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MEMORANDUM

To: City Council Zoning & Planning Committee Members

From: Barney Heath, Planning Director
Amanda Berman, Director of Housing & Community Development
Eamon Bencivengo, Housing Development Planner

Date: August 4, 2022

Subject: Proposed Amendment to Section 5.11.5 (E) of the Inclusionary Zoning Ordinance

With the City Council's recent authorization to create an Affordable Housing Trust (AHT), the Planning Department requests Council approval to revise a section of the Inclusionary Zoning Ordinance in order to support the efficient operation of the AHT.

Section 5.11.5 E of the Inclusionary Zoning Ordinance outlines the process by which the City and the Newton Housing Authority (NHA) receive and distribute all cash payments made by a developer in lieu of providing inclusionary housing units. The minor revisions proposed by the Planning Department, in consultation with the Law Department, specify that the AHT will be the entity that receives any and all cash payments paid by a developer in lieu of creating affordable units in a project. The AHT will then be responsible for distributing such payments equally between itself and the NHA. The equal share given to the NHA is a pre-existing component of Section 5.11.5 E and is not a proposed revision.

The attached red-lined draft illustrates the proposed revisions to this Section.

E. Cash Payment Recipient.

1. The cash payment ~~shall be~~ made to the City's ~~Inclusionary Zoning Fund~~ Municipal Affordable Housing Trust Fund, to be distributed equally to the Newton Housing Authority and ~~the City of Newton~~ the Newton Affordable Housing Trust.

2. These funds are to be used for the restoration, rehabilitation, acquisition, creation, preservation, associated support services, and monitoring of deed-restricted units affordable to households with annual gross incomes at or below 80% of AMI, to the extent practical.

3. Notwithstanding Section 2 above, funds received from Inclusionary Housing Projects with 7-9 units, as described in Section 5.11.5.B.3, must be used for the creation of deed-restricted units affordable to households at or below 80% of AMI.

~~4. Appropriation of these funds for use by the City or the Newton Housing Authority must first be approved by the Planning & Development Board and then by the Mayor.~~

5. The Newton Housing Authority and the City Newton Affordable Housing Trust must each maintain an ongoing record of payments to the fund on their behalf and the use of the proceeds for the purposes stated in this Sec.

5.11.