



# Affordable Housing in Needham: the Basics

October 28, 2021



# Asking Questions

- **Write question on card** and pass to roving collector  
Please write clearly and state your name.
- **Email a question** to [lwvneedham@gmail.com](mailto:lwvneedham@gmail.com).  
State your name.
- **Raise your hand** and wait to be called up. Use audience microphone. State your name and question.

Questions will be held until the presentations are over.



# Accessing Handouts and Links

Go to [www.lwv-needham.org](http://www.lwv-needham.org)

Scroll down and click on  
forum post

## Affordable Housing in Needham: the Basics



Thursday, October 28

7:30 pm

Powers Hall, Needham Town Hall

## [Affordable Housing in Needham: the Basics](#)

October 28 at 7:30; Powers Hall

[read more](#)

# Affordable Housing in Needham

## Guest Speakers

- Dan Matthews, Needham Select Board Member
- Karen Sunnarborg, Community Housing Specialist, Town of Needham
- Jeanne McKnight, Needham Planning Board Member
- Reg Foster, Chair of the Needham Housing Authority Board of Commissioners



# Dan Matthews

Needham Select Board Member



# What is Affordable Housing?

- Benchmark Definition: **Affordable Housing** is housing available to low and moderate income households at a cost of not more than **30% of household income**.
- Households paying more are considered **cost-burdened**, because of potential difficulty paying for other necessities such as transportation, food, clothing, and medical care.
- **Caveat:** Although in general use, the 30% standard is a limited measure. For example, it can overestimate the relative housing cost burden for higher-income households and underestimate for lower-income.



# Partial Glossary

- **Subsidized Affordable Housing (SHI)** – in general, regulated, means-tested housing included in the State Subsidized Housing Inventory.
- **Market Affordable** – moderately priced housing available on the open market.
- **AMI** – Area Median Income.
- **Density** – In areas with high land costs, increasing the allowed units per acre reduces individual unit cost.
- **Multi-family** – can mean duplexes, apartment complexes, or anything in between.
- **Accessory Dwelling Units (ADU)** – a separate additional unit in a single-family home, sometime referred to as an in-law apartment.
- **Special Permit** as opposed to **As of Right** processes – Special permit requirements provide greater community control, As of Right allowances, more certainty and efficiency.
- **Local Preference Policies** – encourage community support for affordable housing, but can limit minority access in predominantly white communities.
- **Housing Choice Initiative** (Ch. 358 of the Acts of 2020) – reduced required vote for zoning changes to increase housing supply from 2/3 to simple majority.

# Two Regional Affordable Housing Shortages

- **Subsidized Affordable Housing** – regulated, means-tested housing included in the State Subsidized Housing Inventory (SHI).
  - Primary Issues: Inadequate Subsidies, esp. Federal, and overreliance on Chapter 40B. Long waiting lists.
- **Market Affordable Housing** – moderately priced non-SHI housing available on the open market.
  - Primary Issues: Regional supply/demand imbalance, resulting in high prices that increase faster than CPI (Consumer Prices), restrictive zoning and permitting (100+ separate Metro-area jurisdictions), resistance to development.





# Local and Regional

- Housing issues, challenges, and options are:
- **Regional** (ex: Metro Boston, Statewide) or even national, and/or
- **Local** (Individual City or Town)

• Thus:

	Regional	Local
Subsidized Affordable Housing (SHI)	Regional SHI	Local SHI
Market Affordable	Regional Market Affordable	Local Market Affordable

**Issues and actions can affect more than one category, and to varying degrees**



# Local/Regional: Example

## Area Housing Market Prices – Supply and Demand Imbalance

	Regional	Local
Subsidized Affordable Housing (SHI)	Regional SHI	Local SHI
Market Affordable	Regional Market Affordable	Local Market Affordable

# Local/Regional: Example

## Needham Housing Authority 2019 Facilities Master Plan

	Regional	Local
Subsidized Affordable Housing (SHI)	Regional SHI	Local SHI
Market Affordable	Regional Market Affordable	Local Market Affordable

# Local/Regional: Example

## Federal Public Housing Capital Funding

	Regional	Local
Subsidized Affordable Housing (SHI)	Regional SHI	Local SHI
Market Affordable	Regional Market Affordable	Local Market Affordable

# Local/Regional: Example

## Additional Multifamily Zoning, Density, and/or Accessory Dwelling Units

	Regional	Local
Subsidized Affordable Housing (SHI)	Regional SHI	Local SHI
Market Affordable	Regional Market Affordable	Local Market Affordable

# Local/Regional: Example

## Inclusionary Zoning

	Regional	Local
Subsidized Affordable Housing (SHI)	Regional SHI	Local SHI
Market Affordable	Regional Market Affordable	Local Market Affordable

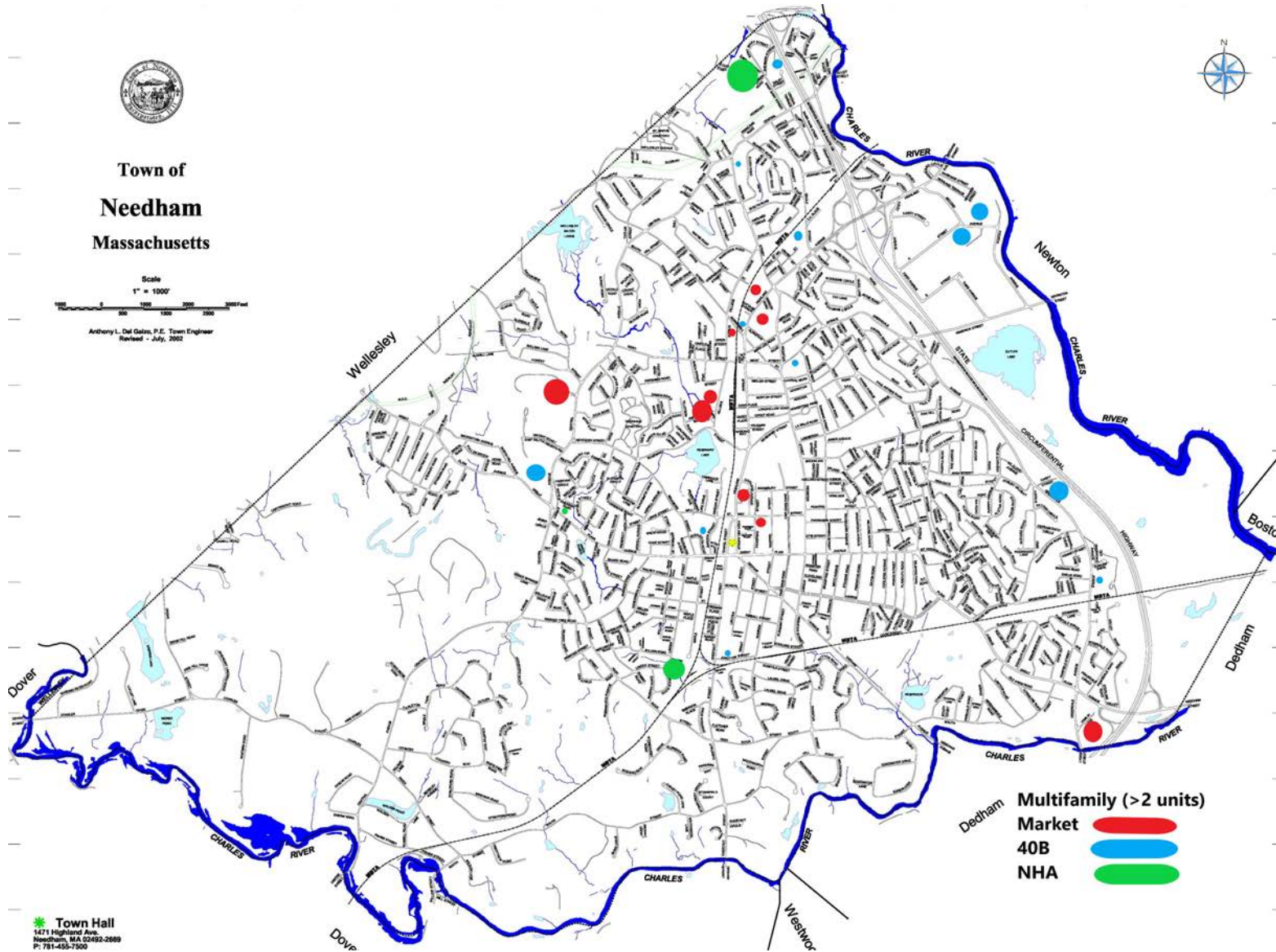
# Multifamily Housing in Needham



Town of  
**Needham**  
Massachusetts

Scale  
1" = 1000'

Anthony L. Dal Goin, P.E. Town Engineer  
Revised - July, 2002



Dedham

**Multifamily (>2 units)**

**Market** 

**40B** 

**NHA** 

# MGL Chapter 40B

- Allows developers in communities with less than 10% SHI units to bypass most local zoning.
- A typical 40B project involves building many more units than allowed under existing zoning, with one quarter of those units means-tested SHI, and three quarters market housing.
- The profitability of the market units effectively subsidizes the means-tested units.
- 40B has been a primary policy tool since the cutback of government direct subsidies for SHI.





# Chapter 40B

## Advantages/Disadvantages

- Advantage: 40B can add to both subsidized housing supply and market housing supply.
- Disadvantage: Without community agreement, 40B projects can involve intense opposition, litigation, very high costs, delays, uncertainties, or fail entirely.
- Disadvantage: 40B *market* units often price above market affordability.
- Massachusetts Affordable Housing Policy, by necessity or choice, has been overly dependent on Chapter 40B.



# Needham – Ch. 40B

- Over time, over one thousand units have been permitted and constructed in Needham under Ch. 40B, including several large rental developments.
- Needham's SHI countable housing percentage (12.7%) is now above the state target of 10%, so that the town has discretion over the 40B zoning bypass.
- SHI count includes all 40B rental units in a development, including market rentals.
- Market-rent apartments are important, because barriers of entry are lower than ownership units, but many 40B market rentals price above area median income (AMI) affordability.
- Conversely, market affordable housing not in regulated programs is not SHI countable.
- Additional units priced for households below AMI would improve housing options in Needham.

# Decentralized Participatory Local Government

- **Select Board (SB)** – (Elected)-Principal Town Executive Board
  - Town Manager (Appointed by SB) is Town CEO, with supervision of almost all non-school staff
- **School Committee** – (Elected)- Needham Public Schools
  - Superintendent (Appointed by School Committee) CEO for Public Schools
- **Planning Board** – (Elected)-Primary Jurisdiction over Zoning Recommendations and Special Permit Granting Authority
- **Zoning Board of Appeals** – (Appointed by SB)- Quasi-Judicial Land Use Authority (example: 40B applications, variances, etc)
- **Finance Committee** – (Appointed by Moderator)- Financial Oversight and Recommendations to Town Meeting
- **Community Preservation Committee** – (7 appointing authorities: Moderator (2), SB (2), NHA, Planning Bd., Historical Comm., Conservation Comm., and Park and Recreation Comm.)- jurisdiction and recommending authority for town's **CPA funds ( $\approx$  2% of town tax levy + state contribution)**, those funds reserved for Historic Preservation, Recreation, Open Space, Conservation, and Affordable Housing purposes.
- **Town Meeting** – Legislative Branch – Approving authority for operating and capital expenditures, including CPA.
  - Moderator (Elected by Voters) – Chair
- **Needham Housing Authority (NHA)** – (Independent Authority with State and Federal Supervision) (3 elected Commissioners, 1 Tenant Commissioner appointed by SB, 1 Governor's appointee)
  - Executive Director (Appointed by Commissioners)

# Some Considerations

- We're part of the region.
- Both Market Affordable and Subsidized Affordable Housing are needed.
- Resistance to development isn't irrational- suburban neighborhoods object to density, people don't like change. But stalemate isn't working.
- Publicly owned housing, such as NHA, is public infrastructure. A return to a major Federal funding role is needed. Local CPA support can help.
- 40B isn't a complete housing strategy- it's a limited tool.
- Careful, consensus based, proactive zoning and development planning should be a goal.
- Maintaining 10%+ countable SHI should be a baseline priority for the town.
- A comprehensive plan will include increasing family housing and total population. Plan accordingly for infrastructure, including schools.
- Race Equity and Fair Housing are core values.



# Needham – Some Local Options

1. Review Needham's downtown village zoning and related conditions. Circa 2008, zoning changes were enacted to encourage downtown apartment construction, but those development goals have not been realized.
2. Consider adding to the town's multifamily housing-zoned areas, and allowed densities, whether general residence, mixed use, apartments, or other.
3. Review Needham's experience with its accessory apartment (ADU) bylaw, and consider expansion of that program.
4. Identify and support strategies for implementation of the NHA's 2019 Facilities Master Facilities Plan to renovate, improve, and add to existing low income housing. This includes political support, and commitment of CPA leverage funds for the Plan.
5. Coordinate with other communities, regional agencies, and/or the State in efforts, including zoning changes replicable in similar communities, to increase the regional housing supply.
6. Support increased Federal funding for public housing capital costs.

# Karen Sunnarborg

Community Housing Specialist, Town of Needham



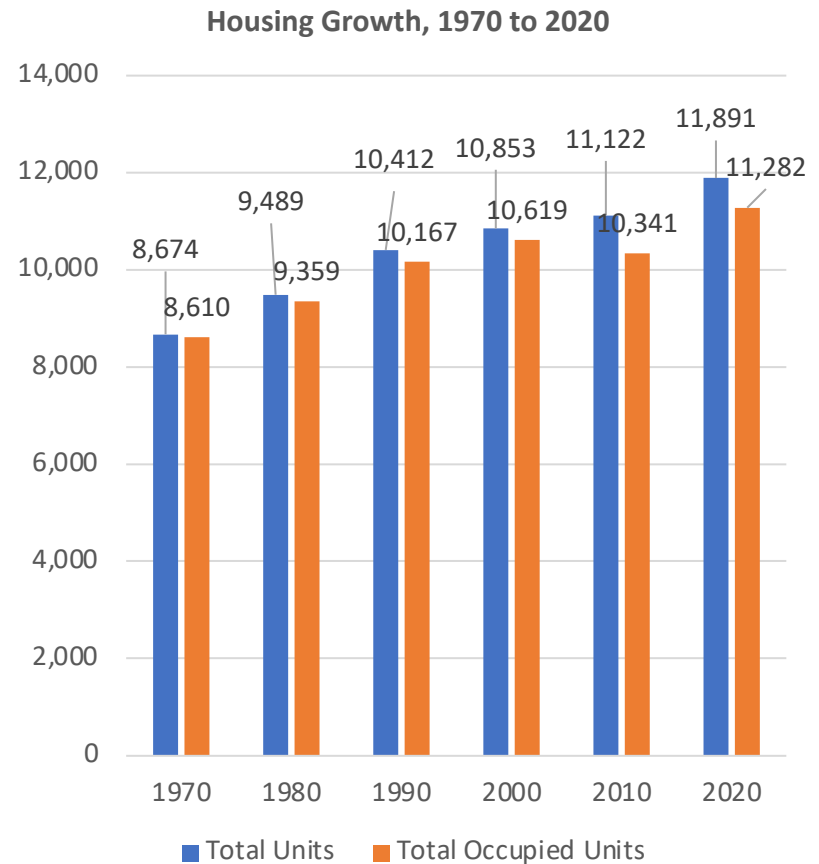
# Existing Housing Stock – Housing Growth (2020 Census)

- Total of 11,891 housing units.
- Increase of 769 units or 6.9% from 2010 to 2020, about the same as statewide increase of 6.8%.
- Population growth increased by 11.1% to 32,091 residents indicating an increase in household size.
- Housing growth largely due to multi-family housing development:
  - The Kendrick
  - The Modera Needham
  - Wingate
  - Needham Place
  - Greendale Village
  - Other smaller 40B ownership projects (e.g., Webster Street Green, Suites of Needham, Craftsman Village)



# Existing Housing Stock – Housing Occupancy (2020 Census)

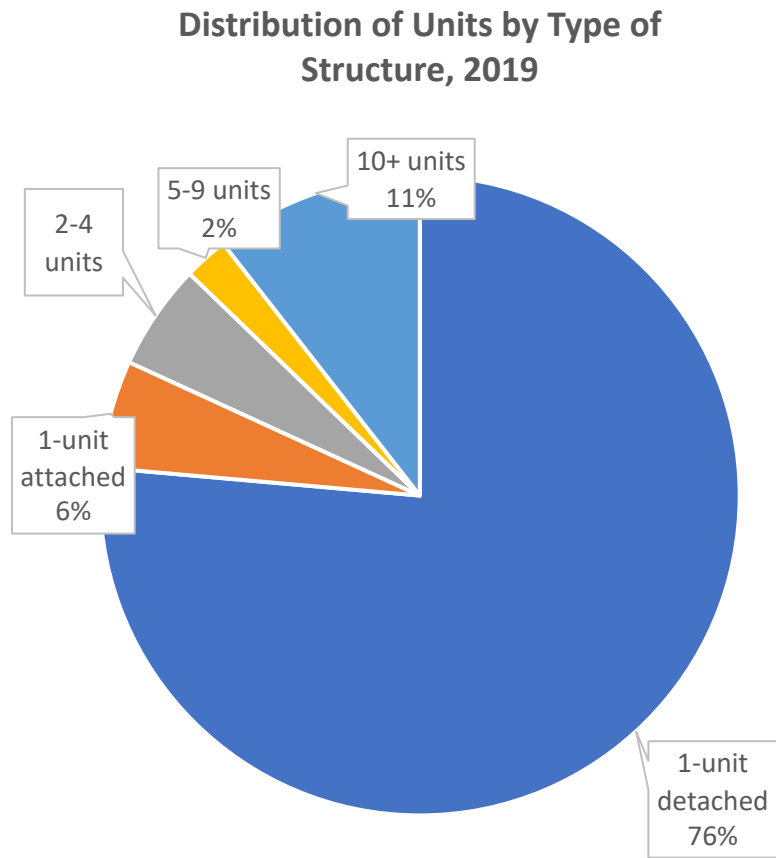
- Occupied units increased from 93% in 2010 to 95% in 2020, or from 10,341 to 11,282 units.
- Correspondingly, the housing vacancy level decreased from 7% to 5% between 2010 and 2020, or from 781 to 609 units.





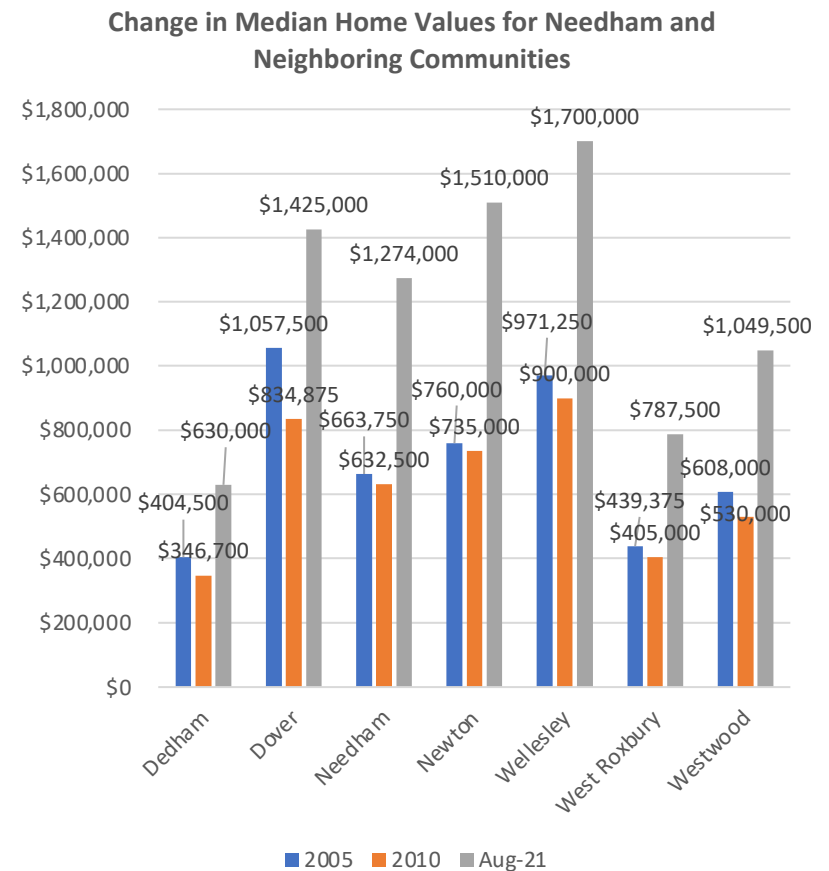
# Existing Housing Stock – Housing Types (2019 Census Estimates)

- 84% of units are owner-occupied/16% renter-occupied, a small change from 83% and 17% in 2010.
- Single-family detached units increased from 8,073 to 8,640 units between 2010 and 2019 or by 7%.
- Multi-family units of 5+ units increased from 1,145 to 1,447 units or by 26%.



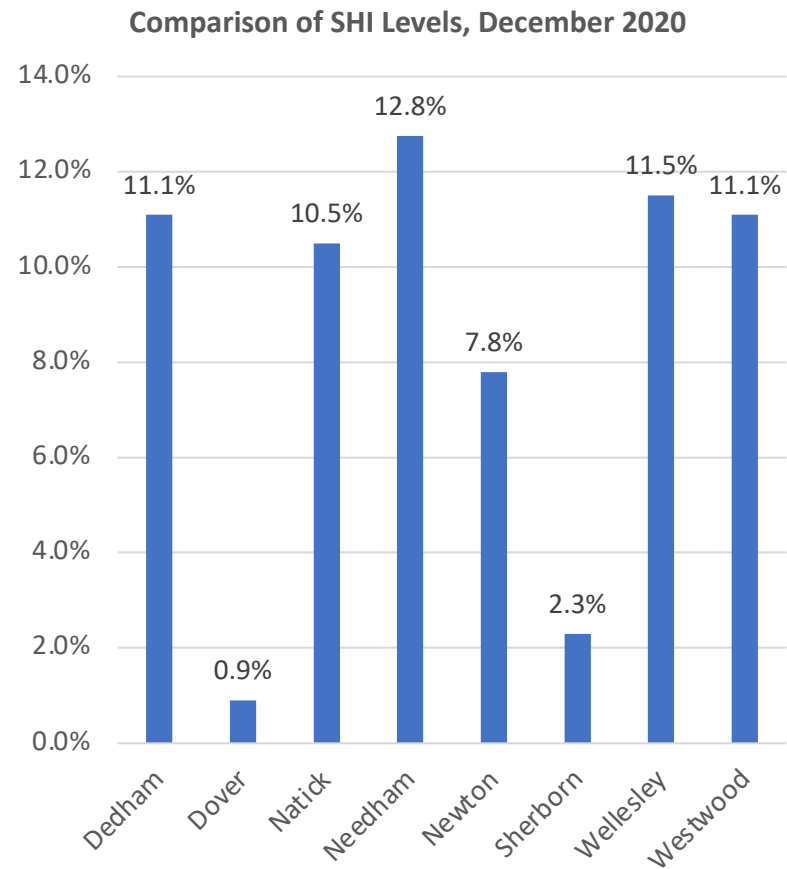
# Existing Housing Stock – Housing Costs

- Median single-family house value of \$1,274,000, up from \$1,170,000 as of the end of 2020. (Banker & Tradesman)
- Market rents for Chapter 40B developments from \$2,600-\$4,200 for Charles River Landing and \$2,200-\$5,000 at The Kendrick. The one- and two-bedroom units at the Modera Needham are starting at \$3,200 and \$3,600, respectively.
- Two-bedroom units in older buildings are at least \$1,900 which would require an income of approximately \$84,000.



# Subsidized Housing Inventory (SHI)

- 1,410 units or 12.76%.
- Up from 841 and 7.6% in 2015 and 425 and 3.94% in 2006.
- 2020 census figures will likely decrease the percentage modestly to 12.0%.
- NHA manages 316 units.
- Includes 17 ownership units or 1.2%.
- Includes 668 market rental units or 47% as part of 40B projects.



# Needham Housing Plan

- Needham has not had an approved Housing Plan since 2007.
- Since then, almost one thousand affordable units have been added to the SHI.
- Still there are considerable unmet housing needs that require the Town to update its housing agenda.
- The Planning Board has appointed a Working Group to oversee the planning process that will include opportunities for substantial community input.
- The Town has established a section on its website for the 2021 Housing Plan, see your program for the link.



# Demographic Information (2020 Census)

- Population of 32,091 up from 28,886 in 2010.
- 55th out of 351 municipalities in terms of population size.
- 23,652 residents age 18+ or 74% of the population, up from 20,747 and 72% in 2010, representing growth of 14%.
- The 8,439 residents under age 18 increased by 300 residents from 8,139 in 2010, representing growth of 3.7%.
- This is less than the total population growth of 11.1%.
- White alone, Non-Hispanic population increased by 283 residents or 1%.
- Minority and Hispanic/Latino population combined nearly doubled between 2010 and 2020, from 3,156 to 6,078 residents.



# Jeanne McKnight

Needham Planning Board Member



# Inclusionary Zoning

- **INCLUSIONARY ZONING:** Zoning for multi-family & mixed-use housing **with an affordable unit requirement**
- Review of inclusionary zoning in most business, industrial & commercial zoning districts
- Refer to handout

# Multi-Family Allowed

Zoning Districts	% Affordable	Map
Highland Commercial 1	12 ½ %	1
Mixed Use-128 Overlay	12 ½ %	1
Elder Services	10 %	1
Avery Square Business	None	2
Hillside Avenue Business	None	2
Lower Chestnut St Overlay	10 %	3



# Mixed-Use Allowed

Zoning Districts	% Affordable	Map
<b>Neighborhood Business</b>	<b>12 ½ %</b>	<b>1</b>
<b>Avery Square Overlay</b> (W Assisted Living/Memory Care Units)	<b>12 ½ %</b>	<b>2</b>
<b>Center Business</b> (Housing Upper 1 ½ Floors of 2 ½-story Building)	<b>NONE</b>	<b>3</b>
<b>Needham Center Overlay A</b> (Housing Upper 3 Floors of 4-story Building)	<b>10%</b>	<b>3</b>
<b>Needham Center Overlay B</b> (Housing Upper 2 Floors of 3-story Building)	<b>10%</b>	<b>3</b>
<b>Garden St Overlay</b> (Housing Upper 2 Floors of 3-story Building)	<b>10%</b>	<b>3</b>
<b>Chestnut St Business</b> (Housing Upper 1 ½ Floors of 2 ½-story Building)	<b>NONE</b>	<b>3</b>

# Multi-Family & Mixed-Use Prohibited

Zoning District	Location	Map
Industrial	Reservoir St	1
	Highland Ave/Arbor St	1
	Hillside Ave@Rosemary St/West St	2
	Crescent Rd (Off West St)	2
	Denmark La (Off Maple St)	3
Industrial-1	Gould St N. of MBTA Row	1
Highland Com.-128 (Allowed MUOD NW Side)	Highland Ave from 128 to River	1
NE Business Center	128 to River SW of Highland Ave	1
Business	Highland Ave W Side N of May St	3

# No Affordable Requirement Multi-Family Or Mixed-Use

Zoning District	Map
Avery Square Business	2
Hillside Ave Business	2
Center Business (Underlying Zone; Not Overlay)	3
Chestnut St Business (Underlying Zone, Not Overlay)	3

## Apartment Zoning Districts

Apartments A-1 (Webster Green, Rosemary Ridge, Rosemary Lake Apts, Highlands)

Apartments A-2 (North Hill)



# Reg Foster

Chair of the Needham Housing Authority  
Board of Commissioners



# Needham Housing Authority

- Formed in 1948 by Needham Town Meeting
- Governance: Five commissioners
  - 3 elected by Town voters
  - 1 resident-commissioner appointed by Select Board
  - 1 commissioner appointed by the Governor
- Heavily regulated by
  - Department of Housing & Community Development (State)
  - Housing and Urban Development (Federal)
  - **Fun fact:** Mass. is one of only 4 states that subsidizes affordable housing
- NHA has built 7 Developments between 1950-2009
  - Predominantly rental (20 ownership units)
- Current inventory: 456 units of “**deeply**” affordable housing
  - Senior/disabled 206 units
  - Families 130 units
  - Section 8 vouchers 120
- NHA manages 45% of the “actually affordable” units in the Needham SHI



# What does “Deeply” Affordable Housing Mean?

- Relates to Area Median Index (AMI). For 2021 in our area, 100% AMI is:
  - Single person \$84.5k/yr. Income
  - Family of 4 \$120.8k/yr. Income
- Rule-of-Thumb: Spend not more than 30% annual income on housing costs
  - Sad fact: Recently built Needham apartments are not “affordable” to persons/families at the 100% AMI level (Charles River Landing, The Kendrick, Modera)
- Common Terminology for Low Income
  - $\geq 30\%$  AMI -- “Extremely low” income
  - 31%-50% AMI -- “Very low” income
  - 51%-80% AMI -- “Low-moderate” income
- NHA focuses on “deeply” affordable housing, that is  $\geq 50\%$  AMI
  - NHA Residents Average Income:  $>30\%$ -50% of the AMI.
    - Single person  $>\$47\text{k/yr.}$
    - Family of 4  $>\$67.1\text{k/yr.}$
  - By way of comparison (starting salaries):
    - NPS Teacher \$38k-48k/yr.
    - Police Officer \$45k/yr.
    - Firefighter \$41k/yr.
    - Experienced Starbucks Barista \$29k/yr.
- No NHA tenant pays more than 30% annual income for rent



# NHA Challenges

- Waiting lists are very, very long
  - Takes years before being offered a rental unit
- Not enough deeply affordable housing in Needham
- NHA aging infrastructure (80%+ of buildings worn out!)
  - 60 units are >70+ years old
  - 152 units are >60+ years old
  - 76 structures are >40+ years old
- Years of “starvation” funding from Feds & State
- Decades of deferred maintenance
- Many other deficiencies



# Modernization & Redevelopment Initiative (MRI)

- 5-10 year MRI Launched mid-2021
- Based on 2019 NHA Facilities Master Plan:

Project*	Project Type*	BEFORE # of Units*	AFTER # of Units*	TOTAL EST. COST*	Potential Funding Sources*	
					Non-Needham*	Needham (CPA)*
1. Seabeds/Cook	Modernize/ Preserve	46 Sr./30 Family	46 Sr./30 Family	\$16.5m	\$16.18m	\$0.32m
2. High Rock I	Redevelop	30 Family	60 Family	\$22.7m	\$21.95m	\$0.75m
3. High Rock II	Redevelop	30 Family	60 Family	\$23.0m	\$22.25m	\$0.75m
4. Linden/Chambers	Redevelop	152 Sr.	152 Sr.	\$47.2m	\$45.20m	\$2.00m
5. Seabeds/Cook	New	-	61 Sr.	\$21.2m	\$20.25m	\$0.95m
<i>[Units not Involved]</i>		<i>[8 Disabled/40 fam.]</i>	<i>[8 Disabled/40 Fam.]</i>			
<b>TOTALS</b>		<b>206 Sr./130 Family 336 units</b>	<b>267 Sr./190 Family 457 units</b>	<b>\$130.6m</b>	<b>\$125.83m</b>	<b>\$4.77m</b>

+ 36%

\* See caveats next page.





# MRI Comments & Caveats

- \$\$\$s and projects will evolve & change.
- We'll be working closely with:
  - NHA residents
  - Neighbors
  - Needham Planning Board & Planning Department
  - Other Needham boards and committees
  - DHCD & HUD
- Most of the required funding will come from non-Needham taxpayer sources, BUT
  - Substantial contributions will likely be needed from Needham CPA funds (currently estimated to be ~\$5 million, possibly more).
- Town Meeting support may be needed for zoning changes & CPA funding approval.
- The MRI does not yet reflect the potential opportunities from the State & Federal infrastructure bills currently under consideration.
- Partnership with Cambridge Housing Authority greatly enhances probabilities of success.



# Discussion / Q+A

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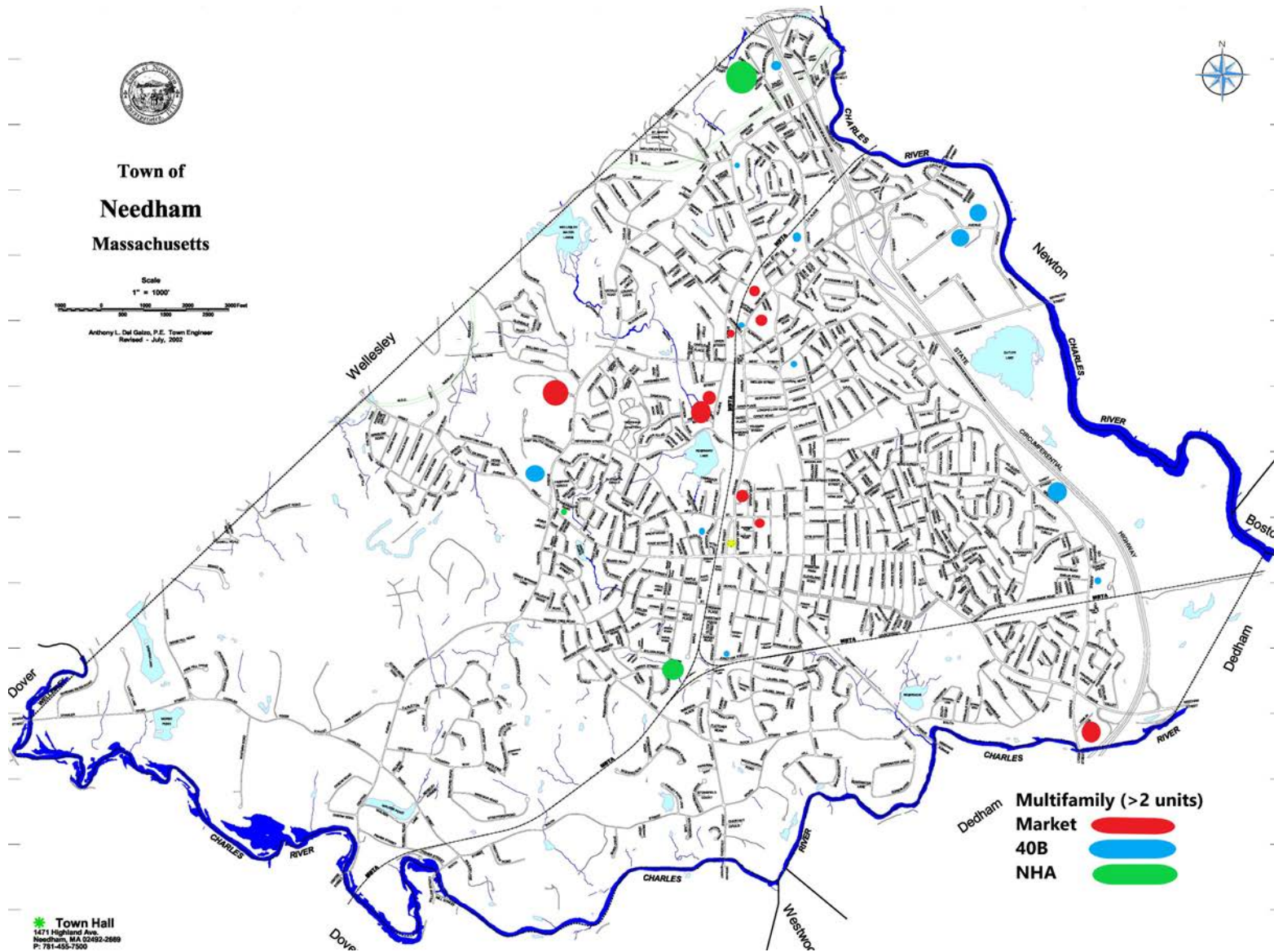
# Multifamily Housing in Needham



Town of  
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Scale  
1" = 1000'

Anthony L. Dal Goin, P.E. Town Engineer  
Revised - July, 2002



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Multifamily (>2 units)  
Market  
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