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James Freas
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MEMORANDUM

DATE: July 17, 2015
MEETING DATE: July 21, 2015
TO: Land Use Committee of the Board of Aldermen
FROM: Alexandra Ananth, Chief Planner for Current Planning 
RE: Answers to Questions Raised at the June Public Hearings, Part 1
CC: Austin Street Partners
City Clerk
Law Department
Executive Department

PETITION #119-15

28 AUSTIN STREET

Request for Special Permit/Site Plan Approval to redevelop a municipal parking lot with a mixed-use building and 127 public parking stalls

The Land Use Committee (the "Committee") held public hearings on this project on June 2 and June 9, 2015, which were held open. In response to questions raised at the public hearings and/or staff technical reviews, the Planning Department is providing the following information for the upcoming public hearing/working session. This information is supplemental to staff analysis previously provided at the public hearing. Additional information will continue to be provided as the public process continues.

DESIGN

Front Setback on Austin Street

The public sidewalk on Austin Street is proposed as 14 feet wide across the entire property. It should be noted that a significant portion of the sidewalk is located on the subject property, and not the public way as is typical. The City will retain ownership of the property so this does not create the need for an easement, as it would if the site were privately held and the public sidewalk encroached onto private property. The minimum front setback of the proposed building is technically 8 feet from

the property line at the western end of the site, and increases on the east side of the building. This is shown on the Site Plan and will be presented at the September 24th continued public hearing. The Planning Department believes the front setback is appropriate given the generous width of the sidewalk.

Garden

Austin Street Partners was asked if the garden could be more effectively used. The developer has stated that they would propose a community competition to take suggestions as to the best use and design of the garden area. They are willing to pay for improvements (up to a cap to be determined) and would create a neighborhood committee with developer and Planning Department representation to review all proposals. The Planning Department believes this could be a creative opportunity to engage the community in the project, and the design of this space does not need to be solidified prior to a Board of Alderman (Board) vote on this project as long as a condition is included in any final Board Order that this space shall be completed consistent with plans approved by the Director of the Planning and Development Department prior to the issuance of a final Certificate of Occupancy.

Façade

Austin Street Partners is reviewing comments received on the current façade design of the building and will make a presentation of potential modifications and changes to the Planning Department soon, with the intent of making a public presentation at the meeting on September 24th.

Details of Public Plaza

Austin Street Partners is considering the feedback received on the design of the public plaza and is working on the details of this area which will be presented at the September 24th meeting.

Improvements to Philip Bram Way

Austin Street Partners is proposing to repave all of Philip Bram Way as part of the proposed project, as well as the municipal parking lot. At the northern end of Philip Bram Way, a raised roadway or tabletop will be constructed to create a “woonerf,” or shared street, which could be closed off (with the exception of emergency vehicles) for special events or more permanently if this is desirable. No other improvements are currently proposed for Philip Bram Way. Austin Street Partners should detail proposed materials of the shared street portion of the Plaza on a revised Site Plan for presentation at the meeting on September 24th.

Mechanicals

The mechanical equipment is centered in the middle of the roof and should not be visible from most vantage points in the neighborhood including from Washington Street. Austin Street Partners will present a visual of the site as viewed from Washington Street at the meeting on September 24th.

Storage

Austin Street partners has noted that there is ample closet storage in every unit. More storage may be available in the garage as the design of necessary mechanical spaces is determined.

INFRASTRUCTURE

Utility Upgrades

The Department of Public Works (DPW) has assessed existing infrastructure and although the utilities are adequate for the parking lot in its current state, they would need to be upgraded if this lot is redeveloped.

Given the number of bedrooms this project has, the DPW will assess a mitigation fee for sewer infiltration and inflow removal (I/I), consistent with their policy for special permit projects with more than 100 bedrooms. Sewer I/I mitigation funds allow the DPW to replace, clean and re-line the sewer pipes in order to reduce the amount of I/I entering the sewer system, thereby accommodating the increased demand on the City's sewer pipes resulting from various new developments.

The basis for the Engineering Division's request for sewer infiltration/inflow (I/I) mitigation stems from a March 1997 Administrative Consent Order (ACO) between the City and the Department of Environmental Protection (DEP) Division of Water Pollution Control, and a successor ACO of February 2000, which superseded the 1997 ACO. The February 2000 ACO requires the City to mitigate excessive sewer I/I and to create an I/I Abatement Plan.

As a result of February 2000 ACO, the Utilities and Engineering Divisions of DPW created a policy to address mitigation of sewer I/I for the permitting requirements of large new development projects. This policy requires developers to remove existing sewer I/I at a rate of 8:1, or eight gallons of I/I to be removed per one gallon of sewer flow added to the system. The policy further allows the ratio to be increased to 10:1 if the DPW determines that the development lies within an area which poses a hazard to public health as a result of the sewer capacity. In some instances, depending upon the sewer capacity, a reduction of the mitigation ratio by the Board to 4:1 has been allowed. The sewer flow added is calculated based upon 110 gallons per bedroom per day, per DEP's guidelines on sewer and septic system design.

Austin Street Partners has agreed to pay for I/I mitigation in accordance with the policy at the standard rate of 8:1. At the current rate of \$8.40/gallon * 110 gallons/day/bedroom * 101 bedrooms = \$746,592. With this payment the DPW will be able to replace the aging 8" clay sewer pipe on Austin Street from Walnut Street to Lowell Avenue.

The existing water main on Austin Street is scheduled to be replaced by the DPW as part of routine infrastructure upgrading, and is on the City's Capital Improvement Plan (CIP) for fiscal year 2019. The DPW has stated that they are able to be flexible with timing and will replace the aging 6" unlined cast iron water main on Austin Street to coincide with this project since it is already on the CIP.

Stormwater improvements will be made by Austin Street Partners based on the DPW's requirement for a 100-year storm event as part of this project, and a drainage analysis must be submitted to the Engineering Division of Public Works for review and approval prior to the issuance of a building permit.

Upon completion of the proposed project by Austin Street Partners, the DPW will reconstruct (mill and pave) Austin Street as it would any street after a routine water main upgrade.

Undergrounding

All municipal utilities will be underground, but public utilities such as electric and cable may not. The Planning Department recommends that the Board consider recommending to the Department of Public Works, that if there are funds left over after the sewer pipe is replaced, that these funds be allocated towards the undergrounding of electric wires along Austin Street and Philip Bram Way. Austin Street Partners has indicated that they would be supportive of this. The Engineering Division of Public Works is still expecting a detailed Utility Plan from Austin Street Partners that should be submitted for review and approval prior to the meeting on September 24th.

Snow Removal

The Department of Public Works will be responsible for snow-plowing and removal as necessary in the municipal parking lot, and has reviewed submitted plans. It should be noted that a significant portion of the site will now be covered by the building so less plowing will be needed. However, due to limited storage space snow will likely have to be removed to melt off-site in the event of a major storm event.

HOUSING

Subsidized Housing Inventory

All of the units in this project will be eligible for listing on the State's Subsidized Housing Inventory (SHI).

Local Tenant Preference

The deed restricted units will be required to comply with the Department of Housing and Community Development's (DHCD) guidelines for local preference, as well as the Affirmative Fair Housing Marketing and Resident Selection Plan Guidelines in order to create fair and open access to affordable housing opportunities and to promote compliance with state and federal civil rights obligations. During the initial rent-up, deed restricted units are generally filled through a lottery that is conducted by a qualified lottery agent. Market rate units are filled on a first-come, first-served basis.

Accessibility

All of the apartments are required to be accessible in compliance with state and federal laws. This includes the building entrance and common areas; all door widths; an accessible route through every dwelling unit; all light switches, electrical outlets, thermostats and other environmental controls must be located in accessible locations; and bathroom walls are reinforced for later installation of grab bars if needed.

Some of the affordable apartments will be adaptable. An adaptable unit has all the accessible features that a fixed accessible unit has, but allows some items to be omitted or concealed until needed so that the dwelling units can look the same as others and be best matched to individual needs when occupied.

If an affordable unit must be made adaptable the property owner must pay for reasonable accommodations. Reasonable accommodations in housing is defined as a change which can be made

to an apartment or a procedure which will allow a person with a disability to have an equal opportunity to take advantage of housing options.

Diversity of the Affordable Units

Austin Street Partner's special permit proposal complies with the City's Request for Proposals (RFP), which requests that 25% of the apartments be affordable to households earning 80% of Area Median Income (AMI). If there is consensus to provide apartments affordable to households earning an average of 65% of AMI, this would be a significant change in the terms of the agreement between the City and Austin Street Partners. All affordable units require a subsidy, which can be provided either through the provision of a number of additional market rate units, a direct payment from the City, or through a reduction in the lease payment. The Planning Department will consider this issue further for the meeting on September 24th.

Vacancy Rate for Other Large Apartment Buildings

Austin Street Partners stated that as of June 26, 2015, a survey of both Avalon Bay communities and Arborpoint at Woodland Station indicates that the vacancy rate is below 5%. This concurs with information that the Planning Department has.

Newton Housing Partnership

Austin Street Partners went to the Newton Housing Partnership (the Partnership) in May 2015, and a letter of support for the project from the Partnership was attached to the Planning Department's memorandum dated May 29th. The Partnership invited Austin Street Partners to return in September when they have worked through final details of the affordable units and marketing and tenant selection plans. Comments and recommendations from the September Partnership meeting will be presented at the meeting on September 24th.

RETAIL

Retail Analysis

The Planning Department's working vision for Newtonville will be presented in the fall including how this project fits within that vision. As a general comment, the first floor commercial space totals approximately 5,000 square feet, or three small shops, which are planned to complement the existing offerings in Newtonville. Potential tenants might include a small book shop, toy shop, spin studio, restaurant, or prepared food or sandwich shop. A co-working or shared office space is also planned for approximately 1,500 of the 5,000 square feet.

The Planning Department believes that 68 new households will contribute to the economic vitality of Newtonville through household spending on goods and services locally. This issue will be further analyzed by an economic and fiscal analysis which will be independently prepared for the Planning Department for the meeting on September 24th.

What Does No Initial Leases Mean?

Currently, Austin Street Partners believes there are sufficient banks and nail salons in Newtonville and has pledged not to lease to other banks or nail salons when the building is constructed. As

market conditions may change over time, the developer is reserving the right to lease to banks or nail salons in the future, if warranted.

Shaw's

The Planning Department has had one meeting with the new owners of Shaw's in recent months and is working to set up another meeting to discuss shared parking opportunities during construction of this project. Although it is possible that they may redevelop their site someday, or sell the lot as a redevelopment opportunity, there are no concrete plans that the Planning Department is aware of as of the writing of this memorandum.

FINANCIAL

Economic/Fiscal Analysis

The Planning Department has issued a Request for Price Quotes for an economic and fiscal analysis of the proposed project. Quotes are expected to be received the Week of July 20th with contracts awarded the following week. It is expected that a final report will be available for the September 24th meeting.

Developers Pro-Forma

The City is reviewing the pro-forma. However, requesting additional affordable units after the Board set the affordable unit percentage at 25% would be a significant change in the terms of the agreement between the City and Austin Street Partners.

Proposed Rents

Projected market rate rents are based on "comparables" or other units in Newton that are similar in terms of bedrooms and bathrooms, size, finishes, amenities, etc. Comparables include but are not limited to the Avalon Bay communities and Woodland Station.

Austin Street Partners has stated that 28 Austin Street's market rate rents are currently projected at \$2,370-\$2,820 for a one-bedroom, and \$2,950-\$3,450 for a two-bedroom unit not including utilities. Currently, the monthly rent includes one parking space per unit, although if parking were priced separately, apartment rents could be reduced by approximately \$150 per month. This means that if a couple were to rent a one-bedroom apartment for \$2,500, in order for their rent not to exceed 30% of their annual income, their income would need to be approximately \$100,000. Annual income for a \$3,250 two-bedroom would need to exceed \$130,000.

Maximum Allowable Rents for deed restricted units are established annually using HUD income limits and with assumptions about households most likely to occupy the apartment home. The rents include all utilities. If the utilities are paid by the residents the rent will be adjusted using Newton Housing Authority allowances. The monthly rent includes one parking space per unit. The maximum allowable rents for 2015 are \$1,307 for a one bedroom unit, and \$1,568 for a two bedroom unit. A household with a Section 8 Housing Choice Voucher or a Newton Housing Authority Voucher will be able to rent a rent-restricted apartment at 28 Austin Street. A table of area household income rates effective March 6, 2015, to qualify for housing services is attached (**Attachment A**).

How Will This Project Be Assessed

Based on the current fiscal year tax rates the project is estimated to generate approximately \$40,000 in commercial taxes, and \$135,000 in residential taxes plus the Community Preservation Act surcharge of 1%, for a total of approximately \$192,500 per year.

TRAFFIC AND PARKING

All questions related to traffic and parking will be answered in a separate memorandum which will be made available in advance of the October 6th meeting which will focus on these topics.

Housing and Community Development Program

Community Development Block Grant Service Eligibility Income Limits

Effective March 6, 2015

Projects funded by the City of Newton CDBG Program can assist people in Newton whose household income is within the following limits, effective March 6, 2015.

In addition, *adults with disabilities, survivors of domestic violence, homeless people, abused children, people with AIDS, people who are illiterate, and elders* are **presumed to be eligible for services.**

Number in Family	30% of Area Median Income	50% of Area Median Income	80% of Median Income*
1	\$20,700	\$34,500	\$48,800
2	\$23,650	\$39,400	\$55,800
3	\$26,600	\$44,350	\$62,750
4	\$29,550	\$49,250	\$69,700
5	\$31,950	\$53,200	\$75,300
6	\$34,300	\$57,150	\$80,900
7	\$36,730	\$61,100	\$86,450
8 or more	\$40,890	\$65,050	\$92,050

*Newton's median income for a family of 4 is \$98,500. However, the 80% of Median Income is capped by the U.S. Family Median income level. Data was taken from the 2010 American Community Survey.