

Newton's Local Preference Policy

Proposed Amendments to Inclusionary Zoning Ordinance: Section 5.11

Public Hearing - ZAP Meeting
October 25, 2021

The City of Newton
Planning & Development Department

A Year of Discussion & Analysis

- **Newton Housing Partnership July 2020 Vote**
 - Voted to adopt 0% local preference policy for Riverside to “send a strong message that Newton will not perpetuate policies that keep non-white people out of our City.”
- **WestMetro HOME Consortium’s FY21-25 Analysis of Impediments to Fair Housing Report**
 - Obligation of each consortium community to take affirmative action to ensure that people of color, and other protected classes, have equal access to housing in that community
- **Fair Housing Committee Analysis of Lottery Results**

A Year of Discussion & Analysis, cont'd

- **Barrett Planning Group's 2021 Analysis and Report**
 - Does Newton's Local Preference Policy create a disparate impact on people of color?
- **Newton Housing Partnership Discussions and Recommendation**
 - Reduce requirement from 70% to 25%
- **Zoning & Planning Committee Discussions**
 - April 12; July 26; and September 27

What is Local Preference?

- Authorized by the State through Chapter 40B
- Newton's policy lives in the Inclusionary Zoning ordinance
- Allows for up to 70% "local preference" in a project*
 - Current residents
 - Municipal employees
 - Employees of local businesses
 - Households with children attending Newton schools
- **Example: 20 affordable units in a project:**
 - 14 affordable units designated as "local preference units" (0.7 X 20):
 - Offered first to those who qualify as local preference applicants
 - 6 affordable units designated as "general pool" units:
 - Offered to all applicants, including local preference and non-local preference applicants

The Barrett Report

➤ Scope of Analysis

- To assess the effects of Newton's 70% local preference policy in three recent rental housing development lotteries: TRIO, 28 Austin Street, and Hancock Estates
- 71 affordable units (61 leased) - 1,157 total applications

Applicants	Initial Lease-Ups
27% Local Preference	72% Local Preference
73% Non-local Preference	28% Non-local Preference

The Barrett Report: Key Findings

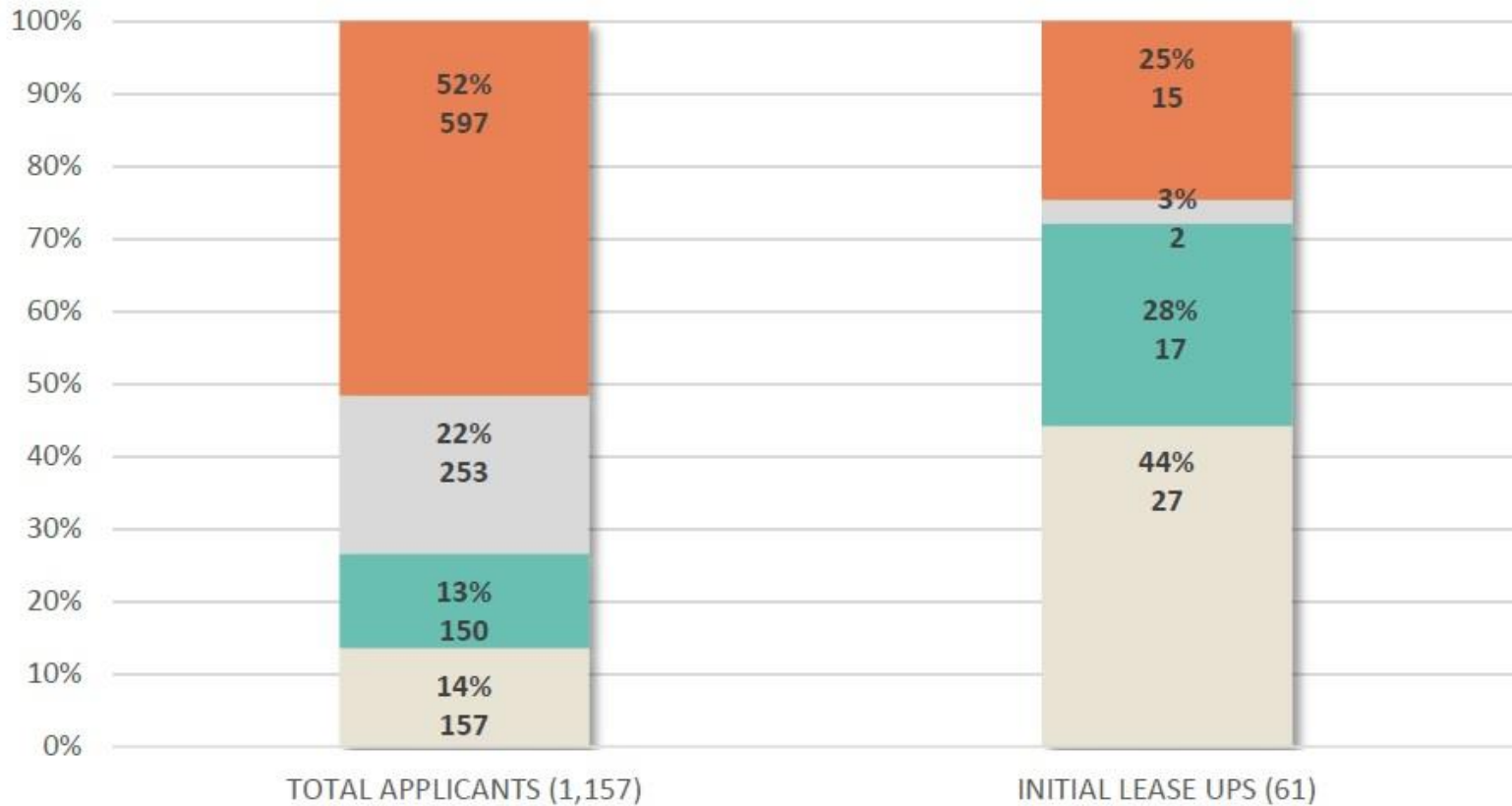
#528-20

- The community that benefits the most from Newton's local preference policy is White, non-Hispanic local households
- Selection rates were higher for White applicants in each of the researched developments than for minority applicants overall
- Non-local preference pools were overwhelmingly made up of minorities
- The effect of local preference on households requiring accessibility features in their units is unclear and requires further study

Local Preference Applicant Pool	LP Tenants (44/61)	Non-local Preference Applicant Pool	Non-LP Tenants (17/61)	General Applicant Pool	General Pool Tenants
51% White	61% White	30% White	12% White	35% White	47.5% White
49% Minority	39% Minority	70% Minority	88% Minority	65% Minority	52.5% Minority

The Barrett Report

Applicants and Initial Lease-Ups Across All Case Studies



■ LOCAL: White, Non-Hispanic

■ LOCAL: Racial/Ethnic Minority

■ NON-LOCAL: White, Non-Hispanic

■ NON-LOCAL: Racial/Ethnic Minority

The Barrett Report

❖ Accessible Affordable Units

- 9 accessible affordable units across 3 projects that were analyzed
- Only 4 were initially lease to tenants with disabilities
- Further study needed to understand these results
- Pricing of these units may still be too high for people with disabilities

From Analysis to Action

- The identified correlation between Newton's 70% local preference policy and the percentage of minorities, particularly Black and African American applicants, that sign leases for these affordable units, as compared to their White, local-preference counterparts, sheds light on the [need to enact a change to the long-standing requirement.](#)

Recommendations for Changes to the Local Preference Requirement #528-20

Recommendations:

70%  25%

- 1) The Newton Housing Partnership voted on 8/17/21 to recommend a reduction in the policy from 70% to 25% to “mitigate the discriminatory effect of the policy and to affirmatively further fair housing outcomes”, and
- 2) To assess other “policies that prevent project sponsors from discriminating during the tenant selection process”
- 3) Require that at least one of the local preference units be a fully accessible affordable unit

Proposed Amendments to IZ Ordinance: Sec. 5.11.8.C. Inclusionary Housing Plans & Covenants

#528-20

- C. An Affirmative Fair Housing Marketing and Resident Selection Plan (AFHMP) for all Inclusionary Units, including Tier 2 Middle-Income Units, which, at a minimum, meets the requirements set out in in the Comprehensive Permit Guidelines of the DHCD, Section III., Affirmative Fair Housing Marketing and Resident Selection Plan, as in effect December 2014 as the same may be amended from time to time and:
1. To the extent permitted by law, such plan must provide for a local preference for ~~up to 25%~~ **70%** of the Inclusionary Units in a project **and at least one of the local preference units must be a fully accessible unit;**
 2. Where a project results in the displacement of individuals who qualify for a unit in terms of household size and income, first preference must be given to those displaced applicants, unless such preference would be unallowable under the rules of any source of funding for the project;

October 25th ZAP Mtg.

Questions / Comments?

Thank you!