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Barney S. Heath
Director

MEMORANDUM

DATE: February 10, 2023

TO: Councilor Deborah Crossley, Chair, Zoning & Planning Committee
Members of the Zoning & Planning Committee

FROM: Barney Heath, Director, Department of Planning and Development
Jennifer Caira, Deputy Director Department of Planning and Development

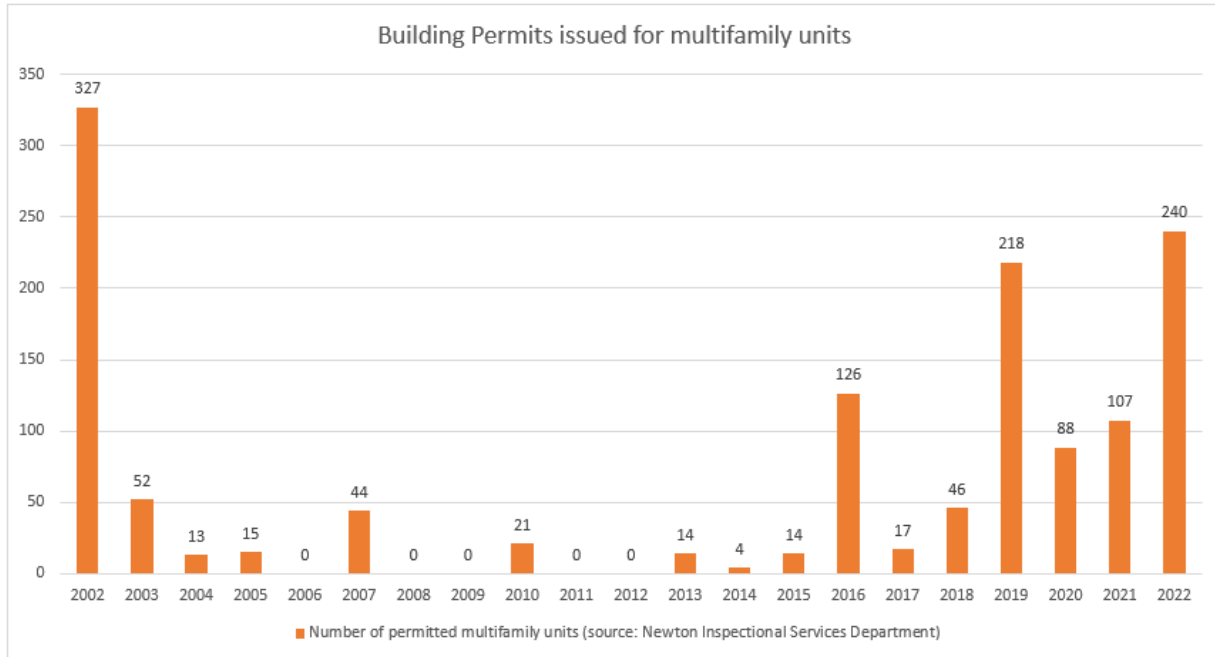
RE: **Multi-Family Housing Forecast**

CC: City Council
Planning Board
Jonathan Yeo, Chief Operating Officer

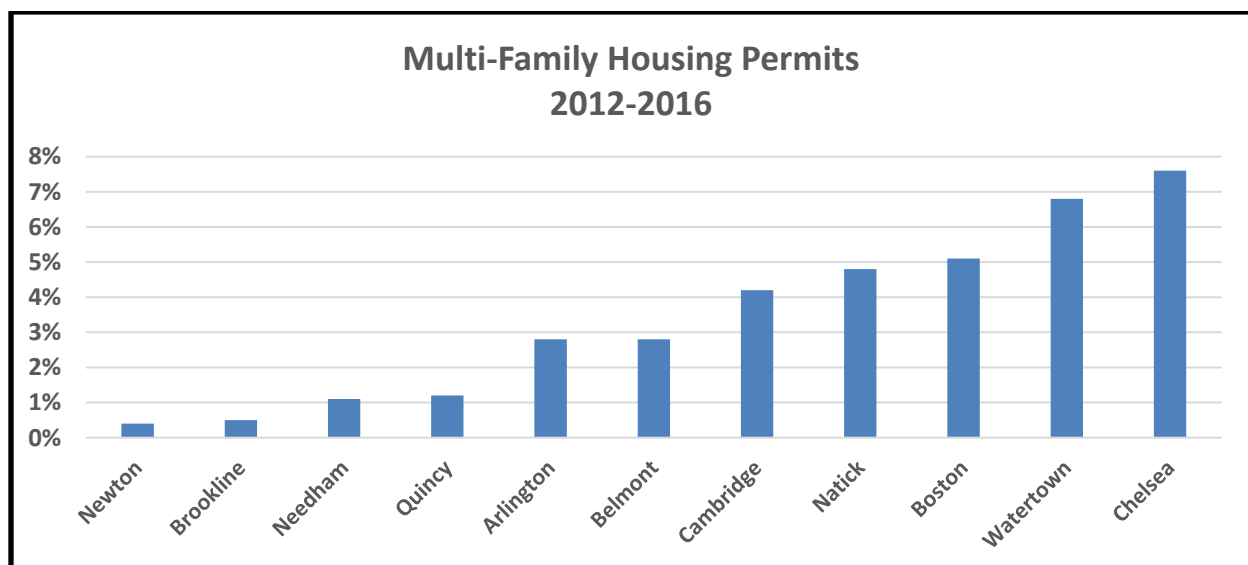
City Councilor Pam Wright presented data and information about multi-family housing permits and possible future development in the City (attached). The intent of this memo is to provide a common set of information regarding multi-family housing development.

How much multi-family housing has been built in the past twenty years in Newton?

The chart below shows multi-family housing building permits issued in Newton for the last twenty-one years. In 2002, 327 multi-family building permits were approved, followed by thirteen years of little multi-family activity. The average annual number of multi-family units issued over the roughly 20 year period equals 64 units /per year (including five years where no multi-family housing permits were issued). For context, Newton has 32,504 units of housing city-wide.



Putting the amount of building permits in Newton into the context of Greater Boston also provides perspective. The recent Boston Foundation’s 2022 Housing Report Card analyzed multi-family housing permit activity across Massachusetts cities and towns. For the five year period between 2012-2016, Newton issued 136 multi-family unit permits, or 0.4% of the total units in the Greater Boston region. This compares to neighboring Watertown (1,153 units – 6.8%), Arlington (565 units – 2.8%), Brookline (126 units – 0.5%), and Needham (126 units – 1.1%). During the same five year period, other Greater Boston communities’ numbers included Boston (15,255 units – 5.1%), Cambridge (2,249 units – 4.2%), Everett (1,182 units – 6.5%) Chelsea (1,104 units – 7.6%), Natick (710 units – 4.8%), Quincy (578 units – 1.2%), and Belmont (306 units – 2.8%). The chart below shows the comparable growth rates for the 5-year period used in the report.



The last five-year period, 2018-2022, saw Newton with a larger number of multi-family permitted units (699 – 2.2%) compared to the report’s time period. However, Newton’s growth rate remained lower compared to many other Greater Boston communities.

How much multi-family housing is currently in process?

The current multi-family housing forecast in Newton is complex and nuanced. The table below provides a listing of approved multi-family projects in various stages with the total number of units at 2,546. The table shows the affordable/market rate unit numbers, approval date by City Council (Special Permits) or ZBA (40B Comprehensive Permits), and the stage of permitting and development.

Notably 73% of all of the units comes from just four projects —Northland (800), Riverside (550), Dunstan East (292), and Riverdale (204). In addition, another 10% (279) of the total are attributable to two senior living facilities—Opus (174) and Crafts Street (105). Significantly, the approved projects generate approximately 532 units (21%) of permanent affordable housing, the vast majority of which will be reserved for households at 65% of area median income or lower, including one 100% deeply affordable project of 43 units at the West Newton Armory. In addition, one approved project will be providing, in lieu of on-site affordable units, a \$12 million contribution to the City’s overall affordable housing efforts in the city.

The timing and even the eventuality of seeing all 2,546 of these units being built has been threatened with climbing construction costs and higher interest rates. As widely discussed, the timetable and economic challenges at both Riverside (550) and Dunstan East (292) made these projects more of a wait-and-see in terms the developer requesting building permits, plus an anticipated construction period of 18-24 months before occupancy. Northland (800 units) is proceeding with site work but has not yet applied for a building permit for construction of any of the units. Of the 2,546 approved multi-family units only 353 units (14%) are currently under construction with another building permit applications under review for another 205 units (8%).

Other “housing pipeline” projects referenced in the memo would have even a longer road than the previously approved projects mentioned above and also would face the same uncertain economic markets.

Should the prospect of additional multi-family housing in the future be a reason to forestall future planning?

Newton, like its Greater Boston neighbors, is part of a housing ecosystem in crisis. Governor Healey included in her Inaugural comment the following: *“If we want Massachusetts to be a home for all, we need to build more place to live, and we need to make sure those homes are within reach. High housing costs are unacceptable for our people, our businesses, and our state’s future. We rise and fall as a state with the choices and commitments of every neighborhood. Today I’m asking every citizen to join this cause. That means building more housing next to transit hubs, taking another look at zoning, and preserving the housing we already have”*.

The recent Massachusetts MBTA Communities Law was developed to address this crisis. And Newton, as a rapid transit community under the regulations must adopt zoning, which provides for the capacity for future multi-family housing equal to 8,330 units. The Planning Department and Zoning and Planning

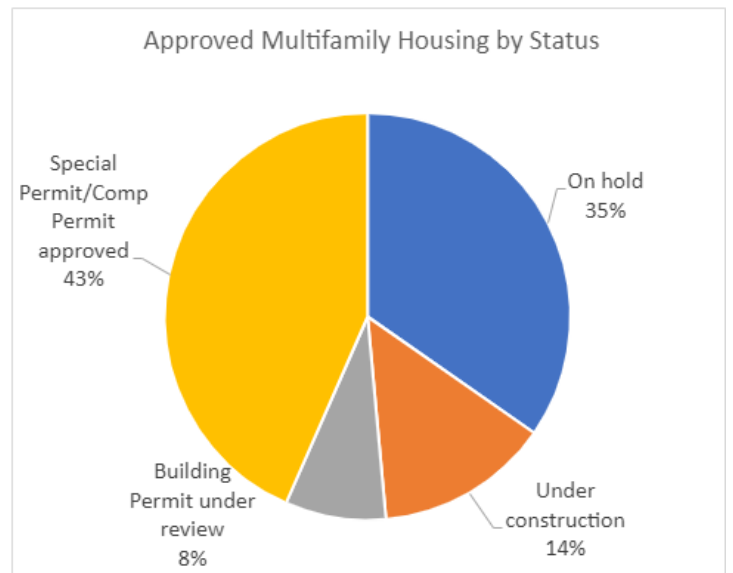
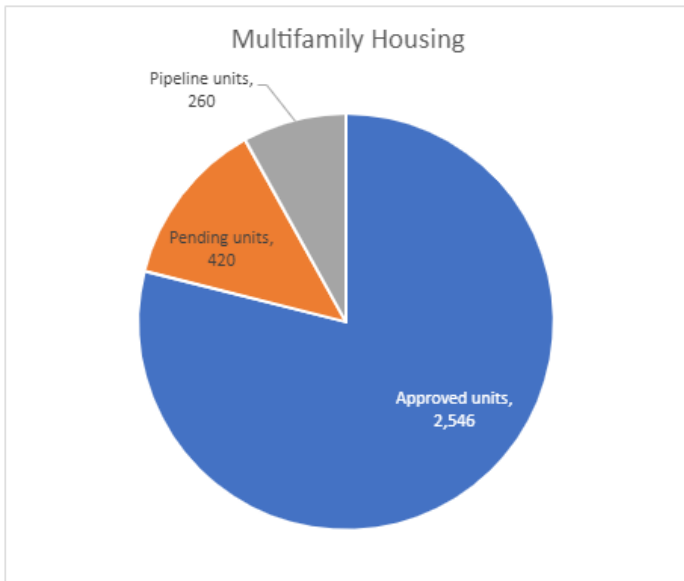
Committee have been engaged in thoughtful and formidable discussions around proposed village center zoning to provide for a good portion of this required capacity. Efforts need to proceed to identify appropriate locations for this capacity.

How does anticipated multi-family housing development relate to proposed Village Center Zoning?

The proposed village center zoning encourages development that fosters compact, pedestrian-oriented villages with a mix of residences, shops, offices, institutions, and opportunities for entertainment and is aligned with the vision of the City's future from plans such as the Comprehensive Plan, Housing Strategy, Economic Development Strategy, and Climate Action Plan. Housing will greatly help the vitality of our village centers by providing an opportunity for smaller, more diverse housing types in walkable village centers and near transit. Newton's village centers, many of which are adjacent to mass transit and near goods and services, are well-situated and stand to benefit from multi-family housing. Much thought has gone into carefully calibrating the proposed village center zoning to fulfill many objectives. Careful calibrations are in process as the Zoning & Planning Committee considers a revised version 2.0.

Anticipated Multifamily Housing	
Approved units	2,546
Pending units	420
Pipeline units	260
Total units	3,226

Approved Multifamily Housing Units by Status		
Status	Number of units	Percent of total
On hold	883	35%
Under construction	353	14%
Building Permit under review	205	8%
Special Permit/Comp Permit approved	1,105	43%
Total units	2,546	100%



Address	Housing Units				Approvals		On Hold	Building Permit		Construction Underway	Occupancy Permit	
	Market Rate Units	Affordable Units		Total Units	City Council - Special Permit	Zoning Board of Appeals - Comp. Permit		Under Review	Issued		Under Review	Issued
		at or below 80% AMI	at or below 110% AMI									
283 Melrose St (Turtle Lane) *	14	2	0	16	3/2016, 9/2021		X					
Golda Meir - 160 Stanton Ave	8	50	10	68		12/2018			X	X		
424-432 Cherry St	3	0	0	3	3/2019, 12/2021							
15-21 Lexington St	19	4	1	24	12/2019			X				
Northland - 156 Oak St **	660	120	20	800	12/2019							
956 Walnut St	6	1	0	7	12/2019			X				
264 Pearl St	3	0	0	3	12/2019				X	X		
20 Kinmonth Rd	20	3	1	24	12/2019				X	X		
Riverdale - 2-4 Los Angeles St	153	51	0	204		7/2020			X	X		
280 Newtonville Ave	15	3	0	18	7/2020							
Dunstan East - 1149 Washington St ***	219	73	0	292		7/2020, 11/2021	X					
Riverside - 355 Grove St	439	88	23	550	10/2020, 9/2021		X					
63-65 Broadway	3	0	0	3	2/2021				X	X		
1149-1151 Walnut St	20	4	1	25	5/2021		X					
Opus - 777 Winchester St	165	9	0	174	9/2021			X				
1092-1094 Chestnut Street	4	0	0	4	9/2021				X	X		
1114 Beacon St	28	5	1	34	11/2021				X	X		
667 Boylston St	4	0	0	4	11/2021				X	X		
967-969 Washington St****	23	4	1	28	12/2021							
145 Warren St	5	0	0	5	12/2021				X	X		
50 Highland Ave	4	0	0	4	12/2021				X	X		
383 Boylston St/50 Jackson St	10	2	0	12	3/2022							
34 Crafts St	105	0	0	105	11/2022							
416-418 Langley Rd	6	0	0	6	11/2022							
136-144 Hancock St	14	2	0	16	12/2022							
120 Norwood Ave	4	0	0	4	12/2022							
24 Wilson Cir	5	0	0	5	12/2022							
106 River St	8	1	0	9	1/2023							
1314 Washington St	41	8	1	50	1/2023							
1 Jackson St	6	0	0	6	1/2023							
West Newton Armory	0	43	0	43	1/2023							
Total units	2,014	473	59	2,546								
Percentage of total	79%	19%	2%	100%								

* Construction on hold pending resolution of ISD enforcement

** Demolition underway but construction timing unknown

*** Demolition underway but permitting and construction has been put on hold pending market conditions

**** Special Permit under appeal

Address	Proposed Housing Units				Pending Approvals	
	Market Rate Units	Affordable Units		Total Units	City Council - Special Permit	Zoning Board of Appeals - Comp. Permit
		at or below 80% AMI	at or below 110% AMI			
160 Charlemont St	307	103	0	410		Filed 9/2022
71 Commonwealth Ave	5	0	0	5	Filed 10/2022	
194 Adams St	5	0	0	5	Filed 1/2023	
Total units	317	103	-	420		
Percentage of total	75%	25%	0%	100%		

Multifamily Housing Units - Forecast	
Address	Total
528 Boylston St	244
41 Washington St	16
Total units	260