



PLANNING & COMMUNITY
DEVELOPMENT

Needham Housing Plan Working Group Meeting

Thursday July 28, 2022

7:15 p.m.

Virtual Meeting using Zoom

Meeting ID: 811 9113 9515

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- I. Welcome (Jeanne McKnight)
- II. Approval of Minutes from June 9, 2022 Working Group Meeting
- III. Discussion of Strategic Quantitative Housing Production Goals (Natasha Espada)
- IV. Discussion of Summary Spreadsheet on Strategies (Jeanne McKnight)
- V. Next Steps (Lee Newman)
- VI. Other Business
- VII. Adjournment

Housing Plan Working Group Membership

Natasha Espada	Planning Board, Co-Chair	Helen Gregory	Council on Aging
Jeanne McKnight	Planning Board, Co-Chair	Oscar Mertz	Citizen At Large
Emily Cooper	Citizen At Large	Marcus Nelson	Select Board
Ed Cosgrove	Board of Health	Michael O'Brien	School Committee
Carol Fachetti	Finance Committee	Ed Scheideler	Housing Authority
Heidi Frail	Select Board	Rhonda Spector	Citizen At Large

NEEDHAM HOUSING PLAN WORKING GROUP
*** MINUTES ***
June 9, 2022

7:16 p.m. A meeting of the Needham Housing Plan Working Group was convened by Jeanne McKnight, Co-Chair, as a virtual Zoom Meeting. Ms. McKnight announced this open meeting is being conducted remotely consistent with Governor Baker's Executive Order of March 12, 2020 due to the current state of emergency from the outbreak of the COVID-19 virus. She said all supporting documents used at this meeting are available on a special section of the Town's website at <https://www.needhamma.gov/housingplan2021>. Present were Jeanne McKnight and Natasha Espada representing the Planning Board, Heidi Frail from the Select Board, Michael O'Brien from the School Committee, Helen Gregory from the Council on Aging, Ed Scheideler from the Needham Housing Authority as well as Emily Cooper, Rhonda Spector and Oscar Mertz as Citizens At Large. Also present were Director of Planning and Community Development Lee Newman, Assistant Town Planner Alexandra Clee, and Community Housing Specialist Karen Sunnarborg.

Welcome and Introductions – Ms. McKnight, Co-Chair of the Housing Plan Working Group, offered a welcome and conducted a roll call of Working Group members who were then present, and mentioned that additional members would be brought into the meeting as they became available. She then introduced staff.

As in previous meetings, Ms. McKnight indicated that public comments will not be entertained as part of this meeting, but there will be other opportunities for community input as part of the planning process. She emphasized that written comments continue to be encouraged.

Approval of Meeting Minutes

Motion: Mr. O'Brien moved that the Minutes from the May 26, 2022 meeting be approved. The motion was seconded by Ms. Espada. Approved: Unanimous 9-0.

Summary of Needham Housing Authority's Preservation and Redevelopment Initiative – Ms. McKnight introduced Reg Foster, the Board Chair for the Needham Housing Authority, who offered a PowerPoint presentation on NHA's overall goals and objectives as well as how the Town can help meet these expectations. (The presentation is included in the project website noted above.)

Ms. McKnight thanked Mr. Foster for his presentation indicating that he offered some new ideas for the Working Group to consider. She pointed out that zoning relief might be needed in the area of the Linden-Chambers and High Rock developments in the case of developing more than two units per lot in the existing General Residence Zoning District. Some rezoning in connection with the MBTA

Communities Guidelines might be considered given the location within one-half mile of the Needham Junction commuter rail station.

Ms. Cooper remarked that the presentation was very helpful and suggested that NHA define how its plans would serve various target populations and impact the Subsidized Housing Inventory (SHI). She added that new funding sources, such as American Rescue Plan Act (ARPA) funds, could be helpful in financing new development. She further mentioned that the NHA could enter into partnership with another private entity to undertake the work and offered an example of a project in Ipswich. Mr. Foster responded that these recommendations are on point, and the NHA does have more detail on target populations which it will continue to update. Additionally, establishing a public/private partnership is on the table for discussion, however, it is very important to the NHA Board that it continue to maintain ownership and fiscal control over its developments.

Mr. O'Brien also expressed appreciation for the presentation and asked if NHA was looking at how other towns were undertaking this work. Mr. Foster stated that other similarly-sized communities were struggling on how to improve their public housing and that, in fact, NHA is largely in the lead on tackling these problems. It is also why it has brought on the Cambridge Housing Authority (CHA) as consultant given its success in redeveloping more than 2,000 of its own units. CHA has also effectively advised several other clients including the Medford Housing Authority. He also indicated that at some point the NHA would like to sit down with the leadership at the School Department to discuss issues of common interest related to NHA activities, which Mr. O'Brien said he welcomed.

Ms. Espada asked about any capacity issues related to implementing NHA's Master Plan such as impacts on schools and infrastructure. Mr. Foster stated that the NHA will be identifying these impacts and mitigation measures as it makes progress on development plans. While work related to housing for seniors typically has less impact on Town services, family housing will have somewhat more local impact and is one reason the NHA would like to connect with the School Department at some point.

Ms. McKnight asked whether any redevelopment that would include new units at the Linden-Chambers project or High Rock would involve family housing. Mr. Foster replied that any redevelopment of the 152 units at Linden-Chambers would have to include at least 152 units for seniors or those with disabilities but any additional development is open for discussion. He added that some seniors do not like living among children.

Mr. Mertz offered his appreciation for the information on NHA's latest thinking about the work ahead and suggested that it might be useful to schedule a work session to set targets across the whole spectrum of local housing needs, to which Mr. Foster indicated he was available.

Progress Reports from Subgroups – Ms. Espada opened the next agenda item with a PowerPoint presentation from the Capacity Building Subgroup, sharing the presentation with Mr. O’Brien. (Details from all Subgroup presentations can be found on the Housing Plan website at www.needhamma.gov/housingplan2021.)

Ms. McKnight added that Town Meeting has allocated funding to undertake a parking study for the downtown that will be helpful. Ms. Espada added that traffic is a hot topic, and perhaps there is a need for a broad community traffic study.

Mr. Mertz suggested that the Town needs an overarching study of transportation goals including, for example, train hours, re-use of dormant MBTA rights of way, and shuttles. Ms. Espada asked Ms. Newman whether such plans exist to which Ms. Newman indicated that traffic management plans have been prepared on a project-by-project basis including any zoning changes. Ms. Espada commented that, in such a case, the analysis was thus being done on a more reactive rather than proactive basis. Ms. Frail suggested that it might make sense to expand the parking study beyond the Town Center and coordinate work with the MBTA.

Ms. Spector interjected that this discussion is helpful but the Working Group should stay focused on housing as we cannot solve all local problems in this Plan. Ms. Espada suggested that perhaps there should be a checklist for any new development that includes these wider issues. Mr. Mertz expressed his agreement with Ms. Spector and emphasized the importance of reinforcing Needham’s denser commercial spine in our analysis of housing opportunities, emphasizing how people move in the community is a critical component of planning work.

Mr. Foster interjected that it is unnecessary to get in the weeds on this topic, however, traffic and parking can be major barriers to new development. He offered that the Housing Plan might want to weigh-in on some of these issues including impacts on the High Rock School with any redevelopment work at Linden-Chambers or whether current parking requirements of multi-family development make sense.

Ms. Espada suggested that the agenda move on to the presentation of the Housing Development and Preservation Subgroup, which was offered by both Ms. Cooper and Ms. Spector.

Ms. Espada asked whether the Historic Commission has put anything together that might be helpful in our work. Ms. Spector indicated that while she does not know yet, she is setting up a meeting to discuss various issues related to teardowns and historic districts. Ms. McKnight interjected that the Town of Wellesley has a historic district along Cottage Street and such districts can exert enormous control over housing development and preservation efforts. She also indicated that Needham has special areas in town with older homes that have been the targets of teardown activity and asked whether such neighborhoods could be interpreted as meeting any historic preservation standards. Ms. Spector added that she lives in

the older Carter Mill area where she has witnessed a lot of older homes coming down.

Ms. Cooper stated that it is hard to find a home for less than \$800,000 due to teardown activity, but also understands concerns related being able to sell one's home at full market value. If you look at the range of incomes, Needham is losing its middle. She added that any significant constraints related to teardown activity might not make it past Town Meeting, but it might be worthwhile to explore historic preservation districts and a one-year demolition delay rather than the current 6-month demolition delay.

Mr. Mertz suggested that current dimensional controls in zoning are insufficient and mentioned Wellesley's Large House Review process which has delayed teardown activity. He also mentioned Milton's two-year demolition delay bylaw. Ms. Frail observed that there may be an appetite for increased zoning restrictions beyond what the Town approved through its Large House Study Review process several years ago, but it is hard to find agreement on more restrictive requirements that can be applied uniformly across the community. Moreover, some residents can find the introduction of historic preservation districts threatening.

Ms. Espada then suggested that the Zoning Subgroup offer its report, which was presented by Mr. Mertz.

Ms. Espada asked Ms. Newman about the Planning Board changes in density to the downtown, and Ms. Newman explained that the Center Business District (CBD) allows development of up to three or four stories based on proximity to Town Hall by special permit while the Chestnut Street Overlay District allows development of up to four stories, also by special permit. To include these areas as part of the Town's compliance with the MBTA Guidelines would require a conversion to by-right permitting as well as a study of dimensional requirements to ensure they meet the minimum density conditions.

Ms. McKnight added that recommendations not only focus on multi-family development but mixed-use development. While Avery Square zoning allows housing above retail uses, it may be necessary to increase the height limit to comply with MBTA Guidelines, and further study is needed. Ms. Espada offered that zoning in commercial areas has not sufficiently encouraged new development. She suggested that it may be useful to engage with local developers on what requirements are impeding development and what would be necessary to incentivize it.

Ms. McKnight summarized several recommendations that were not site specific related to Accessory Dwelling Units (ADUs) and inclusionary zoning. Ms. Cooper expressed her support for the recommendations, and Ms. Spector also agreed that inclusionary zoning was important, however, questioned the potential impacts of ADUs. Ms. McKnight offered that current zoning limits the size of ADUs and

requires off-street parking. Ms. Frail added that ADUs must meet certain requirements that limit neighborhood impacts. Mr. Mertz stated that zoning in other communities has not resulted in large numbers of new ADUs, and they are also challenging to build within the configuration of existing homes. Ms. Spector expressed her continued concern about the size of the homes that are being built as part of teardown activity, and said she would like to see any changes in the ADU bylaw combined with FAR and other dimensional restrictions to control teardowns and reconstruction.

Ms. Espada pointed out that NUARI is very much interested in the issue of sustainability and efforts to ensure that there are no remnants of redlining provisions.

Ms. Cooper recommended a way of packaging ADUs as an alternative for seniors to downsize in their own home or move out of the primary unit of their house into an ADU.

Ms. Espada observed that there will be more opportunities for discussion on the recommendations and thanked everyone for their hard work. She then turned to Ms. Newman for next steps. Ms. Newman indicated that the July 28th meeting will focus on the MBTA Communities Guidelines, which hopefully will be finalized by then. It will also involve a discussion of quantitative/strategic production goals. After that Ms. Sunnarborg will provide a framework for assimilating the Subgroup recommendations into a draft Housing Plan which will then be reviewed at the early September meeting. The draft Plan is then planned to be presented at a community-wide meeting on September 29th, after which it will be finalized.

Ms. Espada asked whether it would be possible to invite developers to the July meeting or even the Historic Commission. Ms. Cooper suggested that she and Ms. Spector will try to get more information from the Historic Commission.

Ms. McKnight asked if the work of the Subgroups has been completed and whether there is some value in additional meetings. Ms. Newman said she would leave that up to the individual Subgroups, and Ms. Espada indicated that she would welcome more input from the Subgroups. Ms. McKnight suggested that the Subgroups remain in existence given remaining issues that deserve further work including further input from developers and local capacity issues, for example. Ms. Espada agreed and thanked the members once again for their contributions.

Ms. Clee announced that the next meeting might require having a quorum represented by members in person. She added that a hybrid model will likely be used and logistics are still being determined. Ms. Newman suggested that the Governor is considering extending the ability to meet virtually through December 2023.

9:40 p.m. **Motion: Ms. Frail moved that the meeting be adjourned. The motion was seconded by Ms. Gregory. Unanimous: 7-0.**

Needham Housing Plan Section III.C.7 Priority Housing Needs

Given the high numbers of residents who are paying too much for their housing (see Table III-41) and growing affordability gaps, there is a pressing need to produce more housing that is affordable in Needham, not only the most financially-vulnerable residents, but also for those who may not meet all affordable housing requirements but are still struggling to remain in the community. Needham's Council on Aging and Public Health Department prepared an Assessment of Housing and Transit Options for Needham Seniors in August 2016 that suggested that the affordable housing problem is greatest for moderate-income people who do not qualify for subsidized housing but cannot afford market rate housing. Nevertheless, it is important to note that even if a household qualifies for subsidized housing, there are not nearly enough units to meet all of the need nor demand.

The major obstacle to meeting underserved needs is the gap between these needs and the resources available, including real property, which has been exacerbated by unprecedentedly high housing prices. Constraining regulations, low interest rates, and the pandemic have also contributed to rising housing prices.

Fundamental to the rise in housing prices is the imbalance between housing supply and demand. This is not just a local problem but one that is occurring throughout much of the Commonwealth, the Greater Boston area in particular. Regional solutions to boosting housing production are needed, albeit challenging given home rule which authorizes local bylaw enactment in compliance with state oversight.

This Housing Plan will provide a road map for devising and implementing strategies to preserve and produce additional community housing options, directing development to appropriate locations and target populations.

Based on input from a wide variety of sources including updated census data, market information, input from local stakeholders, and community meetings; the following priority housing needs have been identified. It should be noted that this information will be augmented with input from Community Housing Survey to be issued in late April 2022.

Rental housing is the greatest priority

Both rental and ownership housing are necessary to encourage a mix of housing types in response to diverse populations and household needs. There is, however, a more compelling case for rental unit creation based on the following considerations:

- Target the needs of the community's most vulnerable residents with very limited financial means as rental housing is typically more affordable and requires less up-front cash.
- Promote greater housing diversity as 84.5% of Needham's housing stock is owner-occupied and 82.7% involves single-family homes. More housing options are necessary to meet the needs of local workers who are priced out of the housing market, people who grew up in Needham and want to remain in the community, and empty nesters, for example.

- Leverage other funds, as state and federal resources are almost exclusively directed to rental housing development, family rentals in particular, unless the municipality has been designated as a Gateway City or has qualified low- and moderate-income census tracts (Needham does not).
- Invest locally-available subsidy funds (e.g., CPA, Needham Affordable Housing Trust Funds, HOME Program funds) in support of greater numbers of households/occupants over time as rentals turnover more regularly than ownership units.
- Respond to new state guidelines for MBTA communities in creating new transit-oriented zoning districts with by-right permitting for a minimum land area of 50 acres, minimum gross density of 15 units per acre, and minimum multi-family unit count of 20% of the Town's total housing units or 2,378 units.
- Provide opportunities for some seniors who are "over-housed" and spending far too much on their housing to relocate to more affordable and less isolated settings, opening up their homes to families requiring more space.
- Enhance the ability to qualify occupants for housing subsidies as state requirements for including units on the Subsidized Housing Inventory (SHI) make it very difficult for long-term homeowners to be eligible for subsidized or assisted housing given asset limits.
- Provide opportunities for mixed-income housing where several different income tiers can be accommodated within the same project.

Indicators of Need for Rental Housing

As detailed throughout this Housing Needs Assessment, the following considerations suggest a pressing need for more affordable rental housing:

- *Limited incomes* – About 21% of all renter households had incomes of less than \$25,000 based on 2020 census estimates. Additionally, there was an increase in the number and percentage of renter households with incomes at or below 80% AMI between 2015 and 2018, from 53% to 57%. The median income earning renter, with \$44,361 in annual income, could afford a rent of no more than about \$934 given spending of no more than 30% of income on housing costs including an estimated \$175 in monthly utility bills. This makes it extremely difficult for lower income households to find affordable market rentals without spending far too much on housing.
- *High cost burdens* – Needham's renters are spending too much for their housing with 41% of all renter households overspending including 25% with severe cost burdens as they were spending more than half their income on rent and utilities.

Of the renters with incomes at or below 80% AMI, 60% were experiencing cost burdens, 38% with severe cost burdens. Of particular concern were the 450 renter households with incomes at or below 30% AMI, referred to as extremely low-income households by HUD. Of these, 54% were experiencing cost burdens, 48% with severe cost burdens. Additionally, of the 580 renter households earning between 30% and 80% AMI, about half were overspending including 31% with incomes in the 30% to 50% AMI range that had severe cost burdens. None of the households in the 50% to 80% AMI income category were reported to have had severe cost burdens. *The focus of rental housing production should be on those earning at or below 80% AMI to the greatest extent possible, at lower incomes where feasible.*

- *High rents* – The 2020 census estimates indicated a gross median rent of \$1,604 which would require an income of about \$77,160, assuming \$175 per month in utility bills and housing

expenses of no more than 30% of the household's income. Not only is the median income of renter households much lower at \$44,361, but market rents are typically much higher and tend to be beyond the reach of lower wage earners (see Table III-34). *Moreover, it is also important to note that the census figures include subsidized units, which represents about 37% of all rental units in Needham, and thus the median makes the rental market look more affordable than it actually is.*

Market rents are typically much higher and a relatively low-priced listing for a two-bedroom unit of about \$2,500 would require an income of about \$107,000 based on \$175 in average monthly utilities costs without cost burdens.

- *High up-front move-in expenses* – Many apartments require first and last months' rent plus a security deposit. For a \$2,500 apartment, that totals as much as \$7,500, an amount that many prospective tenants do not have available. Additionally, because many of Needham's rental opportunities in smaller properties are not advertised, those who do not have a special connection to the community are often out of luck.
- *Deficit of affordable rentals* – Calculations in Table III-40 suggest that there is a shortage of 620 rental units for those with incomes at or below 80% AMI. Since this data was reported in 2018, it is likely that some of this need was subsequently addressed by The Kendrick or Modera Needham Chapter 40B developments for those in the 50% to 80% AMI range but not for those with incomes below which comprise the greatest need of 500 units. Given rising housing costs, it is likely that the deficits have grown and more units will be out of the range of low-income households.
- *Low vacancy rate* – The 2020 census estimates identify the rental vacancy rate as 2.6%, lower than county and state levels of 3.1% and 3.3%, respectively. As any rate below 5% is largely recognized to reflect extremely tight housing market conditions, this information confirms a very robust rental market.

Rental Needs of Older Adults

Rental housing needs of older adults are growing and cost burdens remain high as noted below. Clearly housing alternatives to accommodate the increasing population of older residents such as more handicapped accessibility, housing with supportive services, and units without substantial maintenance demands should be considered in housing planning efforts.

- *Recent population growth* – The number of those 65 years of age and older increased to 6,068 residents and 19.5% of the population according to 2020 census estimates, from 4,700 residents and 16.3% in 2010. This increase was largely driven by those age 65 to 74.
- *Significant projected growth* – As the community's Baby Boomers continue to enter the 65 years and over age range, the numbers of older adults is forecasted to increase over the next decade or so to about one-quarter of all residents. The housing challenges of this expanding population of seniors will need to be addressed in the Town's housing agenda.
- *Significant population of renters* – The highest number and proportion of renters included those 62 years of age or older, representing 895 households or about half of all renter households.

- *High cost burdens* – About 60% of the 570 elderly renter households with incomes at or below 80% AMI were overspending on their housing, including 255 or about 45% with severe cost burdens. Those remaining 230 older adults earning below 80% AMI and not overspending were likely living in Needham’s subsidized housing reserved for seniors (265 units) or other subsidized or 40B developments.
- *Insufficient income* – Most older adults living on fixed incomes and relying substantially on Social Security find that their income may not be sufficient to afford their current housing and other expenses, particularly when they lose their spouse. As their homes increase in value, so does their property taxes unless they qualify for special tax exemption or deferral programs.

Older adults relying primarily on Social Security are likely to have monthly incomes that fall far below what is needed to afford market rents.

- *Long waits for subsidized housing* – The Needham Housing Authority focuses on “deeply” affordable housing for those with incomes at or below 50% AMI and no tenant pays more than 30% of annual income for rent. Waitlists are very long. In regard to the NHA’s elderly/disabled units, there were 227 on the waitlist with waits of approximately six months to a year.

Moreover, the Needham Department of Health and Human Services conducted an Assessment of Needham Housing Authority Residents in 2019 in an effort to understand the needs of these residents and to increase their access to a range of Town services. Through interviews, focus groups, and a survey; assets and challenges emerged from the study that suggested the need for strong partnerships among the Needham Housing Authority, Town of Needham, community organizations, and residents to address unmet tenant needs including:

- Improvement of the physical environment including greater handicapped accessibility.
- Greater connections to other residents and the community.
- Better access to services including mental health and transportation.

Rental Needs of Families

Given the level of cost burdens, there are many low- and moderate-income families in Needham that have been struggling to pay their bills, with housing expenses likely chief among them. Given an impending crisis, a family may become at risk of homelessness, some forced to double-up with friends or family and/or live in substandard conditions while waiting for subsidized housing or a Section 8 Housing Choice Voucher. The pandemic exacerbated the housing instability of some of these families.

- *High cost burdens* – A total of 80 or 37% of the 215 small families (2 to 4 household members) with incomes at or below 80% AMI were paying too much for their housing. It is likely that many of those without cost burdens were living in affordable housing. Additionally, the number of small family renter households has grown from 109 in 2011, which may be a result of the opportunities offered as part of the larger Chapter 40B developments.

The data identifies only 25 large families (5 or more members) that were renting in Needham, 10 with cost burdens. The number of such households is down from 65 in 2011, all of which were experiencing severe cost burdens. This reduction of large family renters likely reflects some erosion of relatively affordable larger units for rent in the private market.

- *Fewer subsidized housing opportunities and long waits* – NHA has 559 applicants on its wait list for their 90 family units (30 at Captain Robert Cook Drive and 60 at High Rock) including 359 applicants for two-bedroom units, 167 for three-bedrooms, and 33 for four-bedroom units. Waits for these units extend to three to five years. None of the units are handicapped accessible.

Rental Needs of Non-elderly Individuals

There are also considerable numbers of lower income non-elderly, non-family households in Needham, mostly single individuals, experiencing cost burdens and long waits for subsidized housing that make finding appropriate affordable housing a challenge. Some of these individuals have disabilities that further complicate their housing problems as many who are reliant on Social Security tend to be among the most financially vulnerable residents in a community. Not only do they have to face the challenge of finding housing that they can afford, but they may require units that accommodate their special needs as well. It is no wonder that some find themselves at risk of homelessness and forced to move to another community with more affordable and accessible housing options.

- *Significant but declining population of these renters* -- Non-family, non-elderly households (under age 62) comprised 21% of all renter households, down from almost 30% in 2015. A total of 235 or 63% of these renters had incomes at or below 80% AMI. The remaining 140 such renters had incomes of at least 100% AMI and may include single professionals that were attracted to the market units as part of the larger Chapter 40B developments.
- *High cost burdens* - There were also 235 non-elderly, non-family households (largely single individuals) earning at or below 80% AMI, of which 81% were overspending on their housing, including 55% with severe cost burdens. This is up from 31% and 35% with severe cost burdens in 2011 and 2015, respectively. These individuals may be good targets for new Accessory Dwelling Units (ADUs) should the Town change zoning to allow occupancy by those without family ties or performing the role of caregiver.
- *Long waits for subsidized housing* – 13.5% of NHA’s units in elderly developments are targeted to younger individuals (age 18 to 61) who are disabled with 14 applicants on the waitlist.

New ownership opportunities are also a priority

Efforts to provide starter homes for first-time homebuyers and better housing alternatives for empty nesters should be promoted to address several objectives including:

- Provide opportunities for families who want to invest in Needham but are shut-out of the current housing market.
- Potentially develop units for those with incomes in the 80% to 100% AMI range that would be eligible for Community Preservation Act (CPA) assistance and are challenged to afford market rate units.
- Offer more affordable housing alternatives to empty nesters who want to downsize, thus opening their existing homes to families and enabling them to stay in Needham. The need for elevator access in multi-family properties is particularly important for this population. Condominium unit ownership offers the security of ownership at a lower price than single-family home ownership, with significantly less maintenance, utility, insurance and tax burden.

- Lend additional stability to neighborhoods as homeowners are perceived as more rooted and invested in the community with less unit turnover.
- Enable children who were raised in the community to return to raise their own families locally.
- Provide housing options for municipal employees and other local workers who want to invest in the community in which they are working.

Because state and federal subsidy programs are almost exclusively targeted to rental housing, there are limited opportunities to leverage local investments such as CPA funding or public property sites.¹ Consequently, most homeownership developments that include affordable units are permitted through Chapter 40B, where market units cross-subsidize affordable units, or are very small in scale and heavily reliant on CPA funds. Additionally, due to the high land costs in Needham and limited opportunities to leverage local funds, the subsidy needed to fill the affordability gap would typically be extremely high on a per unit basis, perhaps as much as \$500,000 to target those at the 80% AMI level unless the property was donated and some density could be incorporated.

Indicators of Need:

The rising cost of housing is shutting increasing numbers of residents out of the private housing market, particularly the ownership market. In fact, Needham joined the “million-dollar club” several years ago as the median sales price of a single-family home climbed to \$1,102,000 as of January 2019 from \$976,250 as of the end of 2018. It subsequently grew to \$1.29 million in 2021. High upfront costs also challenge first-time purchasers. More affordable options are necessary that can support a range of incomes based on the following indicators of need:

- *Few subsidized ownership units* – Only 17 units or 1.2% of the Town’s SHI involve ownership. All of these units were permitted through the Chapter 40B comprehensive permit process.
- *Deficit of affordable units* – Table III-39 demonstrates a substantial need for more affordable homeownership opportunities for those with incomes at or below 80% AMI with even a deficit in units for those with incomes in the 80% to 100% AMI range. These calculations suggest that of the 1,060 owner households who were estimated to have earned at or below 80% AMI in 2018, there were only eight single-family homes and 147 condominium units that would have potentially been affordable to them based on FY22 assessed values and other assumptions listed in Table III-36, including spending no more than 30% of income on housing costs. It is likely that many of these owner households are “cash poor but equity rich” in that their incomes might have qualified them for an affordable unit, such as those permitted under Chapter 40B or mandated by inclusionary zoning for example, but their financial assets, particularly the equity in their homes, would render them ineligible for such housing.²
- *High affordability gaps* – When looking at the affordability gap for those with incomes at the HUD 80% AMI limit, the gap is an estimated \$918,500, the difference between the median priced single-family home of \$1.29 million and what a three-person household earning at this income

¹ MassHousing administers the Commonwealth Builders Program to help subsidize homeownership development but funding is limited to Gateway Cities or qualifying census tracts (Needham does not have).

² State asset limits are \$75,000 plus a maximum of \$200,000 in net equity from a former home for those purchasing a unit in age-restricted housing, a maximum of \$75,000 for all other households.

level could likely afford, or \$371,500 based on 95% financing. This gap is up substantially from \$556,500 in 2014. In the case of 80% financing, the gap would decrease to \$869,500.

As to condominium units, the affordability gap for those with incomes at the 80% AMI limit is about \$553,500, up from \$281,750 in 2014. This is based on 95% financing and assumes the purchaser would qualify for the state's ONE Mortgage Loan Program, MassHousing mortgage, or other government assisted financing.

- *High cost burdens* – Special HUD data indicated that of the 8,955 owner households, 12.8% were overspending on their housing, including 7.8% with severe cost burdens. This is down from 24% with cost burdens and 8.7% encountering severe cost burdens in 2015. Of the 1,060 owner households with incomes at or below 80% AMI, two-thirds had cost burdens with 46% experiencing severe cost burdens.

Almost all owners with incomes at or below 30% AMI were overspending including 92.4% with severe cost burdens. This suggests that the Town continue to explore options for reducing housing costs for these extremely low-income households, most of whom are older adults. Efforts such as the Small Repair Grant Program, additional funding for the Town's tax assistance program, and additional tax deferrals could provide much needed relief. ADUs may become another source of income for these households with zoning changes.

- *Maintain population diversity and attract young families* - Young adults in the family formation stage of their lives, in the 25 to 34-age range, decreased between 1990 and 2020, dropping to 4.9% of the population from 13.7% in 1990. An increasing number of young adults who were raised in Needham have been choosing to live elsewhere, and the high cost of housing is likely a contributing factor in addition to general preferences for living in more urban areas.

Additionally, those age 35 to 44 decreased significantly since 2000, from 17% to 6.7% of all residents by 2020. While many in this age range would likely be attracted to Needham given the high quality of its school system and other community amenities for young families, it is also likely that many have been priced out of the town's housing market.

- *Financing challenges* - Without a subsidized mortgage, households have to come up with a substantial amount of cash, potentially as much as 20% of the purchase price, thus blocking many who seek to own a home. Credit problems also pose barriers to homeownership.

Prior generations had the advantage of GI loans and other favorable mortgage lending options with reasonable down payments. Also, in prior years the median home price to income ratio was much lower than it is today (see Figure 1-1), making homeownership more accessible. Given current economic conditions, the ability to obtain financing is more challenging for today's first-time homebuyers without subsidized ownership. State-supported mortgage programs, such as the ONE Mortgage Program and MassHousing offerings, can offer important financial assistance to first-time purchasers. More rigorous underwriting criteria, including more stringent credit requirements, still present challenges to obtaining mortgage financing however.

- *Extremely low vacancy rates* - The vacancy rate for homeownership units was 1% based on 2020 census estimates, reflecting very tight market conditions.

It should be noted that it is difficult for existing homeowners to qualify for new affordable housing opportunities as there are limits on financial assets and current ownership and programs typically target first-time homebuyers. Nevertheless, there are still opportunities to assist low- and moderate-income owners as further described in Section IV.

Service-enriched units and those with supportive services are also a priority

Handicapped accessibility and supportive services such as those offered by the Small Repair Grant Program, Council on Aging’s Safety at Home Program, through assisted living options as well as transportation and other home maintenance programs should be continued. Accommodations for special needs populations should be integrated into new housing production efforts.

Indicators of Need:

- *Sizable local population with disabilities* – A total of 2,262 residents, or 7.4% of all civilian, noninstitutionalized residents, identified themselves as having a disability.³ These levels of disability are largely less than county and statewide figures, but still represent meaningful special needs within the Needham community. They further suggest that the Town make a concerted effort to produce housing units that are handicapped accessible and/or have supportive services as well promote home modifications in support of those with disabilities.
- *Few options for younger disabled residents* – The SHI includes six special needs housing facilities that altogether total 26 affordable housing units as well as another 84 units in group homes for state Department of Developmental Services (DDS) clients scattered throughout town. As noted in the January 27, 2022 Public Education and Listening Session, these facilities are insufficient to address local needs including those of young disabled adults who were raised in Needham but have few options for living independently with necessary supportive services in the community.

The Needham Special Education Parent Advisory Council (SEPAC) developed a short survey for

A SEPAC parent stated, “They say it takes a village to raise a child, and in many cases, Needham has been that village – and for our kids the need for that village extends their whole lives.” Another added, “So many of our kids have grown up supported by this town that sees itself as an inclusive community, but when it’s time for them to move out of their parents’ houses, there needs to be somewhere in town for them to live.”

their members to obtain input on the affordable/supported housing needs of Needham’s children with disabilities when they reach adulthood.⁴ SEPAC emphasized that many of these children fall into a grey area of being unlikely to qualify for and/or be a good fit for traditional group homes but unlikely be able to live and support themselves independently. Needs vary but the largest subgroups appear to be those with Autism (ASD), Down Syndrome and other developmental disabilities. There is also a subgroup with more complex medical

³ The U.S. Census defines disability as a long-term physical, mental, or emotional condition that can make it difficult to do basic activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. Many residents with one or more disabilities face housing challenges due to a lack of housing that is affordable and physically accessible.

⁴ SEPAC membership includes students ages 3-22 under the umbrella of the Needham Public Schools, including out of district students and some who have recently aged out of the system (turned 22).

needs who would require accessibility accommodations and 24/7 trained medical staff.

SEPAC estimates that, on average, approximately three to five current Needham residents will annually need some sort of adult housing support when they turn 22. It is also important to consider that there is pent-up demand from individuals who have already turned age 22. SEPAC further indicated that, through their sample, it is expected that about half would be looking to move into adult housing upon turning age 22, the remaining half in their mid to late 20's/early 30's.

- *Very limited inventory of barrier-free units* – Only the NHA's federal project, Seabed's Way, has subsidized handicapped-accessible units that include 23 one-bedroom units. Of particular concern have been the second-floor units in senior housing at Chambers Street that can only be accessed by stairs and hopefully can be resolved at some point as part of NHA's modernization plans.
- *Growing senior population* - As the number of seniors continues to increase with the aging of the Baby Boomers and longer life expectancies, growing numbers of residents will need better access to housing that includes on-site supportive services and/or barrier-free accessibility. Local assisted living units are also typically expensive. The assisted living and independent living units as part of Needham Residences at Wingate and the Residences at Carter Mill (may not include independent living units) will help address some of these needs.
- *Barriers to aging in place* – The Assessment of Housing and Transit Options for Needham Seniors, prepared by the Council on Aging and Public Health Department in 2016, identified specific barriers to aging in place. In addition to the high cost of housing, these barriers include the scarcity of accessible housing; the high cost of upkeep; costliness of modifying existing homes to increase accessibility; and zoning regulations that at the time prohibited Accessory Dwelling Units, also known as, in-law apartments. The report defined an age-friendly home as one with universal design elements that make living comfortable, safe, and accessible for all people regardless of ability. Key elements include: at least one no-step entry; single-floor living; wide hallways and doors; lever-style door and faucet handles; storage within easy reach; and bathrooms with walk-in showers and higher toilets. Although minor modifications can make a home safer for older adults (installing banisters on both sides of stairways, grab bars in bathrooms, slip-proof floors, etc.), many changes are significant and costly (such as adding full bathrooms, laundry facilities, and master bedrooms to the first floor of a house, etc.).

Table III-43 provides a summary of unmet housing needs according to income level and type of household, focusing on households that are paying too much of their income on housing costs. While there are many more owner-occupied units than rentals in Needham, the number of unmet housing needs is proportionately considerably higher for rentals. For example, 41% of renters had cost burdens which is double the percentage of owners. In regard to severe cost burdens, more than one-quarter of renters were experiencing such affordability challenges compared to 8% of owners.

Nevertheless, the level of cost burdens among owners is considerable, particularly for those with incomes at or below 80% AMI. For example, almost all extremely low-income owners were spending more than half their income on housing costs. An estimated 46% of owners with incomes at or below 80% AMI had severe cost burdens compared to 38.4% of renters. This data also suggests a need for housing that would be targeted to those in the 80% to 100% AMI range, sometimes referred to as community housing, as

there were 180 owners with cost burdens that included 100 with severe cost burdens. As noted earlier, there are greater challenges in developing owner-occupied housing as opposed to rentals, however, some attention to the development of new affordable condominiums is certainly warranted.

Table III-43 also provides numbers on the unmet housing needs of seniors, families, and non-elderly single individuals. In regards to seniors with unmet housing needs, there were more seniors who were owners than renters, at 715 and 570, respectively. Additionally, 68.4% of owners had unmet housing needs compared to 59.6% of renters.

Seniors comprised the greatest number of households with incomes at or below 80% AMI, including renters and homeowners, compared to families and single individuals under age 62. This is not surprising given the number of seniors who are retired and living on fixed incomes, also reflected in lower median household incomes.

In regard to families in this income range, there were also more owners with incomes at or below 80% AMI, at 300 owners compared to 215 renter households. Owner households also were experiencing a higher proportion of unmet housing needs at 63.3% compared to 40.0% for renters.

There were many more non-elderly, non-family households, mainly single individuals, who were renting as opposed to owning their home, at 235 to 45 households, respectively. Renters also had a higher level of unmet housing need at 80.8% versus 64.4% for owners or 29 owner households.

What is compelling about this documentation is the very high level of unmet housing need for those with incomes at or below the 80% AMI level. Within these limited incomes, many residents are struggling to remain in the community, some likely having to decide whether they pay their rent or mortgage versus utility bills, medical prescriptions, or food.

Table III-43: Unmet Housing Needs

Target Populations	All Units	Market Affordable Units (Without Cost Burdens)	Unmet Need*
Rentals			
Extremely Low Income (Within 30% AMI)	450	205	245 (54.4% of units) 215 with severe burdens
Very Low Income (30% to 50% AMI)	405	150	255 (63.0%) 180 with severe burdens
Low to Moderate Income (50% to 80% AMI)	175	55	120 (68.6%) None with severe burdens
<i>Subtotal</i>	<i>1,030</i>	<i>410</i>	<i>620 (60.2%) 395 or 38.4% with severe burdens</i>
80% to 100% AMI	205	145	60 (29.3%) 35 with severe burdens
Above 100% AMI	575	515	60 (10.4%) 30 with severe burdens
Total	1,810	1,070	740 (40.9%) 460 or 25.4% with severe burdens

Owners			
Extremely Low Income (Within 30% AMI)	330	10	320 (97.0%) 305 with severe burdens
Very Low Income (30% to 50% AMI)	220	37	183 (83.2%) 58 with severe burdens
Low to Moderate Income (50% to 80% AMI)	510	305	205 (40.2%) 125 with severe burdens
<i>Subtotal</i>	<i>1,060</i>	<i>352</i>	<i>708 (66.8%) 488 or 46.0% with severe burdens</i>
80% to 100% AMI	375	195	180 (48.0%) 100 with severe burdens
Above 100% AMI	7,520	5,672	1,848 (24.6%) 115 with severe burdens
Total	8,955	7,107	1,848 (20.6%) 703 or 7.8% with severe burdens
TOTAL	10,765	8,177	2,588 (24.0%) 1,163 or 10.8% with severe Burdens
Target Population in Need	All Units Occupied By Those Earning ≤ 80% AMI	Housing Available That is Affordable to Those Earning ≤ 80% AMI	All Those with Cost Burdens/Unmet Needs Occupied by Those Earning ≤ 80% AMI
Seniors (62 and over)	570 Renters 715 Owners	230 Renters 226 Owners	340 Renters (59.6%) 489 Owners (68.4%)
Families	225 Renters 300 Owners	140 Renters 110 Owners	90 Renters (40.0%) 190 Owners (63.3%)
Non-elderly Individuals	235 Renters 45 Owners	45 Renters 16 Owners	190 Renters (80.8%) 29 Owners (64.4%)

Source: U.S. Department of Housing and Urban Development (HUD), SOCDs CHAS Data, 2018. (See Table III-41) *Includes all those spending too much on their housing per Table III-41.

Table III-44 presents targeted affordable housing development goals based on priority housing needs over the short and longer term. The table also projects a distribution of production goals by type of household, with a further breakdown by tenure. The distribution of housing goals suggests that there be an 80% to 20% split between rental and ownership. These priorities also address another priority housing need related to providing barrier-free units and supportive services where feasible, representing at least 20% of the one-bedroom units and 10% of the two- and three-bedroom units.

It should be noted that the state's subsidizing agencies have entered into an Interagency Agreement that provides more guidance to localities concerning housing opportunities for families with children and are requiring that at least 10% of the units in affordable production developments that are funded, assisted or approved by a state housing agency have three or more bedrooms with some exceptions (e.g., age-restricted housing, assisted living, supportive housing for individuals, SRO's, etc.).

Table III-44: Summary of Priority Housing Needs and Estimated Development Goals

Rental Units @ 80%	Single Persons*/ One Bedroom Units @ 40%	Small Families**/2 Bedrooms @ 50%	Large Families/3+ Bedrooms @ 10%
Ownership Units @ 20%	Single Persons*/ One Bedroom Units @ 25%	Small Families**/2 Bedrooms @ 50%	Large Families/3+ Bedrooms @ 25%
Special Needs* (% of total units)	(20%)	(10%)	(10%)

Source: Largely based on Table III-43 and rationale for a greater focus on rental housing based on the considerations cited in this section. * Includes seniors. **Includes couples who are seniors.

Given the indicators of need that are included in this Housing Needs Assessment, even if the Town were to reach the 10% level of affordability without the inclusion of market rate units in the Chapter 40B rental developments, now at 6.24%, it will likely still have unmet housing needs in the community.

Housing Plan Working Group

Background Information on Strategic Housing Production Goals

July 28, 2022

The following is an excerpt from the latest version of the Housing Needs Assessment under Section III.C.7 that refers to priority housing needs. Given the upcoming discussion of quantitative production goals, scheduled for the next Housing Plan Working Group meeting on July 28th, the following is meant as a starting point for consideration, offering a context for a discussion on housing goals based on the distribution of housing needs.

The first table summarizes cost burdens across income levels, tenure, and types of households. The second table is a first stab at the distribution of production goals. It may be helpful to fine-tune these goals further according to shorter versus longer term goals and by income ranges. It would also be useful to review the entire Section III.C.7 related to Priority Housing Needs in the Housing Needs Assessment prior to the meeting, which is also included in your meeting packet.

Table III-43 provides a summary of unmet housing needs according to income level and type of household, focusing on households that are paying too much of their income on housing costs. While there are many more owner-occupied units than rentals in Needham, the number of unmet housing needs is proportionately considerably higher for rentals. For example, 41% of renters had cost burdens which is double the percentage of owners. In regard to severe cost burdens, more than one-quarter of renters were experiencing such affordability challenges compared to 8% of owners.

Nevertheless, the level of cost burdens among owners is considerable, particularly for those with incomes at or below 80% AMI. For example, almost all extremely low-income owners were spending more than half their income on housing costs. An estimated 46% of owners with incomes at or below 80% AMI had severe cost burdens compared to 38.4% of renters. This data also suggests a need for housing that would be targeted to those in the 80% to 100% AMI range, sometimes referred to as community housing, as there were 180 owners with cost burdens that included 100 with severe cost burdens. As noted earlier, there are greater challenges in developing owner-occupied housing as opposed to rentals, however, some attention to the development of new affordable condominiums is certainly warranted.

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Seniors comprised the greatest number of households with incomes at or below 80% AMI, including renters and homeowners, compared to families and single individuals under age 62. This is not surprising given the number of seniors who are retired and living on fixed incomes, also reflected in lower median household incomes.

In regard to families in this income range, there were also more owners with incomes at or below 80% AMI, at 300 owners compared to 215 renter households. Owner households also were experiencing a higher proportion of unmet housing needs at 63.3% compared to 40.0% for renters.

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It should be noted that the state’s subsidizing agencies have entered into an Interagency Agreement that provides more guidance to localities concerning housing opportunities for families with children and are requiring that at least 10% of the units in affordable production developments that are funded, assisted or approved by a state housing agency have three or more bedrooms with some exceptions (e.g., age-restricted housing, assisted living, supportive housing for individuals, SRO’s, etc.).

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Special Needs* (% of Total Units)	(20%)	(10%)	(10%)

Source: Largely based on Table III-43 and rationale for a greater focus on rental housing based on the considerations cited in this section. * Includes seniors. **Includes couples who are seniors.

Given the indicators of need that are included in this Housing Needs Assessment, even if the Town were to reach the 10% level of affordability without the inclusion of market rate units in the Chapter 40B rental developments, now at 6.24%, it will likely still have unmet housing needs in the community.

NEEDHAM HOUSING PLAN: Implementation Roadmap -

draft date: 07/28/22

Initiative / Issue / Goal	HPWG/Subgroup	Lead Responsibility	Partners and Advocates	Requires TM	Level of Complexity	Prerequisites and Resources Needed	Timeframe	
<i>HPWG goals</i>								
1	HPWG's has undertaken a comprehensive community education and public relations effort to explain housing issues, such as the need for greater housing diversity as 84% of Needham's housing stock is owner-occupied and 82% are single-family homes - more housing options are needed to meet local needs, such as the needs of local workers who are priced out of the housing market, young people and families needing starter homes, people with disabilities, and downsizing empty nesters. <i>This HPWG effort should continue .</i>	HPWG	SB PB	HPWG EJN Housing Coalition Housing Trust Public Health School Dept Council Aging	No	Not complicated	Public education Broad and visible public support Demonstrative political will to address housing choice and affordability	Near term
2	The HPWG has explained that the Town's information about affordable units listed on the Subsidized Housing Inventory (SHI) of 12.5% is based on 40B rules that allow the counting of market-rate units in projects along with the dedicated affordable units, acknowledging that the current SHI count of truly affordable housing units is really 6.7% of Needham housing units, which is below the 10% 40B target.	HPWG	SB PB	Housing Coalition				
3	The HPWG's goal for the Town's Housing Plan is to provide clear housing goals and target milestones that can be tracked over the next five, ten and twenty years, understanding that housing production across the spectrum of housing types needed will take time to see results from the regulatory reform that will enable more diverse housing development. <i>The Needham Housing Trust could be charged with monitoring.</i>	HPWG	SB PB NHT	HPWG Housing Coalition	No	Not complicated	Public education	Near term
<i>List of initiatives</i>								
4	Consider options for control strategies to address the tear-down trend including amending the dimensional thresholds for coverage, FAR and setbacks and the feasibility of Needham implementing a Tree Removal by-law.	Development/Preservation & Zoning	PB	SB Housing Coalition EJN	Yes	Complicated	New by-laws for Demolition Delay & Tree Removal Zoning amendments for refining dimensional controls Bldg Comm Public education	Near term
5	Broaden ADU bylaw to remove family member/caretaker restrictions and allow occupancy of ADUs as rental property with at least 6-month minimum lease, keeping 850 sq.ft./1-bedroom limits for ADUs. Consider allowing attached ADUs by right and detached ADUs by special permit.	Zoning	PB ZBA	SB Housing coalition	Yes	Not complicated	Zoning amendments Zoning Map amendments Bldg Comm Public education	Near term
6	Respond to final version of DHCD Guidelines under new state law G.L.c. 40A and 3A (MBTA Communities Law) by creating zoning districts within 1/2 mile of transit stations with by-right permitting. If final Guidelines require, districts must include a 25 ac min contiguous site area, total of 50 acres with minimum average density of 15 units per acre, and potential for minimum multi-family unit count related to the Town's total housing units (11,890 units)(20% bus/15% commuter rail). See draft proposals on zoning changes numbered 7, 8, 9 and 10 below.	Zoning	PB	SB EJN NDI NUARI	Yes	Not complicated	Zoning amendments Zoning Map amendments Staff capacity Public education	Near term

Initiative / Issue / Goal	HPWG/Subgroup	Lead Responsibility	Partners and Advocates	Requires TM	Level of Complexity	Prerequisites and Resources Needed	Timeframe	
7	Consider options for Needham's Center Business, and Chestnut Street Business Overlay and Avery Square Business districts to adjust dimensional and parking limits and add modest density increases to make them more economically viable for development	Zoning	PB	SB EJN NDI NUARI	Yes	Complicated	Zoning amendments Zoning Map amendments Public education	Medium term
8	Consider adjusting required parking ratios for mixed-use projects within overlay districts (and apartment developments) that are within 1/2 mile of transit stations.	Zoning	PB ZBA	SB HPWG EJN	Yes	Complicated	Zoning amendments Bldg Comm Public education	Near term
9	Improve development opportunities for mixed use along major corridors (Chestnut, Highland, Great Plain) and incorporate density bonuses for increased affordability. Consider incentives for consolidating parcels to promote larger developable sites for mixed-use multi-family projects	Zoning	PB	SB HPWG EJN	Yes	Complicated	Planning Real property disposition process Rezoning	Medium term
10	Rezone targeted zoning districts, or parts of zoning districts, within 1/2 mile of transit, including Industrial, Business and Hillside Business to allow multi-family dwellings by right with dimensional regulations same as Apartment A-1 (18 units/acre). If MBTA Guidelines require at least one such district to be 25 acres in area, extend A-1 zoning to nearby SRB areas even if not readily developable (e.g., a church site).	Zoning	PB	SB Housing Coalition	Yes	Complicated	Zoning amendments Zoning Map amendments Staff capacity Public education	Medium term
11	Inventory town-owned land and identify those parcels (former schools, public use etc.) that could be used to build more housing (including those that might need regulatory / zoning changes to make housing possible), and identify partners who might be interested in developing them.	Capacity Building Zoning	SB PB	NHA PPBC EJN	Yes	Somewhat complicated	Planning Real property disposition process Rezoning	Medium term
12	Inventory other publicly, or privately, owned sites / buildings suitable for rezoning for multi-family housing, potentially as Apartment A-1 zoning with its designated dimensional requirements	Zoning	SB PB	PPBC Town landowners	Yes	Somewhat complicated	Zoning amendments Zoning Map amendments Staff capacity Public education	Medium term
13	Integrate handicapped accessibility and supportive services into new development. Programs such as those offered by the Small Repair Grant Program, Council on Aging's Safety at Home program, or through assisted living options as well as transportation and other home maintenance programs should be continued. Accommodations for special needs populations should be integrated into new housing production efforts.	Capacity Building	SB PB	SEPAC Housing Coalition CRC (Charles River Center)				near term
14	Consider options for strengthening Needham's inclusionary zoning bylaw, requiring all new housing or mixed-use developments of 6 or more units to provide 12.5% affordable units (some now have 10% or no requirement) and consider 15%. Consider implementing a proportionate affordable housing fee payment to the AHTF for projects with fewer than 6 units.	Zoning	PB	SB Housing Coalition	Yes	Not complicated		Near term
<i>List of initiatives for further study</i>								
15	Consider allowing two-family homes by-right in single-family zones (SRA and SRB) and how to implement; whether as local re-zoning near transit or more uniformly across districts (more egalitarian and less site specific).	Further Study	PB	SB Housing Coalition	Yes	Complicated	Zoning amendments Zoning Map amendments Public education	Medium term

Initiative / Issue / Goal	HPWG/Subgroup	Lead Responsibility	Partners and Advocates	Requires TM	Level of Complexity	Prerequisites and Resources Needed	Timeframe	
16	Consider options for incentivising higher-density, smaller unit, multi-family housing choices as part of zoning reforms in other districts (not related to MBTA Communities Law requirements).	Further Study	PB	SB Housing Coalition Corporate & Institutional groups	Yes	Somewhat complicated	Zoning amendments Zoning Map amendments Public education	Medium term
17	Evaluate the feasibility of mixed-use development with affordable housing on the municipal parking lot in Needham Center that abuts the MBTA station platform.	Further Study	SB PB	MBTA Development community	Yes	Complicated	Planning Real property disposition process Rezoning	Longer term
18	Evaluate the feasibility of mixed-use development with affordable housing on the MBTA / municipal parking lot at Hersey Station.	Further Study	SB PB	MBTA Development community	Yes	Complicated	Planning Real property disposition process Rezoning	Longer term
19	Support the NHA initiative to upgrade ALL public housing conditions starting with the MRI effort which is underway. Consider opportunities with NHA properties where modernization / renovation projects produce more efficient, higher density buildings that might yield buildable lot areas for additional deeply affordable, or more diverse income affordable housing, possibly through a NHA / developer partnership agreement.	Capacity Building & Development/Preservation	SB PB	NHA AHTF EJN Housing Coalition	Yes	Somewhat complicated	Public education	Near term/ Medium term
20	Reduce or eliminate local preference in affordable housing lotteries	Further Study	SB PB NUARI	Housing Coalition				
21	Support tenant advocacy and organizing efforts in affordable housing properties owned and managed by the Needham Housing Authority and other developers	Further Study	SB PB	NHA AHTF Housing Coalition	Yes	Not complicated	Public education Staff capacity	Near term
22	Explore options to establish a Chapter 40R "Smart Growth" overlay district(s) in Needham	Further Study	SB PB					
23	Conduct a racial impact study to determine whether Needham's existing residential zoning has a disproportionate impact on Black, Indigenous and People of Color (BIPOC) and other groups protected under the Federal Fair Housing Act (FFHA)	Further Study	SB Town Mgr DPCD NUARI	MAPC	No	Complicated	Racial impact assessment tool Political leadership	Near term
24	Update School Master Plan to study impact of recent housing developments and consider impact of proposed rezoning initiatives; consider need for school building renovations or additions.	Further Study (Capacity Building)	School Dept DPCD	SB PB	No	Somewhat complicated	Funding for studies/planning	Medium term
25	Study capacity of Town resources to address needs that may result from development arising from rezoning initiatives including revising ADU provisions, addressing MBTA Communities Law requirements and other new neighborhood development	Further Study (Capacity Building)	SB Town Mgr Town Engineer DPW	SB PB	No	Somewhat complicated	Funding for studies/planning	Medium term
26	Study public realm (streetscape) improvements and transit alternatives that may be needed to handle traffic that may result from new development and to address needs of seniors and disabled; study parking needs.	Further Study (Capacity Building)	SB Town Engineer DPW TMAC	CRCC Council Aging MBTA	No	Somewhat complicated	Funding for studies/planning	Medium term

Initiative / Issue / Goal	HPWG/Subgroup	Lead Responsibility	Partners and Advocates	Requires TM	Level of Complexity	Prerequisites and Resources Needed	Timeframe	
27	Study historic preservation initiatives such as a longer demolition delay by-law or establishment of one or more historic districts to discourage/control teardowns.	Further Study (Development/Preservation)	SB DPCD NHC	Needham History Centerr	Yes	Complicated	Funding for studies/planning	
28	Ease zoning and permitting requirements to incentivise energy-efficient and environmetally sustainable housing development	Further Study (Development/Preservation)	SB PB	Climate Action Comm Green Needham EJN	Yes	Somewhat complicated	Zoning amendments Bldg Comm Public education	

List of initiatives related to finance and funding interests - these items may not yet have been discussed by HPWG

29	Adopt MA law or Home Rule petition re: transfer or impact fees (for high value home sales) to fund the Affordable Housing Trust Fund to help promote project feasibility. (Note that state legislation has been proposed.)	Shortage of affordable housing	SB PB	NHA AHTF EJN	Yes	Somewhat complicated	Zoning amendments Bldg Comm Public education	Medium term
30	Continue to advocate for 22% commitment of Community Preservation Act (CPA) funds for the creation and retention of affordable housing in	Shortage of affordable housing	SB NHTC	NHA EJN	Yes	Not complicated	CP Plan and CPC award policies	Medium term
31	Invest ARPA, CPA, and other funds in capital improvements at properties owned by the Needham Housing Authority (NHA)	Shortage of affordable housing	SB CPC	NHA AHTF EJN	Yes	Not complicated	Public education	Near term
32	Consider waiving application fees for affordable housing projects where appropriate	Shortage of affordable housing	SB PB	NHA	Yes	Somewhat complicated	Public education	
33	Encourage rental development using state funding programs such as Low Income Tax Credits	Shortage of affordable housing	SB PB	NHA AHTF EJN	Yes	Somewhat complicated	Zoning amendments Bldg Comm Public education	Medium term
34	Make enhanced homebuyer assistance available, e.g., local funding to increase affordability of MHP ONE Mortgage loans. (Note: likely to work only for purchase of restricted affordable units.)	Impediments to Housing Affordability	SB PB					Medium term
35	Make CPA funds available to acquire property for group homes that serve people with disabilities	Shortage of affordable housing for disabled	SB CPC	NHA AHTF EJN SEPAC CRC (Charles River Center)	Yes	Could be complicated	Public education	Medium term
36	Provide training, funding and staff capacity to the Needham Affordable Housing Trust. (Note: need to discuss role as to implementation of the Housing Plan)	Limited capacity	SB PB	NHA AHTF EJN	Yes	Somewhat complicated	Zoning amendments Bldg Comm Public education	
37	Target the needs of the community's most vulnerable residents with very limited financial means as rental housing is typically more affordable and requires less up-front cash	Goal?						
38	Leverage other funds, as state and federal resources are almost exclusively directed to rental housing development, family rentals in particular, unless the municipality has been designated as a Gateway City or has qualified low and moderate-income census tracts (Needham does not)	Goal?						
39	Invest locally-available subsidy funds (e.g., CPA, Needham Affordable Housing Trust, HOME Program funds) in support of greater numbers of	Goal?						

Initiative / Issue / Goal	HPWG/Subgroup	Lead Responsibility	Partners and Advocates	Requires TM	Level of Complexity	Prerequisites and Resources Needed	Timeframe
40	Provide opportunities for some seniors who are "over-housed" and spending too much on housing to relocate to more affordable / less isolated settings, making their homes to available for new families	Goal?					
41	Enhance the ability to qualify occupants for housing subsidies as state requirements for including units on the Subsidized Housing Inventory (SHI) make it very difficult for long-term homeowners to be eligible for subsidized or assisted housing given asset limits	Goal?					
42	Provide opportunities for mixed-income housing where several different income tiers can be accommodated within the same project	Goal?					
43	Potentially develop units for those with incomes in the 80% to 100% AMI range that would be eligible for CPA assistance and are challenged to afford market rate units	Goal?					
<i>Other Needham initiatives and goals related to housing - these items may not yet have been discussed by HPWG</i>							
44	Improve communications / collaboration within town government boards and committees to be more proactive in addressing affordable housing needs, opportunities, and challenges and the related impacts on infrastructure, town services and budget and school system						
45	Provide training, funding and staff capacity to the Needham Affordable Housing Trust						
46	Appoint affordable housing advocates to Town boards and committees						
47	Expand the Town's base of information about affordable units listed on the Subsidized Housing Inventory (SHI).						
48	Preserve existing parks and conservation land throughout the Town and ensure their long-term accessibility to the public for recreational purposes.						Longer term

Proposed revised Schedule for future meetings of Housing Plan Working Group

- Meeting May 26, 2022:

2020 census update

“aspirational” goal review (versus “strategic/quantitative goals”)

Results of Town-Wide survey

- Meeting June 9, 2022:

Subcommittee Reports – Research- how does it become recommendations?

Housing Authority – discussion of NHA’s building preservation and site redevelopment planning

- Meeting July 28, 2022:

“strategic/quantitative” goals discussion and review

Discussion of Strategies

- Meeting September 8, 2022:

MBTA Guidelines Review - Contingent on MBTA revising them

Subgroup Priority and strategies

- August 17, 2022- Subgroup reports/notes deadline via email

- Meeting September 29, 2022:

review of preliminary draft Housing Plan

prepare for presentation of plan to Community

- Meeting October 13, 2022:

Community Wide presentation of the draft plan

- November 2022:

likely final HPWG meeting, will digest community meeting, etc., and revise draft plan.

Needham HPWG subgroup recommendations
Housing Development
June/July 2022

Action item Recommendations:

1. Work with the Board of Selectman to vote for development housing mission statement that supports a diversity of housing opportunities in the Town.
2. Create a working group to support the Needham Housing Authority's efforts to rehabilitate existing housing and develop new housing on existing authority properties
3. Produce an inventory of public and private property suitable for development or redevelopment of affordable or moderate rate housing.
4. Pursue regulatory changes to FAR, setbacks and height restrictions for new homes that discourage extraordinarily large new homes that do not fit into neighborhoods and that discourage knocking down existing homes that are affordable to moderate income households.
5. Work with realtors and others in town to seek ways to encourage them to help buyers with existing smaller homes.
6. Meet with the Historic Society to determine if the establishment of a historic district (s) is needed to maintain historic structures and the historic integrity of our Town.
7. Sponsor a gathering with developers and housing agencies to gather information as to how to entice developers to build affordable and moderate rate housing in town.
8. Review and create regulatory changes that require building affordable housing to a zero, or nearly net zero, energy standard.
9. Review and encourage a variety of housing models that can meet the needs of Needham's adults with disabilities and Needham's seniors.
10. Explore opportunities for housing models or zoning changes as outlined by Needham's Special Education Parent Advisory Council (SEPAC)
11. Assign a working group to look at the potential for the Steven Palmer building on May and Pickering Streets to ensure that once it is returned to the town there is a plan in place to maximize the reuse for affordable or moderate rate housing.
12. Include in any new housing requirements issued by the state an overlay requirement of some level of affordability.
13. Look specifically at the Chestnut Street area between the Town Center and the Junction train station for potential sites for affordable or moderate rate housing. Meet with property owners where appropriate and host a forum for owners and potential developers who might be interested in development.

Details:

- a. Create an inventory of publicly and privately owned land to determine suitability and availability for developing affordable housing, similar to the one created by Newton — see see page 85+ of <https://www.newtonma.gov/home/showpublisheddocument/41602/637418380094000000>. Criteria can include access to services and transportation, proximity to schools, wetlands or environmental constraints present, etc.
 - b. Sponsor a meeting with housing development agencies to gather feedback about policies/reasons why these agencies would or would not be interested in working with the town to create new affordable housing.
 - i. Examples of housing development agencies to invite could include:
 1. PennRose
 2. The Community Builders
 3. Caritas Communities
 4. B'nai B'rith Housing
 5. Rogerson Communities
 6. Beacon Communities
 7. 2Life Communities
 8. Hebrew Senior Life
 9. Newton Community Development Foundation
 10. Winn Development
 11. Wingate
 12. Maloney Properties
 13. POAH Communities
 14. Metrowest Collaborative Development
 - c. Sponsor a meeting with agencies that create housing for adults with disabilities to learn more about different models (see recommendation 4b below).
 - d. Working with the Select Board and the Affordable Housing Working Group conduct an assessment of the Stephen Palmer site related to:
 - i. Current rents charged and Income of current residents
 - ii. Building infrastructure and improvement needs
 - iii. Site infrastructure and ability to support additional density (e.g., additional housing units)
 - iv. Determine feasibility of designating Stephen Palmer as affordable housing (e.g., eligible for SHI) while not requiring existing residents to relocate.
2. Support Needham Housing Authority's "Preservation & Redevelopment Initiative" and
 - a. Ensure that NHA efforts include the creation of a formal process for soliciting input from existing residents. This process would be in addition to the town's existing process for gaining community and citizen input.

- b. Ensure that any housing created through this initiative is affordable to people with incomes at 60% of the area median income or lower.
- c. Require that any redevelopment activities within the existing senior/disabled public housing properties that result in the creation of new housing units, create new housing for seniors and younger people with disabilities at an equal proportion to the current ratio at the existing property.
 - i. For example, if there are currently a total 152 housing units at Linden I/Linden II/Chambers and 13% (or 20) of these units are for younger people with disabilities, if an additional 32 units were added to the property through redevelopment, 13% of these 32 units (or 4) would be designated for younger people with disabilities, while the remaining 83% (or 28 units) would be designated for older adults.
- d. For the 61 units of new housing to be created in the future on the Seabeds/Cook site:
 - i. Designate the housing as age-restricted for older adults whenever there is a demonstrated need for housing for older adults.
 - ii. Leverage federal/state/local resources to ensure that the housing is affordable to older adults making 60% of the area median income.
 - iii. Leverage expertise of existing housing development agencies that have worked closely with housing authorities to redevelop public housing; see recommendation 1d above regarding relationship building with mainstream housing developers.
 - 1. For example, Harborlight Community Partners Inc (a nonprofit housing development agency) and the Ipswich Housing Authority have entered into a joint venture agreement to substantially rehabilitate a 94-unit public housing property.
 - iv. Collaborate closely with community agencies that provide services to older adults to create formal partnerships resulting in service enriched housing; this recommendation also applies to the redevelopment of the Linden/Chambers properties.
 - 1. Examples of models of housing-service partnerships for older adults include:
 - a. Harborlight House in Beverly (Harborlight Community Partners and Element Care PACE)
 - b. JJ Carrol in Brighton (2Life Communities and Element Care PACE)
 - c. Clarence Durkin Housing in Fitchburg (Fitchburg Housing Authority, Summit PACE and Aging Services of North Central MA)
 - d. Jack Satter House in Revere (Hebrew Senior Life)

- e. St Thereses in Everett (The Neighborhood Developers, Mystic Valley Elder Services, and Neighborhood PACE)
 - e. NHA work in lockstep with the town to ensure capacity concerns are addressed in advance of any development activities.
 - 3. Review and encourage a variety of models that can meet the needs of Needham's adults with disabilities and Needham's seniors.
 - a. Encourage and support creative solutions from property owners and developers, and remove barriers/recommend incentives if/when appropriate with the goal of establishing additional independent living situations for low-to-moderate fixed-income seniors and adults with disabilities.
 - i. Consider zoning, or variances to current zoning, to enable more inclusionary home building for disabled groups and seniors near the town center and Heights.
 - ii. Evaluate ways for Needham to expand its affordable housing stock to include low income and Section 8 vouchers.
 - b. Explore opportunities for housing models as outlined by Needham's Special Education Parent Advisory Council (SEPAC) — [see page 28 in the 4/14/22 Housing Plan Working Group's meeting packet](#). Sponsor a panel presentation from providers in other communities to learn more about existing models.
 - i. Examples include Specialized Housing Inc in Brookline, Cape Cod Village in Orleans, Forward at the Rock in Dennis, SMOC Housing
 - c. Commit to making and maintaining Needham as an inclusive and supportive community for the town's adults with disabilities, its seniors, and other disenfranchised subgroups. Keep the housing needs of these populations in mind on an ongoing basis.
 - 4. Support building affordable housing to a zero net energy standard.
 - 5. As part of the efforts to align with the new state guidelines related to transit oriented development, require **xx%** of any units developed as part of this new initiative to be affordable, as defined by being eligible to be included in the Subsidized Housing Inventory (SHI).

FAR, setbacks, historic homes

Needham has a history of mostly single-family homes of different sizes. Homes in the town range from small summer cottages that owners have winterized and modest 1950s and 60s cape and ranch homes to larger farmhouses, stately Victorians, and large new modern homes. The range of options, along with Housing Authority affordable housing and 40B projects, provides a range of housing in Needham affordable to residents with median incomes ranging from 30% of Needham's \$165,547 area median income (AMI) to many multiples of AMI. This range of options is critical to our goal of having a community with broad socio-economic diversity that has housing for residents of all ages, races, ethnicities, sexual orientation, religion, abilities, and stages of life.

A lack of regulations with respect to the demolition or renovation of historic or older structures combined with modest zoning restrictions on the size of new homes has led to the significant loss of many modestly sized homes that could be affordable to people with incomes between 85% and 140% of Needham's AMI. From 2000 – 2022 a total of ### homes have been demolished in Needham and ### structures over 50 years old... ADD data.

This reduction in modest single-family homes is impacting the ability of young families, minorities, members of the LGBTQ community and seniors to purchase or rent in the Town of Needham. Given that historically minorities and LGBTQ people have had fewer opportunities to establish wealth, and that many seniors also have limited funds, it is imperative that the town work to maintain moderately sized and priced homes to encourage a more diverse community.

The median sales price for a home in Needham in April 2022 was \$1.4 million. To purchase that home would require a 20% down payment of \$280,000 which would leave a mortgage of \$1,120,000. A mortgage for that amount at the current rate of 5.875% for a 30-year mortgage will require a monthly payment of \$6,635 or \$79,620 per month. That would require a minimum annual gross income of \$238,860 to have the mortgage be equal to 1/3 of gross income, as most banks require, and assumes the buyer has a \$280,000 down payment. A home sold at even \$800,000, while not inexpensive, could be afforded by someone with an income of \$136,260 or 82% of AMI (\$160,000 down payment, 30-year mortgage at 5.875%, monthly payment of \$3,785, annual payment of \$45,000). The loss of this price point and below in Needham is driving up the AMI and reducing the opportunities for that middle income tier, which includes teachers, police and firefighters, to find a home in town.

The town needs to do a regional survey of demolition restrictions for homes over 50 years old and establish parameters that require reviews, delays, and restrictions for demolishing older homes. The town should also work with the Needham Historic Society to determine where Historic Districts should be created to save homes or manage renovations to historic homes in town.

In addition, the town must review FAR and setback requirements for new homes and compare those requirements with neighboring towns to ensure that Needham is not experiencing greater demolition of older homes than in the surrounding area due to more relaxed zoning standards. Zoning should minimize the impact of too large homes being built on small lots to maintain the character of neighborhoods as well as to not incentivize the demolition of older homes simply because of the ability for a developer to make huge profits by replacing them with a much larger new home.

Additionally, we recommend an evaluation of existing regulations to ensure that there are no barriers that inhibit basic improvements to existing housing inventory (i.e., replacing a single-car garage with a two-car garage). With basic improvements, some of the existing smaller home inventory could be preserved rather than demolished.

This Subgroup understands the concern of homeowners regarding their ability to maximize the sale price of their home and property and that a home is frequently the largest asset of that homeowner. We believe that initial demolition reviews can be required to be completed quickly so that homes that cannot or should not be saved can be dealt with swiftly and that the town should work with local brokers to find ways to streamline sales of older homes that should be made available to middle income residents so that homeowners can maximize the value of their home just as easily as selling it to a contractor.