



CITY OF NEWTON, MASSACHUSETTS

Newton Housing Partnership

September 21, 2021

Honorable Mayor Ruthanne Fuller
Newton City Hall
1000 Commonwealth Ave
Newton, MA 02459

Chairwoman Deborah Crossly
Newton City Council

Ruthanne Fuller,
Mayor

Barney Heath,
Director
Planning & Development

Members:

Lizbeth Heyer, Chair
Mark Caggiano
Eliza Datta
Chuck Eisenberg
Josephine McNeil
Marva Serotkin
Albert Simmons
Stephen Tise

Dear Honorable Mayor Fuller and Chairwoman Crossley,

On behalf of the Newton Housing Partnership, I thank you for your continued leadership in calling for an end to racism in Newton and challenging each of us to take anti-racist action to eliminate barriers that prevent Newton from being a city that is welcoming and accessible to all. I also want to thank you for continuing to evaluate how to address the impact of Newton's local housing preference on our efforts to ensure that Newton is truly an inclusive and accessible community to people of all racial, ethnic and cultural backgrounds and to consider changes to advance this important goal.

In July 2020 the Partnership identified the "up to" 70% local preference in our Inclusionary Zoning Law as a significant racist barrier with a discriminatory effect that must be changed. At that time, we wrote that while the intent of this provision to house local residents is on the surface a compelling policy, because of Newton's predominantly white population (approx. 82%), imposing a high local preference perpetuates a racist housing system that gives significant preferential access to white households, while drastically limiting opportunities for people of color to move to Newton. As such, we suggested that the local preference be eliminated.

Since our July 2020 recommendation, the Partnership has continued to evaluate our recommendation, aided by Judy Barrett's report which further underscored the importance of lowering or eliminating the preference. Barrett's report found that *"While this study was limited in scope, the data and findings of this report indicate that Newton's local preference policy is benefitting one racial/ethnic group over others (White, local preference applicants), creating a disparate impact on other groups, particularly Black/African Americans. When viewed through the lens of inclusion and the City's obligation to affirmatively further fair housing for all protected classes, the policy does not appear to support those values. As noted above, however, continued assessment of the procedures for tenant selection for affordable housing units across the City may shed light on additional barriers to fair housing and equity."*

Based on Barrett's findings, the Partnership continues to strongly recommend that the City revise its local preference rules to address the City's obligation to affirmatively further fair housing for all protected classes and address the additional barriers to tenant selection via the following actions:

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www.newtonma.gov



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1. Reduce the local preference from 70% to 25%. The Partnership came to this recommendation based on the following factors:
 - a. We evaluated local demographic data to identify a percentage that addressed local housing needs, while meaningfully reducing the local preference to mitigate the discriminatory effect and affirmatively further fair housing outcomes. HUD Comprehensive Housing Affordability Standard (CHAS) data indicates that 24% of all Newton households have incomes at or below 80% of AMI; 29% of all households are cost burdened (paying > 30% of their income for housing costs) and 24% of low-income households are cost burdened. A 25% local preference would help to ensure that this local need it met.
 - b. Racial rebalancing is an important tool that is preserved and arguably strengthened by setting Newton's local preference at 25%. Racial rebalancing allows for the addition of non-local applicants in a local preference pool if the pool of minority applicants is lower than the Metropolitan Statistical Area (MSA) % of minority households, which in the case of the Newton MSA is 27%. Setting the lower local preference pool below 27% would minimize the impact of racial rebalancing by decreasing the overall opportunity for minority applicants to be selected since more minorities would be in both the local and non-local pools. Note that we chose 25% rather than 27% because the percentage of minorities in the MSA will inevitably fluctuate.
 - c. We considered the impact of lowering the local preference on local households with disabilities and concluded that because only 2 of 9 affordable accessible units in Barrett's report went to qualified households, this suggests that income is the likely barrier, not local access. The average Social Security Disability Income (SSDI) annual payment is \$13,500 and the highest SSDI payment for disabled retirees is \$37,700, while a 1, 2 or 3-person household must earn approximately \$70,000, \$80,000 or \$90,000 respectively to afford an 80% AMI local preference unit to not be rent-burdened. This alarming income barrier suggests the need for other policies to support housing affordability for local residents with disabilities such as marketing accessible units to people with disabilities on the Newton Housing Authority's Section 8 wait list and making sure project sponsors are listing available units on the Mass Access Registry and new Housing Navigator system where people with rent subsidies seek housing opportunities.
2. Adopt policies that prohibit project sponsors from discriminating during the tenant selection process, for example by more closely monitoring owner screening processes. The City could also adopt policies or programs that would help to eliminate additional barriers that some people of color face after winning the lottery, such as bad credit or prior evictions, that can prevent a selected resident from being able to move in. The Partnership is considering such policies and programs and will provide recommendations soon.



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For these reasons, reducing Newton's local preference to 25% would both continue to serve local need and remove discriminatory barriers to affirmatively further fair housing. This bold action would ensure that people of color have greater access to housing in Newton by opening the doors of our affordable units more broadly and send a strong message that Newton will not perpetuate policies that keep non-white people out of our City.

Thank you for considering our recommendation and for inspiring each of us to take anti-racist action to make Newton truly accessible and welcoming to all.

Ruthanne Fuller,
Mayor

Barney Heath,
Director
Planning & Development

Sincerely,

Lizbeth Heyer
Chair, Newton Housing Partnership

Members:
Lizbeth Heyer, Chair
Mark Caggiano
Eliza Datta
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