

Nadia Khan

From: David A. Olson
Sent: Tuesday, February 28, 2017 4:31 PM
To: citycouncil
Cc: Nadia Khan
Subject: FW: Docket #179-16 and #180-16 - Orr Block Proposal Public Hearing. Please forward today to all City Council members, Thank you.
Attachments: Kouril Grieser_ Orr block rezoning a bad idea - News - Newton TAB - Newton, MA.pdf

From: Kathleen Kouril Grieser |
Sent: Tuesday, February 28, 2017 4:24 PM
To: David A. Olson
Subject: Docket #179-16 and #180-16 - Orr Block Proposal Public Hearing. Please forward today to all City Council members, Thank you.

Dear Mr. Olson,
 Would you kindly forward this message and attachment to the members of the City Council today? Thank you so much.

Yours truly,
 Kathleen Kouril Grieser
 Mill Street

Dear Members of the City Council,

I don't know if Robert Korff is going to withdraw his application for rezoning to MU4 and a Special Permit and waivers tonight or not. I don't know if his letter to the City Council about that was a bluff and a negotiating tactic, or if he will attempt to get a 40B permit. If he does attempt a 40B, it's not clear that he will get the project he wants. What I do know is that he has wasted months and months of your time, the public's time and considerable public resources in the form of expensive City staff time. Threatening to withdraw, or actually withdrawing, his application at this point is an insult to all of you and to the many members of the public who attempted to negotiate in good faith with Mr. Korff.

Mr. Korff's action makes several things very clear:

- He is determined to get MU4 because he needs the MU4 precedent to enable his plans to build more MU4 apartment buildings along Washington Street and elsewhere. Even though Mr. Korff could build most of what he wants, profitably, under existing zoning with an Special Permit, waivers and some creativity, he so far refuses that option.
- MU4 is going to cause tremendous problems for the City Council and the residents of Newton, and should be abolished as soon as possible. Do we really want to spend the remaining decades of our lives battling over one MU4 after another? If you wouldn't want one overlooking your house - as the Foster Street abutters don't - than it's safe to assume that none of your constituents do either. MU4 was a well-intentioned mistake that has become a self-inflicted injury. MU4 rezoning will swallow up what remains

of our commercial tax base. MU4 makes no sense from a fiscal point of view, especially for a city that's more than \$1 billion in debt. Please abolish MU4.

- Mr. Korff is buying up and making offers on properties all across the north side of Newton. If you allow him to proceed, one can only assume he or other well-funded property speculators like him will do the same in other parts of Newton. Since when do we allow property speculators to determine the destiny of our community? to drive out existing residents by pushing up land and housing prices through speculation? to burden taxpayers with their externalized costs? to do their own "urban planning" and re-shape our community against our will and in their own interest? Are you going to stand by and allow some multi-millionaires with who-knows-whose money behind them to buy up our community, our home?
- Mr. Korff's threats to do a *hostile* 40B against the people of Newton reveal his contempt for all of us, and that his plans were never about "leaving a legacy" or honoring anyone, but only about extracting as much profit as possible from each parcel of land he gets his hands on - with almost no regard for the fiscal impacts, school impacts, traffic impacts, or terribly negative impacts on Newtonville abutters and residents.
- That Mr. Korff has no genuine interest in affordable housing, only in maximizing the number of high-priced market-rate units he can build. I have incorporated a memo written by Bob Kavanagh, (an abutter to the Court St. 40B who has diligently tracked the details of that project), so you can get a sense of just how much money Mr. Korff can make off those mostly market-rate units.

I urge you to stand firm and stand together against Mr. Korff's attempts (particularly over this past weekend) to intimidate the residents and the elected representatives of Newton into giving him MU4 carte blanche - to bulldoze our villages and everything democratic, fair and compassionate that this community is, and has represented, for centuries. If he goes to the ZBA, I trust Mayor Warren and the ZBA will show the same kind of dignity and fortitude that must always be called upon when one is confronted by a bully. No to rezoning. Thank you for considering my views.

If you would like to learn more about 40B, the Newton Villages Alliance (of which I am on the board) hosted a speakers series last spring, including one panel discussion about 40B. It was a very interesting and informative event, and the video may be viewed at this link: <https://www.youtube.com/watch?v=XhlWeVSwlqY>

Yours truly,
Kathleen Kouril Grieser
Mill Street, Newtonville

PS - I am adding on, for your convenience (in case you haven't read them yet and don't want to look for them) my letters from January 31, February 7 (why "Workforce Housing" is a terrible idea) and February 24, along with Bob Kavanagh's memo about 40B market-rate unit price escalation, below. Attached is my TAB column about the fiscal impacts of Mr Korff's proposal (very like my January letter, but with less detail).

February 24, 2017

Dear Members of the City Council,

I am writing to thank you for the tremendous amount of time and effort the Land Use Committee members and other councilors have spent considering Robert Korff's request for a zoning change, special permit and waivers for his "Washington Place" proposal. Mr. Korff and his team have taken up a lot of your time and the public's time, as well as public resources in the form of expensive city staff time. Robert Korff's rezoning request is opposed by multiple community preservation groups, including Neighbors for a Better Newtonville, Newtonville Local Historic District residents, the Foster-Lowell-Walnut abutters group, the Newton Villages Alliance, and others. Moreover, people from community preservation organizations in Auburndale, Waban, Newton Highlands, Newton Centre and other villages came to the public hearings and spoke out against the reckless idea of MU4 rezoning of Newton's commercial tax base.

Resistance to Mr. Korff's proposal has always been about opposition to MU4 rezoning, to the scale of the project and to the insufficient percentage (below state standards) of affordable units. Residents have consistently acknowledged Mr. Korff's right to build his project profitably within existing zoning. It is Mr. Korff who has wasted the time of the City Council and walked away from the negotiating table with councilors and residents - not the residents of Newtonville. His new threat to try to use 40B against the people of Newton shows he has no interest in a true compromise on the things that matter - zoning, scale and affordability percentages. He knows demand for housing units to access Newton schools is so high that he can build mostly luxury units and charge enough to profit well even if he compromises with Newtonville residents. Yet he won't. He's holding out for even more money. Residents will expect that the Mayor and the ZBA will once again invoke Newton's 1.5% immunity to 40B and that the ZBA will reduce Mr. Korff's over-reaching design just as the City Council has been trying to do.

I believe that if a 40B were a "slam-dunk" for this proposal, Mr. Korff would have taken that route right from the beginning. Instead he is thumbing his nose at the City Council's authority, and using the threat of a 40B to try to intimidate neighbors and city councilors to switch to supporting his MU4 request. I trust you will not be taken in by this heavy-handed tactic. It might come as no surprise to you that one of your pro-Korff colleagues reached out to abutters last night suggesting to them that Mr. Korff could be persuaded not to try a 40B and to stick with a special permit request if only they would drop their 18-votes-to-get-rezoning legal advantage back down to 16 votes. It's always been about MU4 for Mr. Korff.

It's clear to me, and I hope it is becoming clear to you, that when, with the best of intentions, the City Council voted to create the MU4 category, it actually saddled our community with something as bad as 40B. Only this time, it's a self-inflicted injury. MU4 is not a "tool in the planning toolbox"; it is a sledgehammer to crush your constituents and our commercial tax base. It never should have been used at Austin Street, in my opinion, and it must not be used here. If Mr. Korff and his team succeed in intimidating anyone into switching to support his upzoning request, and that request succeeds, it will set a legal precedent that I don't believe you will be able to undo.

With respect, I ask you not to yield to Mr. Korff's efforts to intimidate you. I ask you not to vote for his MU4 request. I ask you to maintain that he must modify the project to make it smaller and better for Newton and the neighbors. I ask you to remind the Mayor that invoking 1.5% is the only smart option if, in fact, Mr. Korff does attempt to try a 40B. At that point the ZBA can make the project smaller, better and higher percentage-wise in DHCD-recognized affordable units, or reject it outright if Mr. Korff continues to treat our elected and appointed leaders and residents with such contempt.

I want to suggest that you read a very brief and interesting note written by Bob Kavanagh, an abutter to the luxury 40B that displaced 9 low-income households and wrecked an established neighborhood on Court Street. The Englers swore to the ZBA that they could not make the project

smaller or have a higher percentage of affordable units because that would make the project “uneconomic”, or insufficiently profitable under DHCD regulations. But as Mr. Kavanagh has tracked every step of that project, he’s found that the project’s mostly market-rate (condo) units have sold for much more than the Englers promised they would. The profits are much higher than the ZBA was told they would be. There was room to have fewer units or to have more of them be affordable. Demand for housing to access Newton schools is so strong that Mr. Korff will do exactly what the Court Street developers did – raise prices and laugh all the way to the bank. I am also attaching a letter that I sent to you recently outlining the entire fiscal argument against Mr. Korff’s request (in case you have not yet had a chance to read it).

Please hold your ground. We rely on you to look out for us. Thank you very much for your service and for considering my views.

Yours gratefully,

Kathleen Kouril Grieser

Mill Street

Pricing discrepancies raise questions

As city residents continue to debate the construction of new apartments in Newtonville, I am struck by how often the idea is bandied about by pro-development citizens that more apartments will help to ease the burdensome cost of living in the Garden City.

Here on Court Street, the Massachusetts Department of Housing and Community Development (DHCD), the Newton Planning Department (NPD) and the Newton Zoning Board of Appeal (ZBA) all approved the construction of 36 condos under MGL 40B.

The developers, Robert and Geoffrey Engler of Newton, presented documentation to the DHCD, the NPD and the ZBA that included their estimates of what the 27 market rate units would sell for. The estimates provided by the Englers were wildly off the mark and speak to the accuracy or lack thereof of any pricing provided by any for-profit developer whether on Court Street, Austin Street or at the Orr Building.

1BR units that the Englers said would sell for \$360,000+/- are priced on average 82.9 percent above this figure. That is, 1BR units sold for \$658,448.

2BR units were listed in the documentation as selling for \$575,000+/- . In the real world, they have sold for \$801,979, an increase of 39.5 percent.

3BR units were to sell for \$720,000+/- according to the Englers. Lo and behold, these units have sold on average for \$1,170,762, a difference of 62.6 percent from what the developers told the city and commonwealth.

The developers were adamant that they needed 36 units and could only provide the bare minimum of affordable units (9) mandated by MGL 40B because their profit margins were so low. As can be seen from the grossly inflated actual sale prices, the Court Street project either could have included more affordable units, which the ZBA chair and the mayor say they are desperate for, or the entire project could have been made smaller as requested by the neighborhood.

Although both the ZBA and the NPD are aware of these inflated prices, no one at City Hall seems to care about the discrepancies between what the Englers told them and what is actually happening on the ground.

Even with this recent history, no one in city government has seriously questioned the rental cost projections provided by the Austin Street and Orr Building developers.

Bob Kavanagh

February 7, 2017

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

Mill Street

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.**

January 31, 2017

Dear Members of the City Council,

Robert Korff is a highly successful and experienced property speculator. He purchased Newtonville’s historic, but faded, Orr Block and adjacent properties knowing he could profitably build an attractive retail, commercial and residential complex there under the existing business zoning. Yet Korff wants the City Council to hand him a multimillion-dollar public gift – an MU4 zoning change, special permit and waivers - so he can personally profit even more from a five-story “Washington Place” luxury apartment development. But what’s good for him is terrible for Newton residents...

Giving Korff MU4 would set off the transformation of Newton’s main streets and villages into canyons of five-story (or higher) “mixed use” apartment buildings. That prospect has reportedly instigated a flurry of offers on properties - from Newtonville to Auburndale - contingent on the Council’s vote. The gift would set a precedent for developers to extract identical upzoning packages from the City Council - or the courts - for other parcels.

They will no doubt cite as evidence supporting their petitions the 2016 [“Housing Strategy”](#) report commissioned, and paid for with our tax dollars, by presumed gubernatorial candidate Setti Warren. That report details scores of locations (see pages 85-90) - in every part of Newton - where our outgoing mayor supports higher-density development. If you don’t remember voting to approve this “strategy” of putting unwanted apartment buildings in your wards, that’s because you weren’t offered a vote on his developer-friendly agenda. Imagine how your constituents (the majority regular people, not the density lobbyists) feel about it? Who knows how making Newton more crowded and expensive will play on the gubernatorial campaign trail statewide... but for your constituents just trying to get by here, it’s a slap in the face.

Newton residents need confidence that their investment of their hard-earned money and their time in their home and community here is secure, meaning zoning has to be stable to work. Zoning exists to protect all property owners from harmful changes and intrusions. It has to be taken seriously.

Well-governed municipalities use zoning to ensure balanced residential, public and open space, plus a commercial tax base sufficient to subsidize public schools, services and infrastructure. Open space helps, providing fiscal breathing room because it costs relatively little to service. In contrast, converting business zones to the primarily residential MU4 hurts Newton tremendously. Almost all housing costs more in services than it yields in taxes; the higher the density, the worse the fiscal impact.

Newton is a built-out, mature suburb with a structural fiscal problem. Our commercial tax base shrank as the cost of providing services to residents grew. Our public school system absorbs almost two-thirds of Newton’s budget. Newton hasn’t properly funded public employees’ retiree benefits, so we taxpayers face a billion-dollar debt. The last thing we need is high-density housing. That’s why protection of the Wells Avenue business park and Rockport’s new headquarters in existing commercial space are good things. And why changing business-zoned property to MU4 is fiscally irresponsible.

Moreover, any zoning change allowing increased density instantly pushes up the development potential, and price, of that property and property nearby. Higher density leads to higher housing prices. Economics 101 “supply and demand” doesn’t apply. Remember how you learned prices could be reduced by increasing supply to meet demand of identical “widgets”? Land is nothing like widgets. It’s extremely difficult to create more of it, every parcel is unique, and prices are determined by multiple, variable factors. Nor are housing units interchangeable. A \$700,000 house with a backyard, trees and privacy isn’t the same as a \$700,000 condo in a multi-unit with a paved-over parking lot on the same parcel.

When supply of land in a desirable place – like Newton – is limited, housing prices will mostly hold steady or rise, but that rise will be more manageable if zoning is constant. Upzoning - allowing more units to be built on a lot - increases the lot price because a speculator will pay more to get it. The new, often smaller, units typically cost more than those replaced. People determined to access Newton’s schools will outbid each other, paying more and more for less and less space, like their counterparts in San Francisco, Seattle, Portland... and Brookline.

Whether at Court Street, the Avalons or Elm Street, increasing density is always associated with higher housing prices in Newton. Even Mayor Warren’s Housing Strategy report noted this dynamic, cautioning that the city couldn’t build its way to housing affordability. The relationship between increasing density and rising housing prices in desirable communities has been well documented by economists at the London School of Economics and other institutions.

Korff's proposal has other costly effects, especially its negative impact on Newton's ability to obtain more subsidized affordable housing. Since Newton has surpassed its required contribution of state-recognized ("SHI") affordable housing, the City Council has regained the power to demand higher percentages of such housing from developers, not less. Korff's offer of 15% SHI units doesn't even match state standards. His 10% "workforce housing" isn't recognized as affordable housing by the state. Korff's project won't improve our SHI standing. Instead, it endangers Newton's hard-won 40B immunity and local City Council control of land use. That's too high a price to pay for one spruced-up intersection. Korff's expert team knows exactly what they're doing. This is no accident.

Korff can, and will, impose on all Newton residents his externalized costs - parking, traffic, services and school for additional residents – but the oppressive impacts on Newtonville Historic District abutters are an unjust, permanent burden on them alone.

I beg you to protect them as if you lived on Foster Street yourself. Displacement is another cost: Korff's tenants must leave. Others along Washington Street can get only short-term leases or rent increases from landlords anticipating offers to sell. Businesses that can pay new, higher, rents are those that will charge higher prices or provide more expensive goods and services. Higher rents displace the families and small businesses Newton's leaders claim they value.

Disturbingly, Korff-style speculator-driven densification concentrates land ownership and wealth in fewer hands, reversing the American Dream. As more people have to settle for units without owning land, they become vulnerable to the economic and political power of those who do. But suburbs, with less density and income inequality than urban areas, still offer a housing ladder for Americans, including the record numbers of minorities nationally buying houses, backyards and economic security.

If you have been concerned by the rhetoric about suburbs not being green, the solution is not to make property speculators wealthier and displace your constituents or herd them into rabbit hutch units. Rather, make it easier and cheaper for Newton residents use renewable energy, to charge and drive electric cars, to get to the MBTA platform safely, etc. People want land, privacy and some space. Help them to reduce their carbon footprints, while still respecting their rights, and their preferences for the suburban setting of small villages, houses, backyards and trees that is the reason they live here.

Even though Newton is an affluent suburb of a thriving Boston, we are fortunate to still have households all across the economic spectrum here. If we want to retain our socio-economic diversity and any hope of working families being able to stay here, we cannot allow property speculators to drive up land values and housing prices. This is a policy choice. There is nothing inevitable about allowing increased housing density. You can follow our lame-duck mayor's strategy of enriching developers or you can protect your constituents. You have a vote. Please do the right thing.

The antithesis of the American ideal of every person having a chance for a better life, Korff's proposal is a manifestation of the property speculation, densification and gentrification that are making Newton increasingly unaffordable for non-millionaire newcomers, and for many who live here and are struggling to afford to stay. The Brookline model of estates at the top, subsidized units at the bottom, and over-priced stack-and-pack units for the eviscerated middle class is nothing to emulate.

Furthermore, the reports of Korff making offers for the Riverside and Austin Street deals, for air rights over the Pike, and on properties in West Newton and elsewhere, are extremely worrying to Newton residents. Are they true? Is it prudent for you to vote without knowing? Is this man going to buy up and control huge chunks of our community? Is he going to run Newton and tell all of you what

to do? So many of your constituents are already distressed by the property speculator running our country; are you going to allow one to buy up our community? As someone born and raised in NYC, I am very familiar with the names of these property speculator dynasties: Trump, LeFrak and Korff. None are champions of “housing justice”, whatever one might think that is.

Newton is a caring community of generous, hardworking people at all income levels. There’s nothing “welcoming” about displacement or destroying the dreams of everyday Newton residents. Our City Councilors are too intelligent and responsible, I believe, to vote for Korff’s request, because it harms Newton and her residents so much.

Please vote “NO” to the requested rezoning, special permit and waivers for Washington Place, and please, swiftly, introduce a docket item to eliminate the MU4 zoning category and revoke the destructive, high-density housing recommendations of Mayor Warren’s Housing Strategy report. Thank you for considering my views on this very important matter.

Yours truly,

Kathleen Kouril Grieser

258 Mill Street (the former home of Horace Orr)

Newtonville

ENDS

Kouril Grieser: Orr block rezoning a bad idea

Wednesday

Posted Feb 1, 2017 at 9:18 AM

Updated Feb 1, 2017 at 9:18 AM

By Kathleen Kouril Grieser

Experienced property speculator Robert Korff purchased Newtonville's historic, but faded, Orr Block and adjacent properties knowing he could profitably build an attractive retail, commercial and residential complex there under the existing business zoning. Yet Korff wants our city councilors to hand him a multimillion-dollar public gift — an MU4 zoning change, special permit and waivers — so he can profit even more from a five-story "Washington Place" luxury apartment development. But what's good for him is terrible for Newton residents...

Giving Korff MU4 would trigger transformation of Newton's streets and villages into canyons of five-story or more "mixed-use" apartment buildings. That prospect has reportedly instigated a flurry of offers on properties — from Newtonville to Auburndale — contingent on Monday's vote. The gift would set a precedent for developers to extract identical upzoning from the City Council — or the courts — for other parcels.

They could cite the 2016 "Housing Strategy" commissioned by presumed gubernatorial candidate Setti Warren... with our tax dollars. That report details scores of locations — in every part of Newton — where the outgoing mayor supports high-density development. If you don't remember voting to build huge apartment buildings near your home, that's because you weren't offered a vote on his developer-friendly agenda. However making Newton more crowded and expensive plays on the campaign trail statewide, for people here, it's a slap in the face.

Residents need confidence that their investment in their home and community is secure, meaning zoning has to be stable to work. Well-governed municipalities use zoning to ensure balanced residential, public and open space, plus a commercial tax base sufficient to subsidize public schools,

services and infrastructure. Open space helps, costing relatively little to service. In contrast, converting business zones to the primarily residential MU4 hurts Newton. Almost all housing costs more in services than it yields in taxes; the higher the density, the worse the fiscal impact.

Newton is a built-out, mature suburb with a structural fiscal problem. Our commercial tax base shrank as the cost of providing services to residents grew. The schools absorb almost two-thirds of Newton's budget. Newton hasn't properly funded public employees' retiree benefits, so taxpayers face a billion-dollar debt. The last thing we need is high-density housing. That's why protection of the Wells Avenue business park and Rockport's new headquarters in existing commercial space are good news. And why changing business-zoned property to MU4 is fiscally irresponsible.

Moreover, any zoning change allowing increased density instantly pushes up the development potential, and price, of that property and property nearby. Higher density leads to higher housing prices. Economics 101 doesn't apply: lowering prices for widgets by increasing supply to meet demand. Land is nothing like widgets. It's extremely difficult to create more, every parcel is unique, and prices are determined by multiple, variable factors. Nor are housing units interchangeable. A \$700,000 house with a backyard and privacy isn't the same as a \$700,000 condo in a multi-unit on the same lot.

When supply of land in a desirable place — like Newton — is limited, housing prices will mostly hold steady or rise, but that rise will be more manageable if zoning is constant. Upzoning — allowing more units to be built on a lot — increases the lot price because a speculator will pay more to get it. The new, often smaller, units typically cost more than those replaced. People determined to access Newton's schools will outbid each other, paying more and more for less and less space, like their counterparts in San Francisco, Seattle, Portland... and Brookline.

Whether at Court Street, the Avalons or Elm Street, higher density is associated with higher housing prices in Newton. Mayor Warren's Housing Strategy noted this dynamic, cautioning that the city couldn't build its way to housing affordability. The relationship between increasing density and prices has been well documented by economists at the London School of Economics and other institutions.

Korff's proposal has other costly impacts. Since Newton has surpassed its required contribution of state-recognized ("SHI") affordable housing, the City Council has regained the power to demand higher percentages of such housing from developers, not less. Korff's offer of 15 percent SHI units doesn't even match state standards. His 10 percent "workforce housing" isn't recognized as

affordable housing by the state. Korff's project won't improve our SHI standing. Instead, it endangers hard-won 40B immunity and local land use control. That's too high a price to pay for one spruced-up intersection.

Korff can impose on all Newton residents his externalized costs — parking, traffic, services and school for additional residents — but the oppressive impacts on Newtonville Historic District abutters are an unjust burden on them alone. Displacement is a cost: Korff's tenants must leave. Others along Washington Street can get only short-term leases. Higher rents displace families and small businesses Newton's leaders say they value.

Disturbingly, speculator-driven densification concentrates land ownership and wealth in fewer hands, reversing the American Dream. As more settle for units without owning land, they become vulnerable to the economic and political power of those who do. But suburbs, with less density and income inequality than urban areas, still offer a housing ladder for Americans, including the record numbers of minorities buying houses, backyards and economic security.

Going the other way, Korff's proposal is a manifestation of the property speculation, densification and gentrification that are making Newton increasingly unaffordable for non-millionaire newcomers, and for many who live here struggling to afford to stay. The Brookline model of estates at the top, subsidized units at the bottom, and over-priced stack-and-pack units for the middle class is nothing to emulate.

Newton is a caring community of generous, hardworking people at all income levels. There's nothing "welcoming" about displacement or destroying the dreams of everyday Newton residents. Our city councilors are too intelligent and responsible, I believe, to vote for Korff's request, because it hurts Newton. Today, please ask the city councilors to vote "no" to the requested rezoning, special permit and waivers for Washington Place, via City Clerk David Olson at:

dolson@newtonma.gov.

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Kathleen Kouril Grieser lives in the former home of Horace Orr who, a century ago, was a businessman and civic leader in Newtonville and the builder of the once-handsome Orr Block buildings Robert Korff plans to demolish.

