



## **Zoning & Planning Committee** **Report**

### **City of Newton** **In City Council**

**Monday, June 27, 2022**

**Present:** Councilors Crossley (Chair), Albright, Danberg, Krintzman, Wright, Leary, Baker, and Ryan

**Also Present:** Councilors Laredo, Bowman, Lucas, Kelley, Lipof, Downs, Grossman, Gentile, Markiewicz, Humphrey, Oliver, Malakie, and Noel

**Planning and Development Board Members:** Peter Doeringer, Kevin McCormick, Jennifer Molinsky

**City Staff:** Jen Caira, Deputy Director of Planning & Development; Zachery LeMel, Chief of Long Range Planning; Amanda Berman, Director of Housing & Community Development; Lara Kritzer, CPA Program Manager, Jaclyn Norton, Committee Clerk

#### **Referred to Zoning & Planning and Finance Committees**

**#289-22**

##### **CPC Recommendation to appropriate \$3,000,000 in CPA funding**

COMMUNITY PRESERVATION COMMITTEE recommending appropriation of three million dollars (\$3,000,000) in Community Preservation Act funding, with \$2,373,470.71 coming from the FY22 Unrestricted Funds and the remaining \$626,529.29 to come from the Prior Year Undesignated Funds to the control of the Planning & Development Department for a grant to the project team of Metro West Community Development and Civico Development for the development and construction of 43 units of 100% affordable housing at the former West Newton Armory site.

**Finance Approved 6-0 on 06/27/22**

**Action:** **Zoning & Planning Approved 8-0**

**Note:** The Zoning & Planning and Finance Committees met jointly to discuss item #289-22. Community Preservation Committee Chair Jennifer Molinsky presented the request to appropriate \$3 million dollars in CPA funding for the development of the West Newton Armory site. A copy of her presentation can be found attached to the end of this report. The City purchased the armory building in 2021 for use as a 100% affordable housing development. Through a competitive procurement process, Metro West and Civico development were selected to develop the parcel. The proposed project includes 43 units of 100% affordable housing including 28 at 60% AMI, 15 units at 30% AMI or below, meeting the Passive House design standard for the new building and preservation of the original "Head House". Ms. Molinsky noted that some funds were utilized in 2021 for an environmental study. The CPC recommendation is for approval of \$3 million dollars which has been leveraged by funds from

other sources. The total project budget is approximately \$28 million dollars and construction is expected to begin in April 2025 with occupancy in Fall 2026.

Metro West Executive Director Caitlin Madden explained that project funds would include no interest federal low income tax credit and a traditional \$4.8 million dollar mortgage through First Mortgage. She noted that because the project is deeply affordable, the revenue generated from rent is anticipated to be very low. Ms. Madden noted that while each of the programs through the Department of Housing and Community Development (DHCD) have independent requirements and limits on financing, the project assumes the maximum amounts permissible under the respective programs. She explained that the rents will be based on the income limits as specified by HUD on an annual basis. Ms. Madden confirmed that the construction costs in the project budget are based on the current construction environment and could change based on market changes. In response to questions regarding the rapidly changing interest environment, Ms. Madden noted that rates will have to be closely monitored. If construction costs exceed what is budgeted, Metro West and Civico will try to leverage additional low income tax equity funds and will try to avoid returning to the City for additional funds. If the budget overestimates funds, the overages will be returned to the various lenders. Ms. Madden confirmed that there is a financial incentive for the developer that is regulated and capped by DHCD.

Committee members questioned how the Passive House design will impact the project budget. Ms. Madden stated that there are funding sources through the MassSave Passive House Certification program. Through the program, there is a per unit incentive for feasibility and per unit incentive for pre-certification. The proposed project budget assumes Passive House construction.

Director of Housing and Community Development Amanda Berman confirmed that the City will retain the property with a lease to Metro West/Civico Development. The City is in the process of seeking special legislation to allow a 99-year lease. Ms. Madden explained that Metro West will engage third party professional management for day-to-day operations and will have on-site presence by locating its offices and a resident services coordinator on site. There are funds for operating reserves that have been incorporated into the project costs (\$400,000 initial investment and an additional \$325/year per unit contribution to reserves). Ms. Madden confirmed that the lenders require a significant replacement reserve and will work to implement a capital needs plan and provide ongoing oversight for property operations. Ms. Berman noted that the project has been vetted by City staff, the Community Preservation Committee (CPC), members of the Newton Housing Partnership and is subject to significant analysis by DHCD. She noted that the DHCD has granted project approval.

It was noted that there is an annual recertification process for determining income levels of the units. If someone is over the income limit, management would work with the tenant to find another apartment. The affordability would be in perpetuity in accordance with the CPA's funding requirements. Ms. Berman noted that the Law Department is working on drafting language to ensure that the project affordability is in perpetuity.

A Councilor questioned why the timeline for construction does not begin for three years. Ms. Madden noted that it is common that projects are not selected by the state during the first round of applications. She confirmed that multiple years of applications will increase the likelihood of being selected. Additionally she noted that the state expects the municipality to make a significant investment prior to project selection and approval.

It was noted that the project plans will be reviewed again by the Historic Commission and the Urban Design Commission, and then at public engagement sessions. It was noted that the height of the addition has been reduced by five feet in order to make the building more easily accessible at grade, which also makes it less overwhelming relative to the historic armory. Committee members acknowledged and praised the work that has been done to improve the building design and massing, noting the difficulty in developing a project with 100% affordable units and including very low levels of affordability. Councilors noted that the project includes many positive community benefits (accessibility, passive house design, an electrified building with low utility costs for tenants, low affordability, etc.). Councilors emphasized their support for the project. Councilor Albright moved approval of item #289-22 in Zoning and Planning and Councilor Humphrey moved approval in Finance. Both motions carried unanimously.

**Referred to Zoning & Planning and Finance Committees**

**#290-22**

**Appropriation of \$890,000 of the City’s Inclusionary Housing Funds**

HER HONOR THE MAYOR requesting the appropriation of eight hundred ninety thousand dollars (\$890,000) of the City’s Inclusionary Housing Funds to Metro West Collaborative Development/ Civico Development to support the redevelopment of the West Newton Armory into 43 units of permanently affordable housing

**Finance Approved 6-0 on 06/27/22**

**Action:**

**Zoning & Planning Approved 8-0**

**Note:** The Zoning & Planning and Finance Committees met jointly to discuss item #290-22. It was noted that the \$890,000 will expend the current balance of inclusionary housing funds. Ms. Berman noted that there are funds expected to be contributed to the Inclusionary housing fund in the next couple of years from recent projects. The Committee expressed no concerns relative to the appropriation. Councilor Danberg motioned to approve the item in Zoning and Planning and the motion carried unanimously. Councilor Oliver moved approval of the appropriation in Finance which carried 5-0.

**#38-22**

**Discussion and review relative to the draft Zoning Ordinance regarding village centers**

ZONING & PLANNING COMMITTEE requesting review, discussion and possible ordinance amendments relative to Chapter 30 zoning ordinances pertaining to Mixed Use, business districts and village districts relative to the draft Zoning Ordinance. (formerly #88-20)

**Zoning & Planning Held 8-0 on 06/13/22**

**Action:**

**Zoning & Planning Held 7-0 (Councilor Baker Not Voting)**

**Note:** The Chair read the item into the record. The Committee was joined by consultants from Utile, Tim Love and Lauren Rapport. The Committee continued their review of the framework for village center zoning redesign.

**#7 Replacing threshold for special permits from buildings greater than 20,000 sq. ft. to parcels with over ¾ acre**

Deputy Director of Planning and Development Jennifer Caira explained that the proposal for the special permit threshold is to require a special permit for any projects on parcels greater than ¾ acre, rather than parcels with development over 20,000 sq. ft. gross floor area. Ms. Caira explained that the change will encourage more compact, infill development and will make it possible for owners of small parcels to develop their properties. The change will increase by-right development in village centers and will make developments more predictable located near transit hubs.

Some Committee members were supportive of allowing the special permit threshold to be changed to parcels larger than ¾ acres rather than buildings in excess of 20,000 sq. ft. of floor area. Councilors noted that the proposed change would allow more projects to qualify by right. Mr. Love noted that a reduction to ½ acre would significantly restrict the number of parcels and 1 acre would allow more substantial developments. He explained that a ¾ acre threshold would allow some infill development and would ensure that the City is able to work towards the MBTA Communities goals. Committee members emphasized the importance of developing clear design standards for by-right development.

Some Committee members did not support changing the threshold to ¾ of an acre, noting that some mid-sized developments (e.g. 1149 Walnut Street, 13,200 sq. ft., building having 24 units) could have been built as a matter of right under a ¾ acre threshold. However later in the discussion, another councilor noted that the example site is well over the proposed threshold. It was noted that while it may be appropriate to change the special permit threshold, ¾ acre may be too large. Mr. Love confirmed that additional analysis is needed and confirmed that the next phase will include diagrams to show what by-right developments could result.

The Committee took a straw vote in favor of moving forward with changing the threshold to parcels greater than ¾ acre, with the understanding that additional analysis is needed. The vote was 6-0-2 in favor, Councilors Wright and Baker abstaining.

**Requiring Site Plan Review and Incorporating By Right design standards #8 and #9**

Ms. Caira explained that as proposed, site plan review would be an additional tier of project review, below the special permit threshold, aligned with what the state is considering in the guidelines for MBTA Communities compliance and in line with the City's design standards. Site Plan review would allow an extra layer of review without the lengthy, uncertain, special permit process. Projects would still be subject to review by the Urban Design Commission.

Ms. Caira noted that the zoning redesign proposal is to formalize design standards that are quantifiable and enforced through zoning with objective standards (minimum frontage buildouts, where parking is located, transparency for ground floor commercial, public open

space, front entries, breaks in the building, public art requirements, sustainability standards, maximum facade length, maximum building footprint, etc.). Design standards can be updated with the Council's approval and will be easier to change than amendments to the City's zoning ordinances.

Committee members agreed that site plan review is appropriate and noted that many projects that come through the special permit process do not necessitate the review process. Committee members emphasized the need for clear, enforceable design standards and noted that the design standards can include various details (public space requirements, sustainability, green space, space for art, sidewalk/window/driveway/lighting/screening/utility/stormwater management, etc.), and noted that the adoption of formal design standards would resolve concerns by many residents. A Councilor encouraged Planning staff to review and incorporate routine conditions from the special permit process.

The Committee took a straw vote that carried unanimously in favor of continuing to move forward with analysis and development for #8 and #9.

### **Reducing Parking Minimums #1**

The Committee discussed reducing parking minimums the Committee meeting on June 1, 2022. As proposed, the reduction in parking minimums is to reduce from 1 stall per 250 sq. ft. to 1 per 750 sq. ft. for office uses, to reduce from 2 to 1 stall per residential unit, and to exempt ground floor commercial uses. Ms. Caira stated that at this time, the recommendation to reduce to 1 stall is appropriate with more analysis forthcoming. She noted that there is raw preliminary usage data in current projects that supports a further reduction in number of parking stalls, but noted that Planning staff would like to continue to investigate parking requirements and where further reductions in village centers will be most appropriate. Ms. Caira noted that another option might be to repurpose parking in some locations. Committee members were generally supportive of moving forward with reducing parking minimums. Some Committee members felt that the City should not require parking minimums at all, saying that the market would determine how many spots are needed.

The Committee took a straw poll that carried 5-1-2 in favor of reducing the residential parking requirement to 1:1. Councilor Krintzman opposed, Councilors Leary and Danberg abstaining. The three Councilors not in favor of reducing the ratio to 1:1, were supportive of eliminating a residential parking requirement entirely.

The Committee took a straw poll which carried 6-2 (Councilors Wright and Baker opposed) in favor of exempting ground floor commercial uses.

The Chair thanked the committee for reaching consensus and noted that the Planning Department will now move forward to draft zoning accordingly, develop design standards, illustrate potential outcomes, collect additional data and analyze potential impacts to further clarify the proposed amendments to village center zoning. Planning staff will also begin to map zones in Newton's village centers, and analyze impacts of alternative mapping, including the degree to which different scenarios can achieve compliance with MBTA communities. Mr. Love

noted that Planning staff has already identified some inconsistencies with the City's current maps and the actual conditions in village centers. He confirmed that he will work with Planning Department staff members to evaluate where the boundaries make sense and annotated maps will be presented to the Council.

The Committee thanked Mr. Love, Ms. Rapport, Planning staff and community groups who have weighed in on the village center discussions. With that, the Committee voted 7-0 in favor of a motion from Councilor Krintzman to hold the item.

**#361-22      Reappointment of Judith Hepburn to the Conservation Commission**  
HER HONOR THE MAYOR reappointing Judith Hepburn, 132 Stanley Road, Newton as a full member of the Conservation Commission for a term of office to expire on May 31, 2024. (60 Days: 08/20/2022)

**Action:**      **Zoning & Planning Approved 7-0 (Councilor Baker Not Voting)**

**#362-22      Reappointment of Ellen Katz to the Conservation Commission**  
HER HONOR THE MAYOR reappointing Ellen Katz, 31 Williams Street, Newton Upper Falls as a full member of the Conservation Commission for a term of office to expire on May 31, 2025. (60 Days: 08/20/2022)

**Action:**      **Zoning & Planning Approved 7-0 (Councilor Baker Not Voting)**

**Note:**          The Chair read items #361-22 and #362-22 into the record. Committee members expressed no concerns relative to the reappointments and voted 7-0 in favor of a motion to approve from Councilor Krintzman.

**Respectfully Submitted,**

**Deborah J. Crossley, Chair**

# West Newton Armory Affordable Housing Development CPA Funding Recommendation

Community Preservation Committee  
Presentation to Zoning and Planning  
and Finance Committees  
June 27, 2022

## Project Overview

- ▶ After several years of study, the City purchased the former armory in 2021 for use as a 100% affordable housing development
- ▶ Applicants Metro West Collaborative and Civico Development were awarded the project through a competitive RFP process
- ▶ In addition to the new affordable units, the project will preserve and restore the historic head house and provide new community amenities



## Current Funding Request

CPA funding is requested for the development and construction of 43 units of 100% affordable housing at the former West Newton Armory site which includes:

- ▶ 28 units of housing affordable to households at or below 60% AMI
- ▶ 15 units of housing affordable to households at or below 30% AMI
- ▶ New community and office space in the restored original armory building
- ▶ All electric systems and a Passive House envelope

## Recommended CPA Project Funding

CPA Funding Accounts	Amount
FY22 Unrestricted Funds	\$2,373,471
Unrestricted Prior Year Funds	\$626,529
<b>TOTAL CPA PROJECT FUNDS:</b>	<b>\$3,000,000</b>

CPA Funding is recommended to be Affordable Housing category funding.

CPA funding was also allocated in 2020 for the Phase II Environmental Study (\$21,270)

## Proposed Budget

Funding Sources and Uses	Funding Amount
<b>CPA Recommended Funding</b>	<b>\$3,000,000</b>
City of Newton CDBG, HOME and IZ Funds	\$1,938,000
WestMetro HOME Funds	\$222,000
LIHTC Equity (Federal 4%) Tax Credits	\$11,485,627
State Funding Programs	\$6,357,186
Passive House Incentives	\$41,500
Permanent Loan	\$4,800,000
<b>Total Project Costs</b>	<b>\$27,844,313</b>

## Timeline

- Jan. to Sept. 2022 - Pre-Development and Permitting
- Oct. 2022 to March 2025 - Tax Credit and Construction Financing
- April 2025 to Sept. 2026 - Construction
- March 2026 - Lease Up Begins
- Fall 2026 - Anticipated Initial Occupancy

# Questions & Discussion

Thank you!