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M E M O R A N D U M

DATE: April 12, 2019

TO: Members of the City Council

FROM: Mayor Ruthanne Fuller

RE: **Housing Choice Initiative Application**

CC: Jonathan Yeo, Chief Operating Officer
Barney S. Heath, Director of Planning and Development
James Freas, Deputy Director of Planning and Development
Amanda Berman, Director of Housing & Community Development

I am pleased to let you know that the Planning Department staff recently submitted an application for the City of Newton to be designated as a **Housing Choice Community** to the Department of Housing and Community Development (DHCD).

Governor Baker instituted the Housing Choice Initiative program in 2017. The Housing Choice Initiative is a multi-pronged effort to meet the housing needs of Massachusetts families, workforce and residents. The initiative includes the designation of municipalities as Housing Choice Communities.

A Housing Choice Designation provides communities that have new housing and have adopted best practices to promote sustainable housing development with opportunities for funding and/or grants. A Housing Choice designation is for a period of two years and provides communities with:

- **Exclusive access to Housing Choice Capital Grants:** Housing Choice Communities received \$4 million in funding for capital projects in FY19; and,
- **Priority Scoring for certain Commonwealth funding programs** such as Clean Water Trust loans, MassWorks, Seaport Council Grants, Complete Streets, MassDOT capital projects, Energy and Environmental Affairs Planning, LAND and PARC grants.

Launched in December 2017, by May 2018, 69 cities and towns were designated as the first cohort of Housing Choice Communities, including Acton, Andover, Cambridge, Duxbury, Medford, Sudbury, and Watertown, to name a few.

There are two ways for a community to get a Housing Choice Designation:

- **#1 – Production of Housing**
Greater than 5% housing growth or 500 units over the last 5 years
- **#2 – Production & Planning**
Greater than 3% housing growth or 300 units over the last 5 years AND 4 of 9 Housing Choice Best Practices

The City of Newton applied for designation under the first category, “**Production,**” as we have seen a cumulative net increase in year-round housing units of over 500 between January 1, 2014 and December 31, 2018. The Housing Choice Initiative program measures this increase by looking at the number of building permits issued during this time that resulted in additional housing units.

Housing Production in Newton: 2014 – 2018

Over the last five years (between January 1, 2014 and December 31, 2018), the City of Newton issued building permits that resulted in a total of **649 net new housing units**, after subtracting the loss of 23 housing units, as detailed in the table below.

Net New Housing Units, 2014-2018						
	2014	2015	2016	2017	2018	Total
Total New Housing Units	22	28	162	41	396	649
Total # of Housing Units Lost	7	4	3	2	7	23

Some of these permits were for single-family homes that were converted to two, three, and four-family homes, or single-family or smaller multi-family homes that were built on commercial or empty lots. The majority of the new housing units were a result of larger projects that have been permitted over the last five years, as detailed in the table below:

Large Housing Projects, 2014-2018					
Project Name	Building Permit Date	Total Number of Units	Net New Housing Units	Total Number of Affordable Units	Method for Planning Approval
Hancock Estates (200 Estates Drive)	2016	88	88	13	Special Permit
77 Court Street	2016	36	32	9	Comprehensive Permit
Myrtle Village (12-20 Curve Street)	2016	7	5	4	Comprehensive Permit
1521 Beacon Street	2017	8	8	2	Comprehensive Permit
Benchmark Senior Living (157 Herrick Road)*	2018	50	50	0	Special Permit
28 Austin Street	2018	68	68	23	Special Permit
Washington Place (845 Washington Street)	2018	140	133	35	Special Permit
400 Langley Road**	2018	66	18	4	Special Permit
429 Cherry Street	2018	13	13	3	Special Permit
Sunrise Assisted Living (431 Washington Street)***	2018	85	85	3	Special Permit
Total		561	500	96	
Notes:					
* \$1,250,000 payment-in-lieu of providing affordable beds; 50 new memory care units					
** replace two existing units with 20 units of new construction (16 market-rate units, 4 affordable units); plus 46 existing market-rate rental units in three other apartment buildings; net new 18 units					
*** 85 total units; 122 total beds; 3 beds offered at no cost to income-eligible households at or below 80% AMI					

I have also attached an informative spreadsheet, which highlights housing projects with three or more units that have been approved and/or constructed between 2003 and the present. This spreadsheet provides the project address, the total number of units, total number of affordable units, SHI-eligible units, method for planning approval and the year associated with this approval, and the date of issuance of the project's building permit. At the moment, there are over 450 housing units under construction in Newton (as part of projects with three or more units), 16.5% of which are deed-restricted affordable units. There are hundreds of additional affordable units that have either received approval or are in the process of review before the City Council. Below is a quick summary of this spreadsheet.

Construction Completed

- 22 total projects
 - 13 Special Permits
 - 8 Comprehensive Permits
 - 1 Building Permit (no SP or CP required)
- 520 total units
 - 104 affordable units (at or below 80% AMI)
 - 4 affordable units (between 81% and 99% AMI)
- 21% of total units affordable at or below 110% AMI
- 304 SHI-eligible units (58% of 520 total units)

Under Construction

- 8 total projects
 - 7 Special Permits
 - 1 Comprehensive Permit
- 471 total units
 - 64 affordable units (at or below 80% AMI)
 - 14 affordable units (between 81% and 99% AMI)
- 16.5% of total units affordable at or below 110% AMI
- 106 SHI-eligible units (23% of 471 total units)

Permit Granted, But Not Under Construction

- 7 total projects
 - 5 Special Permits
 - 2 Comprehensive Permit
- 273 total units
 - 105 affordable units (at or below 80% AMI)
 - 33 affordable units (between 81% and 99% AMI)
- 51% of total units affordable at or below 110% AMI
- 156 SHI-eligible units (53% of 273 total units)

Pending Applications

Formal application submitted to the City, but no Permit granted to date.

- 3 total projects
 - 3 Special Permits
- 1,484 total units
 - 225 affordable units (at or below 80% AMI)
 - 0 affordable units (between 81% and 99% AMI)
- 15% of total units affordable at or below 80% AMI
- 225 SHI-eligible units (15% of 1,484 total units)

One of the most serious issues facing us is the increasing lack of affordable housing in Newton. I am pleased to see that the City of Newton has permitted and/or constructed 324 affordable units since

2003. I know, however, that additional affordable housing is needed for Newton to be a truly inclusive and diverse community.

Relationship to Chapter 40B Safe Harbors

Even with the increased housing production that we have seen over the past five years, Newton is still a ways off from meeting the 1.5% and 10% Chapter 40B Safe Harbors, as was detailed in the February 15, 2019 memo from the Law and Planning Departments to the Zoning Board of Appeals. The Chapter 40B “safe harbors” are available to municipalities that have met the General Land Area Minimum, achieved when affordable housing exists on sites comprising 1.5% or more of a municipality’s total land area, as well as the 10% safe harbor that is met when a municipality’s affordable housing units exceed 10% of its total housing units.

- The City’s current land area percentage of affordable housing equals 1.27%. In order to meet the 1.5% safe harbor, the City needs to have 116 acres of land dedicated to SHI eligible affordable housing (less than 80% AMI). To achieve this, based on DHCD’s current Guidelines, approximately 17.5 additional acres would need to be developed.
- Based on DHCD’s most recently published Subsidized Housing Inventory (SHI), Newton has an affordable housing percentage of 7.47%. In accordance with DHCD’s regulations, the City is allowed to count affordable units that are SHI eligible but that have not yet been officially inventoried on the SHI. Using the City’s total number of SHI eligible housing units of 2,692, the City believes it currently has an affordable housing percentage of 8.3%.

While there are potential new developments being proposed that would increase Newton’s number of affordable units and affordable land area, it does not appear right now that these pipeline projects would bring the City within reach of either the 1.5% or 10% safe harbors.

Attachments / Additional Resources:

- City of Newton Housing Data Spreadsheet, 2003-Present
- Housing Choice Initiative program website: <https://www.mass.gov/housing-choice-initiative>
- Housing Choice Communities List, 2018:
<https://www.mass.gov/files/documents/2018/05/16/2018%20Housing%20Choice%20Communities%20and%20Map.pdf>

City of Newton Housing Projects Approved and/or Built; and Pending and Potential Applications
2003-Present* DRAFT DOCUMENT (Updated by Planning Department on 4.11.19)

*projects with three or more units; building permits issued for projects approved after 4/22/2003; but includes 287 Langley Road, The Terraces, approved in 2001, 4 affordable units, met through IZ funds of \$3,669,344

Note: 135 Wells Avenue is not included in this list, as the request to waive the Deed Restriction to allow for housing was denied

SP= Special Permit CP= Comp. Permit

Address / Project Name	Tenure	Zone	Total Number of Units	Deed-Restricted Affordable Units (<80% AMI)	Deed-Restricted Affordable Units (81% - 110% AMI)	% Affordable (<110% AMI)	Units Eligible for SHI	SHI-Eligible Units as % of Total Number of Units	Method for Approval	Planning Approval Date	Building Permit Date	Notes
Construction Completed												
152 Adams Street	Rental	BU1/BU2	9	1	0	11.11%	1	11%	SP	February-13	November-13	1 unit demolished, 8 net units
244 Adams Street	Rental	BU1	6	0	0	0.00%	0	0%	SP	October-10	March-11	Payment-in-lieu of \$186,000; no affordable units were built
1521 Beacon Street	Ownership	SR2	8	2	0	25.00%	8	100%	CP	November-16	December-17	
160 Boylston Street (Avalon at Chestnut Hill)	Rental	BU1/MR3	204	43	0	20.98%	204	100%	CP	November-03	July-05	41 units at or below 50% AMI; 2 units at or below 80% AMI; only 20% affordable required because 20% of units at or below 50% AMI
198 California Street	Ownership	BU1	4	0	0	0.00%	0	0%	SP	November-14	June-15	2 units removed
244 California Street	Ownership	BU1	4	0	0	0.00%	0	0%	SP	Nov-09	February-10	
35 Commonwealth Ave. (Covenant Residences on Commonwealth)	Ownership	MR1/MR2	44	15	0	34.09%	44	100%	CP	July-06	January-07	
12 and 18-20 Curve Street (Myrtle Village)	Rental	MR2	7	4	0	57.14%	7	100%	CP	January-15	May-16	
77 (75 & 83) Court Street	Ownership	MR1	36	9	0	25.00%	9	25%	CP	October-14	May-16	
16-26 Dalby Street	Ownership	MR2	6	0	0	0.00%	0	0%	SP	June-17	September-17	3 lots combined to create two sets of three units
254 and 262 Derby Street	Ownership	SR3	8	2	0	25.00%	2	25%	CP	March-07	November-10	renovate existing single-family and construct 7 new dwelling units
13 Elm Street	Ownership	MR1	5	0	0	0.00%	0	0%	SP	May-07	May-13	IZ payment of \$36,000 is for 3% of \$1.2 million; 5 units in 2 buildings
200 Estate Drive (Hancock Estates / Kessler Woods @ Lagrange Street)	Rental	MR3	88	13	0	14.77%	13	15%	SP	April-15	April-16	
107 Florence Street (The Farm at Chestnut Hill or The Birches)	Ownership	MR1	4	0	0	0.00%	0	0%	SP	January-09	January-10	4 units in 2 structures

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287 #1-48 Langley Road	Ownership	SR3	48	0	0	0.00%	0	0%	SP	December-01		The Newton Terraces; 41 attached townhouses, 7 attached townhouses; approved 2001; IZ requirement - 4 units; NHA received \$3,669,344 in lieu of the 4 IZ units, including \$801,144 in a "look back provision" (for Newton Terraces)
192 Lexington Street	Ownership	SR3	10	6	4	100.00%	6	60%	CP	November-09	July-10	6 units <80% AMI, 4 units <100% AMI
281 Nevada Street	Ownership	MR1	4	0	0	0.00%	0	0%	SP	May-13	May-14	2 existing units plus 2 new units
288 Nevada Street	Ownership	MR1	4	0	0	0.00%	0	0%	SP	April-13	August-13	
45 Pelham Street	Rental	SR2	10	10	0	100.00%	10	100%	CP	October-03	December-04	
28 Sumner Street (26-30)	Rental	MR1	3	0	0	0.00%	0	0%	SP	December-15	March-16	
87-89 Waban Street	Ownership	MR1	4	0	0	0.00%	0	0%	SP	February-12	March-12	
36 Walnut Park (Walnut Park Condominiums)	Ownership	MR1	4	0	0	0.00%	0	0%	BP	NA	August-16	Building Permit - 2016; Converted a barn into a 2-family (16-18 Walnut Park) and a single into a 2-family (22-36 Walnut Park)
TOTAL			520	104.8	4	20.92%	304	58%				
Under Construction												
232 Auburn Street (aka 236 Auburn Street)	Rental	MR1	8	8	0	100.00%	8	100%	CP	February-18	Jan. 2019	
28 Austin Street	Rental	MU4	68	23	0	33.82%	68	100%	SP	December-15	April-18	
429 Cherry Street	Rental	BU1	13	3	0	23.08%	3	23%	SP	August-16	November-18	
157 Herrick Road (Benchmark Senior Living)	Congregate Living	SR3	75	0	0	0.00%	0	0%	SP	December-15	January-18	\$1,250,000 payment-in-lieu of providing affordable beds; Rehab existing Farwell Hall to be used for 24 beds in 12 dorm rooms as a congregate living facility specializing in memory care; construct addition including 51 beds and common space
400 Langley Road (Langley Terrace)	Rental	MR3	66	4	0	6.06%	4	6%	SP	December-17	October-18	replace two existing units with 20 units of new construction (16 market-rate units, 4 affordable units); plus 46 existing market-rate rental units in three other apartment buildings
283 Melrose Street	Rental	MR1	16	2	0	12.50%	2	13%	SP	March-16	foundation permit issued Feb. 2019	2 units at 65% AMI

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431 Washington Street (Sunrise Assisted Living)	Assisted Living	BU2	85	3	0	3.53%	0	0%	SP	October-17	Dec. 2018	85 total units; 122 total beds; 3 beds offered at no cost to income-eligible households at or below 80% AMI
875 Washington Street (Washington Place)	Rental	MU4	140	21	14	25.00%	21	15%	SP	June-18	currently building as of Jan. 2019	
TOTAL			471	64	14	16.56%	106	23%				
Permit Granted, But Not Under Construction												
189-193 Adams Street	Rental	BU2	12	2	0	16.67%	2	17%	SP	October-18	no building permit to date	both units at 65% AMI; as of March 2019, under appeal
200-230 Boylston Street (Chestnut Hill Square)	Unknown	BU4	100	15	0	15.00%	15	15%	SP	December-10	no building permit to date	Phase 1 of project has been built; Phase 2 includes the multifamily building, which has yet to be built
182-184 California Street	Ownership	MAN	20	3	0	15.00%	2	10%	SP	March-19	no building permit to date	
432 Cherry Street	Ownership	BU1	9	1	0	11.11%	1	11%	SP	April-19	no building permit to date	9 total units in 2 different blgs. - existing office bldg to be converted into 6 dwelling units; IZ unit at 80% AMI
83-127 and 106-128 John F. Kennedy Circle (Haywood House)	Rental	MR2	55	32	23	100.00%	55	100%	CP	July-18	no building permit to date	LIHTC app submitted Feb. 2019
160R Stanton Ave. (Golda Meir House)	Rental	MR3	68	50	10	88.24%	69	101%	CP	November-18	no building permit to date	LIHTC app submitted Feb. 2019
386-390 Watertown Street	Rental	BU1	9	2	0	22.22%	2	22%	SP	November-17	no building permit to date	
TOTAL			273	105	33	50.55%	146	53%				
Pending Applications (Formal applications submitted to City, but no Permit granted to date)												
335, 399 Grove Street (Riverside)	Rental	BU5	675	101	0	14.96%	101	15%	SP	Filed for Special Permit, March 2019		Project is seeking rezoning to MU-3; hotel is currently zoned BU-5
Northland, Needham Street	Rental	MU1	800	123	0	15.38%	123	15%	SP	Filed for Special Permit, Aug. 2018		
39 Herrick Road	Rental	BU1	9	1	0	11.11%	1	11%	SP	Filed for Special Permit, Nov. 2018		1 rental unit - IZ set at 80% AMI
TOTAL			1484	225	0	15.16%	225	15%				
TOTAL			2748	498.8	51	20.01%	781	28%				