



Zoning & Planning Committee Report

City of Newton In City Council

Monday, April 14, 2025

Present: Councilors Baker (Chair), Oliver, Albright, Wright, Krintzman, Getz, and Kalis

Absent: Councilor Danberg

Also Present: Councilors Lucas, Kelley, Malakie, and Farrell

City Staff: Barney Heath, Director of Planning; Jennifer Caira, Deputy Director of Planning; Andrew Lee, Senior Assistant City Solicitor; John Sisson, Economic Development Director; Jini Farley, ADA Coordinator; Lara Kritzer, Director of Housing & Community Development; and Katie Holden, Committee Clerk

All agendas and reports, both past and present can be found at the following link: [Zoning & Planning Committee | City of Newton, MA \(newtonma.gov\)](https://www.newtonma.gov/zoning-planning)

For more information regarding this meeting, a video recording can be found at the following link: [Zoning & Planning Committee - April 14, 2025](https://www.newtonma.gov/zoning-planning)

- #63-25** **Appointment of Andrew Copelotti to the Economic Development Commission**
HER HONOR THE MAYOR appointing Andrew Copelotti, 63 Broken Tree Road, Newton, as a member of the Economic Development Commission for a term of office to expire on April 22, 2028. (60 Days: 05/16/2025)
- Action:** **Zoning & Planning Approved 5-1-1 (Councilor Oliver Opposed) (Councilor Wright Abstained)**

Note: Mr. Copelotti described his experience in construction and real estate development and explained his interest in serving on the Commission was because of his experience and he recognizes that real estate development is an important component to economic development.

A councilor thanked Mr. Copelotti for being willing to serve and asked what the future of commercial development in Newton might look like. Mr. Copelotti explained that the current supply must be dealt with before moving forward. He shared that he thinks the life science business will rebound before the office market does.

A councilor noted that decreasing commercial taxes puts a greater burden on residents and asked what Mr. Copelotti's ideas were for attracting commercial businesses. Mr. Copelotti said to attract commercial businesses, housing needs to be provided. He said that he thought Newton was not doing an adequate job of creating housing and until that is fixed, it will be hard to attract new businesses because their employees will end up with long commutes. The same councilor asked if his company had opportunities in Newton, would he recuse himself and Mr. Copelotti confirmed that he would.

A councilor expressed support for Mr. Copelotti's appointment.

A councilor asked for Mr. Copelotti's opinion on the Northland project, and he said making the change to more residential is a necessity because a bank is not going to finance new office space as much as people may want that commercial component to exist.

A councilor disagreed with Mr. Copelotti's belief that Newton has not created enough housing.

A councilor encouraged the Economic Development Commission to advise the Council on the role the Council plays in attracting businesses.

A councilor asked Mr. Copelotti for his vision of economic development in Newton and Mr. Copelotti answered that he thinks through the EDC, he can help people who want to develop real estate in the City get their projects approved and provide opinions to the Council as to whether or not those projects are going to provide the benefits that the real estate developer says they are going to.

Committee members voted 5-1-1 on a motion to approve from Councilor Kalis.

#70-25 Appointment of David Hedison to the BERDO Advisory Commission
PRESIDENT LAREDO appointing David Hedison, 215 Waverley Ave, Newton, as a member of the BERDO Advisory Commission for a term of office to expire one year following the effective date of the BERDO Regulations. (60 Days: 06/06/2025)

Action: Zoning & Planning Approved 7-0

Note: David Hedison described his experience as the director of the Chelmsford Housing Authority and efforts that organization has made to decarbonize public housing units.

A councilor noted that this Commission will be tasked with helping the City administer a new complicated ordinance and in a less friendly climate for this type of work than when it was first undertaken.

A councilor asked how Mr. Hedison's work in the housing business would translate to the

commercial side because the decision was made to address the commercial first and delay the implementation of the residential component. Mr. Hedison said that he will share his experience when possible but he is also ready to learn and be an active participant.

Committee members voted 7-0 on a motion to approve from Councilor Baker.

#72-25 Appointment of Mark Clay to the BERDO Advisory Commission
PRESIDENT LAREDO appointing Mark Clay, 250 Hammond Pond Parkway, Chestnut Hill, as a member of the BERDO Advisory Commission for a term of office to expire one year following the effective date of the BERDO Regulations. (60 Days: 06/06/2025)

Action: Zoning & Planning Approved 7-0

Note: Mark Clay shared his experience in business and real estate development and his desire to promote a greener and equitable future for all of Newton.

A councilor noted that Mr. Clay attended Council meetings three years ago when BERDO was first discussed and thanked him for his willingness to serve. The same councilor asked Mr. Clay about his experience with promoting sustainability in the real estate development that he did. Mr. Clay responded that when he needed to replace appliances, he would put in more energy efficient ones.

Committee members voted 7-0 on a motion to approve from Councilor Albright.

#74-25 Appointment of Dante Capasso to the BERDO Advisory Commission
PRESIDENT LAREDO appointing Dante Capasso, 5 Ionia Street, Newton, as a member of the BERDO Advisory Commission for a term of office to expire one year following the effective date of the BERDO Regulations. (60 Days: 06/06/2025)

Action: Zoning & Planning Approved 7-0

Note: Dante Capasso shared his experience as an owner, builder, and manager of apartment units and industrial space in Newton.

Councilors voiced support for Mr. Capasso and noted that he has been involved in the BERDO Ordinance from the beginning.

Committee members voted 7-0 on a motion to approve from Councilor Krintzman.

#44-24 Requesting re-evaluation and possible amendments to Inclusionary Zoning Ordinance
COUNCILORS DANBERG, ALBRIGHT, KALIS, WRIGHT, OLIVER, MALAKIE, LIPOF, AND LUCAS requesting a discussion with the Planning and Development

Department and the Newton Housing Partnership about the City's Inclusionary Zoning Ordinance and possible amendments to the ordinance to include 4-6 units, including raising the requirements for the number of affordable units in large developments.

Zoning & Planning Held 8-0 on 03/25/2024

Zoning & Planning Held 8-0 on 09/23/2024

Zoning & Planning Held 8-0 on 01/27/2025

Action: **Zoning & Planning Held 7-0**

Note: Director of Planning Barney Heath introduced Planning Department consultants, RKG, who presented the attached presentation which outlines recommendations for the City to consider in conversation about changing the Inclusionary Zoning (IZ) Ordinance. RKG looked at whether the definition of "Inclusionary Unit" (5.11.2) needed to be adjusted and their recommendation is yes, since the conversation is around eliminating Tier 2 from the policy to reflect priority for units at 80% or below, the language would need to change. The recommended language would be "Inclusionary Unit(s)" meaning any deed-restricted housing unit priced to be affordable to households with annual gross incomes at or below 80% of AMI. RKG also looked at the mandatory provision of IZ units (5.11.4) and whether the bonus section is effective. They recommend no change to the bonus section due to current market conditions.

The cash payment option (5.11.5) was also considered by RKG and they recommended no change to the Total Development Cost (TDC), currently \$650,000, and to revisit the approach in three years. They also recommend providing a fee in lieu for projects 4-20 units to capture more projects (currently only available from 7-9 units). This change would provide an income stream for the Affordable Housing Trust and reduce overall ordinance complexity for small projects.

A councilor noted that this would be a significant change from what is currently in the ordinance.

Another section of the ordinance that was reviewed by RKG was the off-site development section (5.11.6) because "unusual net benefits" is not defined anywhere in the ordinance. If the City chooses to keep the "unusual net benefit" requirement, then a concrete definition should be provided. They recommend including a formulaic approach that balances the housing goals of the City and the benefit the City is providing the developer to do offsite. RKG also noted that there is a lot of redundancy in the current language around the relative size of deed restricted units compared to market rate units and their recommendation is to have language that says inclusionary units have to be the same size, or larger than the average of the market rate units with the same bedroom count.

For the Inclusionary Housing Plan and Covenant (5.11.8), RKG notes that if the City approves their recommendation to remove Tier 2, then some language in this section will need to be

changed. They also recommend removing DHCD's approval requirement because the City is already approving it and it does not add any additional oversight that is not done by City staff already.

RKG had two recommendations for public funding limitations (5.11.9) which are removing the requirement to provide 10% below because it is unclear and adding a provision that basically exempts Low Income Housing Tax Credit (LIHTC) projects from IZ because those projects that meet that requirement, will already exceed IZ requirements.

RKG was asked how to restructure the Elder Housing with Services (5.11.11) section and they recommend adjusting the set aside to 10% at 80% AMI, remove medical costs calculation and replace with cash payment in lieu requirement based on standards in 5.11.11.

A councilor noted that if the City moves toward accepting more cash payments, that puts a burden on the Housing Trust to turn those payments into either housing or services and asked how the City can ensure these services are realized rather than the money going in the Housing Trust and never coming back. Kyle Talente from RKG pointed to Somerville and Cambridge as examples of municipalities that are running very robust housing trusts and investing in projects because they take their cash flow and become more of a direct partner in the development arena by providing gap financing or grants. The same councilor proposed that a resolution be sent to the Housing Trust if these changes are accepted by the Council.

Councilor Albright, the Housing Trust liaison, said the Trust would be thrilled to have more money coming in because right now, they have professionals on the Trust who know how to develop affordable housing but they do not have the resources to do it.

A councilor asked how the City could ensure the cash payments would stay tied to providing elder housing with services and Director Heath said that it could be set up to have a bucket of money set aside for only elder housing with services that can only be used for project relating to that.

A councilor asked for an example of the cash payment option for 4-6 units and Mr. Talente shared that it would be a math calculation of number of units x 0.15 x 650,000.

A councilor noted discomfort with providing a cash payment in lieu for up to 20 units.

A councilor asked how putting the cash payment in lieu would be implemented with the VCOD. Deputy Director Jen Caira said if the IZ ordinance went down to 4 units, projects with 4-6 units in the MRT would trigger a payment.

A councilor noted that while it is the desire of the Council to get more units, the cash will still be helpful to the City. Director Heath added that because the Housing Trust had sufficient resources, they were able to preserve 112 units all at once at Newton Gardens on North

Street. He also mentioned that having individual units spread out across the City is administratively challenging for developers and complicated for City staff to monitor them over time.

A councilor noted disagreement with allowing up projects up to 20 units provide a payment in lieu because it disincentives building units that are inclusionary with other market rate units and there is no guarantee in the future that more projects like Newton Gardens will come up for consideration.

A councilor expressed hesitancy that the net effect of this will not be that a unit is built but that its to hope that the unit is going to be built and asked for a stronger argument to be made as to how this would actually play out.

A councilor shared support for the payments because if the Housing Trust had more money, it could leverage other money, either at the state/federal level or partnering with developers. The same councilor asked Mr. Talente if they recommend staying at \$650,000 when that number is up for reevaluation in July even if the real costs are higher. Mr. Talente confirmed that was what he recommended. He noted that there are communities that artificially set that number high because they want to disincentive cash payments. He rejects this approach because his goal is to find ways to get new opportunities without creating such a financial disturbance that it may actually affect the delivery of a product. The same councilor asked Mr. Talente for examples from other communities on what number they have landed on.

A member of the public asked when there will be an opportunity for the public to weigh in on these recommendations and Vice Chair Oliver explained that RKG has more work to do, then they will come back to present a final report, and then when the Committee is considering a revised ordinance, there will be a public hearing. The Vice Chair also noted that public comments are welcome anytime through email or conversation with either councilors or the Planning Department.

A councilor asked for clarification if the cash payment in lieu of onsite units would be legal and Assistant City Solicitor Andrew Lee said that the Law Department had not reviewed any of the recommendations that RKG had made but they will be reviewing it in the future once the Committee has determined which recommendations they would like to accept.

A councilor asked for proximity to transportation to be an issue the Committee discusses when RKG comes back in the future. Another councilor asked that proximity to the original project also be considered.

Committee members voted 7-0 on a motion to hold from Councilor Baker.

#45-24 Discussion and Possible Amendment to Inclusionary Zoning Ordinance to include Training

COUNCILORS DANBERG, BIXBY, MALAKIE, DOWNS, AND WRIGHT requesting discussion and possible amendment to require that developers and property managers provide training for their employees regarding bias toward residents of the IZ units and how to mitigate this bias.

Zoning & Planning Held 8-0 on 03/25/2024

Zoning & Planning Held 8-0 on 09/23/2024

Zoning & Planning Held 8-0 on 01/27/2025

Action: **Zoning & Planning Held 7-0**

Note: This item was not discussed by the Committee.

Committee members voted 7-0 on a motion to hold from Councilor Baker.

#28-25 Request for addition of maximum residential facade build out ratio to Chapter 30, Zoning

ZONING & PLANNING COMMITTEE requesting addition of a maximum residential facade build out ratio to Chapter 30, Zoning to aid in new development being contextual to the surrounding neighborhood.

Zoning & Planning Held 6-0 on 02/26/2025

Zoning & Planning Held 8-0 on 03/24/2025

Action: **Zoning & Planning Held 7-0**

Note: Director of Planning Barney Heath and Deputy Director of Planning Jen Caira shared the attached presentation and explained that it was meant to be a response to some of the questions and comments from the public hearing. Ms. Caira noted that the current proposal is not intended to reduce or prevent teardowns. She recommends starting with this proposal that shapes new construction before digging into a much larger effort that would require significant analysis and outreach. Additionally, more time is needed to evaluate other recent zoning amendments and their cumulative effects. There were four main questions that came out of the previous meeting...

What is the right exemption, if any, for odd/narrow shaped lots?

Ms. Caira shared that exempting lots with frontages less than 60 feet wide is their recommendation. She noted that there was discomfort in the Committee at the last meeting with a total exemption for narrow lots. The Planning Department is also concerned that applying the ratio to odd shaped lots with little or no frontage will result in unintended consequences. Ms. Caira shared potential updates to help address these issues which include reducing the lot frontage exemption from current proposal (60') to a lower number (40-60') (Note – below 37.5', the setbacks become the more restrictive regulation), allowing a minimum façade length regardless of frontage (ex. 25'), exempting the entire façade if it meets a minimum distance from the front lot line (ex. 50'), or having these reviews go through the Planning and Development Board for site plan review. The Planning Department recommends the first two options presented.

A councilor asked if it was possible to have the measurement occur at the point where the building occurs and Ms. Caira said they had looked at that, but it gets complicated when there is not a rectangular shape to work with. The same councilor asked if both recommendations were accepted, would there be a choice given for which to abide by and Ms. Caira answered that 25 feet is the floor and cannot exceed 60%. This would not supersede the setbacks.

Councilors expressed support for reducing the lot frontage exemption to a lower number (40-60'), several suggested 50'.

What should or should not count towards the Residential Façade?

Ms. Caira shared that if everything counts toward the façade, then they discovered that really limits options for additions on existing homes. The potential updates considered by the Planning Department include setting a greater distance for exemption (i.e. 15' or 20'), setting a greater Residential Façade Ratio maximum for portions of wall setback, or instead of exempting portions of wall setback, exempt all portions up to 1.5 stories high. Ms. Caira shared that the last proposal regarding height is the most promising one because it will give more flexibility for additions.

A councilor expressed support for this proposal for existing homes but asked if new houses could be 70 or 80%. Ms. Caira said the Planning Department would look into this.

A councilor noted that while this might be less obtrusive from the street, the impact on abutters is still significant.

What is the impact to existing homes made non-conforming?

Ms. Caira said that non-conforming homes would have a pathway for renovation through the special permit process.

Does this unintentionally rotate the "front" away from the street?

Ms. Caira shared two potential updates for this concern which are modifying the Two-Family, Detached definition and requiring at least one "front" or front door to face the street. Modifying the Two-Family, Detached definition would provide more flexibility in how those two units connect to each other.

Committee members voted 8-0 on a motion to hold items #28-25, #85-24, and #41-24 from Councilor Kalis.

#85-24 Request for discussion and possible amendments to enhance the preservation of existing homes.

COUNCILORS BAKER, OLIVER, MALAKIE, KALIS, GETZ, LUCAS, LOBOVITS, AND WRIGHT requesting a discussion and possible amendments to Chapter 30

Zoning or other City Ordinances to enhance the preservation of existing homes over their replacement by larger and more expensive structures.

Zoning & Planning Held on 02/15/24, 03/11/24, 04/08/24, 05/13/24, 07/22/24, 09/09/24, 10/10/24, 10/28/24

Zoning & Planning Held 8-0 on 11/14/2024

Zoning & Planning Held 8-0 on 12/19/2024

Zoning & Planning Held 8-0 on 01/27/2025

Zoning & Planning Held 6-0 (Councilor Kalis Not Voting) on 02/26/25

Zoning & Planning Held 8-0 on 03/24/2025

Action: **Zoning & Planning Held 7-0**

Note: This item was discussed concurrently with item #28-25. A written report can be found with item #28-25.

#41-24 Amend the setbacks in the MR zones to encourage preservation of existing buildings

COUNCILORS ALBRIGHT, DANBERG, KRINTZMAN, AND LEARY seeking a discussion with the Planning Department to consider ordinance amendments that would revise the metrics in the multi-residence (MR1, MR2 and MR3) zones, to regulate the size of new buildings better, enable a wider range of housing options close to public transit, and better incentivize preservation and renovation of existing housing stock.

Zoning & Planning Held on 02/15/2024, 03/11/2024, 04/08/2024, 05/13/2024, 07/22/2024, 09/09/2024

Zoning & Planning Held 7-0 on 10/10/2024

Zoning & Planning Held 8-0 on 10/28/2024

Zoning & Planning Held 8-0 on 11/14/2024

Zoning & Planning Held 8-0 on 12/19/2024

Zoning & Planning Held 8-0 on 01/27/2025

Zoning & Planning Held 6-0 (Councilor Kalis Not Voting) on 02/26/25

Zoning & Planning Held 8-0 on 03/24/2025

Action: **Zoning & Planning Held 7-0**

Note: This item was discussed concurrently with item #28-25. A written report can be found with item #28-25.

The meeting adjourned at 10:30pm.

Respectfully Submitted,

John Oliver, Vice Chair

CITY OF NEWTON

INCLUSIONARY ZONING REEVALUATION PART 2 APRIL 2025

PREPARED BY RKG ASSOCIATES

HUD INCOME AND RENT

Income thresholds by household size

Tier 1 Range {

	1P	2P	3P	4P
50% AMI	\$57,100	\$65,300	\$73,450	\$81,600
65% AMI	\$67,750	\$77,428	\$87,107	\$96,785
80% AMI	\$91,200	\$104,200	\$117,250	\$130,250
110% AMI	\$114,653	\$131,032	\$147,411	\$163,790

Max affordable rent by bedroom size

Tier 1 Range {

	Studio	1BR	2BR	3BR	4BR
50% AMI	\$1,428	\$1,633	\$1,836	\$2,040	\$2,204
65% AMI	\$1,694	\$1,936	\$2,178	\$2,420	\$2,613
80% AMI	\$2,280	\$2,605	\$2,931	\$3,256	\$3,518
110% AMI	\$2,866	\$3,276	\$3,685	\$4,095	\$4,422

Source: [FY 2024 Income Limits Documentation System -- Summary for Newton city, Massachusetts](#)

5.11.2. DEFINITIONS

Does the definition of “Inclusionary Unit” need to be adjusted?

- Current definition identifies Tier 1 (50% - 80% AMI) and Tier 2 (80% - 110% AMI).
- Recommendation to eliminate Tier 2 from the policy to reflect priority for units at 80% or below.

Recommended language

- “Inclusionary Unit(s)” means any deed-restricted housing unit priced to be affordable to households with annual gross incomes at or below 80% of AMI.

5.II.4. MANDATORY PROVISION OF IZ UNITS

Is the bonus section effective?

- Page 4 Section C
 - 2:1 ratio for a 1- or 2-bedroom IZ unit
 - 3:1 ratio for a 3-bedroom IZ unit
- RKG ran feasibility model to understand the financial performance of a small project (15-unit) and mid-size project (75-unit)
 - Financial feasibility for both projects perform worse than with no bonus scenario
 - Requires 3:1 for 1- or 2-bedroom scenario to become revenue neutral
 - Requires 5:1 for a 3-bedroom scenario to become revenue neutral

Recommendation

- We recommend no change to the bonus section
 - Analysis based on current market conditions. Those can change where the policy will become viable
 - Those ratios may create greater challenges to garner approval given the substantial change in project size, particularly for projects under 25-units

5.11.5. CASH PAYMENT OPTION

Approach	Wood-Frame	Podium
Updated TDC	\$650,000	\$650,000
Construction Cost	\$400,000	\$550,000
Value Gap	\$380,000	\$380,000

TDC

- Calculated based off 3-year average of total unit costs for projects built in Newton receiving public subsidies
- 2019 TDC = \$550,000; Planning Dept. updated TDC = \$650,000

Construction cost

- Reflects the total construction cost per unit
- Most financially neutral approach when addressing payment in lieu for a full unit

Value gap

- Calculates value gap difference between market rate and income-controlled unit
- Most financially neutral approach when addressing partial unit (fractional) payments

Recommendation

- No change to TDC, revisit approach in three years
- Provide fee in lieu for projects 4 – 20 units to capture more projects (currently only available from 7 – 9 units)
- Gain an income stream for Housing Trust and reduce overall ordinance complexity for small projects

5.11.5. CASH PAYMENT OPTION

Example Project: 10-unit rental development

- 15% at Tier 1 = $0.15 \times 10\text{-units} = 1.5\text{ units}$
- Current policy (round up) = 2 units
- Partial unit payment approach = 1.5 units
- Updated TDC = \$650,000
- Current policy: 2 units \times \$650,000 = \$1,300,000
- Partial unit payment approach = 1.5 units \times \$650,000 = \$975,000

Financial Feasibility

Approach	Units Delivered	Cash Payment	IRR
Round up	2	\$0	13.06%
Round up + fee in lieu	0	\$1,300,000	10.08%
Partial payment	1	\$325,000	13.86%
Partial payment + fee in lieu	0	\$975,000	11.62%

5.11.6. OFF-SITE DEVELOPMENT

Does the off-site development section need to be revised?

- Unusual net benefits is not defined anywhere in the ordinance
 - Ad hoc definitions during approval process can be inefficient and inconsistent
 - Creates uncertainty and unpredictability = risk

Recommendation

- If leaving requirement for “unusual net benefit”, then provide a concrete definition
- Areas to be defined for unusual net benefit
 - Higher set aside percentage (e.g., 25% more units than onsite)
 - Lower target AMI threshold (e.g., at 50% of AMI)
 - Larger cash contribution to trust fund (e.g., 10% larger than standard calculation)
- We recommend to include a formulaic approach that balances the housing goals of the City and the benefit you are providing the developer to do offsite

5.11.7. DESIGN AND CONSTRUCTION

Do we need to revise the design and construction requirements?

- Section C – RKG's analysis suggests requirements 2b and 3 conflict with requirement 1
- Financial impact of unit set-aside and square footage set aside generally neutral, can vary based on location

Provide greater flexibility in providing equality of affordable units (i.e. allowance for smaller units or have 3-bedroom count for more)?

- Depends on the goal (e.g., 20% of SF area or 20% of units)
 - More units or more family sized
 - Can be more challenging for smaller projects when taking SF approach

Recommendation

- 5.11.7 - Section C - Rewrite unit size specifications by removing requirements 2a, 2b, and 3.
- Add the following language:
 - For projects that must provide a percentage of square footage set aside, inclusionary units must be the same size or larger than onsite market rate units of the same bedroom count

5.11.8. IZ HOUSING PLAN AND COVENANT

Do we need to adjust the requirements of the Inclusionary Housing Plan and Covenant?

Put more onus on the developer (i.e. resident services plan)?

- Current approach is comprehensive but can be burdensome on the process. The following recommendations to modify language of this section.

Recommendation

Section	Recommendation(s)
A, B, D, G, H, I	No change
C	Remove “including Tier 2 Middle Income units”. Subsection 4/ remove “and DHCD’s
E	Remove “and all Tier 2 units must be consistent, where applicable, with the requirements of”.
F	Remove “including those affordable to households earning greater than 80% but less than or equal to 110% of AMI”

5.11.9. PUBLIC FUNDING LIMITATION

Does the public funding limitation need to be reviewed?

Current Policy	Recommendation(s)
Those that represent a greater number of affordable units than are otherwise required by this subsection and not receiving additional market rate units according to Section 5.11.4.C	No change
Those that are lower than the maximum eligible income limit for some or all inclusionary units by at least 10 percentage points below that stipulated in Sec. 5.11.4	Remove requirement of providing 10% below, the way its written is unclear (e.g., 100% vs 110%?)
Those that exceed regulatory requirements in providing for persons having disabilities	No change
	Add provision that a minimum of 40% of all units are income-controlled for households earning at or below an average AMI of 60%

5.11.11. ELDER HOUSING WITH SERVICES

How do we restructure the Elder Housing with Services?

- Higher rental rates per bedroom create expensive payments in lieu options
- High land cost per unit when adjusted to market expectations
 - More expensive construction costs (\$330/SF) and land value per unit (\$335k) impacts sensitivity most when accommodating for affordability

Recommendation

- Adjust the set aside to 10% at 80% AMI and remove medical costs calculation
 - Infeasible if set aside is adjusted without removing the medical cost calculation
- Replace with cash payment in lieu requirement based on standards in 5.11.11.

		IRR					ROC						
		0%	5%	10%	15%	20%	0%	5%	10%	15%	20%		
AMI	30%	15.00%	9.93%	7.82%	1.68%	-4.61%	AMI	30%	5.99%	5.69%	4.26%	3.16%	2.39%
	40%	15.00%	10.11%	8.09%	2.28%	-3.52%		40%	5.99%	5.72%	4.31%	3.25%	2.50%
	50%	15.00%	10.29%	8.35%	2.85%	-2.50%		50%	5.99%	5.76%	4.37%	3.34%	2.62%
	60%	15.00%	10.47%	8.62%	3.40%	-1.55%		60%	5.99%	5.80%	4.43%	3.43%	2.73%
	65%	15.00%	10.56%	8.75%	3.68%	-1.09%		65%	5.99%	5.82%	4.45%	3.48%	2.78%
	70%	15.00%	10.65%	8.88%	3.94%	-0.65%		70%	5.99%	5.84%	4.48%	3.52%	2.84%
	80%	15.00%	10.82%	9.14%	4.47%	0.20%		80%	5.99%	5.87%	4.54%	3.61%	2.95%

Q & A



Inclusionary Zoning Analysis
April 2025

Part 1: Summary of IZ Analysis and Recommendations

Section	Topic	Summary	Recommendation(s)
5.11.4	Current IZ Requirements	Most neighboring towns and cities have IZ policy requirements of one-tier that triggers at 6 - 10+ units, requires set aside percentages between 15% - 20%, and targets households earning 80% area median income. Newton's policy is progressive because it targets lower area median income households.	N/A
5.11.4	Two-tiers	Tier 2 middle-income units priced between 80% and 110% of AMI. Development community reports challenges to find occupants in this price range due to choice at this income level.	Remove Tier 2 requirement and adjust Tier 1 requirements. 7-20 units = 15% at 65% AMI 21-99 units = 17% at 65% AMI 100+ units = 18.5% at 65% AMI
5.11.4	Lowering the AMI Threshold	Adjusting the AMI threshold by 5% (to 60%) reduces the IRR by 30 basis points and reduces ROC by 8 basis points. Lowering the set aside requirement will further reduce financial feasibility. Analysis shows market viability is a challenge in every subarea except the VCODs.	Recommend leaving the AMI threshold (averaging 65% of AMI) as is.
5.11.4	Lowering the Minimum Unit Threshold	Under current policy, we do not advise going below seven units	If you want to get to less than seven units, then two changes must happen, 1) Switch the current policy to partial payments for any fractional units, and 2) change the fee in lieu calculation from the current fixed cost to value gap approach. If making these changes are not preferable, than RKG recommends no change.
5.11.4	Round Up vs Partial Unit Payment Rule	Current 'Round Up', when set aside calculations result in owing a fraction of an IZ unit greater than 0.44, it is rounded up to nearest whole number. This approach creates gaps in financial returns. Developers are more likely to skip over the 'gaps' to maximize returns.	Changing the policy to a 'Partial unit payment rule' for all partial unit calculations (up to 0.99) balances the impact of policy and provides more money to the trust fund.
5.11.10	Resident Services	The concept of onsite resident services is nebulous. Smaller projects (less than 30 units) will be disproportionately impacted. Challenging to regulate the concept given the need will vary. Not financially feasible to offer onsite services.	Focus on leveraging City assets and foster stronger partnerships. HHS is willing to coordinate with property managers. Require all properties to post signage.

#44-24 & 45-24

<p>5.11.10</p>	<p>Extremely Low Income</p>	<p>Financial analysis showed using ELI compliance creates a greater financial return than the current policy.</p>	<p>Leave the compliance standing as is.</p> <p>Remove services agreement.</p> <p>Advertise the program.</p>
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Part 2: Summary of IZ Analysis and Proposals

Section	Topic	Summary	Proposal(s)
5.11.2	Definitions	<p>Current definition separates Tier 1 (50% - 80% AMI) and Tier 2 (80% - 110% AMI)</p> <p>Previous recommendation to eliminate Tier 2 from the policy would require a simplification of the definition</p>	<p>“Inclusionary Unit(s)” means any deed-restricted housing unit priced to be affordable to households with annual gross incomes at or below 80% of AMI</p>
5.11.4	Mandatory Provision of IZ Units – Bonus Density	<p>RKG ran feasibility model to understand the financial performance of a small project (15-unit) and mid-size project (75-unit)</p> <ul style="list-style-type: none"> • Financial feasibility for both projects perform worse than with no bonus scenario • Requires 3:1 for 1- or 2-bedroom scenario to become revenue neutral • Requires 5:1 for a 3-bedroom scenario to become revenue neutral 	<p>No change</p> <p>Analysis based on current market conditions. Those can change where the policy will become viable</p>
5.11.5	Cash Payment Option	<p>Fixed Value</p> <ul style="list-style-type: none"> • 2019 TDC = \$550,000; Planning Dept. Updated TDC = \$650,000 <p>Construction Cost</p> <ul style="list-style-type: none"> • Reflects the total construction cost per unit • Financially neutral approach when addressing payment in lieu for a full unit <p>Value gap</p> <ul style="list-style-type: none"> • Calculates value gap difference between market rate and income-controlled unit • Financially neutral approach when addressing partial unit (fractional) payments 	<p>No change to TDC, revisit approach in three years</p> <p>Provide fee in lieu for projects 4 – 20 units to capture more projects (currently only available from 7 – 9 units)</p>
5.11.6	Off-Site Development	<p>Unusual net benefits is not defined anywhere in the ordinance</p> <p>Ad hoc definitions during approval process can be inefficient and inconsistent</p> <ul style="list-style-type: none"> • Creates uncertainty and unpredictability = risk 	<p>If leaving requirement for “unusual net benefit”, then provide a concrete definition</p> <p>Potential requirements for defining “unusual net benefit”:</p> <ul style="list-style-type: none"> • Higher set-aside percentage (e.g., 25%) • Lower target AMI threshold (e.g., 50%) • Larger cash contribution (e.g., 10%) <p>A formulaic approach that balances the housing goals of the City and the benefit you are providing the developer to do offsite</p>

<p>5.11.7</p>	<p>Design and Construction</p>	<p>Section C – RKG’s analysis suggests requirements 2b and 3 conflict with requirement 1</p> <p>Financial impact of unit set aside and square footage set aside generally neutral, can vary based on location</p> <p>Depends on the goal (e.g., 20% of SF area or 20% of units)</p>	<p>Rewrite unit size specifications (5.11.7 - Section C) by removing requirements 2a, 2b, and 3</p> <p>Add the following language: For projects that must provide a percentage of square footage set aside, inclusionary units must be the same size or larger than onsite market rate units of the same bedroom count</p>
<p>5.11.8</p>	<p>Inclusionary Housing Plan and Covenant</p>	<p>Current approach is comprehensive but can be burdensome on the process. The following recommendations to modify language of this section</p>	<p>Section A, B, D, G, H, I – no change</p> <p>Section C – remove “including Tier 2 Middle Income units”</p> <p>Section C, subsection 4 – remove “and DHCD’s”</p> <p>Section E – remove “and all Tier 2 units must be consistent, where applicable, with the requirements of”</p> <p>Section F – remove “including those affordable to households earning greater than 80% but less than or equal to 110% of AMI”</p>
<p>5.11.9</p>	<p>Public Funding Limitation</p>	<p>Applicant may use public development funds to construct IZ units outside of requirement if they:</p> <ul style="list-style-type: none"> • Provide more affordable units required without taking more market rate units • Provide 10% lower than maximum allowed eligible income (AMI) for some or all IZ units <p>Exceed regulatory requirements in providing for persons with disabilities</p>	<p>First requirement - no change.</p> <p>Second requirement – Remove requirement of providing 10% below, the way its written is unclear (e.g., 100% vs 110%)</p> <p>Third requirement – no change.</p> <p>Add provision that a minimum of 40% of all units are income-controlled for households earning at or below an average AMI of 60%</p>
<p>5.11.11</p>	<p>Elder Housing with Services</p>	<p>Higher rental rates per bedroom result in expensive payments in lieu</p> <p>High land costs involved when acquiring land adjusted to market expectations</p>	<p>Replace with cash payment in lieu requirement based on standards in 5.11.11.</p>

City of Newton
Zoning & Planning Committee

Residential District Zoning Review: Residential Facade Build Out Ratio

Docket #28-25, #85-24, #41-24

March 24, 2025
Public Hearing

Content

Residential Facade Build Out Ratio

1. Relationship to Reducing/Preventing Teardowns
1. Council/Board Comments to Proposal and Other Options

Current Proposal Not Intended to Reduce/Prevent Teardowns

- **Better to regulate contextual development (new construction or renovation)**

More important is regulation that ensures new development responds to the neighborhood and/or citywide objectives



Before: 45 Albert St



After: 45 Albert St

Current Proposal Not Intended to Reduce/Prevent Teardowns

- **Drastic measures required and analysis needed to potentially prevent teardowns**

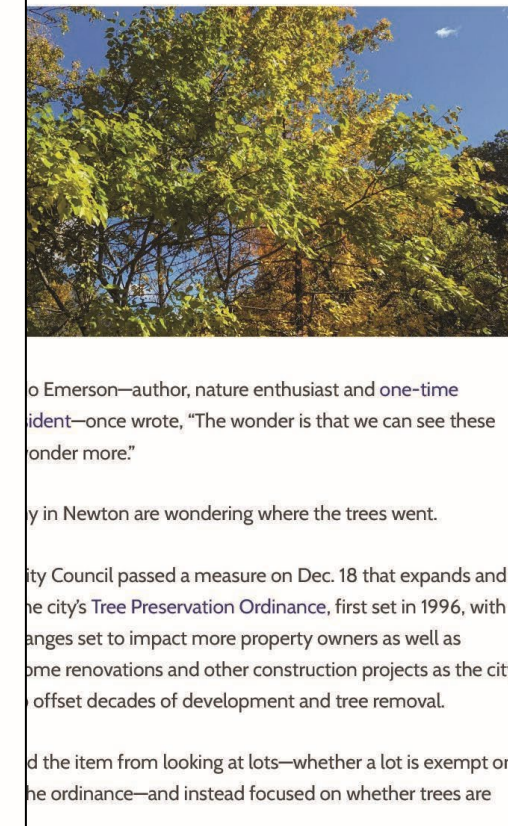
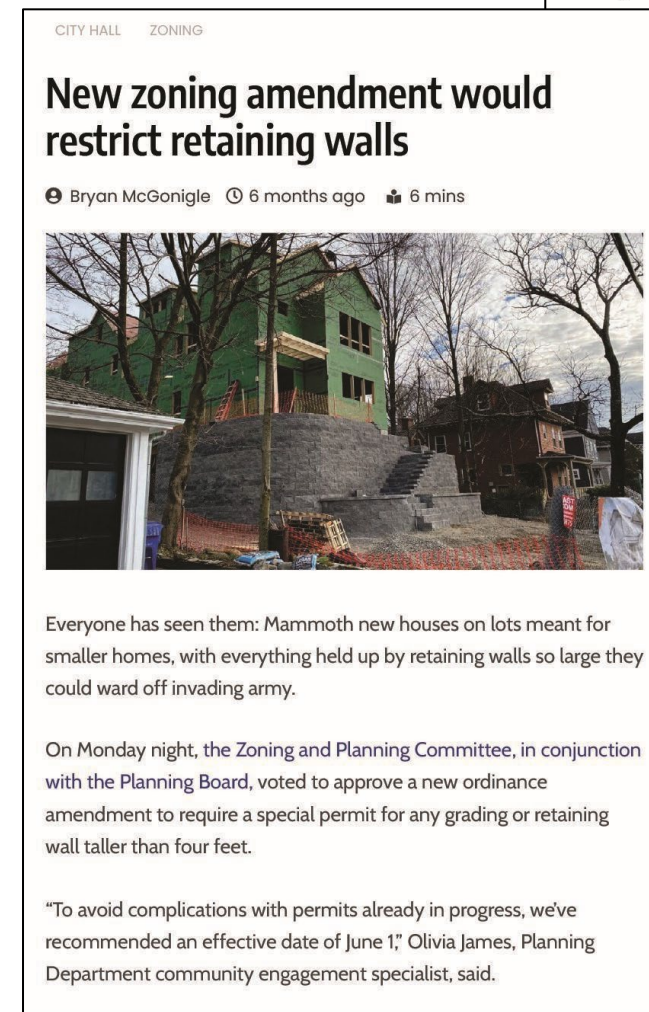
Given teardown analysis, only drastic reduction in buildable area, or total moratorium would prevent the typical teardown (i.e. small home on large lot)

Such a change as required above would impact more than 90% of properties in Newton

Residential property taxes support the majority of the City budget

- **Time needed to evaluate other recent zoning amendments**

Retaining walls, measuring height, electrification, etc. all updated within the last year



Refined Analysis

Council/Board Comments to Proposal and Other Options

- a. What is the right exemption, if any, for odd/narrow shaped lots?
- b. What should or should not count towards the Residential Facade?
- c. What is the impact to existing homes made non-conforming?
- d. Does this unintentionally rotate the “front” away from the street?

At the March 24, 2025 public hearing City Councilors and Planning Board members held the item, looking for additional clarification and analysis in four key areas.

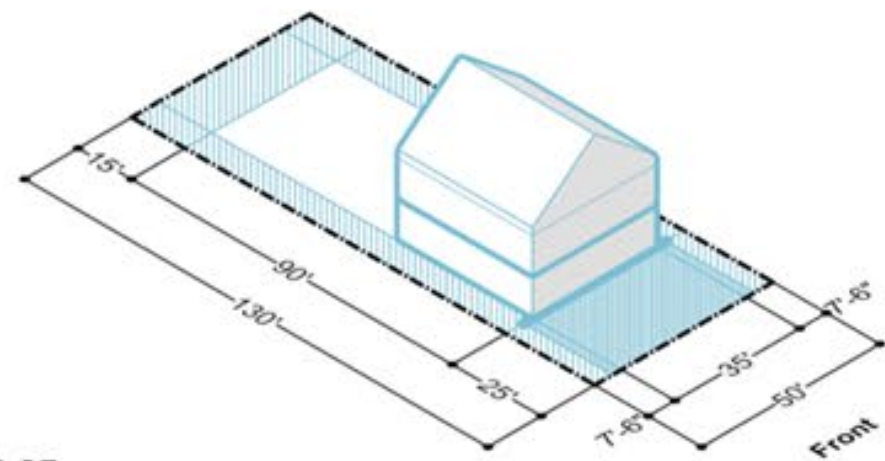
What is the right exemption, if any, for odd/narrow shaped lots?

Narrow Lot Facade Buildout Studies

Increased facade buildout ratio for lots with frontage less than 60' wide

80% buildout exceeds the side setbacks

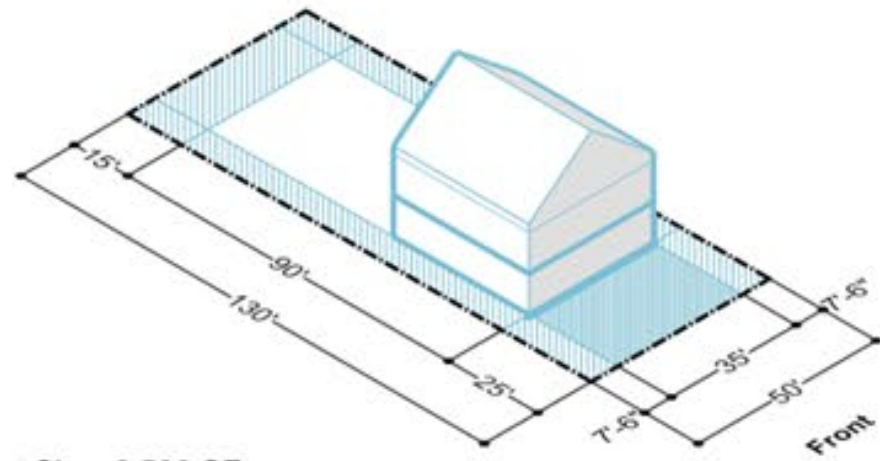
Max. Facade Buildout: 80%



Lot Size: 6,500 SF
Total Side Setbacks: 15'
FAR: 0.54; 3,510 GSF
Building Width: 31' (80% ratio allows 40')

70% buildout meets the side setbacks

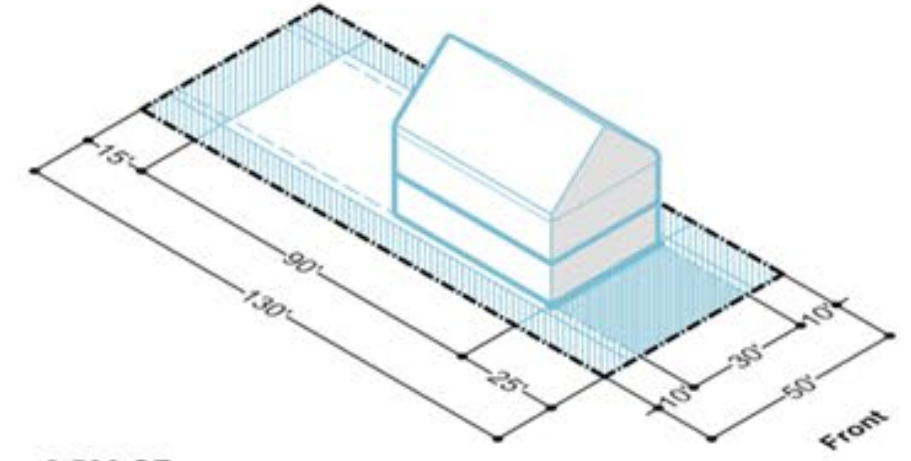
Max. Facade Buildout: 70%



Lot Size: 6,500 SF
Total Side Setbacks: 15'
FAR: 0.54; 3,510 GSF
Building Width: 35' (70% ratio matches setbacks)

60% buildout is 5' shy of setbacks

Max. Facade Buildout: 60%



Lot Size: 6,500 SF
Total Side Setbacks: 20'
FAR: 0.54; 3,510 GSF
Building Width: 30'

What is the right exemption, if any, for odd/narrow shaped lots?

Little/No Frontage



531 Hammond St (Ward 7)

- Frontage: 12 ft
- Max facade width: 7.2 ft
- Lot Size: 42,000 sq ft



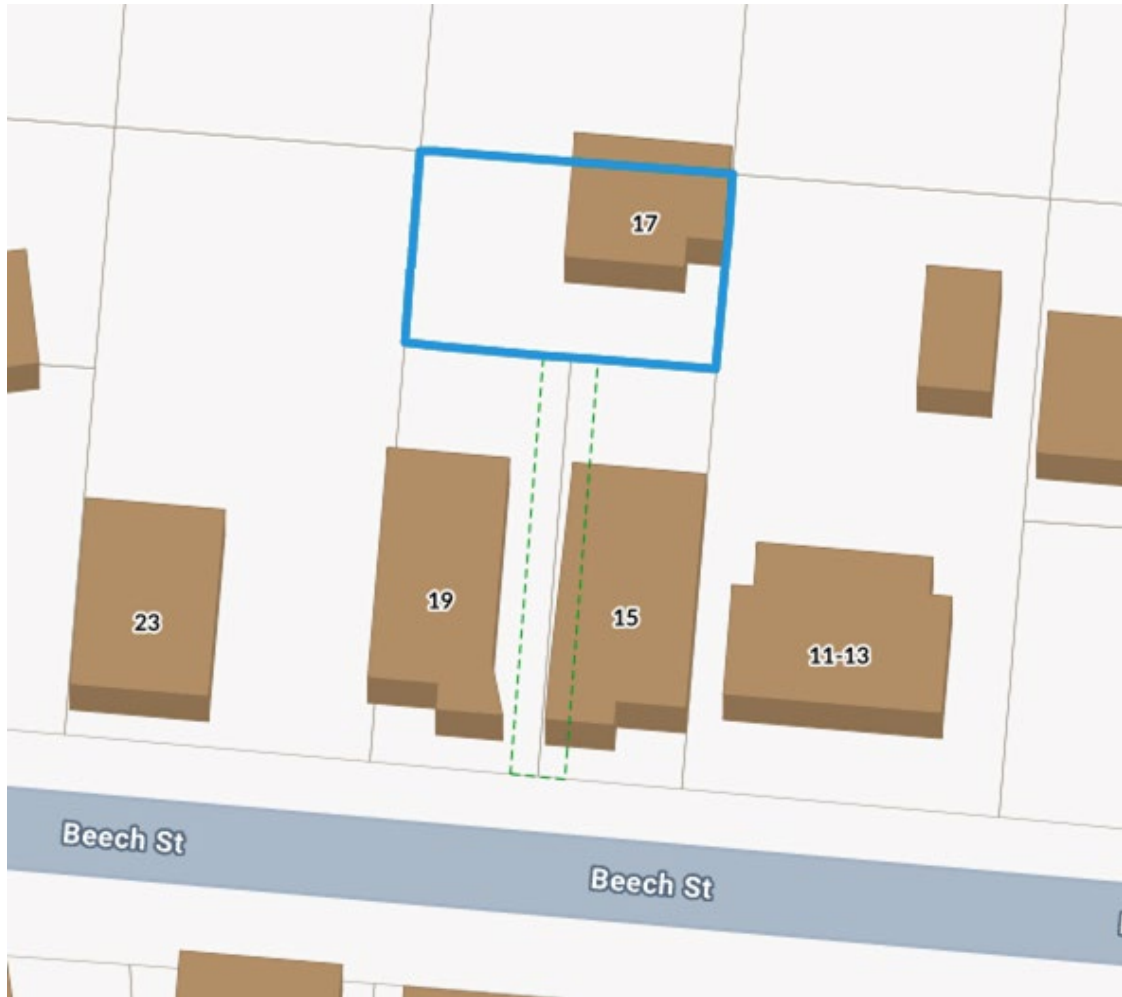
1 William Ct (Ward 5)

- Frontage: 15 ft
- Max facade width: 9 ft
- Lot Size: 2,700 sq ft



What is the right exemption, if any, for odd/narrow shaped lots?

Many Frontages Difficult to Measure*



917 Beech St: TBD (Ward 1)



66 Hood St: TBD (Ward 7)



49A/B Carleton St: 20' (Ward 1)

*Odd frontages may or may not result in an exemption

What is the right exemption, if any, for odd/narrow shaped lots?

Councilor Concerns

- New development on narrow lots are what get many complaints
 - Note:
 - Data shows narrow lots are not the typical teardown property.
 - Recent updates to measuring height and retaining walls should reduce the impact here already

Potential Updates

- Reduce the lot frontage exemption from current proposal (60') to a lower number (40-60')
 - Note - Below 37.5' the setbacks become the more restrictive regulation
- Allow a minimum facade length regardless of frontage (ex. 25')
- Exempt entire facade if meets a minimum distance from the front lot line (ex. 50')
- Planning Board held a straw vote to require site plan review, or some other review

What should or should not count towards the Residential Facade?

Draft Recommendation

Front facade only includes frontmost portions of wall

Issue with new construction are not only long facades, but also flat facades.

- Portions of the facade more than 10' back from frontmost wall do not count
- Consistent with Garage Ordinance
- Incentivizes differentiation and articulation



1650-1652 Centre St: 121' Facade



100-102 Langley Rd: 96' Facade

What should or should not count towards the Residential Facade?

Draft Recommendation

Front facade only includes frontmost portions of wall

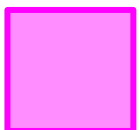
New Construction



Existing



Renovation/Addition



- Facade that does not count under current proposal and would not comply with 60% maximum if counted

What should or should not count towards the Residential Facade?

Councilor Concerns

- 10' is not enough to create a substantial offset
- Allows for buildings to the setback at full height

Potential Updates

- Set a greater distance for exemption (i.e. 15' or 20')
- Set a greater Residential Facade Ratio maximum for portions of wall setback
 - Frontmost Facade = 60% (as proposed)
 - Secondary Facade = 70-80% (TBD)
- Instead of exempting portions of wall setback, exempt all portions up to 1.5 stories high (see next slide)

What should or should not count towards the Residential Facade?

Exempt all portions up to 1.5 stories high

All setbacks would still need to be met



What is the impact to existing homes made non-conforming?

Non-Conforming Homes have a Pathway for Renovation (Sec. 7.8.2.)*

Some previously by-right renovations could require a special permit



716 Commonwealth Ave: 57' facade, 80' frontage = 71% facade ratio



Upper story additions to wings would require a special permit. Other additions (ex. In the rear) could be by-right.

*Note: This home would comply if 1.5 story or less portions (i.e. wings) of the building are exempted from the Facade Ratio

What is the impact to existing homes made non-conforming?

Councilor Concerns

- Do not want a regulation that will lead to more special permits
- Could incentivize renovations to existing homes if people can't do what they would like

Potential Updates

- Maintain exemption for portions of facade pushed back
- Fully exempt 1.5 story or less portions of the building

Does this unintentionally rotate the “front” away from the street?

Concerns

- Longer facades, particularly for two-family homes, allow for both units to front the street

Potential Updates (separate items)

- Modify the Two-Family, Detached definition
- Require at least one “front” or front door to face the street

Thank You and Next Steps

Committee to review potential updates

**Planning and Utile to further refine
Committee desired updates**