

**Nadia Khan**

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**From:** David A. Olson  
**Sent:** Tuesday, February 07, 2017 3:29 PM  
**To:** citycouncil  
**Cc:** Nadia Khan  
**Subject:** Fw: Please forward today to all members of the City Council - Why "Workforce Housing" Is a Terrible Idea

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**From:** Kathleen Kouril Grieser <kik860@mail.harvard.edu>  
**Sent:** Tuesday, February 7, 2017 2:23 PM  
**To:** David A. Olson  
**Subject:** Please forward today to all members of the City Council - Why "Workforce Housing" Is a Terrible Idea

Dear Mr. Olson,

I would be very grateful if you would kindly forward the message below to all members of the City Council and make it part of the record in the matter of the "Washington Place" proposal now before the Land Use committee. Thank you.

Sincerely,

Kathleen Kouril Grieser

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Dear Members of the City Council,

I hope you will take a few minutes to read my observations below, which are relevant to "Washington Place" and other proposed high-density housing projects that might come before you. Thank you.

Sincerely,

Kathleen Kouril Grieser

## Why “Workforce Housing” Is A Terrible Idea

Every land use decision that comes before elected or appointed officials in Newton concerning publicly-owned land, increased-density housing or a high-interest development project should be considered in the context of the overall well-being of Newton residents and taxpayers, Newton’s fiscal health, and the preservation of local democratic control of Newton’s destiny. Therefore, every land use decision should protect and improve on Newton’s 1.5% Land Area Minimum 40B immunity.

Newton’s achievement of 40B compliance means developers and state bureaucratic functionaries cannot use 40B to force unwanted, enormous projects into Newton. It returns to the City Council and the ZBA the power to demand smaller, better, greener, less contentious projects with HIGHER percentages of subsidized affordable units than the 40B statutory minimums. When 40B is enabled, developers only ever provide the minimum number of affordable units; they don’t have to offer anything more. Affordable housing advocates and slow-growth supporters alike win by Newton’s achievement of the 1.5% standard – that achievement means the City Council and the ZBA can get more affordable units - out of smaller, more acceptable projects.

The keys to maintaining and improving on Newton’s 1.5% immunity are:

1. Make sure all land zoned Public Use “PU” is retained or replaced in each deal. “PU” land must stay constant or rise as a percentage of all land in Newton.
2. Ensure that all rental housing projects meet DHCD required percentages of affordable units sufficient to ensure that 100% of units and land area “count” on the DHCD Subsidized Housing Inventory (“SHI”). These levels are 20% of units (affirmatively fair housing marketed to those) at 50% of MSRA (regional) AMI OR 25% of units at 80% of AMI. Get DHCD confirmation in writing that all units and land area will “count” and put it into the SP or ZBA board order that the developer will provide official proof by a set deadline that all units and land area have actually been entered on the SHI.

“Workforce Housing” are units available to those at 80%-120% of AMI. “Workforce Housing” is NOT recognized as affordable housing by DHCD. They do not “count”. They don’t help Newton’s SHI standings. They weaken Newton’s 40B immunity when they get in the way of 100% of units and land area counting on the SHI. They threaten Newton’s hard-won local democratic control over land use in Newton. **“Workforce Housing” threatens local democratic authority in Newton.**

Because DHCD doesn’t recognize “Workforce Housing”, they also do not provide any bureaucratic support for the lawful marketing, vetting, distribution or tenant income monitoring of such units to

potential tenants. Is Newton planning to create and pay for its own bureaucracy or consultants to handle the fair marketing, vetting, distribution and tenant income monitoring of these highly discounted units? Even if the developer handles this administrative and legal work, the cost will be passed along to market-rate tenants and to Newton taxpayers. **“Workforce Housing” involves significant administrative and legal costs to Newton taxpayers.**

One of the arguments often put forward in support of “Workforce Housing” is that people who work for the City of Newton – teachers, police officers, firefighters and others – cannot afford to live here. Workforce housing available to anyone at 80%-120% of AMI in Newton - or in the region or the country who wants to move to Newton – doesn’t do Newton’s public employees any good. But if such subsidized units are made preferentially available to Newton’s public employees, particularly those who are white, childless and able-bodied, those who approved the plan to allocate units in that way will have laid Newton open to charges of federal Fair Housing Act violations for discriminating in favor of public employees and, therefore, against “protected classes” under the FHA. **“Workforce Housing”, if structured to benefit Newton public employees, invites HUD complaints and FHA lawsuits against the City.**

**In fact, arranging preferential access for Newton public employees to subsidized “Workforce Housing units is extremely problematic, and raises a host of questions:**

- If any of Newton’s public employees are awarded “Workforce Housing” units, how is that fair to their co-workers?
- How would public employee union contracts and negotiations be affected by unequal treatment of equivalent public employees, since only some would “win” a unit?
- Would “winning” a “Workforce Housing” unit represent a form of income that could/should be taxable?
- If a Newton public employee loses their job, doesn’t that mean they lose their “Workforce Housing” home as well?
- If an unmarried Newton public employee “wins” a “Workforce Housing” unit and later marries or co-habitates with someone, pushing their combined income above 120% AMI, do they lose their unit? Who monitors these life changes?
- If a Newton public employee “wins” a “Workforce Housing” unit and that employee is related to a City of Newton elected or appointed official, does that open up ethics violation questions?

**In short, “Workforce Housing” is a poor way of assisting Newton public employees and creates potential legal liabilities for the City.**

**“Workforce Housing” is a patronizing, ultimately harmful, way of “assisting” working people.** It binds them into greater dependency on their employer, who provides not just their income, but their housing or access to subsidized housing. We’ve come a long way from the times when those who toiled on the railroads, in factories or in mines lived in company housing and found themselves in debt to the company store. Let’s not go backwards. When working people live in rental

housing that is tied to their employer in any way, or to their income level, that tends to depress wages. Employers know that renters in such housing pay rents as a percentage of income. The argument goes: “Why should we give you a raise when it will only make your rent go up?” Furthermore, living in subsidized housing creates a powerful disincentive for the renter to try to improve their situation in life by seeking a new, higher-paying job, for to do so might put at risk the renter’s possession of the subsidized unit.

For those who are truly unable to improve their economic situation because of age, disability, having to care for young children, or some other reason, permanent residence in subsidized units might be the only way to live in a safe and dignified way. But for people who are working, striving, and trying to reach or stay in the middle class, locking them into an income-linked unit seems less helpful than assisting them with first-time homebuyer programs and other mechanisms that give a hand up into the American Dream of home ownership, middle-class economic security and a better life. **“Workforce Housing”, locking working people into income-linked subsidized units, is the anti-thesis of the American ideal of striving to climb the economic ladder through home ownership to middle-class economic security.**

Ownership of land has always been a critical component of middle-class wealth and power. Policies like “Workforce Housing” that steer working people towards renting and away from homeownership are exacerbating the long-term decline of the middle class, two thirds of whose wealth is in their homes, according to the National Bureau of Economic Research. Policies that push the middle class into rental units and away from ownership of houses and land tend to lead to the concentration of land, wealth and power in fewer hands. That is the opposite of what should be happening in a healthy democracy. **“Workforce Housing”, by steering working people into rental units, weakens the middle class and accelerates the anti-democratic process of concentrating land, wealth and power in fewer hands.**