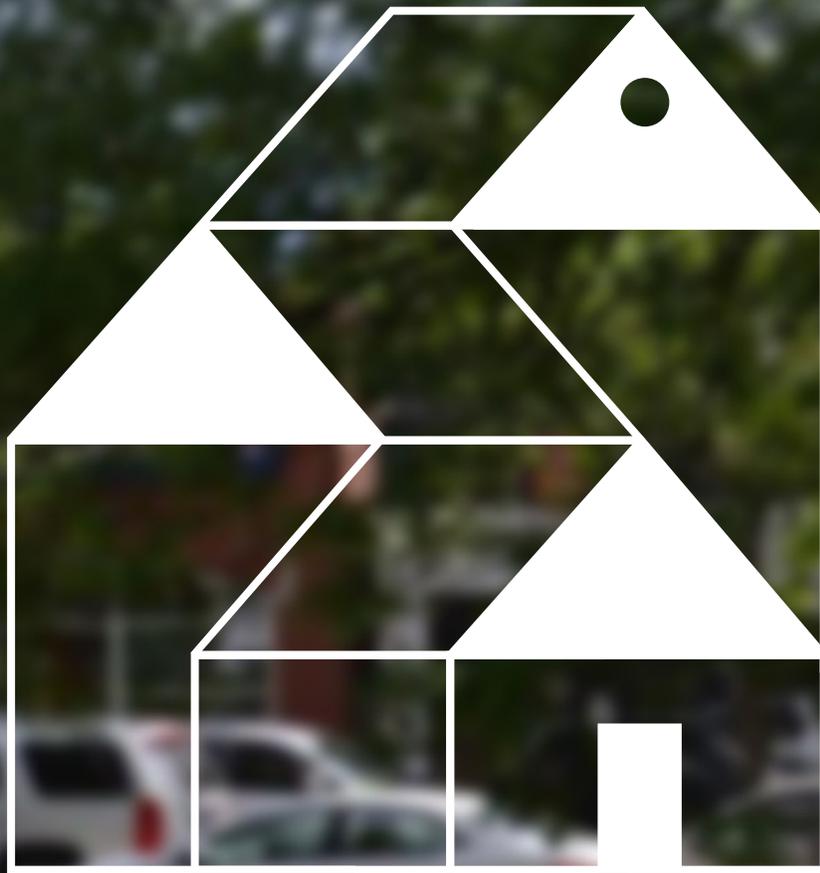


JUNE 2016



Newton Leads 2040

A BLUEPRINT TO PROMOTE AFFORDABLE,
DIVERSE HOUSING & ECONOMIC GROWTH

Newton Leads in Housing

“WE ARE EXCITED TO BE PRESENTING THE NEWTON HOUSING STRATEGY AS A BLUEPRINT TO MEET THE CITY’S EVOLVING HOUSING NEEDS. THE HOUSING STRATEGY OFFERS A VISION FOR NEWTON THAT INCLUDES AFFORDABLE, DIVERSE HOUSING, WHICH WILL CONTRIBUTE TO OUR CITY’S ECONOMIC GROWTH IN THE YEARS TO COME.

THIS IS THE BEGINNING OF A CONVERSATION TO GUIDE US FORWARD ON POLICIES TO PRESERVE WHAT WE LOVE ABOUT OUR CITY – THE SUBURBAN FEEL, VILLAGE AMENITIES, AND OPEN SPACES – AND TO ENHANCE OUR POSITION AS A CITY OF OPPORTUNITY FOR ALL.”

- **MAYOR SETTI D. WARREN**

Newton is a great place to live. Historically, housing opportunities existed at a variety of levels to serve diverse incomes and populations. Recent trends in the housing market are severely limiting housing options in Newton today.

If action is not initiated, there are clear consequences for the City in terms of housing diversity and economic development outcomes. The Newton Leads 2040 Housing Strategy offers a number of approaches to assist the City in preserving the traditional diversity of housing while at the same time providing smart, contextual, sustainable housing options that add value to the fabric of the community.

Newton Leads 2040 Housing Strategy identifies a combination of policies and action steps with the goal of producing 800 units of housing by 2021.

Over the last year housing analysts engaged with members of Newton’s neighborhoods in dialogue to study the local housing market and identify strategic actions. These strategies advance more diverse and affordable housing choices in the City to create opportunities for the next generation of Newtonians to live here, for seniors to be able to remain here, and for people who work in Newton to be a part of the community they serve. By locating housing in walkable centers, Newton’s main street businesses stand to benefit from more customers. Newton is growing as a leader in the innovation economy and providing more diverse affordable housing is central to this leadership.

Ongoing community conversations about housing in Newton are the next steps involved in moving forward.

Stay involved
www.newtonma.gov/housingstrategy

Our Process

After issuing a request for proposals, the City selected RKG and Sasaki to produce a housing strategy. Part of their work involved significant community engagement and meetings with local stakeholders and elected officials. The timeline below illustrates all of the online and in-person activities members of the community could participate in the development of this strategy. The next phase of the strategy is a continued conversation about housing and Newtonians are invited to stay involved.



City of Newton Housing Strategy 2015-2016

OVER **844 RESPONSES** FROM MEMBERS OF NEWTON COMMUNITY SO FAR. **STAY TUNED FOR MORE OPPORTUNITIES TO SHAPE OUR HOUSING STRATEGY.**



MAYOR ISSUES
REQUEST
FEBRUARY 2015

OPEN HOUSE
CITY
COUNCIL
ROUNDTABLE

STAKEHOLDER
MEETINGS
JUNE 2015

MY SIDEWALK
ONLINE
ENGAGEMENT
JUNE 2015-FEB 2016

MARKET
ANALYSIS
REPORT
PRESENTATION
OCTOBER 2015

HOUSING
STRATEGY
CHARRETTE
NOVEMBER 2015

HOUSING
POLICY FORUM

ZONING &
PLANNING
ROUNDTABLE

COUNCILOR
MEETINGS
JAN-FEB 2016

ONLINE SURVEY
FEBRUARY 2016

HOUSING
STRATEGY
RELEASE
JUNE 2016

CONTINUED
COMMUNITY
ENGAGEMENT
ONGOING



Newton's Housing Demographics

Newton's demographic profile and trends are significant indicators of housing needs. Three major indicators include age/life stage of residents, size of families (households), and the number of people who live alone. Further analysis can be found in "Demographic Analysis" Chapter One of the Housing Strategy Report.

Age Profile and Projections

The number of persons 55 years and older increased between 2000 and 2013 by nearly twice the amount of total population growth in the same time period.

The increase in older residents contrasts with the decline in number of younger adults, particularly the 25 to 44 year olds. This finding is significant because of changes in housing preferences as adults age into seniors.

Source: Housing Strategy Report, pg.12

HOUSEHOLDS BY AGE OF HEAD OF HOUSEHOLD, CHANGE 2000-2013



Declining Household Size

Since the 1980's Newton has seen a consistent reduction in the number of persons per household. Source: "Bluestone" Dukakis Report, pg. 4

AVERAGE HOUSEHOLD SIZE, CITY OF NEWTON 1980-2010

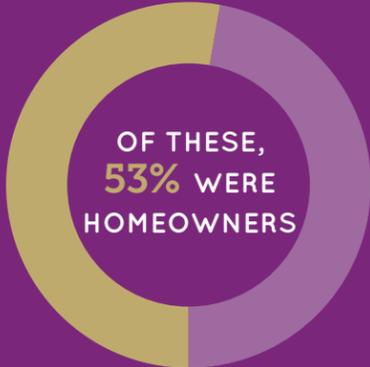


Percent of People Living Alone

A quarter of all Newtonians live by themselves, half of whom are homeowners. Source: American Community Survey, US Census, 2013

PEOPLE LIVING ALONE BETWEEN 2009-2013

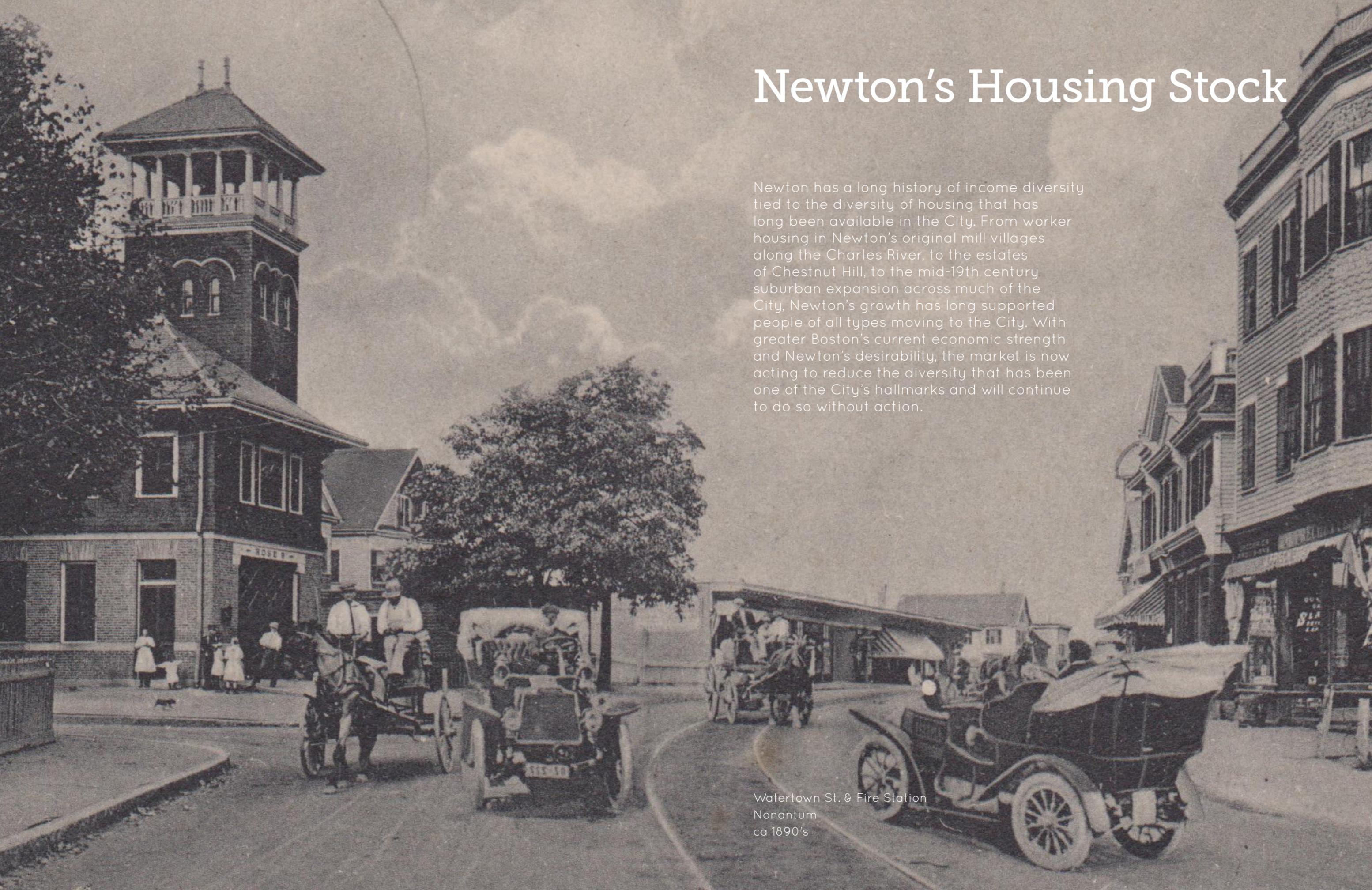
25% OF ALL NEWTON HOUSEHOLDS WERE 1-PERSON HOUSEHOLDS



Newton's Housing Stock

Newton has a long history of income diversity tied to the diversity of housing that has long been available in the City. From worker housing in Newton's original mill villages along the Charles River, to the estates of Chestnut Hill, to the mid-19th century suburban expansion across much of the City, Newton's growth has long supported people of all types moving to the City. With greater Boston's current economic strength and Newton's desirability, the market is now acting to reduce the diversity that has been one of the City's hallmarks and will continue to do so without action.

Watertown St. & Fire Station
Nonantum
ca 1890's



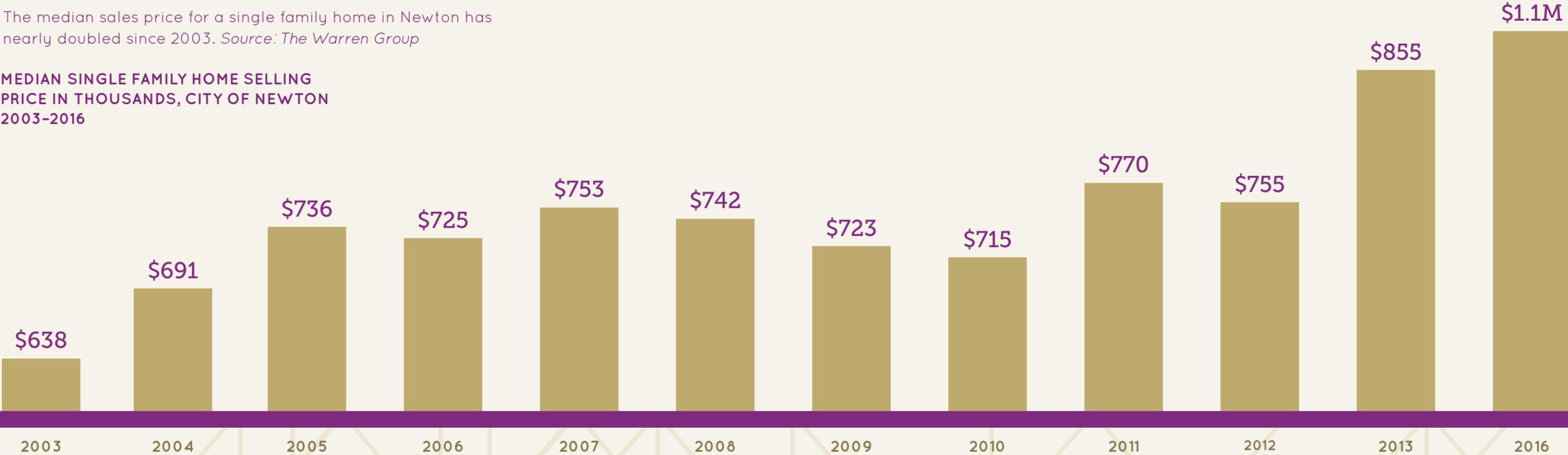
Newton's Residential Housing Market

Newton's housing market is dominated by single family units on very valuable land. Through the ups and downs of the housing market since 2003 Newton has demonstrated extremely strong market desirability and this trend is likely to continue.

Single Family Home Sales Prices

The median sales price for a single family home in Newton has nearly doubled since 2003. *Source: The Warren Group*

MEDIAN SINGLE FAMILY HOME SELLING PRICE IN THOUSANDS, CITY OF NEWTON 2003-2016

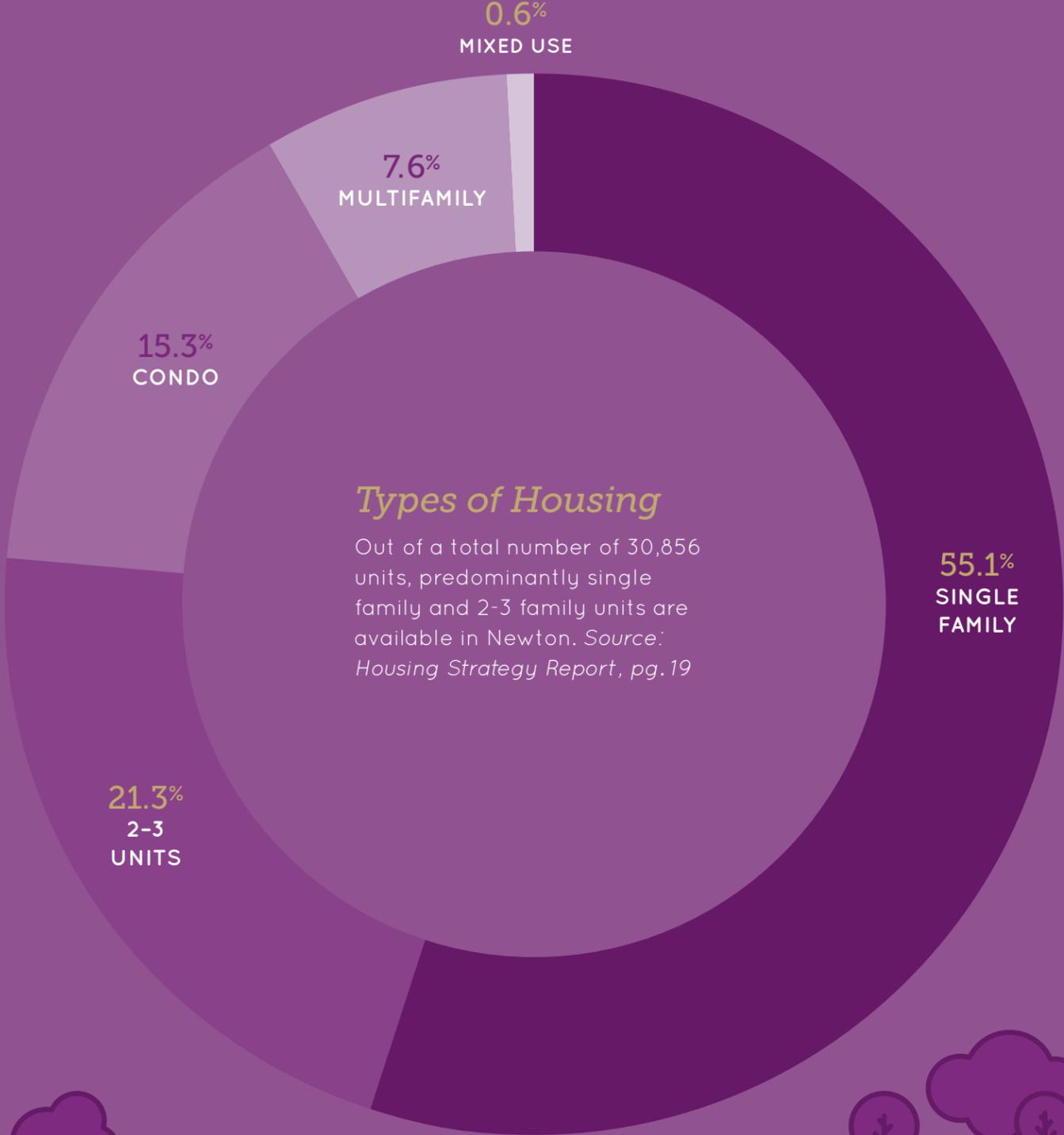


Newton's Residential Housing Market

Currently there is a lack of housing options in Newton for smaller households and residents that seek to downsize. Demand for high value housing and costs of development in Newton are affecting development patterns.

“Simply put, the **scarcity of land** in Newton is motivating the development community to maximize the lots they can acquire.”

Source: Housing Strategy Report, pg.15



The average value per acre of developable vacant land is **\$1.6 million dollars.**

Newton's Residential Housing Market

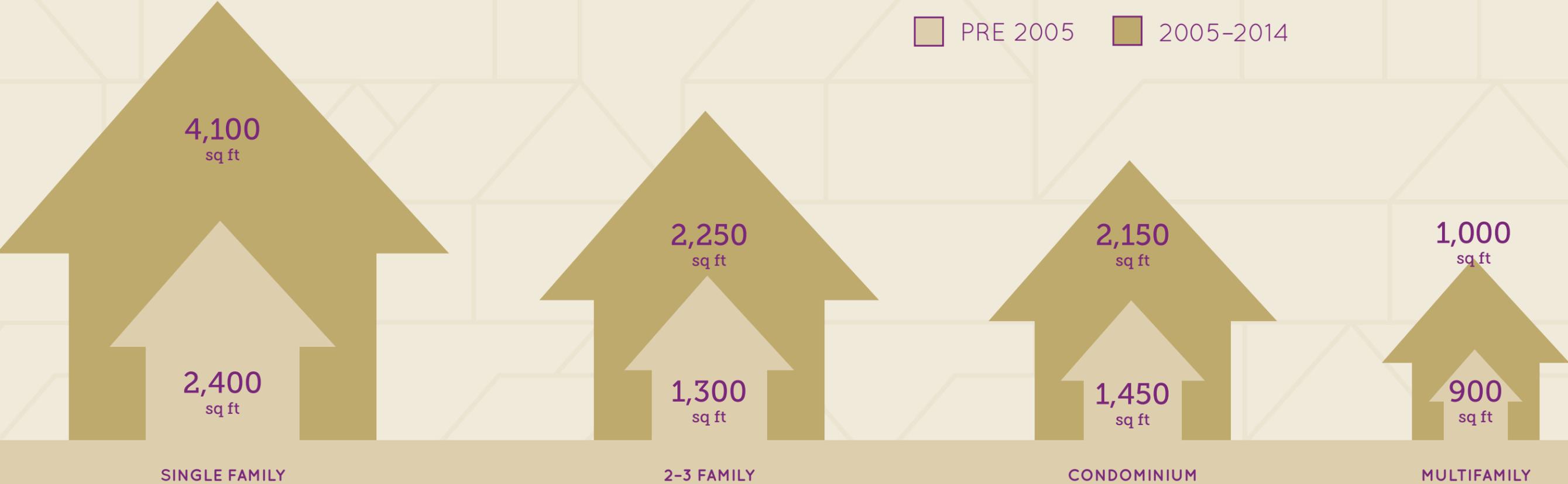
The average housing unit size in Newton has increased dramatically as developers have attempted to maximize the return on very expensive land as allowed by existing zoning. This data is in direct contrast with shrinking household size.

Housing Unit Size Increases

Housing unit sizes are growing in size.
Source: RKG Associates, Inc., 2015

AVERAGE LIVING AREA PER UNIT (SQ FT), CITY OF NEWTON

PRE 2005 2005-2014



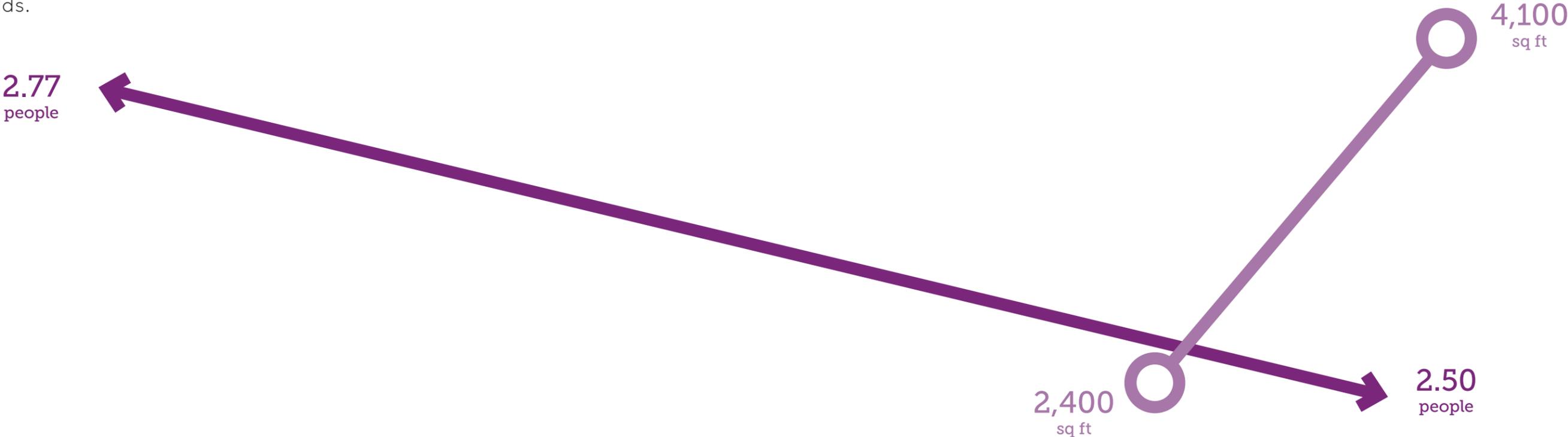
Newton's Residential Housing Market

Over time, residents in Newton have had smaller households with fewer people. Meanwhile, between 2000 and 2013, the sizes of Newton's single-family residential units have increased drastically. These trends indicate that Newton's residential housing market is not providing a range of housing units that accommodate smaller households.

Household size vs. housing unit size

There is a direct contrast between the trends in family or household size and in the sizes of the houses they live in.

- HOUSING UNIT SIZE, CITY OF NEWTON 2005 -2013
- AVERAGE HOUSEHOLD SIZE, CITY OF NEWTON 1980-2010



1980

1990

2000

2010

Changing Trends in Newton's Residential Housing Market

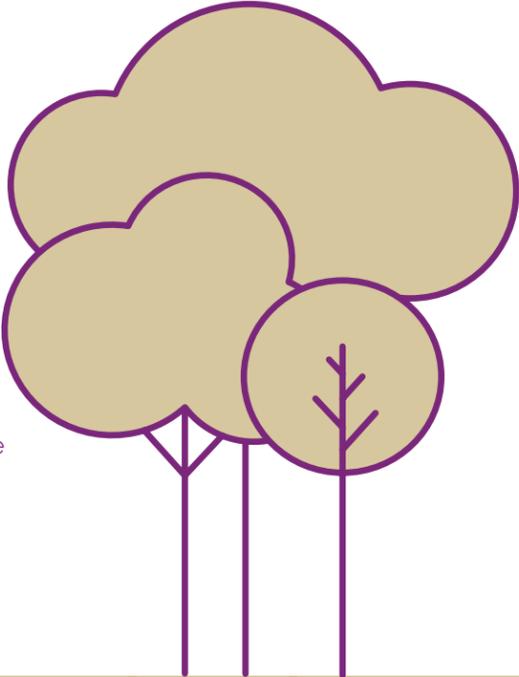
Newton's villages are a core part of the City's identity and one of the defining characteristics of its quality of life. At the same time, these small commercial districts face on-going competition from lower cost shopping centers and online shopping. Their competitive advantage is in their attractiveness as a place to be, their vitality, and their local customer base.

Mixed-use buildings offer the ability to expand housing while retaining storefronts on main streets. The more people living within a short walk of a store or restaurant, the greater the number of potential customers who may view that establishment as their convenient and local option.

Newton's is the Garden City - a mix of suburban villages, residential neighborhoods, and open green spaces. The City is committed to preserving large natural areas and parks as part of this housing strategy. In addition, in the context of high land costs, it is important to create pocket parks, plazas, and similar community spaces as part of creating housing. These types of gathering spaces add strength and quality to our village centers.

Economic Development: Maintaining the Vitality of Newton's Villages

There is a need to bring more customers to the doorstep of businesses in Newton's villages. Village green spaces encourage customers to stay and enjoy.



Types of Housing Production

Out of a total number of 1,286 units produced, no mixed use housing units were delivered between 2005 to 2014.
 Source: Housing Strategy Report, pg.19

RESIDENTIAL DEVELOPMENT BETWEEN 2005-2014, CITY OF NEWTON

41.1%
SINGLE FAMILY

23.1%
CONDO

0%
MIXED USE

31.0%
MULTIFAMILY RENTAL

4.7%
2-3 FAMILY RENTAL

Housing Affordability in Newton

Is the City of Newton affordable to the economically diverse array of people who live here today? Based on an analysis of the cost of the existing housing stock and census data on existing household incomes, between 4,700 and 5,100 households cannot afford the home in which they live. As these people transition out of their homes, those units will largely turn over to higher income households, continuing the general, market-driven trend of increasing exclusivity in Newton.

30%

IS THE MAX PERCENTAGE OF INCOME THAT CAN BE DEDICATED WITHOUT CAUSING HOUSING COST BURDEN.

2,303 UNITS
NEEDED FOR HOUSEHOLDS
MAKING UP TO \$25,450*



1,941 UNITS
NEEDED FOR HOUSEHOLDS
MAKING \$25,450 - \$42,350*

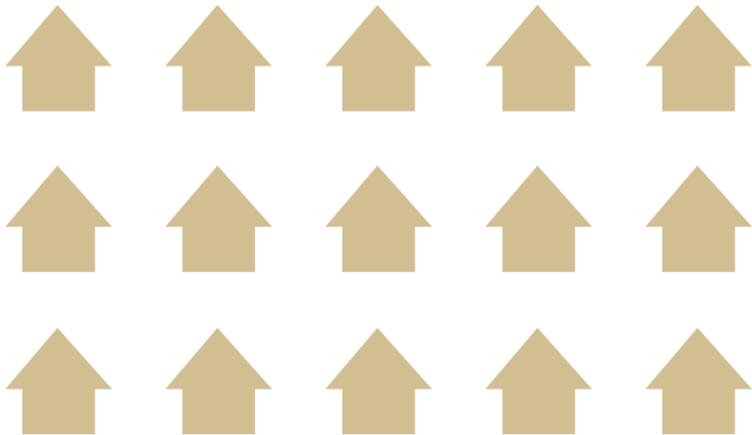


30,856 TOTAL HOUSING UNITS

Shortage of Affordable Housing Units

There are substantial shortages of housing units affordable for existing Newton households earning low to moderate incomes.

Source: Housing Strategy Report, pg. 53



*Incomes calculated for households of 3 people

Between **4,713** and **5,092** lower income households in Newton are housing cost burdened*



Source: Housing Strategy Report, pg. 35

*Cost burdened is when a low- or moderate-income household pays more than 30% of its monthly income on housing costs.

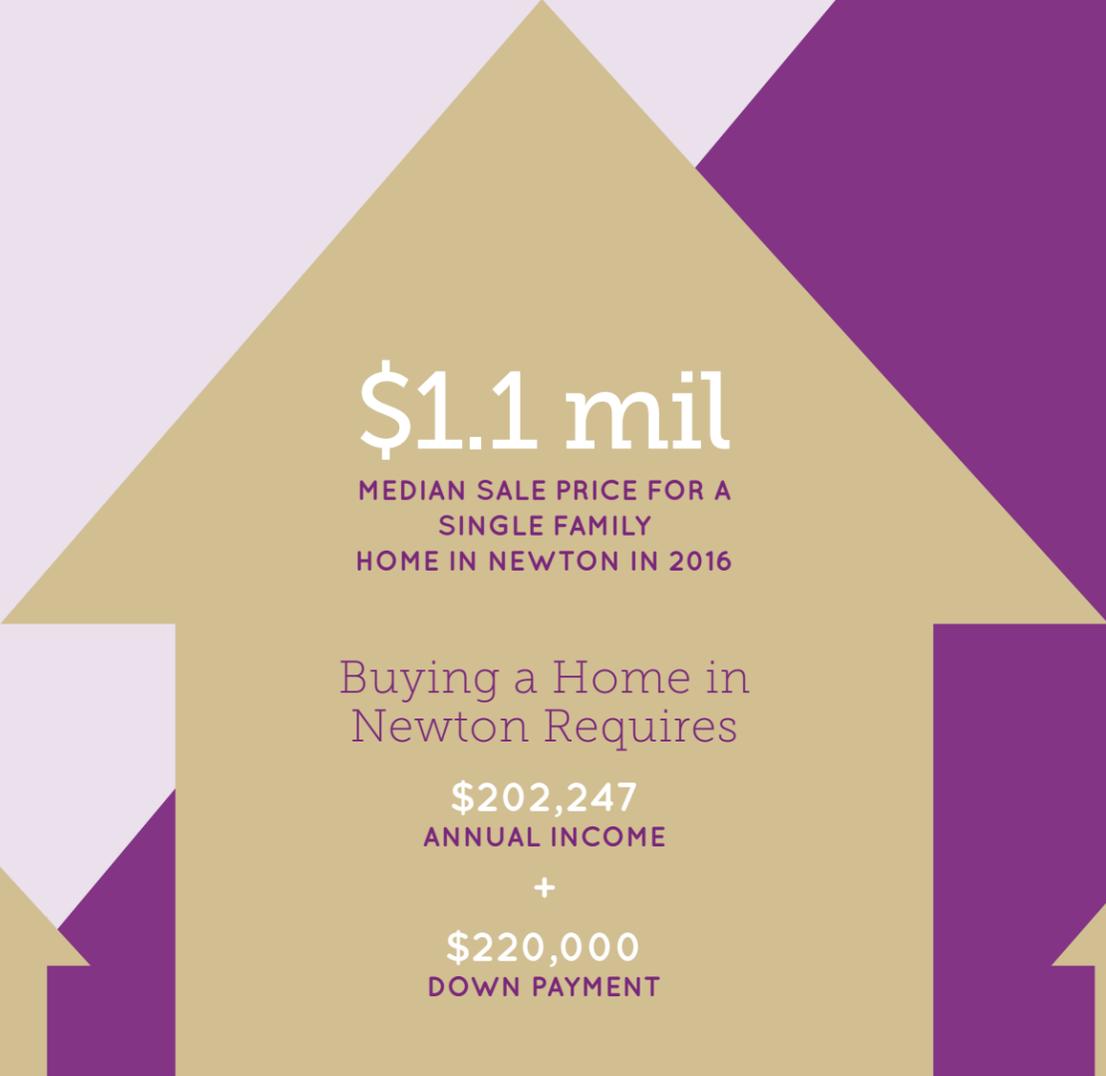
Housing Affordability in Newton

Demand for housing in Newton has driven housing costs up to the point where the median single-family home price in 2016 is \$1.1 million and \$500,000 for condos. At these prices, it is a limited range of people who can afford to purchase a home in Newton.

Household Income Required to Buy

Median sales price for Newton single family homes is \$1.1 million. To afford this purchase price, a buyer would need to make \$202,247 annually and have a down payment of \$220,000.

Sources: Warren Group (median sale price); City of Newton (tax rate); search of available mortgage rates June 2016 (mortgage)



“Approximately **92%** of the single family or 2-3 family units and **62%** of the condominiums in Newton are affordable only to households with incomes above **\$101,000** for a three person household”

Purchase price = \$1,100,000; 20% down payment = \$220,000; mortgage rate = 3.615%; tax rate = 1.138%; monthly costs = \$5,056 (mortgage and taxes); calculated at 30% of household income for mortgage and taxes.

Rental Trends in Newton

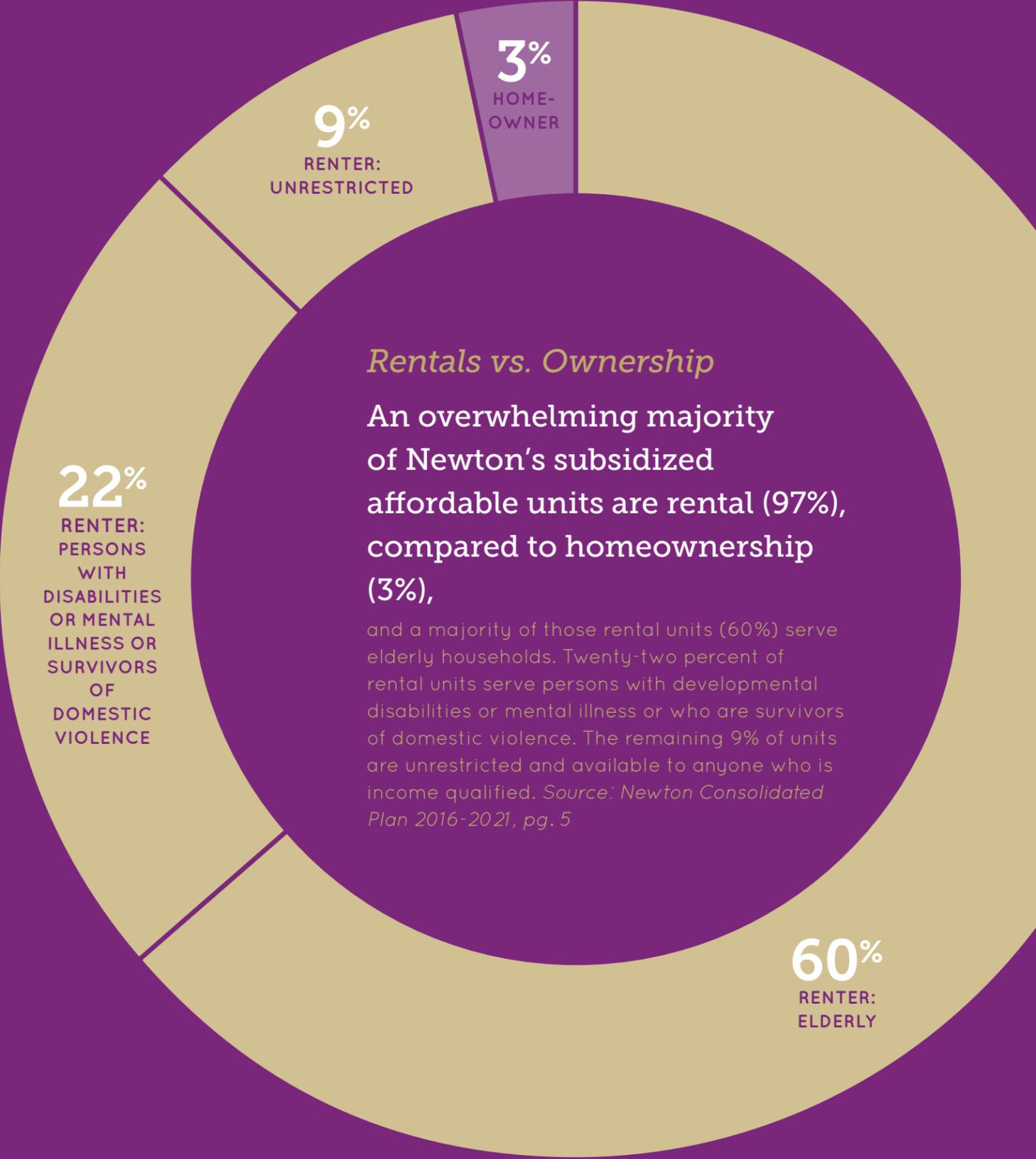
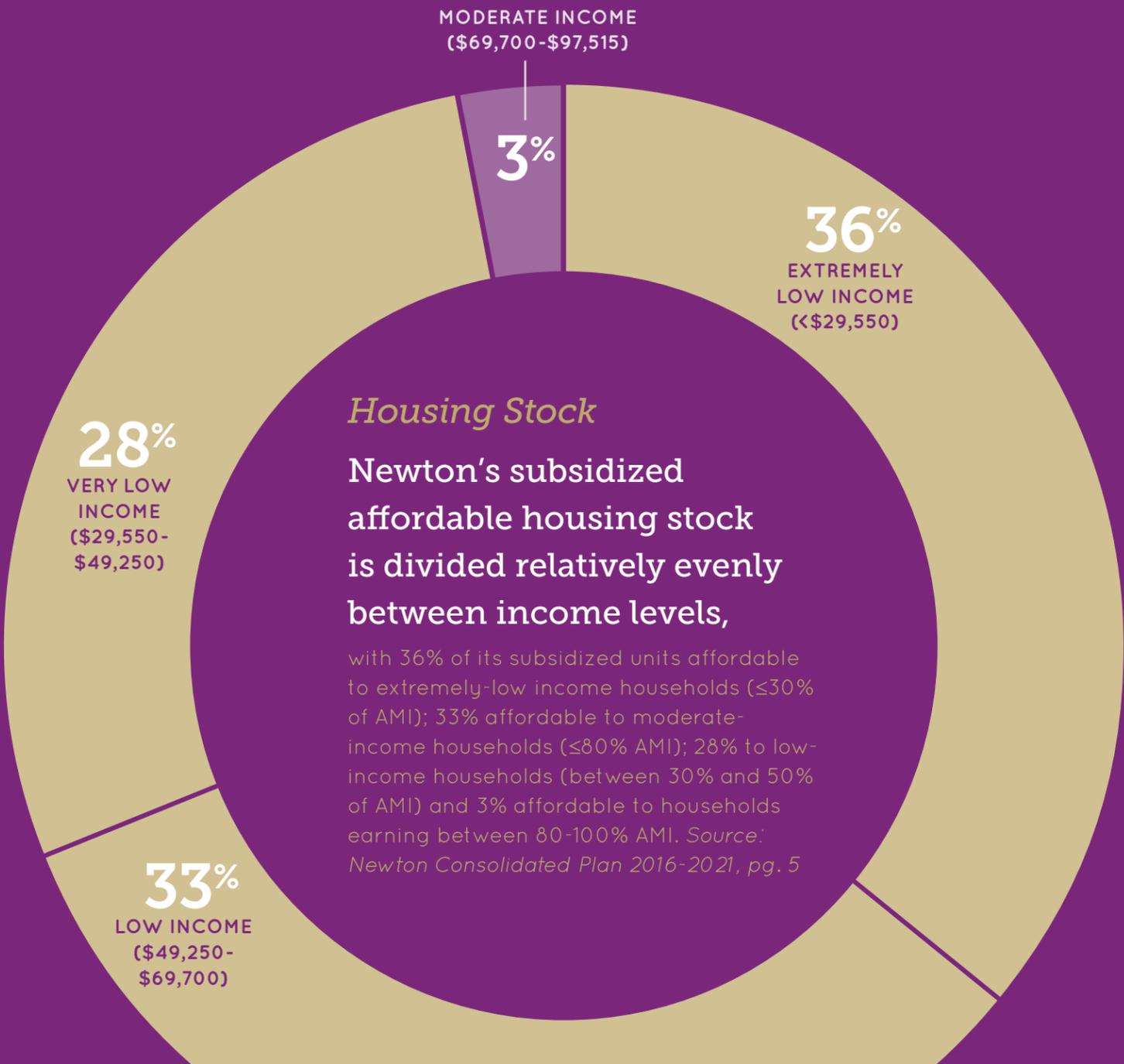
Rental apartments generally represent the greatest opportunity for affordable housing. Apartments are frequently the initial choice for young professionals starting their careers, are increasingly the choice of downsizing seniors, and have always represented the primary option available to lower income individuals and families.

Given demographic trends and the City's limited affordable housing options, rental apartments represent the greatest housing need and opportunity. These units should be provided in a range of forms, from accessory apartments to larger apartment buildings, all scaled appropriately to the local context.

There are **only four**
un-subsidized rental
units in Newton
available to a family
earning \$55,000.

Subsidized Housing in Newton

Newton has 2,438 subsidized housing units whose affordability is partially maintained by government funding. These deed-restricted units are designated for low- and moderate-income families and individuals. Almost all subsidized units in Newton are further restricted to seniors, persons with disabilities, mental illness, or survivors of domestic violence. The City needs to continue to serve these populations, but additional populations stand to benefit from affordable subsidized housing.



Making the Case for Housing in Newton

The evidence is clear: without taking action, the state of Newton's housing market will continue on a path of limited diversity. Results from the analysis demonstrate Newton will continue to see larger housing units for fewer people, unaffordability except to the most wealthy of residents, and decreasing options for younger and older Newtonians.

According to Massachusetts law, subsidized affordable housing units should represent 10% of all housing units in Newton. Approximately 800 units need to be built to achieve this goal.

800

ADDITIONAL SUBSIDIZED UNITS NEEDED

10%

THRESHOLD SET IN MGL CHAPTER 40B

2,438

CURRENT SUBSIDIZED AFFORDABLE UNITS IN NEWTON

BETWEEN 2000-2013

+4,200
HOUSEHOLDS
MAKING \$200K
OR MORE

-4,700
HOUSEHOLDS
MAKING \$125K
OR LESS

Loss of Low and Middle Income Households

Between 2000 and 2013 Newton gained 4,200 households earning \$200,000 or more, while at the same time losing 4,700 households earning \$125,000 or less.

Source: Housing Strategy Report, pg.12

Number of units in Newton currently on Subsidized Housing Inventory (SHI)

Source: Newton Consolidated Plan 2016-2021





Innovation Economy

Newton needs to build housing for workers in order to be competitive

“Talent is a prerequisite for attracting, retaining, and creating companies in the N-squared Corridor, but Newton and Needham’s aging population means that companies need to be able to attract younger workers. However, high housing prices and lack of direct rapid transit service to N² Corridor means that companies that want to attract Millennial workers to the area are having difficulty.

... A lack of affordable workforce housing in [Newton and Needham] is a major feature of the local real estate market and looms as a negative factor in potential business relocation and growth decisions.”

Source: N² Corridor Innovation Study

Criteria for Good Housing Sites

Newton offers 'the best of both worlds': suburban feel with vibrant village centers. Recommendations for housing development are context sensitive in order to protect the neighborhood or village character.



Zones, corridors and specific sites in Newton are identified as well-situated for greater housing development and transformation. These site recommendations are based on:

SITE AVAILABILITY AND REDEVELOPMENT POTENTIAL

SITE OWNERSHIP (PUBLIC/PRIVATE)

THE IMMEDIATE CONTEXT OF USES/ADJACENCIES

THE OVERALL SUITABILITY OF THE LAND

PRESERVATION OR CREATION OF OPEN GREEN SPACES

Additional criteria for larger development projects include:

TRANSIT ACCESSIBILITY

WALKABLE LOCATION TO COMMERCIAL SERVICES

Source: Housing Strategy Report, pg. 85

Housing Strategies



Engage the community and City Council as decision-makers in the effort to create context sensitive housing options

- Community conversations about the housing strategy
- Housing website



Identify affordable & diverse housing opportunity sites.

- Over 70 sites identified
- 7 sites promoted by the Mayor



Develop financing tools for supporting affordable housing

- Work with non-profit and for-profit developers on mixed income projects
- Explore housing trust



Make policy changes to support housing development

- Inclusionary Zoning
- Accessory Apartments



Preserve affordability

- Expiring restrictions, rehab & deed restriction program
- Accessory Apartments



Housing for homeless individuals and homeless families

- Combining housing and services

Priority Actions

	Project Name and Location	Next Steps	Number of estimated units		% of project affordable	Project impact	Anticipated timeline (PROCESS BEGINS IMPLEMENTATION BEGINS)
1	JACKSON GARDENS <i>John F. Kennedy Circle</i>	HOUSING AUTHORITY SEEKING FUNDING	32 UNITS		100%	AFFORDABLE HOUSING FOR SENIORS	SPRING 2016 TBD
2	NEWTON CENTRE "TRIANGLE LOT" <i>Langley & Beacon Street</i>	COMMUNITY ENGAGEMENT	TBD		AT LEAST 20%	MIXED-USE, MIXED-INCOME HOUSING	SPRING 2017 TBD
3	114-134 STANTON AVE	REUSE PROCESS	60-70 UNITS		100%	AFFORDABLE HOUSING FOR SENIORS	FALL 2016 FALL 2017
4	RICHARDSON STREET <i>Centre Street & Richardson Street</i>	COMMUNITY ENGAGEMENT	TBD		AT LEAST 20%	MIXED-USE, MIXED-INCOME HOUSING	SPRING 2017 TBD
5	WASHINGTON PLACE <i>259 Walnut St.</i>	SPECIAL PERMIT	171 UNITS PROPOSED		15-20%	MIXED-USE, MIXED-INCOME HOUSING	SPRING 2016 SPRING 2017
6	CORNER OF OAK & NEEDHAM <i>Marshall's Plaza, 275-281 Needham St & 156 Oak St</i>	REZONING, SPECIAL PERMIT	TBD		15-20%	MIXED-USE, MIXED-INCOME HOUSING	TBD
7	70 CRESCENT STREET	COMMUNITY ENGAGEMENT	8 UNITS		50%	COMBINATION OF RENTAL HOMES AND EXPANSION OF ADJACENT PARK SPACE	FALL 2015 SUMMER 2017
8	ACCESSORY APARTMENTS (CITYWIDE)	ZONING AMENDMENT	N/A		N/A	EXPANDS AGE-IN-PLACE OPTIONS FOR SENIORS, YOUNGER WORKERS/FAMILIES	FALL 2016 WINTER 2016
9	INCLUSIONARY HOUSING ORDINANCE (CITYWIDE)	ZONING AMENDMENT	N/A		N/A	PROPOSED INCREASE FROM 15% TO 20% AFFORDABLE	WINTER 2016 SPRING 2017
10	HOUSING FOR HOMELESS (CITYWIDE)	IDENTIFY DEVELOPMENT PARTNER	9-12 PERMANENT UNITS		100%	LINK HOUSING WITH WRAP AROUND SERVICES	SUMMER 2015 SUMMER 2018

Housing Conversations

Guiding principles for meaningful conversations

These principles are reflective of the City's commitment to working with our community and having meaningful dialogue about housing. Here are some principles of community engagement.

- Inclusiveness & Equity
- Early Involvement
- Easy Participation
- Meaningful Engagement
- Transparency
- Mutual Accountability
- Sustained Collaboration
- Evaluation
- Respect

What's Next?

WE LOOK FORWARD
TO ONGOING
CONVERSATIONS WITH
YOU ABOUT HOUSING
IN NEWTON.

**Join the conversation and
stay connected!**

www.newtonma.gov/housingstrategy

