq. ft.). This is due to the townhouse-style condominium developments of The Gables and Ledgebrook, both of which have a number of condominium units valued near or above $1 Million and include units with as many as 4-bedrooms. Even with the range of unit types within the condominium inventory in Newton, these units offer a more diverse range of ownership options in terms of price similar to duplex/triplex units. In addition, unlike duplex/triplex ownership, condominium ownership does not require direct sharing of unit ownership or becoming a landlord. However, these units account for less than one-fourth of the City's total housing inventory and require (often substantial) condominium fees. As a result, condominiums provide a comparatively small amount of diversity from a unit type and cost perspective as compared to single family units.

Multifamily & Mixed-Use

As a highly residential community in which single family units comprise more than 55 percent of the total housing units, a relatively small number of housing units in traditional multifamily properties (7.6 percent) and mixed use commercial/residential development (0.6 percent) (**Figure 2.2**). There are a total of 2,357 multifamily units in Newton. These units are primarily located in Submarkets 4R (743), 5R (539), and 3R (490) (Appendix A, Tables 2.1 through 2.8). Multifamily units represent the greatest portion of total housing units in Submarket 3R (12.3 percent), which is consistent with the 51.4 percent renter-occupied units in this Submarket.

Nearly half of the multifamily units in Newton are in small and mid-size properties (those with fewer than 100 units). These complexes are predominantly located north of the Mass Pike, particular-

[2] The City of Newton defines "condominium" as any ownership unit that has a shared entrance and/or land parcel.

ly in Submarkets 5R and 3R. There are few larger complexes—those with 100 or more units—in Newton. However, they are located in Submarkets 1R (Arborpoint at Woodland Station, Woodland Park Apartments) and 4R (Avalon at Chestnut Hill, Avalon at Newton Highlands). The limited number of large complexes indicates that a majority of the traditional rental housing developed in the City is at a suburban scale. For example, the Woodland Park Apartments built in 1975 distribute more than 100 rental units across several 3-story buildings (Floor Area Ratio 0.25). In contrast, the three larger complexes were developed since 2000 are taller, more compact developments (Floor Area Ratio >1.00). This difference typifies the strength of demand for housing diversity in Newton, the mismatch between supply and demand, and the resulting high cost of land acquisition.

Newton has just 40 acres of developable or partially developable vacant land. These 40 acres are spread across 83 individual parcels ... with an average of 0.50 acres per property for developable vacant land, there is limited potential in terms of the size of any future projects, particularly given the existing regulatory environment governing new residential development.

Vacant Land

Newton has experienced limited population and household growth for more than a decade. This is partially due to the City's limited inventory of developable vacant land. RKG analyzed existing vacant land in Newton to better understand the constraints placed on growth and development in the city. To do this, RKG analyzed land identified by the Newton Department of Assessment as either developable land or potentially developable land.

The City's assessment records indicate there are approximately 40 acres of developable or partially developable land remaining in Newton (**Table 2.1**). Within the City, larger Submarkets 7R (47.4 percent, 18.8 acres), 1R (26.4 percent, 10.4 acres) and 4R (15.0 percent, 5.9 acres) have the highest concentrations of developable and potentially developable land (Appendix A, Table 2.9). However, this 40 acres of land is not contiguous. These 40 acres are spread across 83 individual parcels, with the largest one totaling slightly less than 6.5 acres. In fact, only five are larger than one acre while 34 are smaller than 0.25 acres. With an average of 0.50 acres per property for developable vacant land, there is limited potential in terms of the size of any future projects, particularly given the existing regulatory environment governing new residential development. In some cases, multiple parcels will need to be purchased and consolidated for larger development to be possible.

In terms of average value per acre, city-wide developable vacant land has an average value per acre of approximately $1.6 Million. In general, the average value per acre of developable land ranges from $1,343,754 (4R) to $2,098,567 (2R) across the Newton Submarkets. From a housing perspective, this indicates that the value of land will play a significant role in the cost of development for future units and may impact the price of housing units on this land. If a more diverse range of housing prices is the City's goal, acknowledging and possibly

Table 2.1
Residential Vacant Land and Accessory Properties
Newton, Massachusetts

	Total			
Land Class	**Properties**	**Acres**	**Total Value**	**Value/Acre**
Developable Land	68	36.1	$57,062,800	$1,580,059
Potentially Developable Land	15	3.5	$6,376,900	$1,817,358
Total	83	39.6	$63,439,700	$1,601,073

Source: Newton Department of Assessment, RKG Associates, Inc., 2015

reducing the per unit land costs for development will be necessary.

Ultimately, the vacant and developable land data indicate that the City's housing strategy will require a combination of housing preservation, development of vacant parcels and potential redevelopment of underutilized parcels to accommodate existing and future housing needs. Given the cost of acquisition and the current development density allowances, any new development will not add substantial new units and all units will be targeted to the luxury market (without financial subsidy). Simply put, there is not sufficient buildable, vacant land in Newton to have a substantial impact on existing needs.

DEVELOPMENT TRENDS

The previous sections provide an understanding of the current residential development patterns within the City of Newton. In order to analyze development trends overtime, RKG Associates examined the housing inventory based on year built information provided in the property tax assessment database. The majority of the 30,856 housing units in the current inventory were built prior to 2005 (95.8 percent). Since then, 1,286 units have been developed. However, estimates from the U.S. Census indicate that Newton has 680 more housing units in 2013 than it did in 2000. The data is consistent with recent development trends, as a substantial portion of the development activity between 2005 and 2014 included the demolition of existing housing to make way for new housing units in its place.

Property assessment data indicate Newton's development activity slowed as a result of the economic downturn. More than 50 percent of new housing development since 2005 occurred prior to 2009. Only 505 of the 1,286 units delivered since 2005 were finished after 2010. This trend is generally consistent with market recovery since the Recession. That said, there was greater residential development activity after the Recession than before in a few Submarkets (Appendix A, Tables 2.1 through 2.8). This is due to condominium development in Submarkets 3R and 5R, which further added to the diversity in value of ownership options in these Submarkets. Submarket 6R experienced nearly a doubling in single family unit development from 32 before the Recession to 59 after the Recession. This is the only type of housing developed in Submarket 6R between 2005 and 2014 and likely reflects its desirable location with the Charles River Country Club and close proximity to park land and the Charles River to the South and its proximity to more rapidly growing 4R to the North.

When compared to units built prior to 2005, single family units make up a smaller but notable portion of recent residential development (**Figures 2.3 and 2.4**). However, a greater percentage of multifamily units (31.0 percent) and condominium units (23.1 percent) have been developed over the last 10 years when compared to the portion of these units in the housing inventory overall. This is largely due to the Avalon at Chestnut Hill and Arborpoint multifamily developments and the 35 Commonwealth Avenue and scattered smaller condominium developments completed during this period.

Conversely, only a small portion of 2-3 family properties (4.7 percent) have been built as a share of all units delivered in the past ten years. The larger amount of condominium and multifamily unit development since 2005 indicates that developers have been maximizing the number of units on each property in order to offset the high cost of development in Newton. Additionally, given the limited developable land, these higher density residential developments accommodate more units on smaller lots.

From an average value per unit perspective, residential properties in Newton built in 2005 or later are substantially higher in value than the average for the rest of the inventory. The greatest increases in average value per unit for recent development are single family (186.8 percent) and condominium (147.8 percent) units.

Tear-down/rebuild activity in Newton has been common. Smaller single family homes are demolished and replaced by substantially larger, higher-value homes or luxury townhouses. The rapid increase in average value per unit is due to the combination of high cost for the initial purchase of land and the unmet demand for luxury housing in Newton. Simply put, developers will build housing that maximizes their return while minimizing their risk. The supply/demand imbalance in the Boston region combined with Newton's desirability has attracted the wealthiest households to the

The supply/demand imbalance in the Boston region combined with the desirability of Newton as a place to live has attracted the wealthiest households to the City. This pattern of new development limits and reduces the City's overall price diversity of housing.

City. This pattern of new development limits and reduces the City's overall price diversity of housing.

Single Family

There are approximately 17,000 single family homes in Newton, a substantial majority (96.8 percent) of which were built prior to 2005. Approximately 530 single family units have been developed between 2005 and 2014. The largest portion of these units were built in Submarket 4R. Single family development activity in this Submarket has steadily increased from 79 units (2005 – 2009) to 120 units (2010 - 2014). This is consistent with the substantial growth in households (881), including empty-nesters, retirees, and seniors.

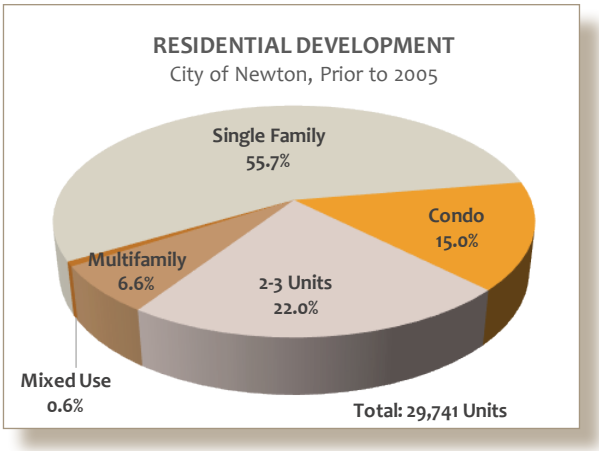


Figure 2.3
Source: RKG Associates, Inc. 2015

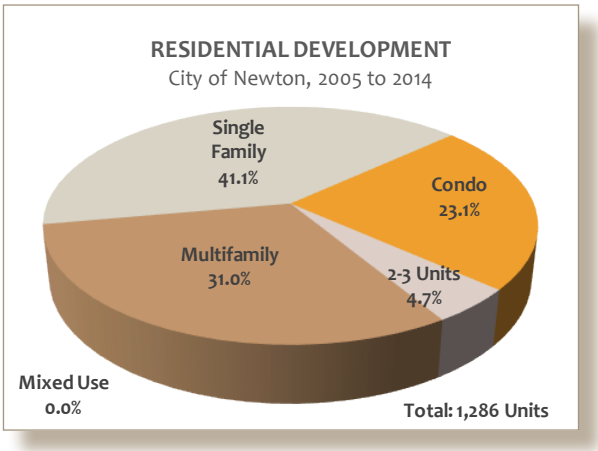


Figure 2.4
Source: RKG Associates, Inc. 2015

Over time, the average living area for single family housing units has increased, particularly over the past ten years. Single family housing units increased in average size per unit from 2,389 sq. ft. prior to 2005 to as high as 4,128 sq. ft. for units developed over the last decade (2005 – 2014) (**Figure 2.5**). In many submarkets, the size of single family units increased by more than 2,000 sq. ft.. The greatest increase in living area occurred in units developed in Submarket 7R, where houses built prior to 2005 were an average of 2,958 sq. ft. while those developed between 2005 and 2009 were an average of 5,121 sq. ft. Submarket 4R also experienced a notable increase in the average living area for single family units by approximately 1,980 sq. ft. from the average living area for single family units built prior to 2005 (2,236 sq. ft.). While it is common for new development to provide a 'better' product that existing housing (often manifesting as larger units), the disparity in Newton demonstrates the supply/demand imbalance. Developers will build to the most lucrative market.

In Newton, evidence of the trend in larger single family units can also be observed in the higher average floor area ratio (FAR) for single family units built in Newton from 2005 to 2009 (0.26) and 2010 to 2014 (0.28) compared to the average for all other units developed prior to 2005 (0.20). The units built over the last decade have substantially increased in size but the lots have not. The increases in FAR reflect the market's attempt to maximize the efficiency of parcels within Newton. Simply put, households seeking new units in Newton are more comfortable with a more intense, less suburban scale for single family housing, focusing more on conveniences and amenities than the development scale. That said, there is a substantial sentiment within Newton to minimize, or block, any additional development intensity in the City. This

conflict is consistent with many inner-suburb communities, where striking a balance between market demand and existing scale is paramount.

As discussed earlier in this section, the average value per unit of single family housing built from 2005 to 2014 is substantially higher than that of housing units built prior to 2005. From a submarket perspective, 2R experienced the most notable increase in average value per property for single family housing from $671,523 prior to 2005 to approximately $1.59 Million (2005 to 2009) and $1.76 Million (2010 to 2014) for units developed in the last decade. That said, the amount of new development was limited with a total of nine single family housing units being developed during this time period. More than half of this recent development in Submarket 2R is in the neighborhood just north of the Boston College Law School along the border between Submarket 2R and 7R. The higher average value of these housing units is correlated with the proximity to the campus and the relatively more affluent areas of Newton.

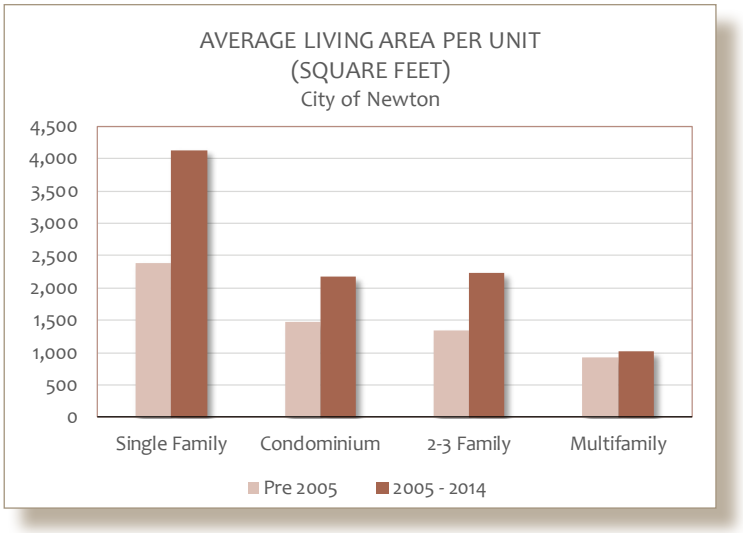


Figure 2.5
Source: RKG Associates, Inc., 2015

Although not as substantial an increase as that of Submarket 2R, 4R single family properties built after 2004 are valued approximately twice the single family housing units built prior to 2005 ($787,943). Not surprisingly, these housing units are almost twice the size of the rest of the housing inventory. This supports stakeholder feedback that smaller homes are being removed and replaced by substantially larger, higher value properties.

In addition, the 18 single family units built between 2005 and 2009 in Submarket 7R have an average value per property that is $1.39 Million higher than that of the units built prior to 2005 ($1.12 Million). These units are also notably larger, an average of 5,121 sq. ft. of living area compared to an average of 2,958 sq. ft. for single family homes built prior to 2005. This further supports stakeholder feedback related to the recent trend of demolition and new construction mentioned earlier in this chapter.

Duplex/Triplex (2-3 Units)

Almost all duplex and triplex (6,514) units were built prior to 2005. Beginning in 2005 and the following 10 years, 61 total units were developed on 30 properties. Most of this development, 47 units, occurred after the 2008 Recession in Submarket 4R, 2R and 5R. The lack of development effort for this housing type likely is due to the combination of the cost of acquiring the development site along with the market opportunity for developers. Building a housing type that yields a lower sale price, despite having more units, will not be attractive to developers. Anecdotal data indicate that a number of these projects were part of the City's existing affordable housing development program where the City has a public private partnership to provide income controlled housing.

Over the last decade, the average living area per unit is larger than those built prior to 2005 by 877 sq. ft.. These larger units are consistent with residential development trends in the market the last decade and indicates that there is demand for larger units in Newton. Anecdotal evidence also indicates that, in some cases, new 2-3 unit development reflects a larger townhouse style duplex used as a rental. This further illustrates the unmet demand for greater housing diversity in terms of cost and type in the City.

With the development of newer, larger 2-3 family housing units, there has been an overall increase in the average value per property from those built prior to 2005 ($628,885) to the seven properties developed between 2005 and 2009 ($996,914) and the 24 properties developed between 2009 and 2014 ($735,765). The increase in average value per property for duplexes and triplexes in Newton is not as notable as that of single family units. However,

it does reflect the growing challenge for persons to find price appropriate housing at any level other than the top of the market.

Condominium

Condominiums comprise 15.3 percent (4,720 units) of Newton's housing inventory and include any attached housing unit with individual ownership such as townhouses or a single unit in a multi-unit building. A substantial majority (93.1 percent) were built prior to 2005. Assessment data indicate that 174 units were built from 2005 to 2009, primarily in Submarkets 4R and 7R. Since then, 123 units have been developed primarily in Submarkets 5R and 3R. Condominium development activity within Newton reflects the continued demand from households looking for lower cost housing options within the City and also demonstrates the development community's willingness to accommodate this development type when regulations allow. Similar to single family findings, some of these units are a result of two or three luxury condominium units being built on a parcel that previously had a single family home.

Similar to single family and duplex/triplex development starting in 2005, the average living area of condominiums has increased steadily from approximately 1,470 sq. ft. prior to 2005 to 2,175 sq. ft. for units developed between 2005 and 2014 (**Figure 2.5**). This is a notable increase in the average size of condominium units and it illustrates the range of condominium housing types from apartment-style units in multifamily buildings to townhouse units in small clusters.

There are several submarkets where condominiums developed during and after 2005 have been substantially larger than the average prior to 2005. This indicates that the prevalence of larger, townhouse-style units has increased. This is particularly the case in Submarket 2R, where the average size of condominium units increased from 1,464 sq. ft. for all units developed prior to 2005 to 2,630 sq. ft. for units built between 2005 and 2009 and 3,173 sq. ft. for units developed from 2010 to 2014. The average living area of these newly developed condominium units is larger than the average single family unit in Submarket 2R (2,192 sq. ft.), indicating that these units are likely townhouse or single family attached style units. That said, the variation in condominium type also can result in an average unit size smaller than past development. For example, condominiums in Submarket 7R built since 2005 are smaller, on average, than those built prior to 2005. The average unit size decreased from 1,489 sq. ft. to 1,046 sq. ft. due to the majority of new condominiums in this Submarket are part of the 35 Commonwealth Avenue development, which offers apartment-style ownership units ranging in size from approximately 780 sq. ft. to 1,100 sq. ft..

From an average value per unit perspective[3], condominiums in Newton have consistently increased as newer development has occurred. Condominiums developed prior to 2005 have an average value of $484,245 while units built between 2010 and 2014 have an average value of $783,804. When the average value is divided by the living area for condominiums, the average total value per square foot is between $327 and $332, indicating that the increase in average value likely reflects the increase in the size of unit rather than a change in the overall quality of the condominium itself.

Multifamily & Mixed Use

Most multifamily units were developed prior to 2005. Beginning in 2005, only four properties have been developed. Two of these properties are Avalon at Chestnut Hill and Arborpoint at Woodland Station in Submarket 1R and Submarket 4R. Combined, these developments added 384 units to the existing housing inventory between 2005 and 2009. After 2009, the only additional multifamily development activity has been two rental properties with less than 10 units each in Submarket 3R. Due to the small amount of multifamily development from 2005 to 2014, findings related to average size and value are limited in their applicable to understanding broader trends in the market.

The size of the average multi-family unit (936 sq. ft.) has not changed significantly over time. This is the case even among new units likely due to the developer's need to maximize the number of units for the greatest return given the high cost of development. In a few Submarkets, multifamily unit built prior to 2005 have an average living area in the 600s sq. ft. for properties with at least 8 units. This indicates that multifamily units built prior to 2005 in some part of Newton (Submarkets 1R, 2R and 7R)

[3] Average value per unit used for condominiums based on this type of ownership and that each individual unit is recorded as a separate entity for tax purposes.

There are only four apartment developments in Newton that accommodate more than 100 units. Asking rents exceed $3,500 for a single unit in complexes built in the past decade. . . . Identifying strategies to preserve existing housing and develop new housing will be a critical component of providing cost diversity in Newton.

are more likely to be studios, junior one bedrooms or small one bedroom apartments.

The average value per property for multifamily in Newton ranges from $554,000 to $52.7 Million and is based on income valuation. The larger complexes developed between 2005 and 2009 have an average value of $52.7 Million, which is approximately $6 Million higher than the average for the two other large apartment complexes developed prior to 2005. One of these properties is substantially older (Woodland Park Apartments) which may limit its income in terms of rents compared to newer developments.

In terms of mixed use development, the City's property assessment database indicates that no new residential units were delivered between 2005 and 2014. Mixed use development can offer an opportunity for new residential development as part of a commercial development project. This type of development is increasing in prominence nationally, particularly in close proximity to transit and commercial centers. Additional mixed use development may be one option for increasing housing diversity in Newton.

Implications

Newton's housing stock is primarily comprised of single family and 2-3 family housing units. This is consistent with the suburban scale of development in the City. However, as values and demand for housing continue to increase, the lack of new development and housing diversity has created an environment where only the wealthiest households are trading in the market. Most of the multifamily housing in the City has been built to fit into the suburban scale of development in Newton.

Nevertheless, the economics of new construction in Newton have changed development patterns in recent years. The cost of land and construction in Newton and the current regulatory environment is affecting development trends. There has been limited development between 2005 and 2014, and new housing units are often larger and of higher value on average than those built prior to 2005. Developers are demolishing existing housing units on larger lots and rebuilding larger, higher value units. The imbalance in supply and demand locally and regionally combined with the high quality of life in Newton has created a market for larger, more expensive housing units. Interested buyers for high-value homes generate a market for this type of development while limiting housing diversity, particularly from a cost perspective.

This is prevalent in rental housing development as well. There are only four apartment complexes/developments in Newton that accommodate more than 100 units. Asking rents exceed $3,500 for a single unit in complexes built in the past decade. Given the lack of developable vacant land, developments that promote housing cost and type diversity at a suburban scale will remain financially infeasible. Preservation and new construction projects to promote housing affordability will require some form of public-private partnership. This presents an opportunity for the community to provide input on where investment occurs and how preservation/construction activity will fit into the existing community fabric. Identifying strategies to preserve existing housing and develop new housing will be a critical component of providing cost diversity in Newton.

PRICING ANALYSIS

In order to further understand the market for housing from a transactional perspective, RKG also analyzed recent pricing trends for ownership and rental housing. Detailed results of this analysis that are the basis of the findings in this discussion can be found in Appendix A, Tables 2.10 through 2.17.

Ownership

Based in part on the definition of ownership used by the Newton Department of Assessment, ownership units are single family, condominium and 2-3 unit properties. Although any and all of these unit types can be used as an income property by the owner, they are traditionally owner-occupied. Between 2012 and 2014, 2,898 traditional ownership properties were sold. This represents an inventory turnover rate of approximately 3 percent to 4 percent annually, which is typical for an urban market. More than half of the sales between 2012 and 2014 were single family units (53.9 percent) and an additional 31.0 percent were condominiums. Within Newton, the submarkets that had the greatest amount of ownership sales activity during this period were 4R and 5R. Both submarkets are experiencing population and household growth. Submarket 4R experienced greater sales activity in single family and condominium units while 5R sales were more evenly distributed across all ownership housing types.

In general, the price per living area (square foot) of ownership housing has increased in Newton from 2012 to 2014. Single family units have increased, from $378/sq. ft. to $435/sq. ft. on average, with Submarkets 1R and 7R comprising the highest average price per living area (square foot). Additionally, condominiums in Newton have experienced an increase in price from $321/sq. ft. to $394/sq. ft. and duplex/triplex units increased in average sales price per square foot from $202 in 2012, increased to $265/sq. ft. in 2014. The consistent increase in the average sales price per square foot for all ownership unit types reflects the imbalance in supply and demand for housing in Newton.

This finding is corroborated when comparing the sales price of residential housing to its current assessment. Those properties sold in 2012 have much lower sale-to-assessment levels than the units sold in 2014 (**Figure 2.6**). The steady and substantial increase in sale-to-assessment levels shows that growth in property values has not kept pace with prices the market is willing to pay. In other words, contract prices continue to exceed assessment levels. The escalating prices are most evident for 2-3 family units (27.2 percent) and single family units (21.9 percent).

Due to the predominance of single family housing units in Newton, the consultant also analyzed median sales price trends for single family units based on data from the Dukakis Center Report #1: Demographic Trends and Housing in the City of Newton, Massachusetts. According to this data, median selling price for single family units increased by more than $200,000 between 2003 and 2013 (**Figure 2.7**). Median price did decline slightly between 2008 through 2010, due to the impact of the 2008 Recession and national housing crisis. A recovery began in 2011 with median sales price reaching a 10-year high of $855,000 in 2013. This indicates that the single family sales market and the traditional ownership market in Newton is strong and these units are in high demand. From a housing strategy perspective, these prices limit who can enter the market because high cost housing can be a significant barrier to entry for households with modest incomes. A full discussion of affordability in Newton is detailed in the following chapter.

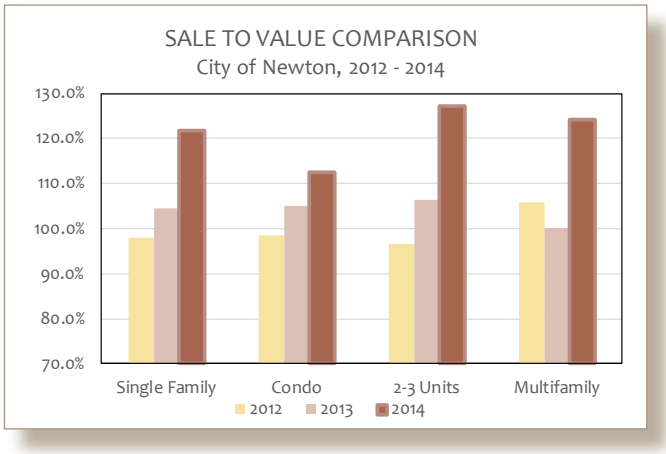


Figure 2.6
Source: RKG Associates, Inc. 2015

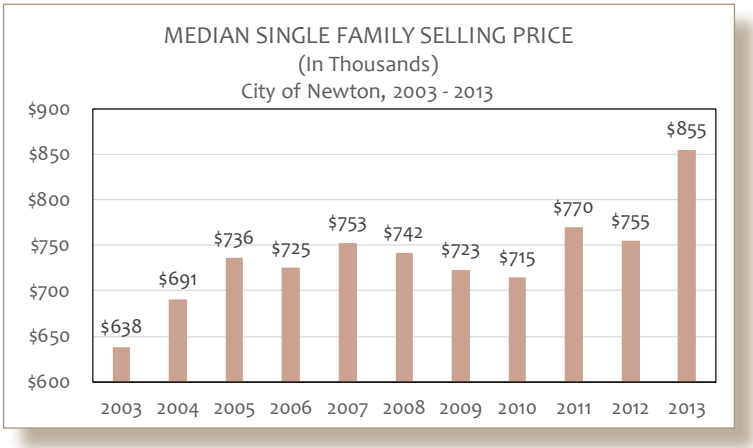


Figure 2.7
Source: Barry Bluestone, et al. 2014

Rental

Five multifamily properties were sold in Newton between 2012 and 2014. Four were small, 4-8 unit properties located across the city. The average price per living area for the 4-8 unit properties was $246/sq. ft. and the price per sq. ft. for the larger 15-unit property was $326. A comparison of multifamily sales price to property value illustrates that on average, the sale price was up to 24.1 percent above the value of the property at the time. While few multifamily properties have sold recently, there is demand for them within the market.

Table 2.2 lists the HUD Fair Market Rents (FMR) for the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area, which includes Newton. In 2014, rents ranged from $1,042 for efficiencies to $1,969 for four-bedroom units. A year later, rents rose across the board, from $1,071 for efficiencies to $2,023 for four-bedroom units. A sample of current rents in Newton indicates that complexes like Arborpoint offer two bedroom units for $3,260 - $3,565 per month and Avalon at Newton Highlands, two bedroom units for between $3,225 and $3,790 per month. Online sources report asking rents for two-bedroom condominiums from $1,800 to $2,700 per month (www.apartments.com).

Although this is only a sample of asking rents, it reinforces that Newton rents often run substantially above the FMR. Additionally, there are smaller complexes that were not listed on sites such as www.apartments.com, which suggests that many units in Newton are rented through word of mouth, on-site postings, or local listings. Although a more detailed analysis of the current supply and demand for rental housing can be found in the following chapter, these sample rents indicate that rent rates for a portion of the rental inventory far exceed what HUD considers the fair market rent for the region. This further illustrates that lower income households in Newton are those most in need of price-appropriate housing because they are most likely paying far more than they can afford.

Table 2.2. HUD Fair Market Rents, 2014 - 2015

Newton, Massachusetts

	FY2014	FY2015
Efficiency	$1,042	$1,071
One-Bedroom	$1,164	$1,196
Two-Bedroom	$1,454	$1,494
Three-Bedroom	$1,811	$1,861
Four-Bedroom	$1,969	$2,023

Source: U.S. Department of Housing and Urban Development, 2016

Land Value

Previous sections in this chapter describe the challenges facing any entity that wants to develop housing in Newton. The cost of development has increased, and there are limited development and redevelopment opportunities due to geographic and regulatory restrictions. Homes built since 2004 have been notably larger than the average size of the existing housing stock. Additionally, the total number of units added to the inventory since 2000 does not match the level of development activity. Selling prices are substantially above current values for units that are generally consistent with housing stock built prior to 2005. This indicates that a number of housing units are purchased, demolished, and rebuilt as either a substantially larger single unit or as a set of townhouses.

Another major force influencing the trend toward larger, high-value units is the high cost of vacant and accessory building land initially purchased. Based on fiscal year 2015 values, all submarkets in Newton have an average vacant land value per acre of at least $1.4 Million (**Map 2-2**). Land prices alone for all submarkets in Newton are a significant consideration that limits development and has an impact on the type of housing built. This is particularly the case in Submarket 2R and 3R ($1.8 Million/acre to almost $2 Million/acre). These submarkets are physically separated from the rest of Newton and have substantial transportation access. While these submarkets have the greatest existing diversity of housing, they may also be the most challenging for future development due to the upfront costs associated with purchasing a property. Additional units that are cost diverse in these submarkets may require subsidies to alleviate some of the cost associated with development and encourage the level of housing diversity desired.

Implications

The average sales price for most residential properties in 2014 is notably higher than the average value. Existing and new residents are willing to pay top dollar for a limited supply of housing units in a community known for its quality of life. In order to encourage greater housing diversity in Newton,

financial incentives, policy strategies, and regulatory measures will be needed, both for preservation and new construction, given the high demand for existing units as illustrated by recent sales.

PLANNED FUTURE PROJECTS

The development trends analysis indicates that there has been limited development activity between 2005 and 2014. A limited number of additional housing units have been added to the total inventory due to tear down/rebuild activity. Looking forward, Newton has several projects that may add up to 656 units to the current housing inventory. They range in size from two units at 54 Taft Avenue to 290 units in the Riverside Station project (**Table 2.3**). About 26 percent (172) of the approved units are eligible for the Subsidized Housing Inventory (SHI), with all of the units being eligible in three projects. This means that in addition to adding new units, there will be a number of units that are classified as affordable within those units developed.

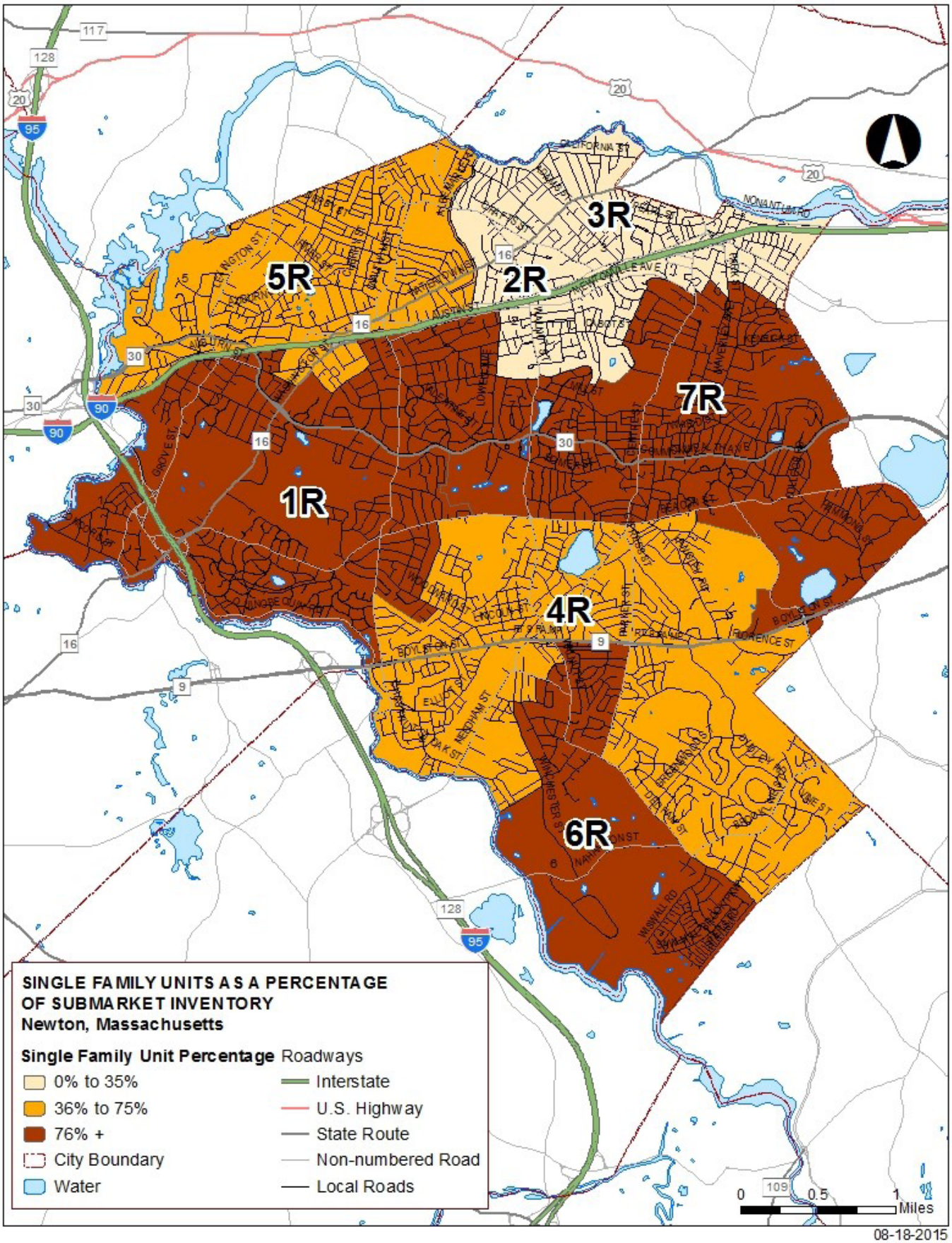
However, even project approval does not guarantee that all of the units associated with the project will be constructed nor the timeframe within which these housing units will be delivered. This is illustrated by the varying status of these projects. Three of the ten projects (Kessler Woods @ Lagrange Street, Court Street, Austin Street, and Curve Street) are listed as under construction, although not all of them have begun yet. The rest are still within the review stage. This indicates that while there are approved projects that have the potential to add a number of new housing units to the Newton market, the final total and timeframe for delivery of these units is uncertain. The limited number of approved projects also reflects the constrained development environment in the City and indicates that the existing level of proposed development activity will be unable to meet the demand for greater housing diversity in Newton.

Table 2.3 Residential Pipeline Projects
Newton, Massachusetts

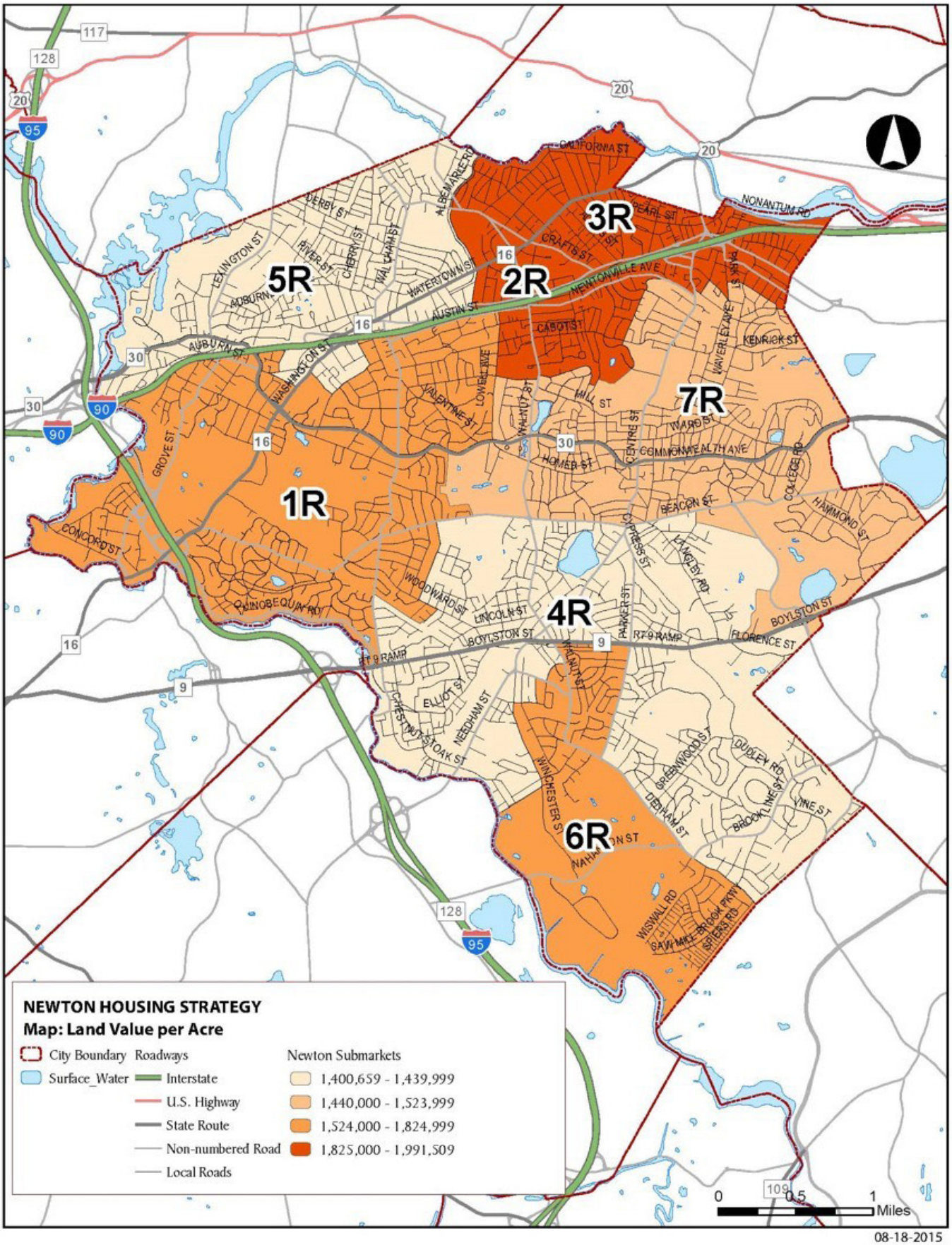
		Status					
Address/Name	Total Units	SHI Eligible Units*	Review	Appeal	Permit	Construction	Permit Year
200-230 Boylston Street	100	15			X		2010
Riverside Station	290	44			X		2013
429 Cherry Street	13	3		X			2013
75 & 83 Court Street	36	9				X	2014
12 and 18-20 Curve Street	7	7				X	2014
Kesseler Woods @ Lagrange Street	88	13				X	2015
54 Taft Avenue	2	2			X		2015
47 Goddard Street	4	1		X			2015
28 Austin Street	68	68		X			2015
1521 Beacon Street	48	10	X				N/A
Total	**656**	**172**	**1**	**3**	**3**	**3**	**N/A**

Source: City of Newton, Massachusetts, 2016

*SHI: Subsidized Housing Inventory


5R
3R
2R
7R
1R
4R
6R
SINGLE FAMILY UNITS AS A PERCENTAGE
OF SUBMARKET INVENTORY
Newton, Massachusetts
Single Family Unit Percentage
0% to 35%
36% to 75%
76% +
City Boundary
Water
Roadways
Interstate
U.S. Highway
State Route
Non-numbered Road
Local Roads
0
0.5
1
Miles
08-18-2015

Map 2-1


NEWTON HOUSING STRATEGY
Map: Land Value per Acre
City Boundary
Surface_Water
Roadways
Interstate
U.S. Highway
State Route
Non-numbered Road
Local Roads
Newton Submarkets
1,400,659 - 1,439,999
1,440,000 - 1,523,999
1,524,000 - 1,824,999
1,825,000 - 1,991,509
1R
2R
3R
4R
5R
6R
7R
0
0.5
1
Miles
08-18-2015

Map 2-2

3 affordability

INTRODUCTION

The demographic analysis in Chapter 1 illustrates the changing dynamics of Newton's population. As the number of young families and young adults has declined, there has been notable growth among empty-nesters, retirees, and seniors. At the same time, the real estate analysis in Chapter 2 shows that housing values are increasing as market demand for a home in Newton continues to exceed supply. Furthermore, limits on development have constrained the type and price of housing developed over the last ten years. To gain a better understanding of the extent to which Newton's current supply of housing is meeting existing demand by City residents, RKG conducted a housing affordability analysis of Newton as a whole and within each submarket.

It is important to note that the analysis in this chapter reflects the results of RKG's efforts over the course of the entire project. The initial housing affordability analysis was presented to the community in October 2015. RKG continued to collect and analyze data after the initial presentation. In some instances, information provided at the October 2015 public meeting has been updated. However, none of the updated data has materially changed the findings presented at that time.

MAJOR FINDINGS

- **The City's concentration of high-value housing has created substantial housing cost burdens for many people.** While most households in Newton earn incomes sufficient to afford the high-value homes in the market, few options exist for households with lower incomes. Rental housing provides the greatest range of housing prices in the City, but there are not enough units to meet current demand for households with low, very low, and extremely low incomes. In short, households earning less than $61,000 have very few choices in Newton. The affordability analysis conducted for this report indicates that between 4,713 (conventional loan assumptions) and 5,092 (FHA loan assumptions) of lower-income households in Newton are housing cost burdened.

The affordability analysis conducted for this study indicates that between 4,713 and 5,092 lower-income households in Newton are housing cost burdened.

- **The growing population of seniors has affected demand for housing in Newton.** The city has many senior households with high annual incomes that can afford to purchase market-rate homes in Newton. However, there are also many senior households with lower, fixed incomes that would like to age in place. A notable number of lower-income senior households are leaving Newton, which suggests that finding cost appropriate and accessible housing that meets this population's needs is a challenge. These residents would benefit from greater diversity within Newton's housing in-

ventory. Ultimately, aging in place will continue to be part of the housing discussion in Newton as the growing empty-nester population reaches retirement age over the next ten years.

- **Growth projections reveal that affordability will continue to diminish in Newton.** The MAPC projection data for Newton indicate there will be more than 1,900 new households within the City by 2030. This projection assumes additional housing units will be built, as there are not 1,900 currently vacant units to occupy. Given there are fewer than 800 units being considered for Newton (and resistance to new construction is substantial), the continued increase in demand will further drive prices in the City. This supply/demand imbalance does not even consider the natural appreciation of housing in Newton, which has been substantial since the recession. To these points, a "do nothing" position by the City will see naturally occurring affordable housing diminish as pressure from the market will drive prices.

- **Preservation and development will require City participation.** Addressing the lack of diversity in terms of housing type and price has the potential to reduce the substantial shortage of units for existing senior households, current residents with modest incomes, and individuals with special needs. However, given the current market for housing in Newton and the continued demand for housing at the highest values, the market will not provide this housing on its own. The City must be an active partner in the preservation and development of more housing options. Assistance will need to be in the form of financial participation as well as regulatory/policy changes.

METHODOLOGY

Data Sources

The affordability analysis in this chapter incorporates a variety of sources to compare housing supply and demand in Newton. The 2008-2013 American Community Survey (ACS) 5-Year Estimates for owner-occupied and renter-occupied household incomes were provided by the U.S. Census Bureau. Housing cost data came from several sources: property tax rates from the Newton Assessor's Office, mortgage rates from www.bankrate.com, homeowner's insurance rates from Progressive Insurance, and condominium fees from Zillow.

Glossary: Affordable Housing Terms

Housing Affordability: as defined by the U.S. Department of Housing and Urban Development (HUD), housing affordability means that low- or moderate-income households have housing that does not require them to spend more than 30 percent of their gross monthly income on housing costs. For homeowners, "housing costs" include mortgage payments, homeowner's insurance, and property taxes. For renters, it means rent plus basic utilities. In this report, affordability also is referred to as "price appropriateness."

Housing Cost Burden: when a low- or moderate-income household pays more than 30 percent of its gross monthly income on housing costs.

Area Median Income (AMI): the median family income for the metropolitan area in which a community is located. Newton is part of the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area, which is most of the Boston metro area. In this report, housing affordability is evaluated as it relates to HUD income limits (thresholds). The income limits include Extremely Low Income (30 percent AMI), Very Low Income (50 percent AMI), Low Income (80 percent AMI), Median Income (100 percent AMI), 120 percent AMI and greater than 120 percent AMI.

Ability To Pay: The maximum amount a household can spend on housing without being housing cost burdened. A household may purchase a home that is below their maximum ability to pay for a variety of reasons. When a substantial number of households choose to purchase units below their ability to pay, it can lead to shortages for households at lower incomes and increase the incidence of cost burden.

FHA mortgage information was provided by HUD and conventional loan information, by Wells Fargo Bank.

Demand Analysis

In both the homeownership analysis and the rental analysis, demand for housing was determined based on household income. Households were divided into income groups, using 2014 Fiscal Year Income Limits produced by HUD, based on tenure: owner-occupied and renter-occupied. The income limits used for homeownership corresponded to the 3-Person income limits listed in Table 3.2. These limits were used for homeownership households because the average household size for owner-occupied units in Newton is 2.65 persons. Additionally, 3-person income limits also reflect the likelihood of dual incomes in ownership households when compared to renter households.

For rental demand, renter-occupied households were distributed across the 2-Person income limits (Table 3.3). A smaller household size was used for this affordability analysis due the smaller household a typical rental unit can accommodate. In 2013, the average household size for renter-occupied units in Newton is 2.18 persons. Additionally, it is often the case that those that cannot afford to own a home will rent. Therefore, because the 2-Person income limits are lower than 3-Person limits they better approximated the level of income for households accommodated by these units.

Supply Analysis

The supply of homeownership units within Newton and Submarkets was determined using hous-

Table 3.1
HUD Fiscal Year 2014 Income Limits
Boston - Cambridge - Quincy, MA-NH HUD Metro FMR Area

Threshold	2-Person	3-Person
Extremely Low Income	$22,600	$25,450
Very Low Income	$37,650	$42,350
Low Income	$54,200	$61,000
Area Median Income (AMI)	$75,300	$84,700
120% AMI	$90,360	$101,640

Source: U.S. Department of Housing and Urban Development, RKG Associates, Inc., 2015

Table 3.2
Ownership Housing Supply Thresholds [1]
Newton, Massachusetts

	Traditional Unit		Condominium	
Threshold	**Minimum Value**	**Maximum Value**	**Minimum Value**	**Maximum Value**
CONVENTIONAL LENDING				
Extremely Low Income and Below	$0	$132,264	$0	$83,658
Extremely Low Income to Very Low Income	$132,265	$220,522	$83,659	$171,916
Very Low Income to Low Income	$220,523	$312,013	$171,917	$263,407
Low Income to 100% 3-Person AMI	$312,014	$441,045	$263,408	$392,439
3-Person AMI to 120% of 3-Person AMI	$441,046	$529,254	$392,440	$480,648
120% of 3-Person AMI and Above	$529,255		$480,649	
FHA LENDING				
Extremely Low Income and Below	$0	$112,458	$0	$72,477
Extremely Low Income to Very Low Income	$112,459	$187,501	$72,478	$147,520
Very Low Income to Low Income	$187,502	$265,291	$147,521	$225,310
Low Income to 100% 3-Person AMI	$265,292	$375,001	$225,311	$335,020
3-Person AMI to 120% of 3-Person AMI	$375,002	$450,002	$335,021	$410,021
120% of 3-Person AMI and Above	$450,003		$410,022	

Source: RKG Associates, Inc., 2015
[1] Based on 3-Person HUD Income Limits

ing units by value from the real property tax assessment database provided by the Newton Department of Assessment. Ownership units were distributed across the affordability thresholds described above based on the maximum price that 30 percent of each income limit can afford when housing costs such as mortgage payments, insurance, and property taxes were included (Table 3.2)[1].

Similar to the ownership supply, the rental housing supply was determined using the total rental unit count from the tax assessment database. The units were distributed across the various rental threshold levels based on gross rent data from the 2008-2013 ACS estimates. Units owned by the Newton Housing Authority were assigned to the lowest income threshold because they are targeted to extremely low and very low-income households. However, the submarket analysis does not include all of the Housing Authority's units. Ninety-six NHA units are scattered-site housing that were eliminated for privacy reasons.

Rental units were distributed across the affordability thresholds based on maximum rent for each income limit. The maximum rent was determined by dividing 30 percent of the HUD 2-Person Income Limit by 12. The final maximum and minimum monthly gross rent for each threshold is detailed in Table 3.3.

Table 3.3
Rental Unit Supply Thresholds [1]
Newton, Massachusetts

	Gross Rent	
Threshold	Min. Rent	Max. Rent
Below 30%	$0	$565
30% to 50%	$566	$941
50% to 80%	$942	$1,355
80% to 100%	$1,356	$1,883
100% to 120%	$1,884	$2,259
Over 120%	$2,260	

Source: RKG Associates, Inc., 2015
[1] Based on 2-Person HUD Income Limits

HOUSEHOLD INCOME

The affordability analysis and feedback from participants in the public outreach effort for this report indicate that the high cost of living and housing in Newton is becoming a strain on some households while others can readily afford where they live. Recent market trends show that larger, high-value homes are being built in place of older, more modest homes. Understanding the income characteristics of Newton residents is an important first step for understanding overall affordability and housing need.

Average Household Income

Average household income in Newton and the Regional Study Area has steadily increased since 2000. By 2013, Newton ($173,665) ranked in the top half of the communities within the Regional Study Area (Figure 3.1). Not surprisingly, the communities with the highest average household incomes are Weston ($317,491) and Wellesley ($236,524).

Average household incomes vary within Newton's subdistricts. The data indicate that lower income households are more heavily concentrated in the submarkets north of the Massachusetts Turnpike while the highest income households are concentrated in the central part of Newton, including the villages of Waban, Newton Lower Falls, Chestnut Hill, and Newton Centre. According to ACS 2013 estimates, Submarket 3R had the lowest average housing income of $98,546, which is substantially below that of the City as a whole. In comparison, Submarkets 1R and 7R have the highest average household incomes, $244,612 and $245,852 respectively (Appendix A, Table 3.1). These are similar to the average household income in surrounding affluent communities such as Wellesley and consistent with the high concentration of high-value ownership units within these submarkets.

Households by Income

Supporting the perception of growing affluence in Newton, the number of households with incomes of $200,000 and above increased substantially (4,227 households, or 92.1 percent) between 2000 and 2013 (Figure 3.2). Additionally, the number of households earning less than $125,000 declined by 4,683 households (22.2 percent) during this period. These findings are consistent with age cohort and head of household trends that indicate that younger adults and families with lower incomes are leav-

[1] For this analysis, bank mortgage rates were used. The consultant acknowledges recognize that other mortgage rates are possible through state programs that utilize housing subsidies.

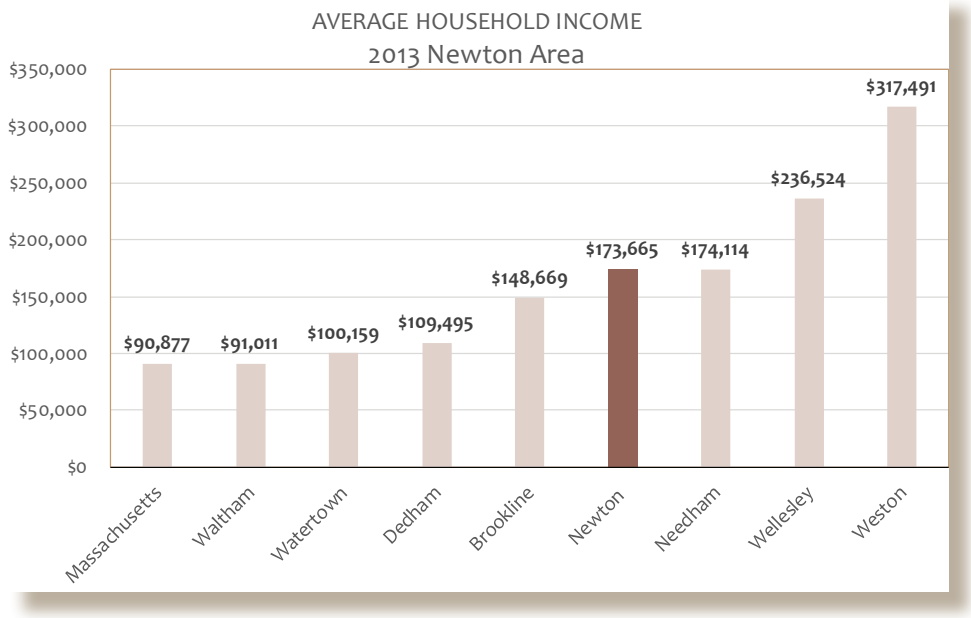


Figure 3.1

ing Newton for communities where the cost of living and housing is more affordable. Conversely, as there have been few net new housing units developed in Newton during this period, many of the new households in Newton are those that can afford to purchase the high-value homes.

It is important to note that this trend is not unique to Newton. Most communities in the Regional Study Area are experiencing similar trends, i.e., where lower income households are being displaced by higher income households. While some of this change is due to inflation and the natural increase in wages for all households, the data indicate the pace of change is higher for this area than the rest of the Commonwealth. Simply put, the supply/demand equilibrium for housing in Newton and the surrounding communities is such that households with the greatest ability to pay are driving up housing costs, making the area less affordable.

The impact of inflation is evident in the City when incomes are normalized to 2013 levels. The data suggest Newton is polarizing at the highest and lowest ends of the earning spectrum. The City experienced a net household decline for

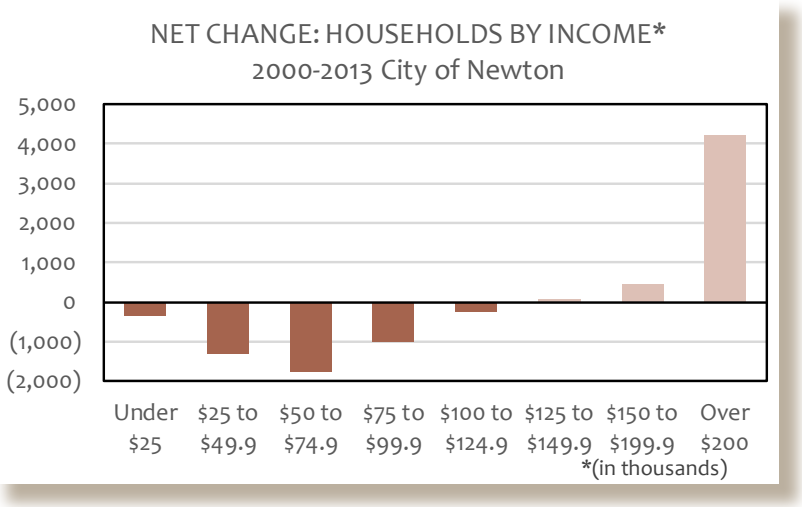


Figure 3.2

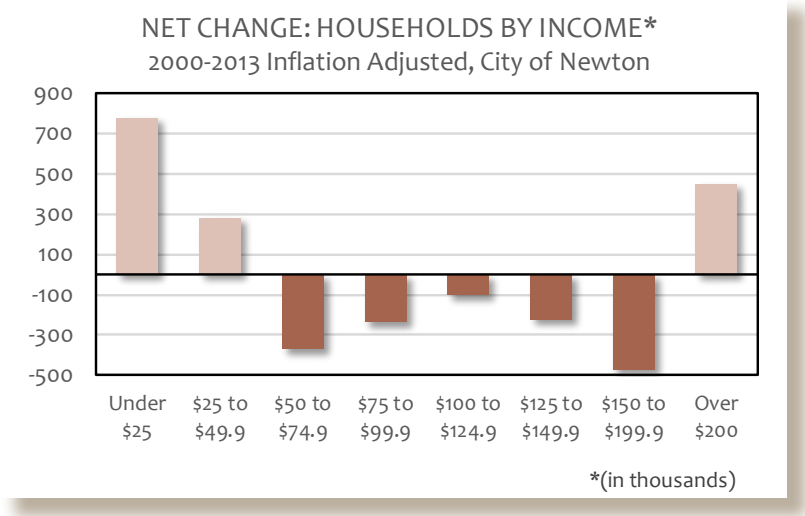


Figure 3.3
Sources for Figures 3.1 - 3.3: 2008-2013 ACS Five-Year Estimates; RKG Associates, Inc.

those earning between $50,000 and $200,000 while experiencing a net increase of those earning below $50,000 and those earning above $200,000 (**Figure 3.3**). While the growth in high-income households is consistent with the continuing increase in the cost of housing, the growth of lower income households seems contrary. That said, this trend likely correlates with the growth in retiree households. The number of households earning less than $50,000 per year is also indicative of the impact of the "Great Recession" (2007-2009), which influenced the ACS 2013 estimates (the sample covers a five-year period, 2009-2013). The Great Recession affected household incomes by reducing the number of earners from two to one or none as companies downsized or implemented hiring freezes.

Despite their current ability to pay for housing, the increase in retiree households is a substantial finding relative to determining a housing strategy. As noted throughout this report, housing preferences for senior households change as their space needs and medical conditions change. While some retirees will be able to afford to age in place, many are forced to leave Newton if they choose to downsize since there are few options available.

The growth in households earning over $200,000 annually corroborates the finding that Newton is attractive to the highest income households. As noted in previous chapters, these households provide continued and growing demand for high value housing and facilitate limited development patterns particularly in terms of housing diversity by cost. Ultimately, the continued market pressure for higher value housing units will escalate prices, further reducing cost diversity. Since the marketplace will continue to build to the most lucrative market, this further indicates that housing diversity in Newton will require public private partnerships to preserve and create lower cost housing.

Senior (65+) Household Incomes

Household income trends for senior households provide insight into ability-to-pay as a factor in overall demand for housing for this growing portion of the population. More than 600 of the households with incomes over $200,000 discussed in the previous section are senior households (**Figure 3.4**). A closer examination of this portion of the Newton population indicates that there has been a growth of households earning at least $100,000 and a decline for households earning less than $100,000. Senior households with relatively low incomes are leaving Newton while households better able to afford the cost of living and housing in Newton are

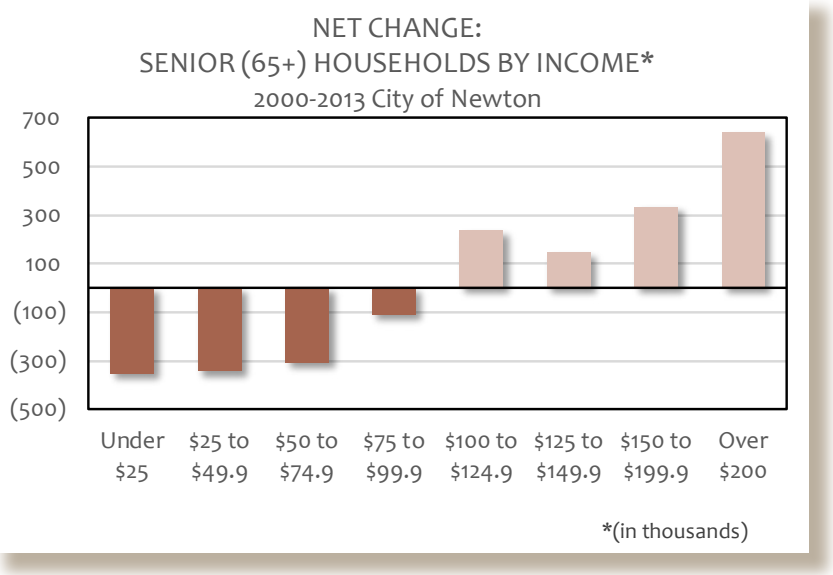


Figure 3.4.

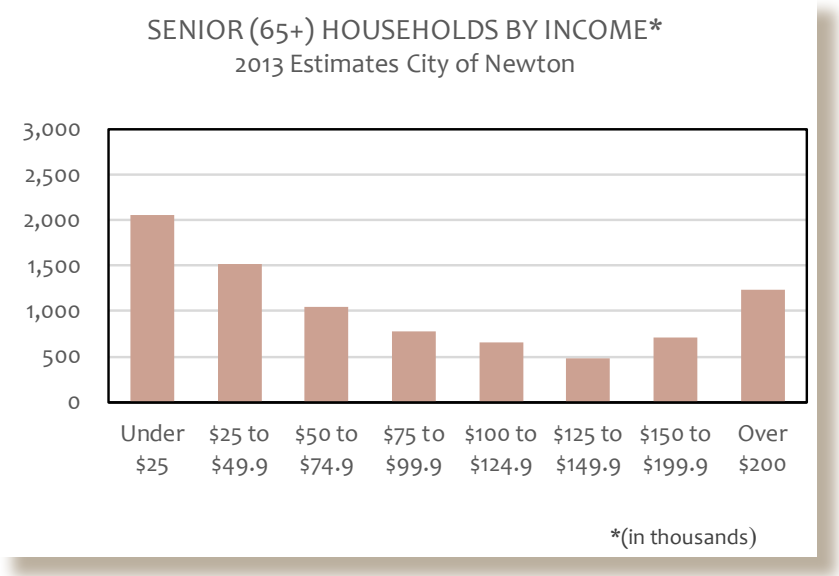
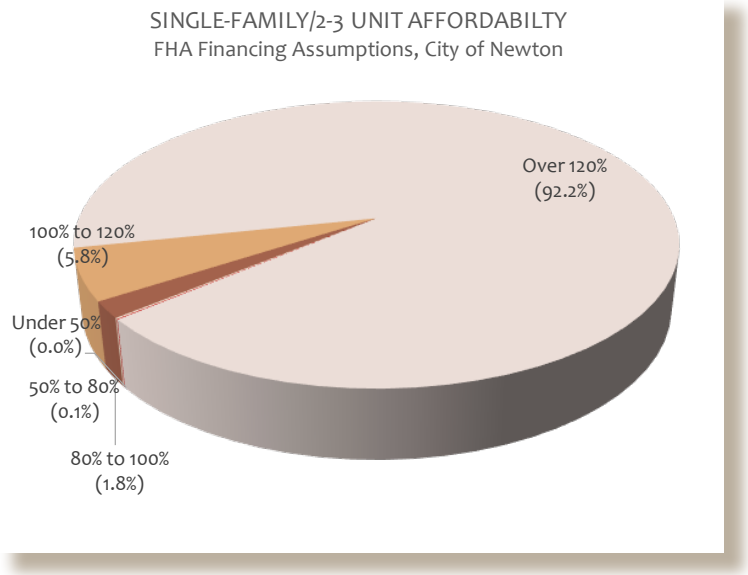


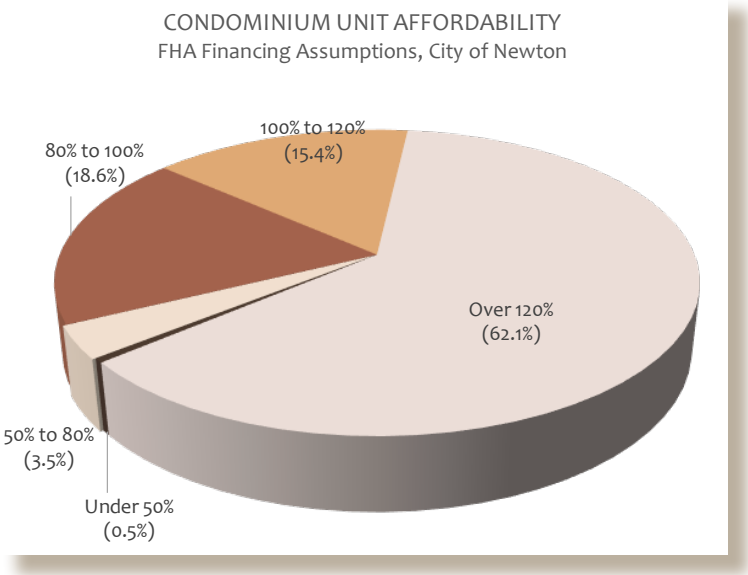
Figure 3.5
Sources for Figures 3.4 and 3.5: 2008-2013 ACS Five-Year Estimates, and RKG Associates, Inc.

Approximately 92 percent of the single family/duplex/triplex units and 62 percent of the condominiums in Newton are affordable only to households with incomes at or above 120 percent AMI ...

moving to the City during their retirement or simply aging in place.

Senior households with higher incomes still make up a smaller overall portion of senior households and approximately half (4,633) of these households earn less than $75,000 annually (**Figure 3.5**). Therefore, a majority of the senior households in Newton are likely living on retirement savings and fixed incomes from sources such as private pensions and government entitlements. While they may live in a home that no longer has a mortgage, their options are limited should they choose to move to a home that better fits their changing lifestyle. This may lead to a growing affordability challenge in Newton as current empty-nesters and recent retirees continue to age.





Figures 3.6 and 3.7
Source: RKG Associates, Inc.

OWNERSHIP ANALYSIS

Supply

Most homebuyers take out a mortgage when they purchase a house. There are typically two types of loans for financing a home: conventional mortgages and Federal Housing Administration (FHA) loans. Conventional loans require a 20 percent down payment with loan payments based on a fixed interest rate for term of the loan (typically 30 years). Alternatively, many households buying homes today choose an FHA mortgage if they qualify due to its lower down payment requirements (less than 5 percent). However, an FHA loan typically has a higher 30-year fixed interest rate and requires private mortgage insurance (PMI). The higher interest rates and insurance associated with FHA loans reduce the maximum affordable purchase price. Given that both loans types are likely to be used in Newton, an analysis of ownership housing units was conducted using assumptions related to both conventional and FHA mortgages. The distribution of these units based on the price that households can afford at each income threshold is detailed in Appendix A, Table 3.2.

An analysis of the existing inventory of ownership units in Newton supports feedback from interviewees that the city's housing values are very high. Ownership units in this analysis are divided into two groups: (1) single family dwellings and one unit out of every duplex or triplex property and (2) condominiums. Approximately 92 percent

of the 20,182 single family/duplex/triplex units in Newton are affordable only for households earning more than 120 percent AMI under FHA loans assumptions (**Figure 3.6**). An additional 5.8 percent are priced at a level that is affordable for households earning 100 percent to 120 percent AMI.

The preponderance of higher value homes that are affordably priced only for households earning above 120 percent AMI also exists for more than half of the submarkets in Newton. Submarkets, 3R, 5R, have lower concentrations of high-value traditional units; between 80 and 87 percent of units are priced affordably for households earning above 120 percent AMI using FHA standards. Most of the remaining single family/duplex/triplex inventory falls within the 100 percent to 120 percent AMI affordability threshold. While the submarkets that are primarily located north of the Massachusetts Turnpike offer greater variation in terms of price relative to the rest of this City, affordable options for households earning at or below 80 percent AMI ($61,000) are severely limited. **In total, there are only 35 ownership units affordable for a household earning 80 percent AMI, and only 10 units for households earning at or below 50 percent AMI.**

Using conventional loans, households across all income thresholds can afford housing units of higher value than with FHA loans. However, given the high value of housing units in Newton, 81.2 percent of single family/duplex/triplex units are affordable to households earning above 120 percent AMI (Appendix A, Table 3.2). An additional 12 percent of housing units are priced affordable for households earning between 100 percent and 120 percent AMI. With conventional loans, the more value diverse areas in Newton, Submarkets 3R, 5R and 6R, have a notably larger percentage of units priced affordable for middle income thresholds. However, the broader distribution of housing units that are affordable with conventional lending has the greatest impact on households in the 80 percent to 120 percent AMI thresholds in these Submarkets. Less than 3.5 percent (60 units) of the housing inventory in each of these Submarkets is priced affordable for households earning at or below 80 percent AMI, a population for whom conventional loans may not be feasible given the high down payment requirement.

In addition to single family, duplex and triplex housing units, Newton also has a notable number of condominium units (4,716), ranging from apartment-style units to townhouses. Due to the diversity of housing types, condominium units in Newton are less concentrated in a single income threshold as they are with other traditional ownership units. Still, a majority (62 percent) of condominiums are only affordable fo households earning at least 120 percent AMI using FHA thresholds (**Figure 3.7**). Unlike single family/duplex/triplex units, an additional 34 percent of units are priced within the 80 percent and 120 percent AMI threshold. However, similar to single family/duplex/triplex units, only a small portion of condominium units are affordable for households earning below 80 percent AMI using FHA standards (4 percent).

A similar distribution of condominium units exists throughout most of the submarkets in Newton. However, consistent with its broader range of single family/duplex/triplex unit values, Submarket 3R also has the greatest diversity in condominium value, with approximately 57 percent of units affordable to households earning at least 120 percent AMI and an additional 37.9 percent of condominium units priced affordable for households earning between 80 percent and 120 percent AMI.

Table 3.4
Households in Owner-Occupied Housing Units
Income Ranges - 3 Person Household

	Income Threshold	No. of Households	Percent
Extremely Low Income and Below	$25,450	1,539	7.1%
Extremely Low Income to Very Low Income	$42,350	1,242	5.7%
Very Low Income to Low Income	$61,000	1,361	6.2%
Low Income to 100% 3-Person AMI	$84,700	1,860	8.5%
3-Person AMI to 120% of 3-Person AMI	$101,640	1,341	6.2%
120% of 3-Person AMI and Above	$101,641	14,445	66.3%

Sources: HUD, and RKG Associates, Inc.

Using conventional lending assumptions, condominium units in Newton are more evenly distributed across the affordability thresholds as each threshold can afford higher value units. Approximately 45 percent of the condominium units are priced affordably for households earning above 120 percent AMI. A larger percentage of units are also affordable for households earning between 80 percent and 120 percent AMI (44 percent). Households in Newton earning between 50 percent and 80 percent AMI can afford 440 condominium units priced between $161,989 and $254,722 using a conventional mortgage. A substantial portion of the more affordable units are located north of Mass Pike (Submarket 3R) and along Boylston Street (Submarket 4R), where there are existing concentrations of condominium units.

Demand

Almost two-thirds of the 21,788 ownership households in Newton earn at least $101,641, or 120 percent AMI (**Table 3.4**). Each of the remaining ownership income thresholds have less than 10 percent concentrations. These highest income households comprise the largest portion of the Submarkets in the central part of Newton (1R and 7R), with almost 80 percent of 1R households earning above 120 percent AMI (Appendix A, Table 3.3). Both are Submarkets with the highest average household incomes, $244,612 and $245,852 respectively. Conversely, Submarket 3R has the smallest share of ownership households earning more than 120 percent AMI (48.4 percent). This threshold also has the largest concentration of ownership households earning less than 100 percent AMI or less (44.4 percent, 846 households).

Based on ACS 2013 5-Year estimates, approximately 70 percent of Newton's housing units are owner-occupied. This is consistent with the substantially larger ownership housing unit inventory and households in Newton when compared to the corresponding housing units and households for rental units discussed in the following section. Owner-occupied housing units make up at least 72 percent of the housing units in the central and southern Submarkets in Newton (1R, 4R, 6R and 7R) where homeownership is more prevalent among the higher income households in these areas.

The analysis of supply and demand in Newton indicates that while a majority of traditional ownership units are high value and have limited distribution across the affordability thresholds, condominium units provide more housing options for middle income households. Ownership households tend to have high incomes. However, there are concentrations of middle and lower income households within the submarkets in the northern part of Newton where housing values are slightly more mixed.

RENTAL ANALYSIS

Supply

Rental units in Newton are more widely distributed across income and affordability thresholds than traditional ownership units (**Figure 3.8**). Almost 70 percent of the City's 7,685 rental units are affordable for households earning 100 percent AMI. The remaining units (31.6 percent) have monthly rents of more than $1,883 and include many of the units in multifamily properties developed since 2000 (i.e., Arborpoint at Woodland Station and Avalon at Newton Highlands), where the rent for 2-bedroom units ranges from $3,225 to $3,790 per month (Appendix A, Table 3.4).

Many of Newton's submarkets show similar patterns in rental unit distribution as those at the city-wide level. Variation in the distribution of

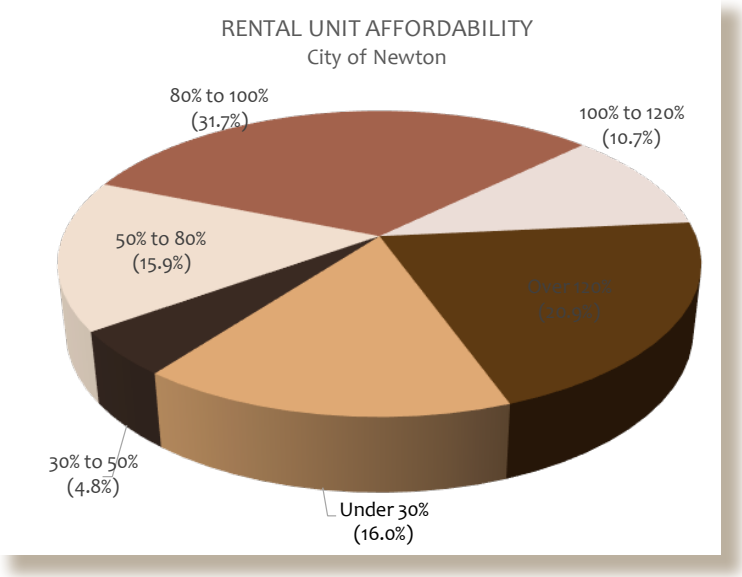


Figure 3.8
Source: RKG Associates, Inc.

rental units occurs in Submarkets 3R, 5R, and 7R, where more than half of the rental units are affordable for middle-income households. All three submarkets have between 52 percent and 60 percent of rental units priced at maximum affordability for households between 50 percent and 100 percent AMI.

Table 3.5
Households in Renter-Occupied Housing Units
Income Ranges - 2 Person Household

Income Tier	Income Threshold	No. of Households	Percent
Extremely Low Income and Below	$22,600	1,992	21.0%
Extremely Low Income to Very Low Income	$37,650	1,096	11.5%
Very Low Income to Low Income	$54,200	899	9.5%
Low Income to 100% 2-Person AMI	$75,300	991	10.4%
2-Person AMI to 120% of 2-Person AMI	$90,360	745	7.8%
120% of 2-Person AMI and Above	$90,361	3,784	39.8%

Sources: HUD, and RKG Associates, Inc.

The larger, more moderately priced rental unit inventory is in keeping with the traditional ownership value patterns for both Submarket 3R and 5R and indicates that housing units north of the Massachusetts Turnpike are more likely to be affordable to a broader range of households. Conversely, when combined with an additional 25.1 percent of units affordable within the highest income threshold, Submarket 7R has a limited number of units for low-income households. These moderately priced rental units are the lower-cost housing option for households earning less than 100 percent AMI in Submarket 7R.

Demand

While renter household incomes vary more than owner households, they tend to concentrate at the lowest and highest income thresholds. The largest portion of renter households in Newton earn more than 120 percent AMI (39.8 percent). The second largest concentration of renters (21 percent) earn less than 30 percent AMI, or $22,600. Approximately 61 percent of the demand for rental units in Newton is generated by households falling within the highest and lowest income thresholds (**Table 3.5**).

Similar to the Submarket assessment for ownership households, the Submarkets between the Mass Pike and Boylston Street have the greatest concentration of higher income renter households. Unlike ownership household trends, Submarkets 2R and 5R (north of the Mass Pike) have a more even distribution of renter households by income instead of a concentration of renter households in the lowest income threshold (Appendix A, Table 3.5). Most notably, Submarket 5R has a high concentration of renter households earning more than 120 percent AMI (46.3 percent) which likely includes those family households that have moved to Newton for the quality schools.

In terms of housing tenure as tracked by the U.S. Census Bureau, 2013 estimates indicate that approximately 30 percent of the housing units in Newton are renter-occupied. This is equivalent to the portion of renter-occupied units in Newton in 2000 (Appendix A, Table 3.6). The moderate percentage of rental units is consistent with the large single family housing market in the City and the minimal amount of development that has occurred over the last decade. Within Newton, the Submarkets with the largest concentration of renter-occupied units are those north of the Massachusetts Turnpike (Submarkets 2R and 3R). Both submarkets have a population of young professionals who are at the beginning of their careers and are more likely to rent due to their respective level of transience in their lives at this stage.

AFFORDABILITY ANALYSIS

The current supply and demand for housing in the City of Newton was compared to understand the relative affordability for housing. This comparison results in an analysis of the surpluses or shortages (gaps) of appropriately priced housing that exist at each HUD income threshold. As noted earlier, households become cost burdened when housing costs exceed their maximum ability to pay (defined as 30 percent of their monthly gross income on housing). Where there is greater demand than

supply at a given affordability level, cost burdening exists. Conversely, in income thresholds where there is greater supply than demand, the market is considered well served.

Market Conditions and Assumptions

It is important to note that affordability analyses use a number of assumptions about market behavior. The following assumptions were used based on Newton's market dynamics.

- **Ability to pay.** The analysis assumes that every household seeks to maximize their ability to pay. In reality, many households choose not to do this, as it increases their discretionary spending on other goods and services (i.e. transportation, food, entertainment/leisure…). To this point, the analysis provides a 'best case scenario' on affordability. There is no statistically significant way to determine price preference for an entire community. That said, the level of cost burdening may be greater than the numbers presented.

- **Retirees.** Many retiree households in Newton have the resources to purchase or rent housing well above their income levels. The number of retiree households determined to be housing cost burdened based on income is probably higher than is actually the case. RKG Associates estimates the number may be as high as 1,500 households at the lower income levels that have the wealth to pay above 30 percent of gross income.

- **Conversions.** There are a number of traditional ownership units being used as rental housing in Newton. A Zillow search for rental units in Newton illustrates this phenomenon as a majority of units listed for rent beyond the major multifamily developments are for condominiums. It is impossible to determine which of the traditional ownership currently are being rented. Due to these dynamics within the Newton housing market, RKG analyzed housing supply and demand by combining rental and ownership units and households to analyze the total market.

- **Financial Assumptions**. The analysis was performed using both conventional and FHA assumptions (for ownership housing). The report presents the FHA results since most mortgages in the region are reported to be FHA mortgages (due to the high down payment requirement). To this point, FHA findings likely reflect more accurate market conditions. That said, the affordability equilibrium falls somewhere between the 100 percent conventional assumption and the 100 percent FHA assumption results. Both results are presented in the text.

Analysis of Supply/Demand

The analysis indicates there is an imbalance of supply and demand within Newton. The City has more housing units priced to the highest income thresholds than it has households that earn enough to not be cost burdened. Conversely, there are substantially more modest-income households than there are appropriately priced housing units for them. The data indicate the threshold of affordability is at the 80 percent AMI level. There are more units than households that earn above 80 percent

There are substantial shortages of housing units affordable for households earning 80 percent AMI and below. This is particularly true for shortages at the 30 percent to 50 percent AMI (1,941 units) and under 30 percent AMI (2,303 units) thresholds.

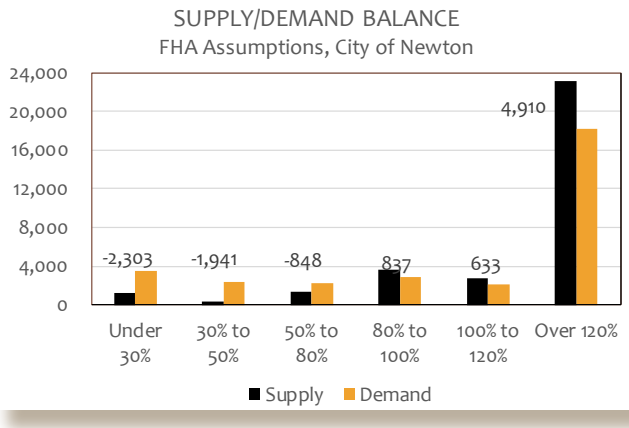


Figure 3.9
Source: RKG Associates, Inc.

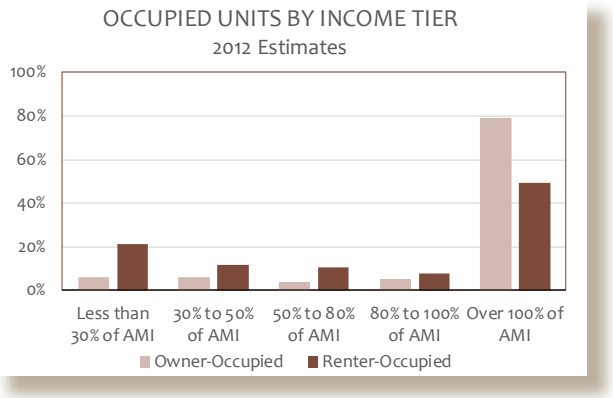
AMI and there are more households than units for thresholds below 80 percent AMI (**Figure 3.9**).

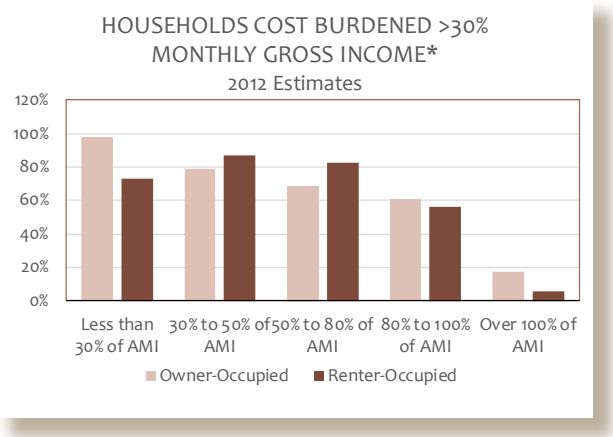
Not surprisingly, housing in Newton is skewed to the highest income levels. Despite most Newton households earning above 120 percent AMI, the City has a net surplus of almost 5,000 units priced for these households. The equilibrium for households earning between 80 percent AMI and 120 percent AMI is closer, but these thresholds have more units than households who can afford them.

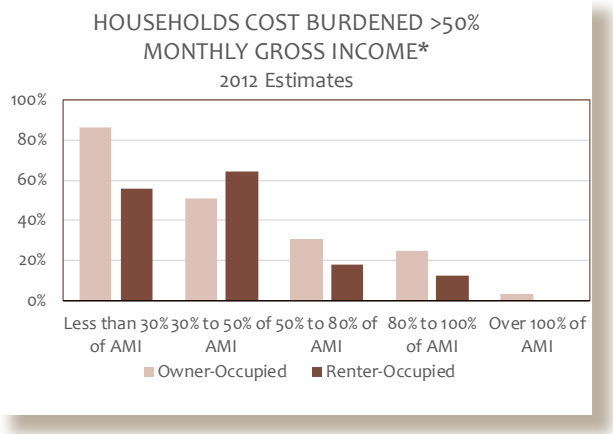
In contrast, there are substantial shortages of housing units affordable for households earning 80 percent AMI and below. This is particularly true for shortages at the 30 percent to 50 percent AMI (1,941 units) and under 30 percent AMI (2,303 units) thresholds. Even using conventional lending assumptions, the same pattern of surplus and shortage still exists for households earning between 30 percent and 50 percent AMI (1,921 units) and households earning less than 30 percent (2,297 units). However, the housing surpluses across the top three affordability thresholds with conventional lending are more evenly distributed and less concentrated at the highest end. Although rental units provide some variation in housing costs for Newton households, there is insufficient supply to meet the existing demand at the lower affordability thresholds.

Due to the lack of housing priced affordable for households earning at or below 80 percent AMI, there are a notable number of households in Newton that are cost burdened. The data indicate there are between 4,713 (conventional loan assumptions) and 5,092 (FHA loan assumptions) households earning at or below 80 percent AMI that are consuming housing above the cost burdened threshold. This is particularly the case for ownership housing units where the diversity of housing options in terms of price is greatly limited.

As noted, this is not surprising given the highly desirable nature of Newton. To this point, many households are willing to pay above 30 percent to access the school system, the proximity to Boston and the transportation connectivity. The senior households that have lower incomes but higher wealth also are influencing this level. With the growing number of retirees in Newton, some of the households earning lower incomes may partially reflect a population which no longer earns







Figures 3.10, 3.11, and 3.12
Sources: CHAS Data, RKG Associates, Inc.

a traditional salary but owns their home and has sufficient assets to pay for housing costs. To this point, while the actual burdening likely is lower than the analysis notes, the data indicate the level of burdening is substantial.

HOUSING PROBLEMS

In order to better understand housing and affordability at a variety of geographic levels, HUD receives a series of specially produced tables from the U.S. Census Bureau. Known as Comprehensive Housing Affordability Strategy (CHAS) data,

these tables provide information about housing problems experienced by a community's current residents. The CHAS was used by the consultant to better understand the degree of housing cost burden that exists in Newton today and whether substandard housing conditions are also a problem for Newton residents.

According to the CHAS, the vast majority of homeowners (78.9 percent) and nearly half of all renters (49.1 percent) in Newton earn over 100 percent AMI (**Figure 3.10**). While less than 10 percent of Newton's owner-occupied households have low or moderate incomes, there is a greater distribution of renters within the lower income categories. This is particularly the case for renter households earning below 30 percent AMI - a group that makes up the second largest concentration of renter households by income group. This is consistent with the prevalence of renting among extremely low-income households, who often struggle to afford necessities and the costs associated with homeownership. These tenure and income trends are similar to those in housing demand as illustrated in the affordability analysis earlier in this chapter.

Housing Cost Burden

CHAS data enabled the consultant to evaluate the prevalence of cost burdened households based on HUD income thresholds similar to those used for the above affordability analysis. In 2012, approximately one in three (10,170 households) of the 30,595 households in occupied units[2] were cost burdened and paying more than 30 percent of their monthly income towards monthly housing costs including utilities. More than half of the households in thresholds at or below 100 percent AMI are cost burdened. The greatest concentrations of cost burdened households are those earning less than 30 percent AMI in owner-occupied housing units (98.3 percent).

The prevalence of housing cost burden for renter households earning below 30 percent AMI is comparatively lower due to the impact of Newton Housing Authority income-restricted units, federal and state housing assistance programs and Section 8 vouchers. There are also large concentrations of renter and owner households earning 30 percent to 80 percent AMI that are cost burdened indicating

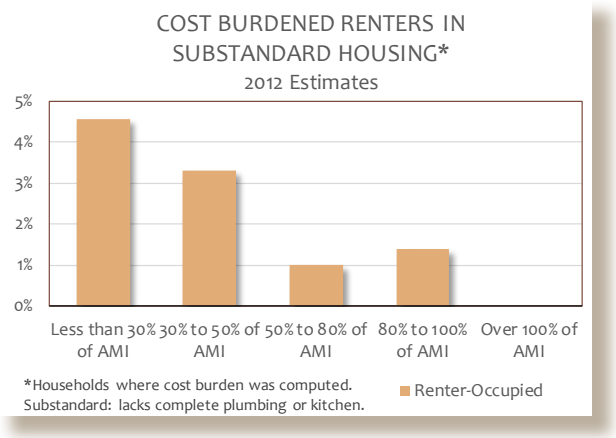


Figure 3.13
Source: CHAS, RKG Associates, Inc.

that the high-value housing in Newton is a financial challenge for lower income households.

Approximately 16 percent of the households in Newton for which cost burden is calculated, just less than half of all cost burdened households in 2012, are severely cost burdened. To be severely cost burdened, a household spends more than 50 percent of monthly income on housing. The highest percentage of households that are severely cost burdened earn incomes at or below 50 percent AMI. While owner-occupied households earning less than 30 percent AMI (86.4 percent) have a higher rate of cost burden than renter households (55.9 percent), this trends reverses for households earning between 30 percent and 50 percent AMI. This pattern is the same observed for all cost burdened households and reflects the positive impact that public housing has on cost burdened extremely low income renters.

Substandard Housing

In addition to identifying cost burdened households by income threshold, CHAS data provides insight into the level of substandard housing within the occupied housing inventory of Newton. This analysis uses housing characteristics outlined by the CHAS data to define substandard housing. For this analysis, substandard housing is defined as lacking complete plumbing or kitchen facilities.

In Newton, no cost burdened households in owner-occupied units identified their units as substandard or lacking complete plumbing and kitchen facilities. However, as seen in **Figure 3.13**, a small percentage of cost burdened renter households reside in units that are considered substandard. Sub-

[2] Based on total for whom cost burden was calculated.

standard rental housing for cost burdened households was most common for those earning less than 30 percent AMI (4.6 percent, 85 units). This data indicates that a minimal amount of substandard housing does exist in Newton and is of greatest concern for cost burdened renter households earning extremely low incomes.

Given the limited number of rental units identified as substandard, this housing need can likely be addressed through traditional avenues such as property inspections. However, HUD's full definition of substandard housing includes cost burdening. As discussed throughout this chapter, cost burdening is an issue in Newton. Therefore, while substandard housing is not a physical problem in the City, it is an economic one.

Table 3.6
People with Disabilities by Age
Newton, Massachusetts

Age Group	Total	Percent
Under 18 Years	468	7.4%
18 to 34 Years	482	7.7%
35 to 64 Years	1,609	25.6%
65 Years and Over	3,730	59.3%
Total	6,289	100.0%

Source: U.S. Census Bureau, ACS 2013 5-Year Estimates, RKG Associates, Inc., 2015

SPECIAL POPULATION NEEDS

As part of Newton's most recent Five-Year Consolidated Plan, a housing needs assessment was conducted for the City of Newton and information was gathered on a variety of populations that have special housing needs. As discussed in previous sections, Newton's lower income households are often housing cost burdened. This is particularly critical for households with incomes of 30 percent AMI or below and special needs populations, some of whom have no steady income. The following section analyzes these groups and the current inventory of housing specifically identified for them. Data for this section is primarily drawn from the 2016-2020 Consolidated Plan, the U.S. Census Bureau, the Newton Housing Authority, and Newton's 2015 Subsidized Housing Inventory.

People with Disabilities

The American Community Survey defines disability as the following:

> "those who exhibit difficulty with specific functions and may, in the absence of accommodation, have a disability… the ACS identifies serious difficulty with four basic areas of functioning – hearing, vision, cognition, and ambulation."[3]

Based on 2013 ACS 5-Year estimates, there are 6,289 non-institutionalized people with disabilities living in Newton (**Table 3.6**). More than half are 65 years of age or older (59.3 percent) which is consistent with physical challenges that become more severe with age. Given that the population of people age 55 and older has grown since 2000, it is likely that the number of people within this category will increase over time. An additional 25.6 percent of people with disabilities are adults between 35 to 64 years of age. This indicates that people with disabilities in Newton are not just aging adults but also those that have challenges earlier in life.

To help meet the City's disability housing needs, there are 542 housing units or rooms available to income-eligible people with special needs. These units are part of federal and state housing programs or are subsidized by the Massachusetts Department of Development Services and the Department of Mental Health. Approximately one-third (184) are units that are specifically for people with disabilities and special needs, while the remaining two thirds (358) are units that are also available to senior citizens. The existing inventory provides housing for up to 8.6 percent of the population with disabilities. It was not possible for RKG to determine what portion of the remaining population needs housing assistance due to limited income. For those with limited income and assets that are not in accessible units, a program that provides assistance to make existing housing units more accessible may be appropriate.

Elderly Population

In order to qualify for federal or state housing programs for the elderly in Newton, householders

[3] Technical Documentation, American Community Survey. U.S. Census Bureau, 2016. Retrieved on February 23, 2016 from http://www.census.gov/programs-surveys/acs/technical-documentation.html.

must be at least 60 years of age and income eligible. Based on demographic data collected earlier in this report that most closely represents this population, there is a growing portion of the Newton population and heads of household that are 65 years of age or older. ACS 2013 estimates also indicate that there are 8,503 heads of household that are 65 years of age or older. Between 2000 and 2013, there has been a decline in senior households with incomes below $100,000 and an increase in households with incomes above $100,000. While a growing portion of the senior population in Newton have high incomes, a number of long-term resident seniors are finding it difficult to afford to continue to live in Newton on a fixed income.

Housing assistance programs targeting the elderly with limited incomes include the 358 units/beds which are part of the federal and state disabled and elderly housing programs mentioned above. Given that Newton's population continues to age, the greatest need for these households is facilitating aging in place for those on a fixed income. While adding additional subsidized units may be needed, assistance with accessibility improvements in current housing unit can also be beneficial.

Homelessness

Based on the Continuum of Care Fiscal Year 2014 Point-in-Time survey of homeless people in Newton and Brookline, there were 712 sheltered people and an additional 46 unsheltered people recorded within these two communities. The 712 sheltered people are in emergency and transitional housing, including 25 men in the project-based Section 8 housing available at the West Suburban YMCA. Although the survey included in the 2020 Consolidated Plan may not account for all homeless people, it is the most complete information available.

A general definition of homelessness is an individual who lacks permanent housing. A lack of steady income or inability to afford current housing costs are among the ways that individuals become homeless. Ideally, sheltered individuals and families will be able to find permanent housing either directly from a shelter or through transitional housing. Although the survey suggests that the majority of homeless people are sheltered in some way, the homeless populations in Newton and Brookline need transitional housing options with social services in order to transition out of shelters to permanent housing.

Price Assisted (Subsidized) Housing

As defined by HUD, subsidized housing that provides affordability assistance is available for households earning less than 30 percent AMI. Based on 2012 CHAS data analyzed earlier in this chapter, 3,475 Newton households earn less than 30 percent AMI. These households are the primary focus of the programs administered by the Newton Housing Authority, particularly housing units owned by the Authority and Section 8 Housing Choice Vouchers. Information provided by the Authority indicates that there are 134 housing units targeted to low-income households and family households throughout Newton. There are also 480 housing vouchers targeting income need including the Mass Rental Voucher Program run by the State's Department of Housing and Community Development (32 units) and the Section 8 Vouchers administered by the Authority (441). Between vouchers and units, 614 extremely low income (30 percent AMI) households are accommodated through solely income eligible housing assistance programs.

Given the level of housing cost burden discussed earlier in this chapter for both owner and renter occupied units in Newton and waiting lists for existing vouchers and units, additional assistance for extremely low income households would be beneficial. However, it is difficult to determine how many of the 3,475 households identified by CHAS are retiree and senior households that have little annual income but have substantial wealth (most likely through the value of their home) and do not require assistance. Therefore, while there is a need for additional housing that is affordable, it is difficult to determine the extent of this need in terms of additional subsidized units or vouchers. It is likely the existing need in Newton is much greater than the existing supply.

4 strategy recommendations

INTRODUCTION

Throughout the process of developing this Housing Strategy, there was one point on which there seemed to be nearly unanimous consent: it is a core value of the City of Newton that it is a diverse and inclusive community, a place of opportunity where a person or a family of modest means can arrive and find a pathway to success. In order to maintain this value, to be diverse and inclusive, the City must offer a range of housing types and affordability. Newton is located in a highly successful region that attracts talented people from all over the globe. However, with a severely constrained local and regional housing supply, maintaining diverse and affordable housing choices will require Newton to support new housing development.

From comments made in public meetings and the many interviews that RKG conducted for this housing study, Newton clearly prides itself as an advocate for economic, racial, and cultural diversity. City government has several boards and commissions whose duties relate, in varying ways, to encouraging and protecting diversity, e.g., Fair Housing Commission, Human Rights Commission, and Housing Partnership. The Housing element of the City's 2007 Comprehensive Plan leads with an idea paraphrased from an earlier report, *A Framework for Newton Planning* (2001):

> **"We are committed to providing housing which matches the economic and social diversity of our City and responds to under-served citizens."**

Newton's past efforts around economic, racial, and cultural diversity have earned it a national reputation as a community of inclusion. However, the continued growth of housing market imbalance locally and regionally has eroded the City's economic diversity. Only proactive action by the City can address this decline.

Newton's past efforts around economic, racial, and cultural diversity have earned it a national reputation as a community of inclusion. However, the continued growth of housing market imbalance locally and regionally has eroded the City's economic diversity. Only proactive action by the City can address this decline. The data presented in this report show a clear pattern of declining economic diversity, and this pattern correlates strongly with rising housing costs. The fact is that the wealthiest people in the Boston region get first choice on where they live by virtue of their ability to outbid households of lower incomes for the homes they want. It is a testament to Newton's desirability as a community that those people have chosen Newton. The result, though, has been declining diversity that can only be addressed through proactive action by the City. To be clear, Newton cannot solve the problem of the region's housing crisis alone. There is simply

not enough space to reasonably accommodate the housing needed to begin to control regional housing costs. Given its location and resources, though, Newton can play a part and, at the same time, preserve some level of housing diversity and affordability within its own borders.

The strategy is simple: build more cost-diverse housing and preserve affordable housing where it exists. The challenge is in implementation. Newton must remain committed to the City's high standards for design and quality of life. Housing, especially for the most vulnerable populations, must be located so as to maximize access to resources and individual choice. The following are a set of Housing Principles to guide implementation decisions, drawn from feedback received during this process and from existing sources such as the *2007 Comprehensive Plan*.

NEWTON'S HOUSING STRATEGY PRINCIPLES

- **Pursue diverse housing choices to meet changing housing needs of a diverse population.**

  As a City that is predominantly composed of single family homes, Newton's current design essentially serves households of similar disposition and stage of life. A diverse population is best served by a diversity of housing choices. In particular, Newton's growing senior population would be well served by increasing the supply of single level, elevator served residences in walkable and transit accessible locations, with design features as outlined in the Council on Aging's Age Friendly Housing Checklist.

- **Locate housing to promote access and choice.**

  The cost of transportation is a significant component of the total cost of living for any given location. When housing is located in walkable, transit-accessible locations, people have more transportation choices and this, in turn, helps to manage the high cost of living in communities like Newton. At the same time, choice also includes providing a mix of housing in all parts of the City. Integrating lower-cost housing into a variety of market areas and neighborhoods across the entire city will help promote a stronger sense of community.

- **Balance Housing Needs with the Need for Commercial Space.**

  Almost all of the market-appropriate parcels available for new housing development will require redevelopment from the existing use. Commercial properties are often presented as the best options to expand housing choices, and in some cases, they are. The City must recognize and balance the need for commercial space in the City, which is generally in limited supply. In transit-accessible and walkable locations, mixed-use buildings offer an opportunity to retain or expand commercial space while also gaining additional housing options.

- **Seek high-quality design that is responsive to context.**

  Newton's sense of place – the inherently unique attributes of its natural resources and built environment – is one of the City's strongest assets. New housing should contribute to that asset by respecting the context of the place where it is located. Village centers that are predominantly one- and two-story buildings must be able to evolve, including with new, taller buildings, but those buildings should use architectural styles and materials to reflect the surrounding context.

- **Maintain a process that is predictable and efficient.**

  The City's regulatory environment currently makes development (and redevelopment) overly complicated and challenging. RKG and Sasaki heard concern about the 'politicizing' of development numerous times. While having oversight is important—particularly on large-scale, transformative projects—the City's current regulatory process can sometimes lead to decisions that are inconsistent with existing Council-approved strategies and plans. To this point, a number of these recommendations are targeted at positioning the City to be more predictable in reviewing projects that meet local need and vision.

- **Pursue green design.**

  In the era of concern about issues of climate change, local environmental health, and conservation of natural areas, it is important for Newton to encourage green design in new development. Green design includes both technological solutions for reducing energy and water usage and reducing the environmental impacts of a project as well as placing new development in locations that promote alternative forms of transportation and reduce the need to create housing on greenfield locations on the periphery of the region.

Unfortunately, there are conflicting views about how the City should address housing needs and the kinds of opportunities the City should pursue to address those needs. Like other cities, Newton controls housing production through land use regulations; the use of public resources such as City-owned land, the Community Preservation Act (CPA), and federal HOME Investment Partnership Program; and the policies and priorities of the City Council – policies that directly affect planning, zoning, and administration. The Mayor can weigh in and is responsible for approving federal housing grant funding. Each of these tools affects the City's ability to preserve existing housing, encourage new housing, and promote housing choice in Newton.

At all of the public events conducted for this housing plan, question-and-answer periods drew comments in support of housing preservation and development and comments in opposition to housing preservation and development. A number of attendees at the site analysis charrette (November 2015) said they were uncomfortable allocating housing throughout the City because they did not support *any* new housing construction. In February 2016, the consulting team administered a survey to follow up on findings from the site analysis charrette. The survey garnered 475 responses from Newton residents. For the questions that focused on support for preservation and new construction of housing, the divided responses reinforce how conflicted Newton is about housing. Approximately 90 percent of the survey respondents supported housing preservation strategies while only 60 percent supported housing growth through redevelopment or new construction. The concept of using housing preservation/development to meet the existing need within Newton was ranked in the top three most important *and* the top three least important concepts of the eleven considered. Clearly, housing preservation and development remains a divisive issue in Newton.

The current special permitting process is inefficient and too unpredictable, creating undue risk on residential development. The lack of consistency and predictability has diminished the City's ability to encourage and expect price diverse projects. For Newton to achieve greater housing affordability, the special permitting process needs to change. The greatest potential to improve the process is to administer the special permit process decision making process outside the political arena.

The current special permitting process is inefficient and too unpredictable, creating undue risk on residential development. The lack of consistency and predictability has diminished the City's ability to encourage and expect price diverse projects. For Newton to achieve greater housing affordability, the special permitting process needs to change. The greatest potential to improve the process is to administer the special permit process decision making process outside the political arena.

The City needs a four-part strategy to address the housing needs identified both in this report and related studies such as the FY16-20 Five-Year Consolidated Plan and 2007 Comprehensive Plan. The following represent options for the City to consider toward building a more diverse and affordable housing supply. They have been divided into four categories: Policy Changes, Financial Assistance, Engagement, and Preservation.

STRATEGY 1: POLICY CHANGES

In Newton, any residential development of three or more units requires a special permit. Since the City's supply of readily developable land is exhausted, any major development project in Newton is guaranteed to involve the repurposing of existing built assets, so the projects are complicated, expensive, high risk, and visible to many people. The 24-member City Council controls the special permit process, a condition that makes permitting and politics virtually inseparable. In many ways, Newton has created an environment in which developers will take the risk of a contentious Chapter 40B public hearing process with the Board of Appeals as a preferred path to the unpredictability of the City Council's permitting process. This challenge surfaced in the Council's prolonged (and often contentious) permitting process for the proposed mixed-use project on Austin Street. Special permits are an important tool for managing the impact of growth and change, but they are no substitute for a fair, transparent decision process based on clear standards. Newton needs a different approach to zoning and permitting: a clear, prompt, standards-based, transparent process with decisions by authorities outside the political arena.

Background

Except for the City of Boston, all cities and towns in Massachusetts are subject to G.L. c. 40A, the Zoning Act ("Chapter 40A"), which provides authority for some types of land use regulation and curtails or outright prohibits others. While other state laws affect development in Massachusetts cities and towns as well (i.e. Subdivision Control and laws to protect the environment and public health) zoning is Newton's most powerful regulatory tool because the city is substantially built out. Virtually all of the opportunities to create housing in Newton today involve sites with existing uses and infill development on small pockets of land.

Chapter 40A imposes the framework for adopting and administering zoning and it protects certain activities from local control, but zoning practices vary widely from place to place because Massachusetts is a constitutional home rule state.[1] Other than abiding by the limitations in Chapter 40A (as reinforced or expanded upon by the courts), communities are free to institute their own zoning policies. Ideally, those policies echo the goals of the local comprehensive plan. Since Massachusetts does not require communities to adopt zoning that is consistent with their comprehensive plans, many communities have plans that have not been updated in a long time, and often the plans they have are simply forgotten. However, Newton's charter does require such a plan. The most recent comprehensive plan was adopted in 2007 following a five-year effort by citizen planners and City staff.[2]

Newton recently reorganized and updated the Zoning Ordinance, Chapter 30, with the goal of improving clarity, internal consistency, and ease of use. The new ordinance marks the first part of a three-phase process to bring Newton's zoning in line with the 2007 Comprehensive

[1] Differences can also be found between cities and towns. While state law requires town bylaws to be reviewed and approved by the state Attorney General, no such oversight applies to zoning ordinances enacted by a city council or board of aldermen. Unless overturned in court, city ordinances enjoy a presumption of consistency with Chapter 40A and case law.

[2] *Newton Comprehensive Plan*, Adopted November 19, 2007; Amended November 7, 2011. Prepared by the Mayor's Comprehensive Plan Advisory Committee.

Developing housing in Newton cannot, and will not, happen simply by creating a housing strategy. This Housing Strategy must be viewed as the beginning of an on-going dialogue with developers, elected and appointed officials, and the community-at-large around the issues of housing development in Newton. The lack of housing choice across greater Boston and in Newton is a critical issue. Housing supply has not kept pace with need, impeding regional and local economic development, limiting choices for seniors as they age and for young people as they seek to form new households, and effectively maintaining an environment of de facto economic and racial segregation.

Plan.[3] It provides for twenty use districts in three "umbrella" classes (Public Use and Open Space Districts, Residence Districts, and Business, Manufacturing, and Mixed-Use Districts) and four overlay districts, all pertaining to accessory dwellings. Some type of housing is allowed in every district except Business 5 (BU5), Manufacturing (M), and Limited Manufacturing (LM). In Newton, the City Council holds exclusive authority to grant special permits for any type of development. **Among the features built into the Newton Zoning Ordinance is that proposals to build any type of housing other than single-family dwellings will be vulnerable to permitting delays, an unpredictable decision-making process, and considerable expense.**

Regulating Housing Development

As shown in Table 4.1, Newton's three single residence districts have identical use regulations. The only meaningful difference between them is density, with SR1 being the lowest density district (25,000 sq. ft. minimum lot area) and SR 3, the highest (10,000 sq. ft. minimum lot area). Newton allows just one residential use by right in the SR districts: detached single-family dwellings. The Multiple Residence Districts (MR 1 – MR 4) have almost identical lot regulations and height limits, but the setback requirements differ.

These districts also have somewhat different use regulations. Under Newton's revised zoning ordinance, the City uses specific residential and nonresidential building types to describe what can be built in each district. The building types are defined in words and illustrated with drawings, which should help to clarify the City's intent. However, comments at public meetings indicate there continues to be confusion about which uses are allowed in each respective zoning district throughout the community. Detached two-family dwellings are allowed by right and attached single-family dwellings are allowed by special permit in all four MR districts, but multi-family dwellings are allowed only in MR 2, 3, and 4 (See Section 3.4.1, Newton Zoning Ordinance). The difference in density is noteworthy: a minimum of 5,000 sq. ft. per unit for attached single-family dwellings in MR 1-4 versus a minimum of 1,000 to 3,000 sq. ft. per unit for multifamily dwellings in MR 2-4.

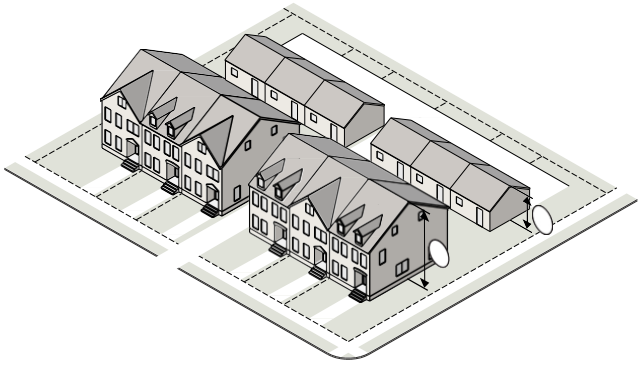
[3] Zoning Reform Final Report (December 31, 2011), 1.

Table 4.1
Summary-Level Use Regulations: Housing Types by Zoning District

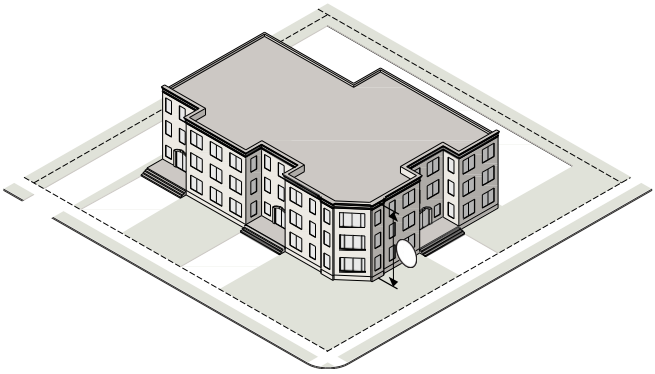
	Use Districts								
Residential Use	**SR 1,2,3**	**MR-1**	**MR-2**	**MR 3-4**	**B 1,2,3,4**	**MU1**	**MU2**	**MU3**	**MU4**
Single-family, detached	P	P	P	P	L	N	N	N	N
Two-family, detached	N	P	P	P	L	N	N	N	N
Single-family, attached	SP	SP	SP	SP	N	N	N	N	N
Multi-family dwelling	N	N	SP	SP	N	N	N	N	N
Unrelated people in shared housing	SP	SP	SP	SP	N	N	N	N	N
Boarding house	N	SP	SP	SP	N	N	N	N	N
Congregate living	SP	SP	SP	SP	N	N	N	N	N
Dormitory (5-20 people)	SP	SP	SP	SP	N	N	N	N	N
Dormitory (20+ people)	L	L	L	L	N	N	N	N	N
Cluster development	SP	SP	SP	SP	N	N	N	N	N
Residential care facility	N	N	N	SP	N	N	N	N	N
Residential use above ground floor	N	N	N	N	L	SP	L/SP	P	P
Residential use, ground floor	N	N	N	N	SP	SP	SP	P	SP
Assisted living, nursing home	N	N	N	N	N	N	N	SP	SP
Elderly housing with services	N	N	N	N	SP	N	N	N	N
Live/work space	N	N	N	N	N	N	N	P	P
Single-room occupancy	N	N	N	N	N	N	N	SP	N

Source: Newton Zoning Ordinance, Sections 3.4 and 4.4.

KEY:
P=Allowed by right
L=Allowed under listed standards;
SP=Special permit from City Council required
L/SP=Limited under certain circumstances, otherwise requires special permit



Single-family attached dwelling; allowed in MR 1, 2, and 3.
Source: Newton Zoning Ordinance, Sec. 3.2.4.



Multifamily dwelling; allowed in MR 2, 3, and 4.
Source: Newton Zoning Ordinance, Sec. 3.2.6.

Other than large single-family homes, the current zoning code (and subsequent descriptions) are vague, and create confusion about the City's true intent and desire for new residential development. Effective regulation is fair and predictable. Applicants seeking approval for any type of development should be able to understand what they need to do, abutters should be able to predict what their neighborhoods will look like, and the community as a whole should be able to understand what the future will probably look like. Inconsistencies between planning documents, the City's current code, and how it is being applied has adversely affected realities and perceptions about residential development in the City. The only constant has been the substantial cost of getting development approval due to the unpredictability of decisions. Unfortunately, this also has led to appeals.

To meet the housing needs identified and documented in this report, the City should consider the following priorities for zoning reform:

1. Implement the Comprehensive Plan by increasing the proportion of residential development applications and types of residential uses that can be approved by right rather than through special permit, variance, or comprehensive permit. The City can replace its existing permitting framework with performance standards and administrative review processes that can eliminate the need for City Council review. At the very least, the City should establish a 'small project' threshold (some number of units) that enables an administrative approval rather than a full special permit/variance process.

2. Consider empowering the Planning and Development Board (or create a new Planning Board) to act as the kind of Planning Board found in other cities and towns, with responsibility for comprehensive planning, administrative site plan review, and authority to grant special permits for uses requiring a special permit.

3. Create a small projects site plan review process ("minor site plan review") that can be administered entirely at the staff level in the Planning Department.

4. Change the MR district use regulations to allow detached single-family dwellings as of right (subject to site plan and design review) and multifamily dwellings by special permit in the MR1 district, but allow multifamily dwellings by right in all MR districts if 20 percent of the units are affordable (see Inclusionary Zoning discussion, below). The City could establish other standards that multifamily dwellings would have to meet in order to qualify for as of right approval, subject to Site Plan Review, in the MR districts. Newton needs to create conditions for predictable permitting while being flexible enough to consider worthy projects that need waivers but nevertheless would provide a public benefit. The ability to develop multifamily housing will be key to addressing Newton's unmet need for housing choices at all market levels. Under the City's present zoning scheme, it is impossible for developers to anticipate how many hurdles they will have to clear, and how much time will be required to do so, before they can obtain a special permit from the City Council – if they can obtain one at all. There seems to be a perception in Newton that the power of a special permit is the only means to protect the City from unwanted growth. However, the same special permit that makes development planning so difficult in Newton also provides no predictability for existing residents.

5. Clarify and streamline the approval process for accessory dwelling units (ADU). An ADU is one of the most innocuous ways to create a modest increase in supply, and also creates opportunities for seniors to remain in place as they age.

Inclusionary Zoning

As one of the early pioneers with Inclusionary Zoning (IZ) in Massachusetts, Newton is sometimes looked to by other cities and towns that want to promote mixed-income neighborhoods and provide a range of affordable housing. In practice, however, Newton's IZ ordinance has not been as productive as some other IZ ordinances in Massachusetts and beyond. Since its enactment in 1977, Newton's IZ ordinance (Section 5.11) has produced approximately 310 housing units, though only 147 are still "affordable," i.e., protected by deed restriction. Many have been lost to expiring use restrictions and there are also approved units that have not been built. Newton could take steps to make its zoning a more effective agent of affordable housing development.

The IZ ordinance in Newton applies to any residential development requiring a special permit (three or more units) and mixed-use developments as well. It imposes an "across-the-board" minimum of 15 percent affordable units per project. Like most communities with some type of zoning for affordable housing, Newton offers developers flexibility to comply with the ordinance. For example, developers can include affordable units in their projects or partner with a non-profit organization to build affordable units on another site in Newton. Alternatively, they can pay a fee in lieu of units into a fund established by the City Council, though the cash payment option is intended for small projects (not more than six housing units). Revenue from fees paid by developers is shared equally by the Department of Planning and Development and Newton Housing Authority to build, purchase, or rehabilitate affordable housing.

Newton defines "affordable housing" in a manner consistent with Massachusetts state policy and most federal housing programs. The maximum household income for affordable for-sale units is 80 percent of the area median income (AMI), adjusted for household size, for the Boston metro area as determined by the U.S. Department of Housing and Urban Development (HUD). Affordable sale prices cannot exceed an amount that would be affordable to a household with income at 70 percent AMI, assuming a maximum monthly housing payment equal to 30 percent of the buyer's monthly gross income. The difference between pricing a for-sale unit at 70 percent AMI and capping an eligible homebuyer's income at 80 percent AMI is a cushion to protect the unit's long-term affordability against market and interest rate fluctuations. By contrast, the maximum affordable rent for IZ rental units is based on household income at 65 percent AMI, adjusted for size, assuming 30 percent of the tenant's monthly gross income for rent, basic utilities, and one parking space.

The City should avoid imposing overly demanding affordability requirements on small developments – a decision that could invite unwanted consequences and discourage investment in small-scale, neighborhood-sensitive projects . . . Chances are that if the City dealt with the housing development community in a fair and open way, developers would identify some opportunities that should be considered.

It may be tempting to argue for a uniform increase in the minimum percentage of affordable units in IZ-covered projects, but we would advise the City to resist that temptation. For multi-family dwellings in larger-scale projects, a policy change makes sense. However, the City should avoid imposing overly demanding affordability requirements on small developments – a decision that could invite unwanted consequences and discourage investment in small-scale, neighborhood-sensitive projects. City officials would be well advised to convene a developers' roundtable to vet any substantive IZ changes before amending the ordinance. Chances are that if the City dealt with the housing development community in a fair and open way, developers would identify some opportunities that should be considered.

Flexible Income Targets

The City could provide flexibility for developers and also address housing needs by allowing a smaller percentage of units if affordability is set to a lower threshold (i.e.50 percent AMI) or requiring a greater percentage for workforce housing (i.e. 100 to 120 percent AMI). This type of approach can help to increase the feasibility of development by allowing developers to tailor their income targeting on a project-by project basis to the financial necessities of a given site. The City already provides for mixed income targets in IZ rental developments, i.e., half of the affordable units priced for households with incomes at 50 percent AMI and half for households with incomes at 80 percent AMI. However, more deeply affordable units could be encouraged by dropping the required percentage of affordable housing from 15 percent (required today) to as little as 5 percent for units priced for households with incomes at 30 percent AMI (Santa Monica, CA).

Density Bonuses and Other Cost Offsets

IZ ordinances almost always produce some affordable units when communities provide meaningful cost offsets: mechanisms to reduce the developer's loss from the sale or rental of affordable units. Cost offsets are like a pact between communities and housing developers in that the city or town pledges additional market-rate product in exchange for the public benefit of affordable housing. The most common cost offset is a density bonus, typically expressed as a ratio of additional market rate units or floor space for each new affordable unit. (Cambridge, MA) Density bonus ratios of 2:1 are fairly common in the U.S. Other types of cost offsets include waivers of building permit fees and utility hookup charges for affordable units. Another type of cost offset, the tax incentive, operates independently of zoning but is triggered by some kind of zoning approval that specifically requires inclusionary housing. (Amherst, MA)

Flexible Affordable Housing Requirements

Newton is not the only community with an "across-the-board" minimum percentage of affordable units (15 percent). To make IZ as simple as possible and avoid over-concentrations of affordable housing in some areas, many cities and towns opt for a uniform percentage of affordable housing in any development that has to comply with IZ requirements. However, not all communities impose the same IZ requirements city- or town-wide, opting instead for graduated percentages based on a district's allowable density and permitted residential uses, access to transportation or goods and services, or proximity to some type of public amenity. Some ordinances link the required percentage of affordable units to the size of a project, e.g., larger developments have to provide a larger share of affordable units than small developments. (Highland Park, IL) Outside of Massachusetts – that is, in areas not subject to Chapter 40B – it is very common to find IZ ordi-

nances requiring smaller shares of affordable housing than communities within Massachusetts. There may be some connection because Massachusetts communities usually require IZ units to qualify for listing on the Chapter 40B Subsidized Housing Inventory (SHI).

Credit for Excess Production

IZ can be challenging for many developers, but it is possible to encourage affordable housing by offering an incentive for projects to exceed the minimum required 15 percent. Developers sometimes find this type of incentive helpful for dealing with difficult-to-develop sites or oddly shaped parcels that cannot accommodate the density allowed in the particular zoning district. The incentive is a housing production credit for the additional units produced on a site where more affordability can be achieved. The developer could use the credit to meet the IZ requirement in another project in the same zoning district or neighborhood (within a specific period of time, usually five years), or sell the credit to another developer who may, in turn, use it to satisfy the IZ ordinance. The main beneficiaries of housing production credits are non-profit developers because they almost always create more affordable units than a zoning ordinance or bylaw actually requires. (Beverly, MA)

Off-Site Affordable Units

Sometimes developers can create more affordable housing and meet a community's goals by placing affordability restrictions on existing, market-rate homes. If given a meaningful option and an efficient permitting process for doing so, developers may be willing to increase the number of affordable units they provide in Newton. Moreover, preserving existing homes with affordability restrictions could help to preserve some of the small, older homes that Newton residents say the City is rapidly losing to teardown/mansionization projects. There is a policy challenge with off-site affordable units – encouraging inclusive, mixed-income neighborhoods and preventing geographic concentrations of affordable housing – but this tension can be addressed in an IZ ordinance.

Make off-site affordability easier by shifting the discretionary special permit to "by right" approval for certain alternative compliance options. Automatic approvals could encourage more developers to pursue a higher-yield, off-site production option by making the affordability requirements more predictable.

Newton could consider making off-site affordability easier by shifting the discretionary special permit to "by right" approval for certain alternative compliance options. Automatic approvals could encourage more developers to pursue a higher-yield, off-site production option by making the affordability requirements more predictable. The City could continue to promote the objective of mixed-income neighborhoods by requiring off-site units (new construction or acquisition of existing homes) to be located in the same zoning district, neighborhood, or village center as the market-rate development. Whether permitted by right or special permit, projects relying on existing housing for off-site units should demonstrate that they meet a set of City-adopted minimum housing quality standards. The City needs to take reasonable steps to protect moderate-income homebuyers from inheriting capital improvement problems they would not have encountered in new on-site IZ units.

Pocket Neighborhoods

Newton has potential opportunities for small, scattered-site, "informally affordable" housing throughout the City. However, existing zoning does not support the formation of "pocket neighborhoods" or enclaves with anywhere from ten to twenty mixed residential units: cottages, two-family, and multifamily dwellings with an overall average of 2,500 to 4,000 sq. ft. of land per unit. This type of development could generate some IZ units, but the City should continue to think about how it can cultivate a base of housing that serves a variety of household incomes and household types. The pocket neighborhood concept may offer some possibilities to create lower-cost housing ("lower" relative to Newton's high-end single family homes), but it would clearly help to address needs for housing types that are in short supply. To provide for some pocket neighborhood developments, the City could amend its Zoning Ordinance to allow up to twenty units by right in multifamily dwellings or in projects with a mix of housing types in the MR districts, subject to Site Plan Review, at an average density of one unit per 3,000 square feet.

Chapter 40B

One method currently available to relieve the unpredictability of seeking a special permit from the City is a comprehensive permit under G.L. c. 40B, §§ 20-23 ("Chapter 40B"), the Comprehensive Permit Law. Newton has received numerous comprehensive permit applications in the past few years. Particularly for affordable housing developments, Chapter 40B has been the preferred permitting path rather than the more unpredictable special permit process. Often, a comprehensive permit is the only way to achieve enough density to make affordable or mixed-income housing economically feasible. This is especially true for developments that provide housing for extremely low-income and low-income households: groups whose needs are rarely addressed by inclusionary zoning and other types of zoning for affordable housing.

Chapter 40B authorizes the Zoning Board of Appeals (ZBA) to grant a single "comprehensive permit" that incorporates all local requirements normally handled by multiple boards and departments. A comprehensive permit is a unified permit, (i.e., a single permit that includes the approvals required under zoning and other local regulations). By designating one municipal board to administer the permitting process, the state legislature hoped to reduce low-income and minority concentration areas in central cities and provide more housing choices in suburbs and small towns. Under Chapter 40B, the ZBA may approve, conditionally approve, or deny a comprehensive permit, but in communities that do not meet the 10 percent minimum, developers may appeal to the state Housing Appeals Committee (HAC). ZBAs in communities that exceed the 10 percent minimum can still grant comprehensive permits, but if they deny a permit or impose potentially "uneconomic" conditions on a permit to build affordable housing, the developer no longer has recourse to the HAC.

Chapter 40B promotes the idea that every community should provide its regional "fair share" of housing for low- or moderate-income people. The law has been in effect since November 1969. The regional fair-share standard is met if at least 10 percent of a community's year-round housing is affordable to low- or moderate-income people and protected by a long-term deed restriction approved the Massachusetts Department of Housing and Community Development (DHCD). More recently, Newton officials have relied on a lesser-known provision in Chapter 40B to assert that Newton has met its regional "fair share" under Chapter 40B. This provision, known as the 1.5 percent general land area minimum or the 1.5 percent rule, was rarely invoked by cities

and towns in Massachusetts until a few years ago. It has been the basis for litigation in a few communities, including Newton. In a community that actually meets the 1.5 percent rule, the Board of Appeals can deny a comprehensive permit without fear of its decision being overturned by the HAC. Howver, while determining whether a city or town meets the 10 percent minimum is fairly straightforward, that is not the case for the 1.5 percent rule. Absent clear guidelines from the state for calculating the general land area ratio, communities have been trying to arrive at an answer on their own, all using different methods to achieve that end. Unfortunately, invoking the 1.5 percent rule without really knowing if it applies simply contributes to more delays in the permitting process and does not encourage developers to propose affordable housing.

Procedural problems and litigation aside, there are policy issues that communities can address in order to make Chapter 40B a more effective tool for affordable housing producton. Many communities do not make it clear what they hope to accomplish from the development process - any type of development, including but not limited to affordable housing. Any community expectations have to be anchored in economic reality. Having clear guidelines with text, photographs, and maps that developers can consider in the early stages of planning their projects could help to reduce some of the tension in Newton about Chapter 40B and possibly help the City negotiate better developments.

The ZBA is responsible for adopting Chapter 40B administrative rules and managing the comprehensive permit process in accordance with DHCD regulations and guidelines. Newton's ZBA has adopted local rules and provides developers with an application package that is tailored to Chapter 40B requirements and decision criteria. The local rules are similar to the process outlined in DHCD's Chapter 40B Regulations (760 CMR 56.00). Local *project review guidelines* serve different purposes, however:

- To inform developers about the City's affordable housing concerns and priorities, and
- To provide criteria for boards and staff to use when they review comprehensive permit applications and provide comments to the ZBA.
- To implement a housing plan or local comprehensive plan.

Ideally, comprehensive permit guidelines should be developed by a working group of City staff, knowledgeable housing advocates, representatives of the City Council, developers, and others. Guidelines usually cover matters such as priority housing needs, the scale and density of developments, design review, areas of the City that may be suitable for moderate- to higher-density development, and so on. The goal is a set of guidelines that help to unify the City's approach to comprehensive permit reviews and provide clear direction to prospective developers. Guidelines defined for Newton should be consistent with the principles detailed earlier in this chapter.

STRATEGY 2: FINANCIAL ASSISTANCE

Creating the new housing supply necessary to preserve Newton's diverse community character will require that the City take on an active role in housing production. This role will range from partnerships similar to that with Austin Street Partners for the Austin Street project in Newton-

ville to the more limited role of simply providing funding as the City has for a number of different small-scale housing development projects like the Myrtle Village project on Curve Street. In some cases, the City may even act as the developer, an idea being piloted with the Crescent Street project. In each case, the Planning Department and City Council will work closely to advance high quality projects that bolster the economic fortunes of Newton's village centers and contribute to the aesthetic quality of the City's built environment.

As an "entitlement" recipient of Community Development Block Grant (CDBG) funds and lead community for the thirteen-member West Metro HOME Consortium, Newton controls approximately $3.4 million in federal dollars from HUD, including resources administered on behalf of Consortium members. Newton also administers funds for emergency sheltering, transitional housing, and supportive housing (approximately $1.7 million) as a member of the regional Continuum of Care (CoC). These federal funding sources are administered under five-year and one-year plans that Newton is required to file with HUD. The most recent Five-Year Consolidated Plan was completed in 2015. In addition, the City administers cash payments from developers under the IZ ordinance (approximately $175,000), and Newton is one of 160 cities and towns that have adopted the Community Preservation Act (CPA). By law, at least 10 percent of the City's CPA funds must be used in support of "community housing," i.e., housing affordable to people with incomes at or below 80 percent AMI or under 100 percent AMI.

One of the greater housing challenges in Newton is meeting the needs of homeless families and individuals. The City is currently the lead entity for the Brookline, Newton, Waltham, and Watertown Continuum of Care (CoC), a group of municipal and service provider representatives working to end homelessness in the CoC area, and yet, there are few homeless shelter services within the City. The challenge homelessness presents and the role that Newton plays is one that will necessarily require an active role from the City. Newton, under the leadership of the Executive Office and working with the Crittenden Women's Union in Boston, is looking at an approach that puts the needs of homeless families and individuals first, seeking opportunities to create permanent and transitional housing opportunities connected to a full suite of services that can help people reach stability and independence. This housing strategy includes pursuing this housing and services together approach at one or more locations in Newton.

In 2004, the state legislature enacted G.L. c. 44, § 55C to give cities and towns access to an effective, independent agent for creating affordable housing. Newton does not have one. The City should establish a politically neutral vehicle for investing funds such as Community Preservation Act (CPA) revenue and inclusionary zoning fees in affordable housing development.

It may seem that Newton has a large amount of money at its disposal for affordable housing, but relative to the needs that exist in Newton, the available funds are quite limited. Taking steps to ensure that the City's funds are used efficiently and targeted to meet the most critical needs will help Newton manage the resources it has and treat potential users of federal, state, and local dollars fairly.

Competitive Funding Process

As already planned, Newton should institute an annual or semi-annual funding round with a Request for Proposals (RFP) process that identifies the City's affordable housing priorities and encourages proposals from responsive development partners. There are plenty of examples of Notice of Funding Availability (NOFA) processes in U.S. cities that administer federal funds. The challenge for Newton will be to arrive at an RFP package that addresses local needs, is consistent with the City's HUD Consolidated Plan, affirmatively furthers fair housing, and is realistic from a developer's point of view. The goal is to increase the supply of affordable housing. In a community with Newton's extraordinarily high housing values, creating affordable housing is very difficult. Costs per unit will be high, especially for housing that addresses worst-case needs and provides permanent supportive housing for people with disabilities.

Like any type of procurement process, the RFP for affordable housing funds usually includes both minimum eligibility criteria and a set of competitiveness criteria. Proposals undergo a two-tier review process: an initial screening for eligibility, and for those deemed eligible, a more rigorous, qualitative review. The City needs to be careful to ensure that the qualitative review process is based on fair standards and administered impartially, and produces an index score that allows proposals to be rated and ranked. For example, a process with ten review criteria that are weighted by relative priority or importance might produce a moderately high raw score but a very high index score. The qualitative (policy) weights will be very important. Newton would be well advised to consult with non-profit developers and development consultants in the region before putting the finishing touches on any RFP for housing funds.

Municipal Affordable Housing Trust

Newton does not have an affordable housing trust fund. Apparently, establishing a housing trust fund has been under discussion with the City Council for the past several years. The sticking point appears to be how much authority the trustees should have (if any) over use of monies in the trust fund. If the City Council controls the trust fund instead, there would not seem to be a clear role for the fund's trustees.

In 2004, the state legislature enacted G.L. c. 44, § 55C to give cities and towns access to an effective, independent agent for creating affordable housing. Under the housing trust law, the trustees can acquire, hold, improve, manage, and sell real property; borrow funds and use trust assets as collateral; and provide funds to others for creation of affordable housing. Though communities can establish a municipal housing trust with fewer powers, they can also give the trust even more authority than the statute provides. Newton should establish a politically neutral vehicle for investing funds such as Community Preservation Act (CPA) revenue and inclusionary zoning fees in affordable housing development.

STRATEGY 3: ENGAGEMENT

Developing housing in Newton cannot, and will not, happen simply by creating a housing strategy. This Housing Strategy must be viewed as the beginning of an on-going dialogue with developers, elected and appointed officials, and the community-at-large around the issues of housing development in Newton. The lack of housing choice across greater Boston and in Newton is a

critical issue. Housing supply has not kept pace with need, impeding regional and local economic development, limiting choices for seniors as they age and for young people as they seek to form new households, and effectively maintaining an environment of de facto economic segregation. These are all difficult issues to grapple with, especially when the community must address concerns about traffic, schools, and the general quality of life and character of the City. The best path forward requires robust community engagement around projects, regulatory changes, and in promoting an informed conversation about housing in Newton.

Project-Based Community Engagement

The City should plan a community engagement program for all City development projects and regulatory changes. Appropriate members of the City Council and other key stakeholders should be consulted in the development of any individual engagement program and each program should be posted on the web so that the community can know what to expect as a process moves forward. Private developers should be encouraged to engage the community early in their process and the City should provide guidance towards the effectiveness of developer's process. To the greatest extent possible, housing should be regulated by ordinance rather than by special permit thereby creating a clear set of legislatively established rules and predictability for both the community and developers.

Housing Website

The City should create a housing website which, through data and infographics, with accompanying reports and background info, articulates the housing issue for Newton and the region so that community participants may be informed.

Regional Leadership

There are numerous municipalities and organizations working in the region on Boston's housing crisis. Newton should actively engage with these groups and look for opportunities to support State legislation and regional partnerships that support housing production.

STRATEGY 4: PRESERVATION

Many Newton residents and officials lament the loss of small, older housing units that have gradually given way to very large single-family homes, yet Newton's zoning encourages very large homes. The limited opportunities to build anything by-right coupled with the City's obvious preference for detached single-family residences contribute to the teardown trend. Furthermore, since Newton has so little vacant or underutilized residential land, the only sites available have existing houses. While the city has a Demolition Delay ordinance, the twelve-month delay that the Historical Commission can impose is unlikely to discourage teardowns. Newton's housing market is so strong that developers and homebuyers can simply wait out the delay period no matter how long it is.

Unfortunately, a full repeal of the right to demolish smaller houses to build back larger—or multiple—units could have substantial adverse effects on local property values, and therefore the City's fiscal health. The value of these particular properties is in the redevelopment potential, and not in the house itself. If the opportunity for redevelopment were taken away,

the property would need to be revalued based on a new owner occupant's willingness to pay. If the house held the value, owner occupants would be outbidding developers for these sites. Having to revalue a large numbers of properties within Newton would affect the existing owners (the value basis of their house will decline) as well as the City (real property tax revenue generated from these units). To this point, eliminating demolition/redevelopment in Newton seems unlikely.

Nevertheless, there are some steps the City can take to preserve housing affordability. They include:

- Continue to review the status of expiring use restrictions and, following the lead of other Massachusetts communities, work with the owners of expiring use properties to extend the term of affordability (possibly to make it perpetual).

- Allow accessory apartments as a way for Newton seniors to remain in their homes. Most notably, creating a process and reg¬ulatory environment that encourages and enables accessory housing units within con¬text of the scale of the existing neighborhood. Under current zoning policies, this approach will require a scaled set of regulations depend¬ing upon the zoning district in which any exterior accessory unit (i.e. granny pods) is being delivered. However, the City currently is considering a policy that removes many of the underlying physical restrictions for accessory units, making the process more predictable and efficient. Furthermore, the City will soon undergo a comprehensive zoning review. It is the recommendation of the RKG Team that implementing the current revision or embedding a more universal process for interior and exterior accessory units in the new zoning policy. If neither are implemented, then a the City should consider a scaled approach, particularly for exterior accessory units.

5 site & location analysis

INTRODUCTION

Sasaki Associates and RKG Associates worked with the City staff and the Newton community on assessing areas and locations within the City that could be candidates for new housing development. The process included a public workshop in November of 2015 and a community survey that was administered in February of 2016. The feedback from these efforts were layered on the physical analysis completed by Sasaki to identify prime locations to meet housing need and accommodate growth.

METHODOLOGY

The analysis is based on the following process and criteria for the citywide selection of general locations and specific sites considered appropriate for the development of housing over the next several years. The intent of this analysis is to qualitatively identify locations and sites well-positioned to accommodate new residential development and should not be understood to be an exhaustive account of all development/redevelopment opportunities within the City of Newton. Locations and sites will be identified and evaluated using criteria developed by the planning team and city, incorporating market findings, input from housing stakeholders, and feedback from community members and their elected representatives.

Housing Locations

The first stage of the housing location recommendations includes a citywide analysis of development/redevelopment opportunities based on a series of physical conditions. The purpose of this exercise is to identify general areas throughout the City of Newton where new housing units should be considered more thoroughly, and to identify what types of opportunities are best suited for those areas. The following conditions and criteria were used in identifying areas for the housing location recommendations.

- Proximity to transit,
- Proximity to public open space,
- Proximity to grocery stores and food markets,
- Proximity to retail/commercial areas,
- Historic development patterns, and
- Public priorities and preferences (as identified in the Housing Location Selection Workshop, the online survey, and meetings with Newton's public officials).

Locations throughout the city were identified in two ways:

- **Transformation Zones.** These zones are located in neighborhoods/locations throughout the city that have been identified as having a high potential for change over time. Transformation zones might have a surplus of underutilized land, have close adjacency to major thoroughfares/transit lines, or exist in an inefficient development pattern and could be reimagined with a greater density and/or mix of uses. For some of these areas, the City should consider master planning to coordinate opportunities,

infrastructure investment, and development policies/regulations.

- **Housing Opportunity Corridors.** These corridors are primarily situated along major thoroughfares, transit routes, and village centers. These corridors are presently lined with significant development, but by nature of their proximity to the city's employment and commercial areas, they could support infill development as properties become available or renovation/addition opportunities are identified. Densification could include new construction, reconstruction, renovation (higher density conversions), or additions to existing structures.

Housing location recommendations are identified on a citywide map (**Map 5-3**). This chapter includes descriptions identifying appropriate uses, housing types, and development strategies for the City to consider as it works to steer housing development in the future. Conceptual/prototypical massing will be produced for each area type (transformation zones and housing opportunity corridors) to illustrate development/redevelopment potential within recommended housing locations.

Site Recommendations

Using the findings from the housing location stage, Sasaki and RKG refined the analysis of development areas and recommend specific sites for further evaluation of their development potential. In addition to the criteria listed above, the site recommendations were informed by feedback received from public outreach efforts and meetings held with local public officials representing the City's eight wards. Additional factors considered include the following:

- Site availability/redevelopment potential
- Site ownership (public vs. private)
- Immediate context of uses/adjacencies
- Development/redevelopment suitability

Housing site recommendations are identified on a citywide map (**Map 5-4**) and are accompanied by a brief text description of the characteristics and development potential of each recommended site. Identification of sites for potential redevelopment is intended to help the City and the community to target and conceptualize redevelopment opportunities and should not be understood as an exhaustive account of all redevelopment opportunities.

WORKSHOP SUMMARY

On November 22, 2015, the City of Newton hosted a public workshop in order to engage residents in identifying potentially suitable locations across the City of Newton for the installation of new affordable and diverse housing units. The objective of the workshop was to elicit community opinions and preferences on locations, housing typologies, and general principles for increasing the supply of housing in Newton. The workshop was facilitated by RKG Associates and Sasaki Associates with support from the Newton planning department.

Approximately eighty residents attended the workshop. All were randomly assigned to one out of ten participant tables to complete the housing location selection exercise. Participants were asked to spend approximately fifteen minutes discussing the workshop's objective and organizing their thinking under a set of agreed upon principles for the siting of new housing in Newton. After reaching consensus on these principles, participants were asked to spend approximately forty-five minutes distributing LEGO blocks (of four varieties, each representing different housing types across a base map representing the City of Newton; see **Figure 5.1**).

The base map graphically depicted a number of criteria identified as important to the siting of new units of affordable housing by the planning team (i.e. areas in close proximity to transit, areas within walking distance of grocery stores, major commercial areas, etc.). Participants were asked to take these criteria into consideration when identifying locations for their LEGO bricks. Participants worked in teams ranging in size from six to ten, with each table having a staff member/members from the planning team or the City of Newton facilitating their work and fielding questions. Once their work was complete, each participant table was invited to present their principles and housing distributions to the convened participants. At the completion of the exercise, members of the planning team collected the listed principles and photographed the LEGO distributions of each table. The

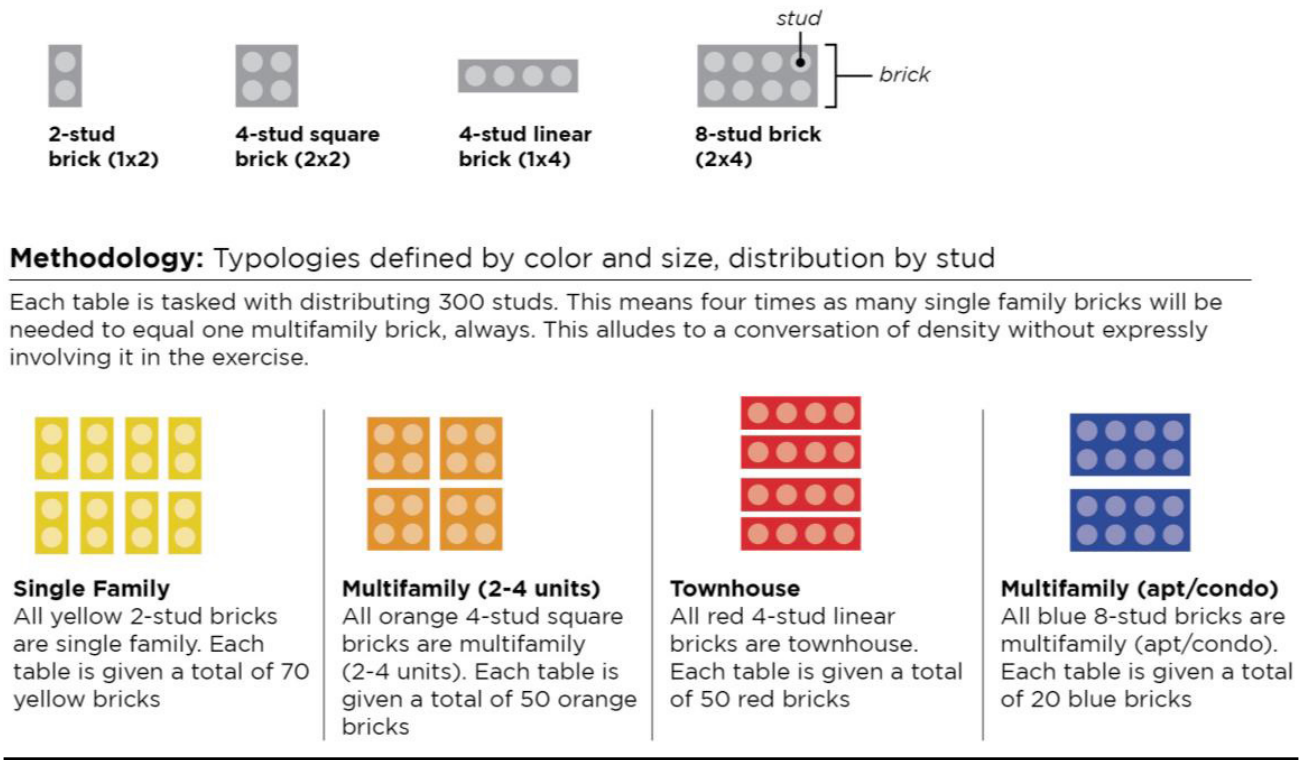


Figure 5.1
Sasaki Associates

analysis and key findings below were interpreted from these materials.

Housing Location Principles

In analyzing the principles drafted by each participant table, several themes were common throughout. The list below summarizes the most common principles in order of their prevalence across participant tables. For the purposes of this exercise, comments listed on the base maps and workshop worksheets that aligned with principles identified elsewhere were included in the tallies below.

- Allow accessory apartments (by-right, with appropriate regulation)
- New housing should be built in close proximity to transit
- New housing construction is appropriate in village centers
- New units should be accessible for seniors and those with disabilities (single-level units/ elevators)
- Green/open space should be preserved
- Transit service in the Oak Hill neighborhood should be improved
- New housing should be built in close proximity to retail/services
- Avoid/minimize tearing down existing housing stock
- New housing should be made available for families at a range of income levels
- New housing should be made available for families/people at different stages of life
- More multifamily housing should be built

Housing Location Selection Exercise: Observations and Trends

Several trends emerged in the analysis of the LEGO distributions of each participant table. After photographing each of the completed maps, the planning team was able to digitally combine the maps and overlay all ten tables' LEGO distributions atop a clean base map (**Map 5-1**). This technique allows the planning team to call out certain trends and areas of consensus among participant tables.

Summarized below are some of the key findings from across all ten participant tables.

New construction in village centers

Generally speaking, participants were comfortable with the idea of new multifamily and townhouse construction/conversion in the village centers. The single family typology was almost universally considered to be not appropriate within these denser mixed use areas.

Multifamily along major roadways and transit lines

The combined LEGO distribution map shows a clear interest in the siting of new multifamily typologies—particularly of the larger apartment/condominium scale—along Route 9 and Interstate 90. Some of this is preferred on the eastern edge of the city, in the Chestnut Hill mall area and Newton Center and in close proximity to other multifamily projects, and some on the westernmost edges of the city, surrounding the Riverside green line station and around the Auburndale neighborhood. Community participants also placed a great deal of the multifamily typologies (orange and blue bricks) within walkable distances of transit, with a particular interest in the MBTA green line and the MBCR line. Most of these bricks were clustered within or around village centers, with several following transit lines between village centers as well.

Accessory apartments throughout the city

Most of the participant tables expressed an interest in the allowance of accessory either by-right or through permitting, with a few stipulating a preference for strong architectural standards and zoning guidelines. For the most part, accessory apartments—represented by the single family typology (yellow bricks)—were scattered across the city, with the greatest concentrations occurring outside village centers and throughout the lower density neighborhoods.

Maintaining the density and character of neighborhoods

In both the principles and the LEGO distributions, it was made clear that the majority of participants wanted to maintain the density and character of neighborhoods as they exist. The greatest distributions of multifamily typologies occurred in the village centers and in neighborhoods where large-scale developments already exist, while the smaller-scale neighborhoods between village centers saw small-scale single family typologies distributed almost exclusively.

New housing sited near retail and services (grocery stores, schools, shopping, etc.)

Community participants made clear that they preferred new housing to be built in close proximity to retail and services. Several participant tables noted on their base maps and in their principles that greater grocery store access was important to them. Some neighborhoods—particularly in the south—were called out specifically as needing more grocery stores.

Infill development where possible

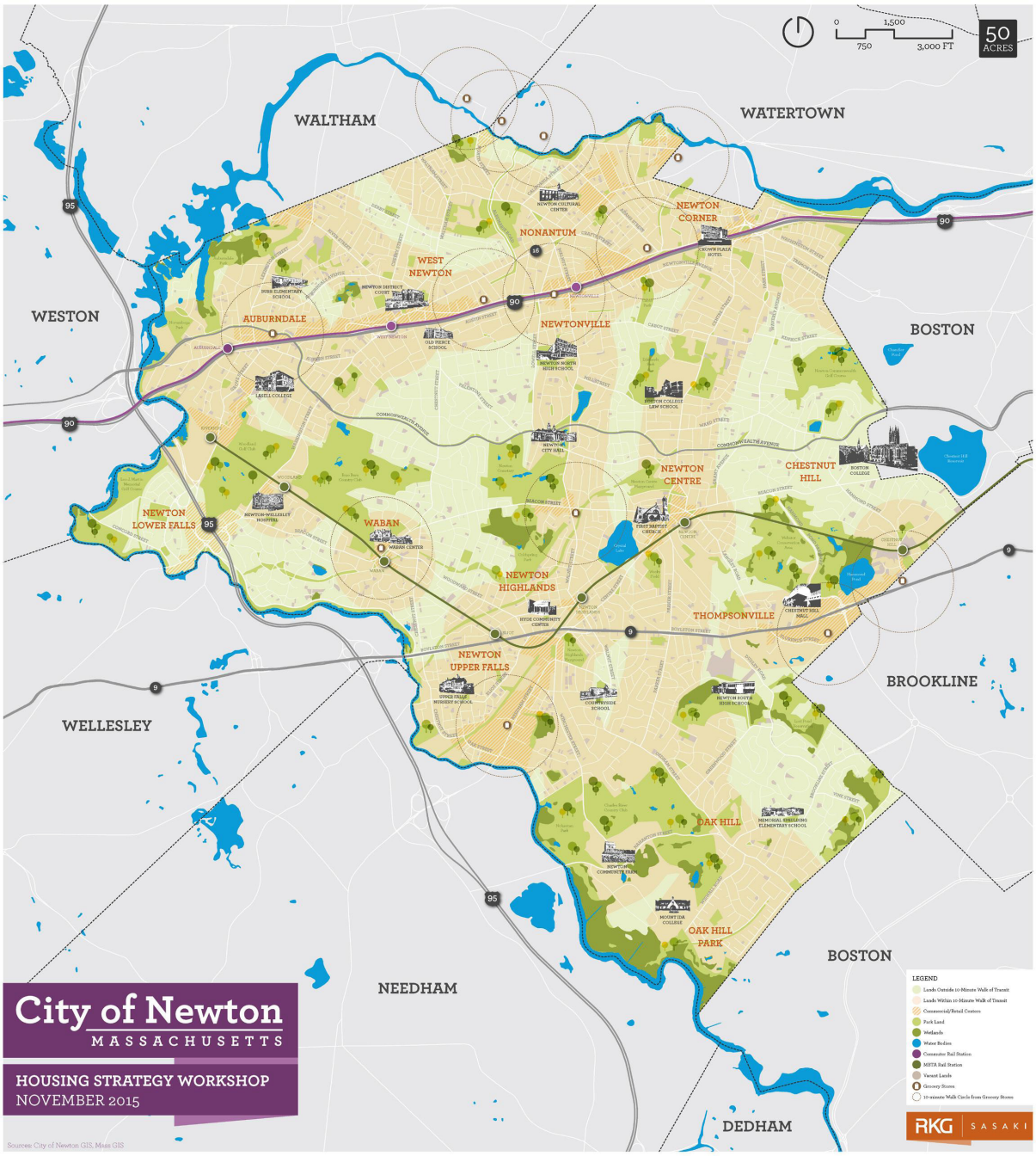
In several instances, the placement of smaller-scale housing typologies was meant to signify greater intensity within existing neighborhoods. This took on the form of accessory units, single-to-multifamily conversions, and new construction.

Housing Location Selection Exercise: Placement by Housing Type

Participants were instructed to use at least one of each of the four housing typologies when distributing LEGO bricks across the city map. The combined distribution map is included at the end of this section (**Map 5-2**). A full breakdown of the housing typology distributions by participant table is provided in the Appendix section.

Single Family (yellow bricks)

The single family typology accounted for 24 percent of the total number of studs and was mostly distributed across the lower density neighborhoods of Newton. Smaller-scale, older communities are largely composed of this typology already and have less redevelopment/growth potential, as they are already largely built-out. Several participant tables stated in their principles and in notes on the base maps and worksheets that they intended to suggest the creation of accessory apartments with the single family LEGO bricks. The distribution of these units throughout the city was relatively uniform.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NEWTONVILLE
NEWTON CENTRE
CHESTNUT HILL
NEWTON LOWER FALLS
WABAN
NEWTON HIGHLANDS
THOMPSONVILLE
NEWTON UPPER FALLS
BROOKLINE
WELLESLEY
OAK HILL
OAK HILL PARK
NEEDHAM
DEDHAM
City of Newton
MASSACHUSETTS
HOUSING STRATEGY WORKSHOP
NOVEMBER 2015
LEGEND
RKG SASAKI

Map 5-1

■ Multifamily – 2-4 Units (orange bricks)

The multifamily (2-4 units) typology accounted for 25 percent of the total number of studs and was widely distributed throughout the city. In denser areas, such as village centers, the use of this typology was often used to suggest the construction/conversion of residential units above existing retail spaces, while in the smaller-scale neighborhoods, notes often suggested that community participants preferred the conversion of existing family homes into small-scale multifamily units. This typology tended to be more prevalent within and just outside of village centers.

■ Townhouse (red bricks)

The townhouse typology was the least popular of the four provided to participants (as a measure of stud count), representing only 15 percent of the studs deployed across the ten participant tables. When it was used, it was primarily focused in and around village centers. As this typology is the only one that did not present options for the conversion/reuse of an existing structure, and therefore necessitated the development of new housing product, some participants/tables may have considered it a less favorable option. Additionally, as this typology is defined by a more vertical orientation of living space (typically without elevators), it may have been seen unfavorably by those who listed accessibility for seniors and the disabled among their highest priorities.

In analyzing where this typology was deployed, it is clear that community participants preferred to see it built near commercial areas, village centers, transit lines, and major roadways. Clusters of townhouse bricks show up in Newton Upper Falls, Newton Center, and Auburndale in particular, with a particular concentration along Interstate 90.

■ Multifamily - Apartment/Condo (blue bricks)

The multifamily (apartment/condo) typology was the most popular of the typologies (as a measure of stud count), representing 36 percent of the total number of studs distributed across the ten participant tables. A few tables mentioned in notes on their base maps that they would have used more blue bricks had they been provided. Most participant tables concentrated the blue multifamily LEGO bricks in village centers and along major transit lines and roadways, such as the green line, the commuter rail line, Route 9 and Interstate 90. This suggests a clear interest in the development of denser products in areas of the city that are more accustomed to and equipped to handle greater concentrations of residents. The distribution of these units throughout the city can be seen.

Implications

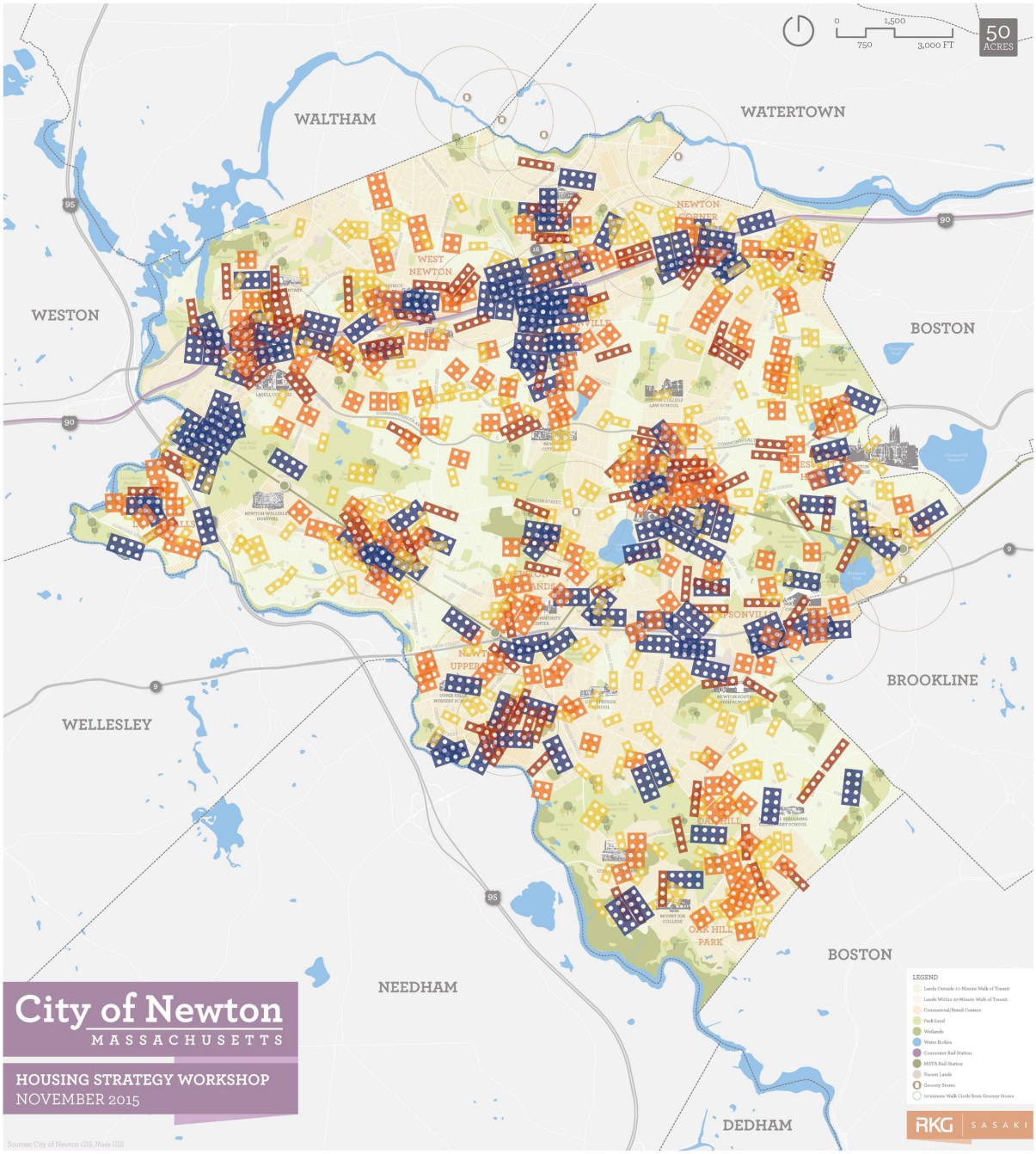
The intent of this community workshop was to elicit feedback on the preferred location and typologies of new housing to be constructed in the City of Newton in the near future. Over the course of three and a half hours, participants engaged in colorful and passionate dialogue around the future of their city and how to accommodate its growing and changing needs. Each table included a mix of opinions, preferences, and visions for how the addition of new housing in Newton should be handled (with some believing the city should encourage the development of none), providing the planning team with diverse feedback to consider for the ultimate housing site recommendations. Moving forward, all of the findings summarized above were incorporated into the next stages of work.

SURVEY SUMMARY

As a follow-up to the Housing Location Selection Workshop, the housing strategy planning team designed an online survey that was open to community members for three weeks, beginning on February 2, 2016. The intent of the survey was to understand the opinions and preferences of community members with respect to new housing development in Newton, to report the findings of the November 2015 public workshop, and to elicit feedback from community members on those findings. The survey was taken by 475 community members ranging in age and income level. Some of the key demographic takeaways from the survey's respondents include:

Respondent Demographics

Wards 2, 3, 4, and 5 represented 77.3 percent of total respondents, while wards 1, 6, 7, and 8 represented 22.7 percent. Sixty-one percent of respondents identified their ward, while 39 percent skipped this question.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WALTHAM
WATERTOWN
NEWTON CORNER
WEST NEWTON
WESTON
BOSTON
BROOKLINE
WELLESLEY
NEEDHAM
DEDHAM
OAK HILL PARK
City of Newton
MASSACHUSETTS
HOUSING STRATEGY WORKSHOP
NOVEMBER 2015
LEGEND
RKG
SASAKI

Map 5-2

Respondents skewed older, with the age brackets of 50-59 and 60-69 representing 57.8 percent of the total. Respondents within the age brackets of 20-29, 30-39, and 40-49 represented 27 percent of the total, and respondents within the age brackets of 70-79 and 80+ represented 15.2 percent of the total. No respondents identified themselves as younger than 20 years old. Sixty-four percent of respondents identified their age, while 36 percent skipped this question.

Eighty-nine percent of respondents own their own home, while 10.5 percent rent. No respondents identified themselves as residents of another municipality. 64 percent of respondents identified their ownership/rental status, while 36 percent skipped this question.

Respondents were generally on the wealthier end of the localized spectrum, with 72 percent of respondents identifying their annual household income as higher than $100,000, while 28 percent were lower than $100,000. 55 percent of respondents identified their current annual household income, while 45 percent skipped this question.

Attitudes Regarding Housing

At the outset of the survey, respondents were asked several questions relating to their attitudes towards housing in the City of Newton. Some of the key takeaways from this series of questions include:

A large majority of respondents believe the City should encourage the preservation of existing affordable housing units to help address housing needs. Ninety-one percent of respondents agree with this statement, while 8.8 percent disagree. All of the survey respondents answered this question.

A majority of respondents believe that Newton should encourage the redevelopment/development of new residential units to accommodate the city's housing needs. Sixty percent of respondents agree with this statement, while 39.8 percent disagree. All of the respondents answered this question.

Housing Preferences

Survey respondents were asked to rank their preferences for housing locations and typologies across the city generally—not relative to any specific ward or neighborhood. Most questions asked respondents to rank a preselected list of opportunities on scales ranging from strongly support to strongly do not support, or most preferred to least preferred. Some of the key takeaways from this series of questions include:

When asked to rank (strongly support-1, support-2, neutral-3, do not support-4, strongly do not support-5) development/redevelopment approaches, respondents preferred approaches in the following order. Sixty-six percent of respondents answered this question while 34 percent skipped it.

- In-structure accessory dwelling units (1.95)
- Adaptive reuse of existing non-residential buildings for residential uses (2.05)
- Mixed-use development of commercial properties (2.19)
- Separate structure accessory dwelling units (2.22)
- Adaptive reuse of existing residences into multiple residence buildings (2.52)
- Infill development (2.57)
- Co-locating public uses with housing (2.61)
- Building taller buildings in village centers similar to historic heights (2.96)
- Teardown/rebuild of existing houses to increase total units (3.51)
- Teardown/rebuild of existing housing for replacement (3.55)

When asked to rank on a scale of 1-8 (1-Most preferred, 8-least preferred), development types that Newton should consider for the preservation of existing affordable housing units, respondents preferred unit types in the following order. Sixty-six percent of respondents answered this question while 34 percent skipped it.

- Duplex/Triplex rental unit buildings (3.86)
- Duplex/Triplex ownership unit buildings (3.90)
- Townhouses (4.02)
- Single family detached (4.08)
- Small-scale rental buildings (4-10 units) (4.27)

- Small-scale ownership buildings (4-10 units) (4.44)
- Multifamily apartments (10+ units) (5.50)
- Multifamily condominiums (10+ units) (5.95)

When asked to rank on a scale of 1-8 (1-Most preferred, 8-least preferred), housing types that Newton should consider for new development of affordable housing units, respondents preferred unit types in the following order. Again, 66 percent of respondents answered this question while 34 percent skipped it.

- Duplex/Triplex ownership unit buildings (3.80)
- Duplex/Triplex rental unit buildings (3.97)
- Small-scale rental buildings (4-10 units) (4.01)
- Townhouses (4.15)
- Small-scale ownership buildings (4-10 units) (4.21)
- Single family detached (4.82)
- Multifamily apartments (10+ units) (5.36)
- Multifamily condominiums (10+ units) (5.70)

Summary

Overall, respondents favor the development/redevelopment of new housing units to accommodate the growing need for more diverse and affordable housing throughout the city. While the sample size was small, there are several key takeaways pertaining to the goals and priorities of the community—most, if not all, of which align with the takeaways from the November 22 workshop summarized above. Generally speaking, community respondents overwhelmingly support accessory units, conversions of existing structures to residential uses, and mixed-use development of commercial properties. Community respondents collectively do not support teardowns for either replacement or overall increases in housing unit counts.

With respect to housing types, the most favorable typologies include duplex/triplexes, townhouses, and small-scale multifamily buildings. Multifamily apartments and condominiums were identified as the least popular typologies, and single family and small-scale multifamily units varied in popularity based on whether the question asked about the preservation of existing supply or the development of new units. A closer look at the numbers reveals wide disagreement among respondents regarding typologies. Most of the average ratings hover around the center of the 8-point scale, which is caused by two factors: 1) a lack of clustering of favorable/unfavorable responses to a given typology, or 2) a clustering of responses to a given typology at either end of the scale.

LOCATION RECOMMENDATIONS

As noted, the location recommendations were classified as transformation zones and housing opportunity corridors. **Transformation zones** are located in neighborhoods/locations throughout the city that have been identified as having a high potential for change over time. Transformation zones might have a surplus of underutilized land or close adjacency to major thoroughfares/transit lines, or exist in an undesirable/inefficient development pattern and could be reimagined with a greater density and/or mix of uses. The City should consider master planning some of these areas to coordinate opportunities, infrastructure investment, and development policies/regulations.

Housing opportunity corridors are primarily situated along major thoroughfares, transit routes, and village centers. These corridors are presently lined with significant development, but due to their proximity to employment and commercial areas, they could support infill development as properties become available or renovation/addition opportunities occur. Densification could include new construction, reconstruction, renovation (higher density conversions), or additions.

The following descriptions reference transformation zones and housing opportunity corridors illustrated on the Location Recommendations map (**Map 5-3**). Descriptions are broken down by Wards for clarity.

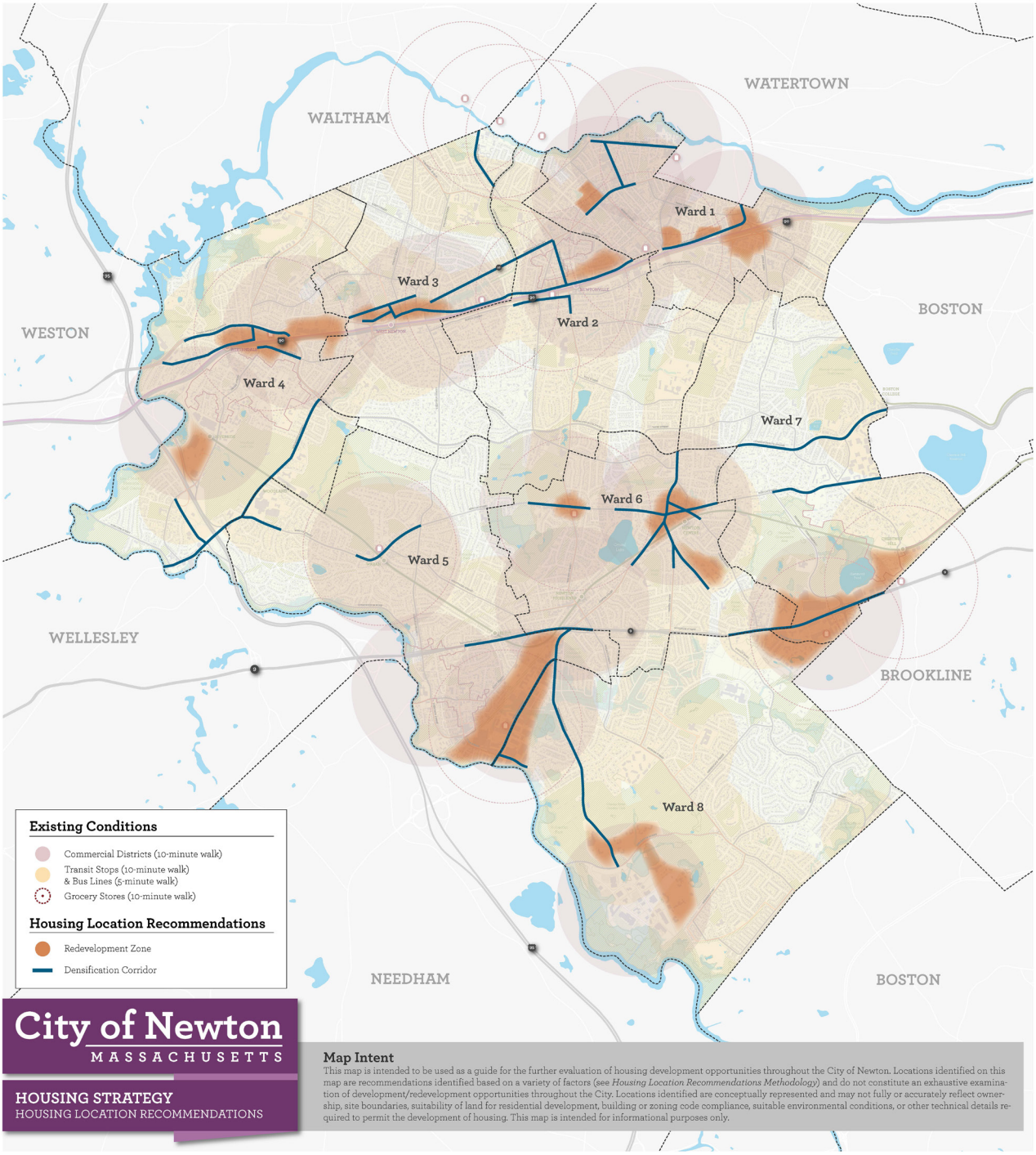
	Transformation Zones	Housing Opportunity Corridors
Ward 1	Ward 1 is largely built-out, but several areas stand out as candidates for potential redevelopment in the near future. Newton Corner is one of Newton's primary mixed-use village centers, and could benefit from more holistic planning to re-envision the area's future. The commercial areas along Washington Street between Newton Corner and Jewett Street and at the intersection of Adams Street and Watertown Street have several parcels that could be considered underdeveloped given the relative density of the area, including several parking lots along major thoroughfares. As properties become available, a denser, mixed-use, urban development form with retail/commercial space at the ground level and residential units above could be considered for these areas. Given the area's existing density, medium/high density multifamily and mixed-use development is appropriate here. The site of the Jackson school along Jackson Road and Washington Street also offers opportunities for denser development if and when these properties change to new uses. New development along Washington Street could incorporate retail/commercial spaces at the ground level with residential units above. As this area marks the transition from the higher density Newton Corner area to the lower density residential neighborhoods, medium density multifamily and high density single family, including townhouses, could be appropriate.	There are several opportunities for densifying residential and mixed-use corridors throughout Ward 1. The Washington Street corridor to the north of I-90 within and around Newton Corner could experience significant density gains to match the larger-scale development already present. This corridor would ideally support mixed-use development with ground-level retail/commercial space and residential units above. Additional housing units could be achieved on Watertown, California, and Chapel Streets. New development/redevelopment along these corridors could support mixed-use typologies or moderate density residential products such as townhouses and small/medium-scale multifamily projects.
Ward 2	Ward 2 is composed almost entirely of single family residential neighborhoods, except along I-90 to the north and south at the Newtonville village center. The primary opportunity for larger-scale redevelopment of new housing is in and around this village center. In particular, the commercial area to the north of I-90 along Washington Street provides opportunities to construct new mixed use projects at higher densities. Additionally, there are several parcels along Central Avenue, Court Street, and Crafts Street that could be considered underdeveloped and good candidates for new medium density mixed-use, medium density multifamily, or high-density single family residential development.	Ward 2 has several neighborhoods composed of single family residences at a variety of densities. As the city continues to grow, moderate increases in density as warranted by the market are recommended. This densification can take the form of single-to-multifamily conversions, small-scale multifamily infill, large-lot subdivision, and reconstruction as opportunities arise. There are also opportunities for more strategic densification, primarily in the north of Ward 2, along major commercial/mixed-use corridors in and around the Newtonville village center. In particular, the Washington Street, Walnut Street, Austin Street, and Watertown Street corridors could support additional density through reconstruction, additions, and infill development. Typologies most appropriate for these corridors could include small/medium-scale multifamily and high-density single family, including townhouses.

	Transformation Zones	Housing Opportunity Corridors
Ward 3	Ward 3 is home to a collection of higher density commercial and residential areas to the north of I-90, collectively known as West Newton. This area benefits from direct access to I-90 and Route 16 (Watertown Street) as well as a MBCR stop on the Framingham/Worcester commuter rail line. The presence of this stop and the existing density in the area allow for greater redevelopment opportunity—including transit-oriented development—than is the case for most other areas in Newton. Redevelopment within this existing mixed-use area to the north of I-90 should consider higher density mixed use typologies including multifamily development with ground-floor retail/commercial space along major thoroughfares. Medium/high density single family residential typologies, such as townhouses, and small-scale multifamily products are also appropriate for adjacent streets and neighborhoods to best capitalize on the area's superior transit/transportation access.	Ward 3 has several neighborhoods composed of single family residences at a variety of densities. As the city continues to grow, moderate increases in density as warranted by the market are recommended. This densification can take the form of single-to-multifamily conversions, small-scale multifamily infill, large-lot subdivision, and reconstruction as opportunities arise. Similar opportunities for densification exist in Ward 3 as in Ward 2. Focusing greater density within existing mixed-use and commercial corridors such as Washington Street, Watertown Street, Border Street, and Elm Street will allow for greater street activation and contribute to a greater sense of place in West Newton. Greater density can also be achieved on the primarily residential streets directly adjacent to these commercial corridors.
Ward 4	Ward 4 has several areas well-suited for new residential and mixed-use development/redevelopment. Similar to the other wards straddling I-90, Ward 4 has a significant commercial district to the north of the highway along Washington Street. Included within this district are several pockets of underdeveloped parcels presenting opportunities for the development of higher-density mixed-use products. As with Ward 3, the MBCR commuter rail stop in the Auburndale village center presents opportunities for higher density transit-oriented residential products nearby. Ward 4 is also home to the last stop on the MBTA's Green Line (D Line) –Riverside. This local transit line is a valuable resource to the community, as it serves as a primary means of commute for residents working in downtown Boston. With the consolidation of the MBTA facility adjacent to the stop, there is a significant opportunity for the redevelopment of this large parcel of land for higher-density residential and mixed-use development. The site's proximity to I-90 and I-95 also equip it for significant density increases.	Ward 4 offers a variety of corridors that can be considered for greater residential and mixed-use density. The commercial and residential corridors to the north of I-90 (Commonwealth Avenue, Auburn Street, Lexington Street) could support multifamily projects of a variety of densities and scales, and higher density single family typologies, including townhouses. In addition the Auburndale village center, Ward 4 is home to the Washington Street commercial area to the west of I-95 and is directly adjacent to the Newton-Wellesley Hospital complex south of the MBTA Green Line. Streets adjacent to these areas could support greater density in the form of small-scale multifamily and high-density single family products, including townhouses.

	Transformation Zones	Housing Opportunity Corridors
Ward 5	Ward 5 is served by three MBTA Green Line stops and two major local thoroughfares—Beacon Street and Route 9. Additionally, while its makeup is largely residential in use of varying densities, it is home to Waban—a village center—and half of the Needham Street commercial area to the southeast. It is recommended that Ward 5 embrace greater density within its residential neighborhoods—especially those well served by transit access—as opportunities arise to do so. Opportunities exist in the south of the ward for new large-scale redevelopment projects along the Needham Street commercial corridor. In addition to the projects already underway, there are several existing commercial facilities and underutilized parcels that could be imagined as denser mixed-use projects, adding a significant number of new multifamily residential units to Newton's housing stock. The Needham Street corridor could benefit from long-term master planning to help guide and strategize around redevelopment efforts.	Ward 5 has several neighborhoods composed of single family residences at a variety of densities. As the city continues to grow, moderate increases in density as warranted by the market are recommended. This densification can take the form of single-to-multifamily conversions, small-scale multifamily infill, large-lot subdivision, and reconstruction as opportunities arise. Significant opportunities for densification of existing residential and commercial corridors exist within Ward 5. These efforts can be focused along major roadways such as Boylston Street (Route 9), Beacon Street (primarily in and around the Waban village center and near the Newton-Wellesley Hospital), Needham Street, and along the small segment of Winchester Street in the east of Ward 5. With the exception of Needham Street, which could see high-density multifamily residential projects (such as those already complete or underway), most of these corridors would be best served by small-scale multifamily projects or high-density single family products such as townhouses. Opportunities to guide small-scale multifamily and high-density single family products should also be explored in neighborhoods directly adjacent to the three MBTA Green Line stops.

	Transformation Zones	Housing Opportunity Corridors
Ward 6	Ward 6 is home to Newton's most intense village center—Newton Centre. This mixed-use area and the major local roadways that intersect at it provide strong opportunities for greater densification and strategic redevelopment projects on vacant or underutilized parcels—particularly parcels along primary roadways that are currently being used for purposes other than development, such as surface parking. As the city's primary village center, greater density and intensity can be accommodated here than is currently developed. Mixed use development including ground-level retail/commercial space should be considered for redevelopment within Newton Centre, while appropriate development typologies for areas just outside the Centre include small/medium density multifamily and high density single family. Additional areas to be considered for redevelopment include the current (soon-to-be vacated) Andover-Newton Theological School (ANTS) site and the high-density residential parcels along Route 9 in the Ward's southeast. Residential development of a variety of scales and typologies should be considered for the ANTS site, largely based on the unique topographical and access issues it presents, while higher density multifamily and/or mixed use development could be considered for the Route 9 area, in fitting with existing development.	Ward 6 is already home to corridors of significant density and intensity. As city and private leaders look for new opportunities for growth, the existing patterns of development can serve as a template. Major densification corridors include most of the roadways intersecting at Newton Centre, where strategic infill and redevelopment opportunities can be explored when properties become available. Additionally, greater density could be explored in the section of Beacon, at the intersection of Walnut street in the west of Ward 6, where a small collection of retail and commercial properties at Four Corners could transition to a higher density of mixed-use development. Route 9, which runs east-west through the south of Ward 6 also offers opportunities for densification in the areas to the east and west of the Ward where greater density and a mix of uses is the present condition. These areas can accommodate densities ranging from high-density single family residential including townhouses, to high-density multifamily residential.

	Transformation Zones	Housing Opportunity Corridors
Ward 7	Ward 7 is composed of residential neighborhoods, Boston College (and the eastern edge of the Boston College Law School campus), and the Newton portions of the Chestnut Hill Mall commercial district. While greater densification throughout the residential neighborhoods should be encouraged when market conditions allow for it, opportunities for larger-scale redevelopment exist in the southern part of the Ward, within the mixed-use/commercial district along Route 9. In these areas, vacant or underutilized parcels should be explored for their potential conversion to higher-density mixed-use or residential uses.	Ward 7 has several neighborhoods composed of single family residences at a variety of densities. As the city continues to grow, moderate increases in density as warranted by the market are recommended. This densification can take the form of single-to-multifamily conversions, small-scale multifamily infill, large-lot subdivision, and reconstruction as opportunities arise. As in other wards and neighborhoods, the primary opportunities for achieving swaths of greater residential density exist along the primary roadways serving Ward 7. Commonwealth Avenue and Beacon Street offer opportunities for greater density should lots become available. These roadways serve as major regional connectors and access routes to Boston, and could support residential small/medium-scale multifamily and high-density single family residential development. The areas of both roadways near Boston College could see even greater density as is already the precedent for some parcels near the campus. The Route 9 corridor in the south of the ward could also support greater densities throughout its span in Ward 7. With several medium and high-density residential projects built and underway in this area, it is already one of the city's most dense districts.
Ward 8	Ward 8 is Newton's southernmost ward. While it has one official village center (Oak Hill) and is served by no rail stops or lines (it does have bus service running north-south), Ward 8 encompasses several commercial areas, including the eastern half of the Needham Street commercial corridor, the Chestnut Hill Mall (Route 9), commercial area, and the Wells Avenue office district. Ward 8 is also home to Mount Ida College. Redevelopment opportunities are most plentiful in areas best served by transit and a mix of uses. These areas include the Needham Street corridor and the Route 9 commercial area. Additionally, redevelopment potential could be explored on the lands of Mount Ida College (should the institution express interest), and on the undeveloped lands of properties where high-density residential housing already exists. A variety of uses and densities can be considered on these lands, ranging from high-density single family typologies, including townhouses, to high-density mixed use and multifamily products.	Ward 8 has several neighborhoods composed of single family residences at a variety of densities. As the city continues to grow, moderate increases in density as warranted by the market are recommended. This densification can take the form of single-to-multifamily conversions, small-scale multifamily infill, large-lot subdivision, and reconstruction as opportunities arise. In addition to the density opportunities on Needham Street and Route 9 already mentioned, greater residential densities could be accommodated along Winchester Street between Route 9 to the north and Nahanton Street to the south. This corridor acts as a primary means of access from Ward 8's Wells Avenue office park to northern Newton and Route 9. This corridor is currently lined primarily with single family residential units and could support higher-density residential products as well as small-scale multifamily products.


WATERTOWN
WALTHAM
Ward 1
Ward 3
Ward 2
BOSTON
WESTON
Ward 4
Ward 7
Ward 6
Ward 5
WELLESLEY
BROOKLINE
Ward 8
NEEDHAM
BOSTON
Existing Conditions
Commercial Districts (10-minute walk)
Transit Stops (10-minute walk)
& Bus Lines (5-minute walk)
Grocery Stores (10-minute walk)
Housing Location Recommendations
Redevelopment Zone
Densification Corridor
City of Newton
MASSACHUSETTS
HOUSING STRATEGY
HOUSING LOCATION RECOMMENDATIONS
Map Intent
This map is intended to be used as a guide for the further evaluation of housing development opportunities throughout the City of Newton. Locations identified on this map are recommendations identified based on a variety of factors (see *Housing Location Recommendations Methodology*) and do not constitute an exhaustive examination of development/redevelopment opportunities throughout the City. Locations identified are conceptually represented and may not fully or accurately reflect ownership, site boundaries, suitability of land for residential development, building or zoning code compliance, suitable environmental conditions, or other technical details required to permit the development of housing. This map is intended for informational purposes only.

Map 5-3

SITE RECOMMENDATIONS

Following the citywide analysis and identification of zones and corridors well-situated for greater housing development and transformation, the Housing Strategy planning team commenced a more detailed review of lands that appeared to offer opportunities for new or increased housing development. In addition to the criteria established for the housing location recommendations, the planning team considered such factors as site availability and redevelopment potential, site ownership (public/private), the immediate context of uses/adjacencies, and the overall suitability of the land for development in identifying sites to recommend for further evaluation.

This analysis is intended to be used as a guide for the further evaluation of housing development opportunities throughout the City of Newton. Sites identified in this analysis are recommendations identified based on a qualitative review of the aforementioned factors and do not constitute an exhaustive examination of development/ redevelopment opportunities throughout the city. Sites identified are conceptually represented on the accompanying map and may not fully or accurately reflect ownership, site boundaries, suitability of land for residential development, building or zoning code compliance, suitable environmental conditions, or other technical details required to permit the development of housing. All figures represented here are approximations. This analysis and the accompanying Housing Site Recommendations map **(Map 5-4)** are intended for informational purposes only.

Site descriptions will recommend a density considered suitable for each specific site. Since density can vary widely depending on use and context, density ranges should be understood within the context of each site. For example, if a particular site exists in a neighborhood where the shortest buildings are 1-2 stories and the tallest buildings are 5-6 stories, density recommendations will adjust to that range (i.e. low density = 1-2 stories, high density = 5-6 stories).

It is important to note that a number of workshop and survey participants expressed concern about the City allowing the repurposing of existing commercial properties for residential/mixed-use development as well as the need to identify additional sites for commercial development. The scope of this analysis is focused on identifying housing need and sites within Newton that can accommodate that need. To these points, the issue of commercial preservation and expansion remains unresolved, and should be considered when reviewing the list of potential opportunity sites. The RKG Team recommend the City consider completing an economic development strategy to determine the level of commercial need and capacity of the City. That information can be used to further refine the potential mix of uses for the following opportunity sites.

Site No.	Approximate Address	Approximate Acreage	Status	Description
1.1	250 Centre St	0.4 AC	Private	Parking lot servicing nearby commercial/retail establishments. Excellent transit and arterial access, situated along major local thoroughfare. Potentially suitable for medium/high density mixed-use/multifamily residential development.
1.2	275 Centre St	1.4 AC	Private	Presently developed with two retail establishments and accompanying parking. Excellent transit and arterial access, situated along major local thoroughfare Potentially suitable for medium/high density mixed-use development.
1.3	20 Pearl St	0.7 AC	Public	Municipal parking lot servicing nearby commercial/retail establishments. Excellent transit and arterial access. Potentially suitable for medium/high density mixed-use/multifamily residential development.
1.4	20 Richardson St	0.7 AC	Public	Municipal parking lot servicing nearby commercial/retail establishments. Excellent transit and arterial access, situated along major local thoroughfare. Potentially suitable for medium density mixed-use/multifamily residential or high density single family residential development.
1.5	431 Washington St	1.5 AC	For Sale	Present-day car dealership site available for redevelopment. Excellent transit and arterial access. Potentially suitable for medium density mixed-use/multifamily or high density residential development.
1.6	300 Bellevue St	4.5 AC	Private	Landscaped hillside overlooking I-90, west of Newton YMCA. Good transit and arterial access. Potentially suitable for medium density multifamily or medium/high density single family development.
1.7	501-517 Washington St	1.9 AC	Private	Landscaped "front lawn" to the Jackson School. Good transit and arterial access, situated along major local thoroughfare. Potentially suitable for medium/high density mixed-use/multifamily residential development.
1.8	108 Jackson Rd	1.5 AC	Private	Undeveloped wooded area north of the Jackson school. Good transit and arterial access. Potentially suitable for low density multifamily and medium/high density single family residential development.
1.9	124 Kennedy Cr	1.4 AC	Public	Undeveloped wooded area on eastern edge of Kennedy Circle housing development. Good transit and arterial access. Potentially suitable for low density multifamily and medium/high density single family residential development.
1.10	71 Bridge St	2.4 AC	Private	Parking lot servicing nearby commercial establishments. Good transit and arterial access. Potentially suitable for medium density mixed-use/multifamily and high-density single family residential development.
1.11	269 California St	2.8 AC	Private	Parking lot and American Legion Post. Good transit and arterial access, situated along major local thoroughfare. Potentially suitable for medium/high density mixed-use/multifamily and high density single family residential development.
2.1	281 Newtonville Ave	5.8 AC	Private	Present-day NEFCO site. Good transit and arterial access. Potentially suitable for medium density multifamily and medium/high density single family residential development.
2.2	1-99 Bowers St	1.9 AC	Private	Undeveloped, narrow corner parcel. Excellent transit and arterial access, situated near major local thoroughfare. Potentially suitable for low density multifamily and medium/high density single family residential development.

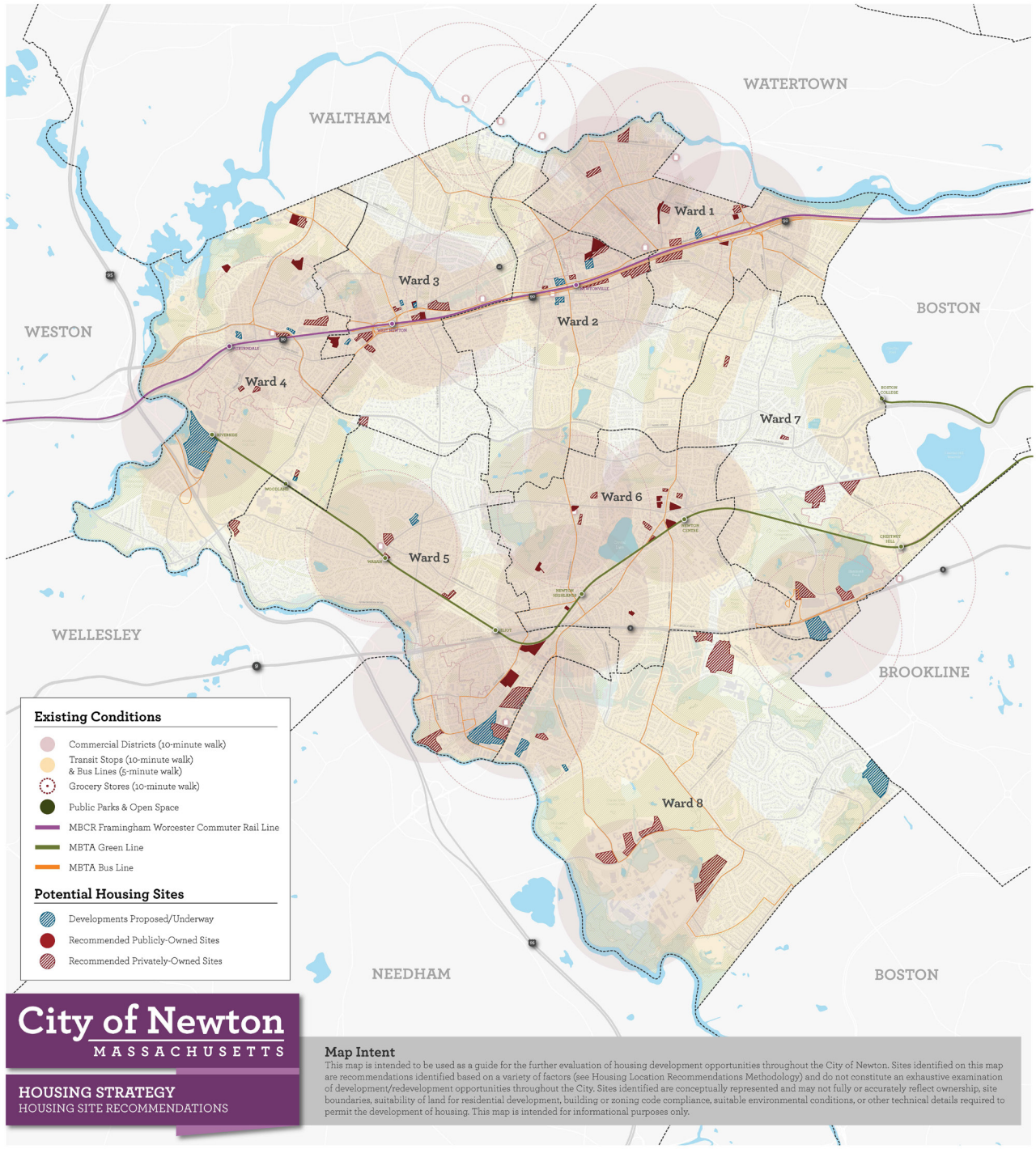
Site No.	Approximate Address	Approximate Acreage	Status	Description
2.3	75 & 83 Court St	1.7 AC	In Process	Presently developed with multi-family residential. Good transit and arterial access, situated along major local thoroughfare. Potentially suitable for low/medium density multifamily and medium/high density single family residential development. Comprehensive permit for 36 condo units currently under construction.
2.4	104-108 Crafts St	6.7 AC	Public & Private	Assemblage of multiple public and private parcels presently developed with commercial and industrial uses and accompanying surface parking lots. Good transit and arterial access. Potentially suitable for medium density mixed-use and multifamily residential and high density single family residential development.
2.5	115 Central Ave	0.8 AC	Private	Parking lot serving adjacent retail/commercial establishments. Excellent transit and arterial access, situated along major local thoroughfare. Potentially suitable for medium/high density mixed-use and multifamily residential development.
2.6	28 Austin St	1.5 AC	In Process	Parking lot serving adjacent retail/commercial establishments. Excellent transit and arterial access, situated near major local thoroughfare. Potentially suitable for medium/high density mixed-use and multifamily residential development. Special permit approved 68 rental units.
2.7	845-867 Washington St	1.6 AC	In Process	Assemblage of multiple private buildings and parcels presently developed with retail, commercial and residential uses and accompanying surface parking lots. Excellent transit and arterial access. Potentially suitable for medium/high density mixed-use development.
2.8	911 Washington St	0.3 AC	Private	Presently developed with retail and service uses and accompanying parking lots. Excellent transit and arterial access, situated along major local thoroughfare. Potentially suitable for medium/high density mixed-use and multifamily residential development.
3.1	1190-1251 Washington St	4.5 AC	Private	Assemblage of multiple private buildings and parcels presently developed with retail, commercial and residential uses and accompanying surface parking lots. Excellent transit and arterial access. Potentially suitable for medium/high density mixed-use development.
3.2	25 Chestnut St	0.5 AC	Public	Present-day Newton Police-Traffic Bureau and accompanying parking lot. Excellent transit and arterial access, situated near major local thoroughfare. Potentially suitable for medium/high density mixed-use and multifamily residential development.
3.3	2-8 Highland St	0.5 AC	Private	Parking lot serving adjacent commercial/retail establishments. Excellent transit and arterial access, situated near major local thoroughfare. Potentially suitable for medium/high density mixed-use and multifamily residential development.
3.4	1299 Washington St	0.8 AC	Public & In Process	Assemblage of present-day retail and public parking lots. Excellent transit and arterial access, situated along major local thoroughfare. Potentially suitable for medium density mixed-use and multifamily residential development.
3.5	429 Cherry St	0.3 AC	In Process	Present-day commercial accompanying parking lots. Excellent transit and arterial access. Potentially suitable for medium density multifamily and high density single family residential development. Special permit approved 13 rental units.

Site No.	Approximate Address	Approximate Acreage	Status	Description
3.6	104-128 Elm St	0.7 AC	Private	Parking lot serving adjacent commercial/retail establishments. Excellent transit and arterial access, situated near major local thoroughfare. Potentially suitable for medium density mixed-use/multifamily residential and high density single family residential development.
3.7	1492-1518 Washington St	1.4 AC	Private	Assemblage of parking lot parcels. Excellent transit and arterial access, situated along major local thoroughfare. Potentially suitable for low density multifamily and medium/high density single family residential development.
3.8	12-20 Curve St	0.5 AC	In Process	Assemblage of developed residential parcels. Good transit and arterial access. Potentially suitable for low density multifamily and medium/high density single family residential development. Approved comprehensive permit for seven deed restricted rental units.
3.9	70 Crescent St	2.2 AC	In Process	Site largely underutilized. Potentially suitable for low/medium density multifamily and high density single family residential development.
3.10	311-319 Fuller St	1.9 AC	Private	Parking lot serving the Brae Burn Country Club. Situated along major regional thoroughfare. Potentially suitable for low/medium density multifamily and high density single family residential development.
4.1	131 Rumford Ave	4.3 AC	Public & Private	Assemblage of public and private parcels presently developed with small structures and the Newton Public Works Department parking/storage lot. Good transit service, situated along major local thoroughfare. Potentially suitable for medium density mixed-use/multifamily and medium/high density single family residential development.
4.2	103-161 Pine St	2.3 AC	Public	Undeveloped wooded area northeast of Burr Elementary School. Good transit access (vehicular access challenges exist). Potentially suitable for medium density single family residential development.
4.3	113-190 W Pine St	1.1 AC	Public	Parking lot serving Auburndale Park. Potentially suitable for medium density multifamily and single family residential development.
4.4	70-77 Rowe St	4.3 AC	Private	Assemblage of commercial and industrial structures and accompanying parking lots. Good transit and arterial access. Potentially suitable for medium/high density mixed-use/multifamily and high density single family residential development.
4.5	135 Rowe St	1.5 AC	Private	Assemblage of duplexes and undeveloped wooded parcel east of Commonwealth Avenue. Good transit and arterial access, situated along major regional thoroughfare. Potentially suitable for medium/high density mixed-use/multifamily and high-density single family residential development.
4.6	2000-2020 Commonwealth Ave	1.2 AC	Private	Assemblage of commercial structures and accompanying parking lots. Good transit and arterial access, situated along major regional thoroughfare. Potentially suitable for medium/high density mixed use and multifamily residential development.
4.7	283 Melrose St	1.0 AC	In Process	Present-day Turtle Lane Players and accompanying parking lot. Good transit and arterial access. Potentially suitable for medium density mixed-use/multifamily and high density single family residential development. Approved special permit 16 rental units.
4.8	132 Grove St	0.6 AC	Private	Parking lot serving nearby institutions and commercial establishments. Good transit access, situated along major local thoroughfare. Potentially suitable for medium density mixed-use/multifamily and high density single family residential development.

Site No.	Approximate Address	Approximate Acreage	Status	Description
4.9	Riverside terminus site	28 AC	In Process	Large train depot and service site (extents unknown). Excellent transit and arterial access. Potentially suitable for high density mixed-use/multifamily residential development. Approved special permit mixed-use with 290 units.
4.10	114-134 Stanton Ave	1.0 AC	Public & Private	Present-day public water tower site and parking lot serving adjacent multifamily development. Excellent transit and arterial access, situated along major local thoroughfare. Potentially suitable for high density multifamily residential development.
5.1	2150 Washington St	2.8 AC	Private	Presently comprising a commercial/office facility, accompanying parking lot, and undeveloped woodlands. Good transit and arterial access, situated along a major local thoroughfare. Potentially suitable for low/medium density multifamily and medium/high density single family development.
5.2	1521 Beacon St	1.6 AC	In Process	Present-day church site and accompanying parking lot. Good transit access, situated along a major regional thoroughfare. Potentially suitable for medium density multifamily and medium/high density single family residential development.
5.3	2-98 Kinmonth Rd	0.8 AC	Private	Present-day health club building and accompanying parking lot. Excellent transit access, situated along a major regional thoroughfare. Potentially suitable for medium density mixed-use/multifamily and medium/high density single family residential development.
5.4	91 Wyman St	0.6 AC	Public	Parking lot for the MBTA Green Line Waban Stop. Excellent transit access, situated along a major regional thoroughfare. Potentially suitable for medium/high density mixed-use/multifamily residential development.
5.5	2-36 Fairlee Rd	1.6 AC	Private	Undeveloped wooded parcel within existing single family residential neighborhood. Good transit access, potential site access challenges. Potentially suitable for low density multifamily and medium/high density single family residential development.
5.6	52 Eliot St	4.3 AC	Public	Present-day electrical substation and accompanying parking lot. Excellent transit access, situation near major local thoroughfare. Potentially suitable for medium/high density mixed-use/multifamily residential development.
5.7	70-98 Eliot St	8.0 AC	Private	Presently comprising commercial/industrial/storage buildings and accompanying paved areas and parking lots. Excellent transit access, situated along major local thoroughfare. Potentially suitable for medium/high density mixed-use/multifamily residential development.
5.8	132-154 Eliot St	4.9 AC	Public	Present-day Newton fire station 7, accompanying parking lots, and undeveloped wooded areas. Good transit access, situated along major local thoroughfare. Potentially suitable for medium/high density mixed-use/multifamily residential development.
5.9	153 Needham St	11.0 AC	Private	Presently developed with three commercial buildings and accompanying parking lots. Good transit access, situated along major local thoroughfare. Potentially suitable for medium/high density mixed-use/multifamily residential development.
5.10	281 Needham St	20 AC	Private	Presently comprising several commercial/industrial buildings and accompanying parking lots. Good transit access, situated along major local thoroughfare. Potentially suitable for medium/high density mixed-use/multifamily residential development.
5.11	1133-1171 Chestnut St	6.8 AC	Private	Undeveloped wooded parcel situated south of the Upper Falls Playground. Good transit access. Potentially suitable for medium density multifamily and medium/high density single family residential development.

Site No.	Approximate Address	Approx-imate Acreage	Status	Description
6.1	Newton Center Triangle Parking Lot	1.5 AC	Public	Parking lot serving local retail and commercial establishments. Excellent transit access, situated along a major regional thoroughfare. Potentially suitable for medium/high density mixed-use/multifamily residential development.
6.2	4 Lyman St	0.8 AC	Private	Assemblage of parking lots serving adjacent retail and commercial establishments. Excellent transit access, situated near a major local thoroughfare. Potentially suitable for medium/high density mixed-use/multifamily residential development.
6.3	1185 Centre St	0.4 AC	Private	Undeveloped parcel situated south of Newton Centre Playground. Good transit access, situated along major local thoroughfare. Potentially suitable for medium density multifamily and medium/high density single family residential development.
6.4	21 Pelham St	0.6 AC	Public	Parking lot serving adjacent retail and commercial establishments. Good transit access, situated near major local thoroughfares. Potentially suitable for medium/high density mixed-use/multifamily development.
6.5	28 Pelham St	0.8 AC	Public	Parking lot serving adjacent retail and commercial establishments. Good transit access, situated near major local thoroughfares. Potentially suitable for medium/high density mixed-use/multifamily development.
6.6	1300 Centre St	1.6 AC	Public	Presently comprising two retail/commercial buildings and accompanying parking lots. Excellent transit access, situated along major local thoroughfare. Potentially suitable for medium/high density mixed-use/multifamily residential development.
6.7	1314 Centre St	0.5 AC	Private	Parking lot serving adjacent commercial/office facility. Good transit access, situated along major local thoroughfare. Potentially suitable for medium density mixed-use/multifamily residential development.
6.8	61-99 Crescent Ave	1.1 AC	Private	Parking lot serving local retail, commercial, and community establishments. Good transit access, situated near major local thoroughfare. Potentially suitable for medium density mixed-use/multifamily and high-density single family residential development.
6.9	1072-1086 Beacon St	0.8 AC	Public	Parking lot serving adjacent grocery store and local retail/commercial establishments. Good transit access, situated along major regional thoroughfare. Potentially suitable for medium density mixed-use/multifamily residential development.
6.10	Sudbury Aqueduct parcel	0.8 AC	Private	Undeveloped parcel along Sudbury Aqueduct behind grocery store. Access challenges exist. Potentially suitable for medium density multifamily and high density single family residential development.
6.11	33 Terrace Ave	1.0 AC	Public	Undeveloped wooded parcel located in single family residential neighborhood situated south of the Lifecourse trail. Potential access challenges exist. Potentially suitable for low density multifamily and medium density single family residential development.
6.12	10-14 Hartford St	0.4 AC	Public	Parking lot serving nearby community services building and local commercial/retail establishments. Excellent transit access, situated near major regional thoroughfare. Potentially suitable for medium/high density mixed-use/multifamily residential development.
7.1	113-121 Brackett Rd	1.2 AC	Private	Undeveloped wooded parcel east of Mt. Alvernia High School. Good transit access, situated near major local thoroughfare. Potentially suitable for low density multifamily and medium density single family residential development.

Site No.	Approximate Address	Approximate Acreage	Status	Description
7.2	288-314 Beacon St	1.8 AC	Private	Portion of a largely underutilized parcel along major regional thoroughfare and directly across the street from Boston College. Potentially suitable for medium density multifamily residential development.
7.3	Chestnut Hill Mall back parking lot	5.5 AC	Private	The back parking lot and garage of the Chestnut Hall mall could be reimagined as a mixed-use/multifamily residential development. Located along a major regional thoroughfare and served by transit. Potentially suitable for high-density mixed-use/multifamily residential development.
7.4	The Street western parking lot	3.6 AC	Private	The western parking lot of The Street could be reimagined as a mixed-use/multifamily residential development. Located along a major regional thoroughfare and served by transit. Potentially suitable for high-density mixed-use/multifamily residential development.
7.5	200-230 Boylston St	10.6 AC	In Process	The undeveloped portions of this commercial area are well-served by transit and regional arterials. Potentially suitable for medium/high density mixed-use/multifamily residential development. Approved special permit for up to 100 residential units.
8.1	528 Boylston St	3.8 AC	Private	Assemblage parcels. Good transit access, situated near a major regional thoroughfare. Potentially suitable for low/medium density multifamily and medium/high density single family residential development.
8.2	199 Hagen Rd	17.7 AC	Private	Assemblage of undeveloped and underdeveloped wooded parcels. Good transit access, situated near major regional thoroughfare. Potentially suitable for low/medium density multifamily and medium/high density single family residential development.
8.3	79 Carl St	1.4 AC	Private	Undeveloped wooded parcel west of 305 Winchester St development. Good transit access, situated between two major local thoroughfares. Potentially suitable for low/medium density multifamily and high density single family residential development.
8.4	160 Charlemont St	3.5 AC	Private	Present-day commercial/industrial site available for redevelopment. Excellent transit access, situated along major local thoroughfare. Potentially suitable for medium density mixed-use/multifamily or high density single family residential development.
8.5	47 Goddard St	0.5 AC	Underway	Undeveloped wooded parcel within existing single family residential neighborhood. Good transit access. Potentially suitable for low density multifamily or medium/high density single family residential development. Approved for comprehensive permit for four units.
8.6	315-331 Nahanton St	4.9 AC	Private	Undeveloped wooded parcel (camp) and parking lots. Good transit access. Potentially suitable for medium/high density mixed-use/multifamily and high density single family residential development.
8.7	245-279 Nahanton St	9.8 AC	Private	Assemblage of undeveloped “front lawn” parcels adjacent to existing medium density single family development. Good transit access. Potentially suitable for low/medium density multifamily and medium/high density single family residential development.
8.8	36-90 Carlson Ave	16.4 AC	Private	Undeveloped wooded parcels east of Mt. Ida College and south of the Charles River Country Club. Good transit access. Potentially suitable for low/medium density multifamily and medium/high density single family residential development.
8.9	Kesseler Woods	14.4 AC	In Process	Undeveloped wooded parcel north of Saw Mill Brook Conservation Area. Potentially suitable for low/medium density multifamily and medium/high density single family residential development. Approved special permit for 88 rental units.


WATERTOWN
WALTHAM
Ward 1
Ward 3
Ward 2
BOSTON
WESTON
Ward 4
Ward 7
Ward 6
Ward 5
WELLESLEY
BROOKLINE
Ward 8
NEEDHAM
BOSTON
Existing Conditions
Commercial Districts (10-minute walk)
Transit Stops (10-minute walk)
& Bus Lines (5-minute walk)
Grocery Stores (10-minute walk)
Public Parks & Open Space
MBCR Framingham Worcester Commuter Rail Line
MBTA Green Line
MBTA Bus Line
Potential Housing Sites
Developments Proposed/Underway
Recommended Publicly-Owned Sites
Recommended Privately-Owned Sites
City of Newton
MASSACHUSETTS
HOUSING STRATEGY
HOUSING SITE RECOMMENDATIONS
Map Intent
This map is intended to be used as a guide for the further evaluation of housing development opportunities throughout the City of Newton. Sites identified on this map are recommendations identified based on a variety of factors (see Housing Location Recommendations Methodology) and do not constitute an exhaustive examination of development/redevelopment opportunities throughout the City. Sites identified are conceptually represented and may not fully or accurately reflect ownership, site boundaries, suitability of land for residential development, building or zoning code compliance, suitable environmental conditions, or other technical details required to permit the development of housing. This map is intended for informational purposes only.

Map 5-4