

NEEDHAM AFFORDABLE HOUSING PLAN

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I. EXECUTIVE SUMMARY

A. INTRODUCTION

In the fall of 2002, the Needham Selectmen created the Comprehensive Community Housing Study Committee, made up of both town officials and at-large members. The Committee was asked to coordinate, research and make recommendations to the Town about ways of maintaining and increasing housing options for individuals and families with low- and moderate- incomes and, more particularly, to make recommendations which will have the effect of:

- Increasing the amount of housing for low- and moderate-income residents to 10%, the goal set by state law;
- Increasing the housing options for moderate-income residents, including those who live in or work for the Town of Needham, so that they can remain in Town; and
- Building housing that remains affordable in perpetuity, as part of an overall plan for responsible land use and open space preservation, and in keeping with the character of the Town.

With assistance from Needham's Planning Department and consultants provided through the Executive Order 418 Community Development Plan program, the Committee undertook a vigorous program of studies and public workshops covering more than a year.

In June of 2006, the Board of Selectmen appointed a special Affordable Housing Plan Task Force to work with the Town Planner and selected consultant on updating the approved Executive Order 418 Community Housing Plan to make sure it reflected current market conditions, the status of housing initiatives, and the updated HUD Consolidated Plan, setting production goals over the next decade to get to the 10% state affordable housing goal. This Affordable Housing Plan, therefore, borrows heavily on the work that was completed in 2004.

B. BACKGROUND -- The Context for Housing

Needham residents have the good fortune to live in an enviable community made up of richly diverse environments ranging from a compact town center well served with public transportation, to outlying areas having well-assured rural character, complemented by a variety of smaller centers and residential neighborhoods. The town is also supported by a substantial and well-planned business base. Town government, like virtually all others in Massachusetts, is currently under severe fiscal pressures, but the level of services it strains to maintain is one that many communities would envy. Despite all that, the Town faces some very real problems that need to be addressed, and housing is one of them. Acting on housing is made urgent by powerful changes in both regional and local housing markets, and by the new saliency of the State's Chapter 40B regulations coupled with diminishing state and federal resources to help in addressing those market-driven needs.

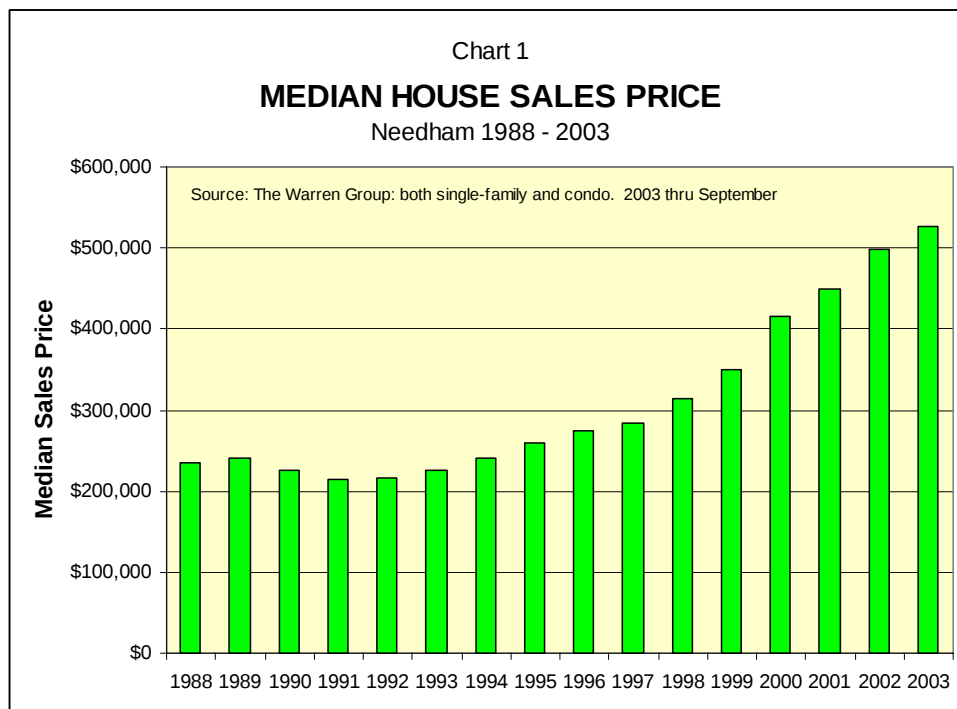
The escalation in housing prices (Chart 1) is extraordinary. The median price for houses and condos in Needham doubled in just the past eight years. That problem is not often felt by those who have lived here through the whole of that period, but it is a severe problem for any seeking to own or rent a home here for the first time, including the children of current residents. Despite Needham's residential property tax rates being substantially lower than a decade ago, even some long-term residents are being hurt by the reflection of housing market inflation in their tax bills

(see Chart 1A). Since 1995, the Needham residential tax rate per \$1,000 of property has been pushed down by more than a third, essentially because of Proposition 2 ½. The average single-family house tax BILL, despite that, rose by nearly 50% over that same period.

Chapter 40B, the “Comprehensive Permit” law, has taken on new saliency because of the growing frequency of its use as a result of conditions within this region. That law allows developers to bypass local regulations in developing housing so long as some part of what they develop is categorized as “affordable” and so long as less than 10% of the Town’s housing is “counted” as being affordable. For developments under 40B all of the careful planning and zoning that the Town has done becomes virtually irrelevant, and final decision-making on those projects is effectively relocated from the Town to a state agency. The law and its administration fail to adequately reflect local circumstances, such as the small amount of land for development in Needham or the exceptional gap in cost per unit between market and “affordable” prices here or the ineligibility of the Town for major sources of housing aid available in larger communities. It is a “one size fits all” regulatory effort to solve a problem whose solution will require much more than regulatory efforts.

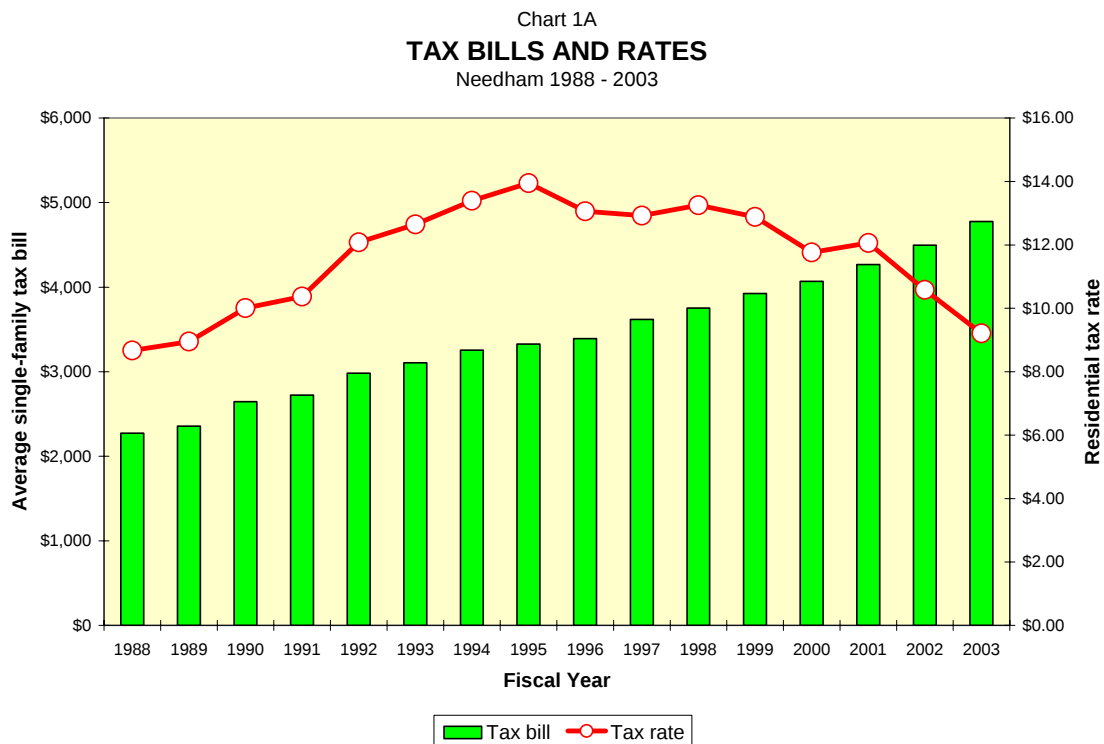
The threat of uncertainty, which the Chapter 40B law raises as now constituted and administered, gives urgency to addressing housing proactively rather than reactively. However, the resources with which to do so have been shrinking as both federal and state housing programs are cut back year after year. Addressing housing needs with local tax revenues is severely constrained by shrinking local aid to localities and by Proposition 2 ½, which almost always limits growth in the tax levy to less than the annual rate of inflation.

Reforms are being actively discussed statewide, and perhaps helpful change will occur. However, for our current planning, 40B in its present form and secular declines in housing aid are the context within which Needham must plan, while advocating change for the better at regional and state levels.



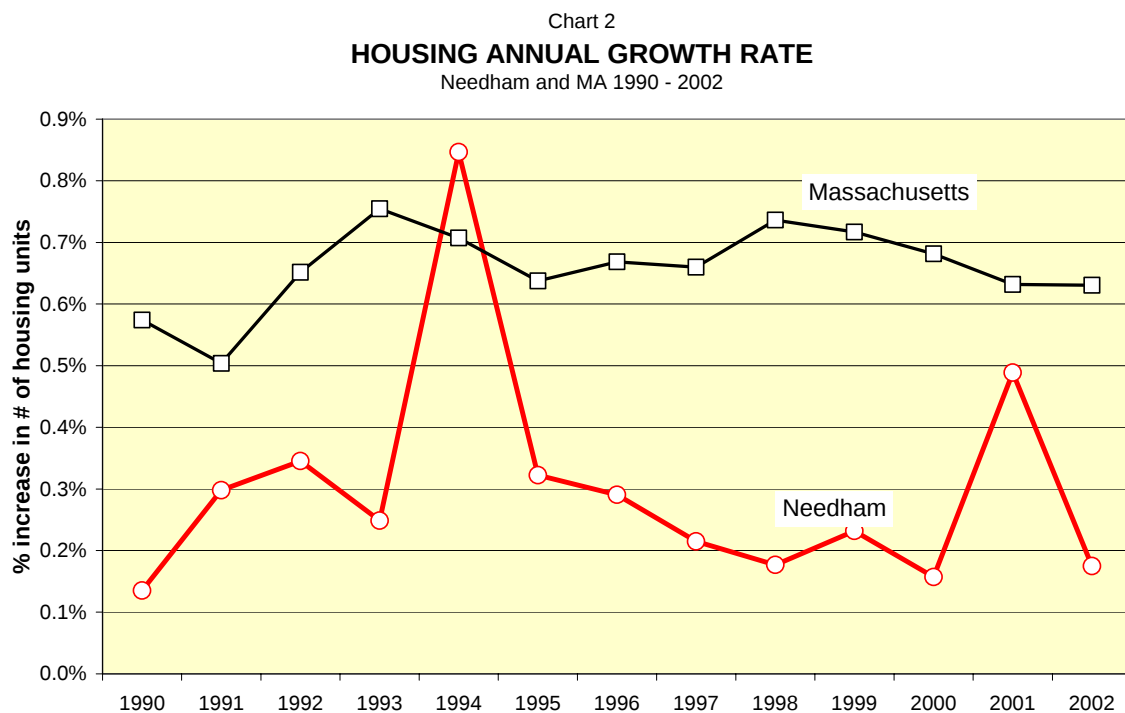
Here, then, is the circumstance from which this Plan begins. Although the physical condition of Needham's housing is generally sound, there are many other housing needs within the Town. The young adult children of Needham families typically find it impossible to afford housing here. Many households, especially those having fixed incomes such as those in retirement, find that remaining here imposes increasingly unbearable cost burdens. Mobility within Needham is limited: "empty nesters," even those with good incomes, find more compact housing a choice that is largely unavailable at any cost. Hanging over it all is the virtual mandate from Chapter 40B and the Commonwealth stating that at least 10% of all housing should be subsidized and controlled to remain affordable, regardless of market change. Fewer than 5% of Needham's housing units meet that definition, leaving the Town with a "gap" of about 600 housing units below the State standard without consideration of future growth. Until that gap is completely closed or until sufficiently rapid progress towards closing it has been committed and is being accomplished, there remains a threat that local planning and zoning will be bypassed by disruptive development.

Meeting that gap is frustrated by the very qualities that make Needham such a special community. Land resources for housing development are very limited. Buildout projections indicate capacity under existing zoning for only about 600 housing units in addition to the approximately 11,000 units existing in 2000. Even if every one of those potential new units were counted as "affordable," the 40B gap, which is now about 600 units but growing as the total housing inventory grows, would not be fully closed. Bringing affordability to existing units is made daunting by the difference between Needham's extraordinary market values, currently over \$600,000 per home, and the highest 40B-counted "affordable" price, set based on the regional income median, and now a little more than \$200,000, not enough to buy a lot, let alone build a house. Federal and state resources for housing production are shrinking at the same time that local discretionary spending is becoming virtually impossible.



To make it worse, because of Needham's development history and current affluence, this town is not entitled to the CDBG and other governmental funds commonly available in larger or older municipalities to address housing issues and to support the technical expertise essential to making affordability happen in a difficult context.

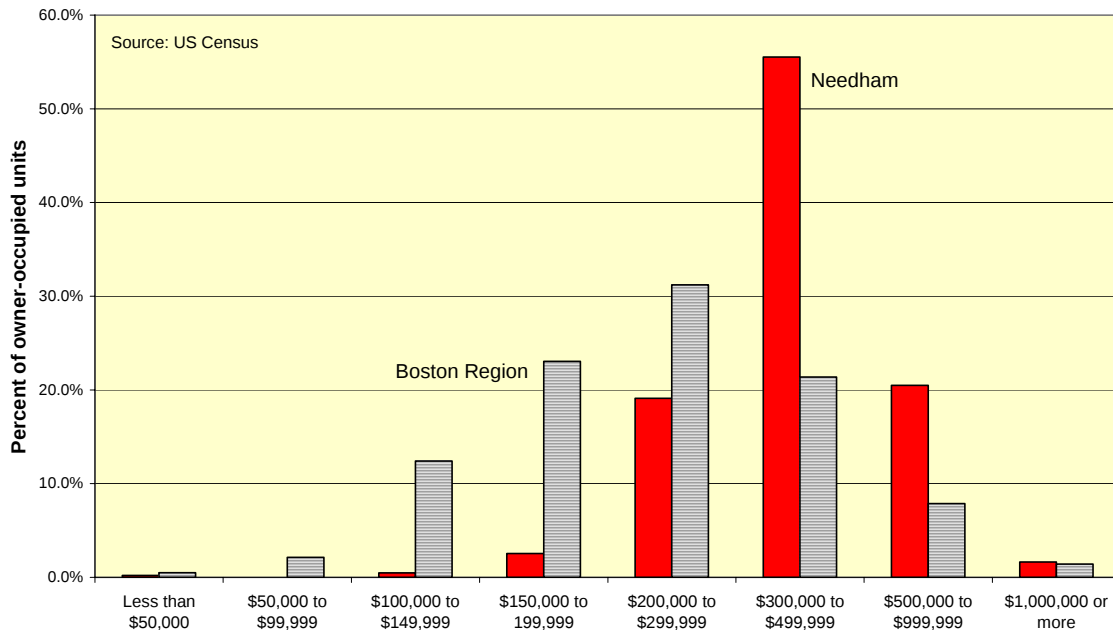
The Town's housing circumstance is made even more difficult by its location in eastern Massachusetts. Largely as a result of housing supply not keeping pace with growth in households within the region, there is a region-wide price escalation similar to if not as severe as that experienced in Needham. Demand for housing resources at anywhere near affordable costs is tremendous, so that efforts to serve local needs are inevitably colored by competition within the region for the resources with which to meet those needs, and with the reality that population mobility will inevitably mean that housing action in any one community will be serving not only local but also virtually insatiable regional demands.



1. Subsidized Housing Inventory

The 2000 US Census counted 10,846 housing units in Needham. Three quarters of them, 8,333 units, were single-family, while 2,513 units were in two-family, multifamily, or similar structures. The Town's various master plan studies dating back to 1960 have called for a carefully-controlled amount of multi-family development to complement the basically single-family fabric of the Town, and that is what has occurred¹. Consistent with that, owners lived in 81% of all occupied housing units in 2000.

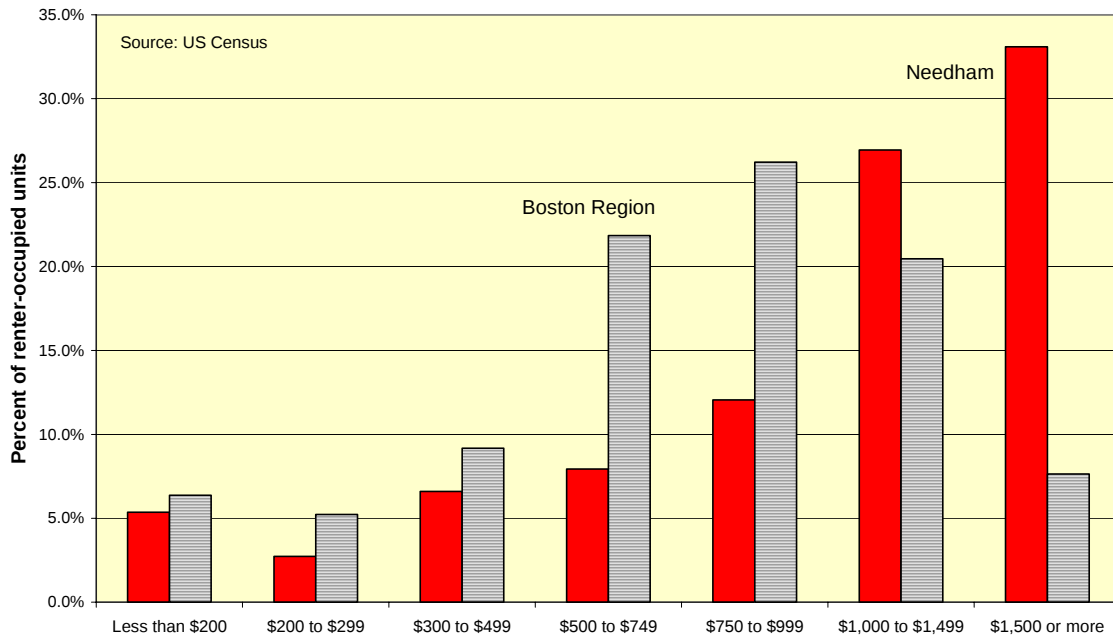
Chart 3
OWNER-OCCUPIED HOUSE VALUE
Needham & Boston Region, 2000



The rate of housing production in Needham has consistently been only a small fraction of the Statewide rate (see Chart 2 above), which itself has been inadequate to avoid Statewide housing cost escalation. The inventory of housing in Needham was already expensive in 2000, both for rental and for owner-occupied units (see Charts 3 and 4). At that time there were essentially no owner-occupied units valued (as reported by their owners) at less than \$200,000 in Needham, although a third of the region's owner-occupied housing was below that value. On the other hand, a third of all the rental units in the town cost more than \$1,500 per month, quadruple the regional share.

¹ John T. Blackwell, *Needham Town Plan Study Report*, 1960; Shurcliff and Merrill, *Master Plan for the Town of Needham Massachusetts*, 1966; Philip B. Herr & Associates, *Planning Studies*, 1983.

Chart 4
GROSS RENT COST
 Needham & Boston Region, 2000



One key aspect of the Town’s inventory of housing is the share of units considered “affordable” or “subsidized” for purposes of Chapter 40B. Needham currently has 498 units counted as affordable representing 4.61% of its year-round housing stock per the 2000 census of 10,793 units. This represents an increase of 84 units from the 414 units counted as affordable in 2004, due largely to changes in Chapter 40B that now allows group homes to be counted. Almost two-thirds of the affordable units are under the management of the Needham Housing Authority, the rest located in a handful of private developments or in group homes. Nearly all of the units are for rental, only seven units involving condominiums. While Needham’s share of units counted as affordable is small in relation to the State-set 10% affordability policy and regulatory target, it is substantially higher than in Wayland or Belmont, and similar to that in Wellesley, Arlington, Dedham and Natick, though much lower than in Westwood and Lexington (see Charts 5 and 6).

% 40B HOUSING
July, 2003

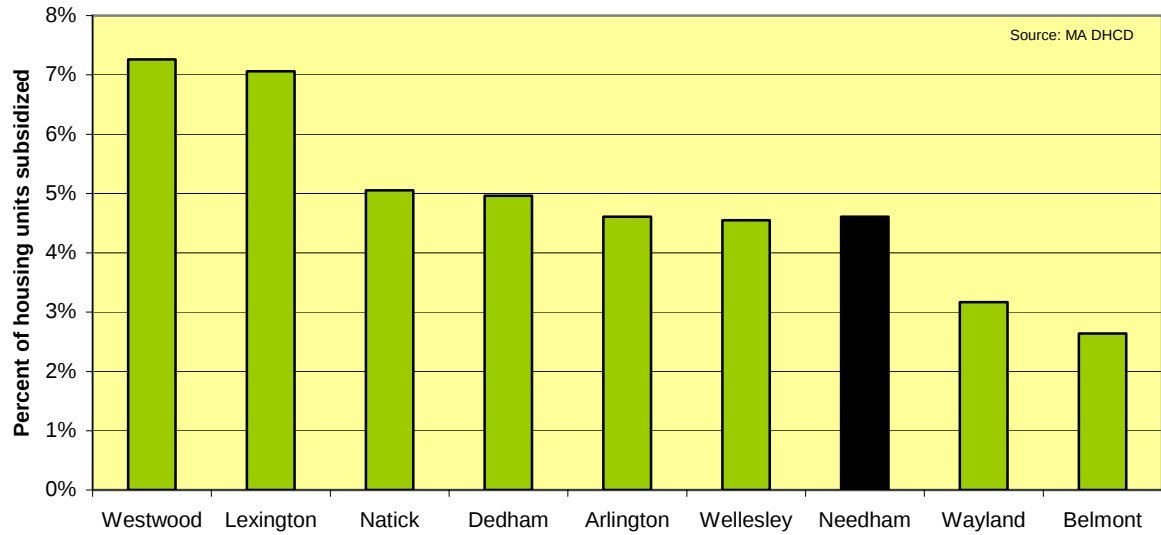
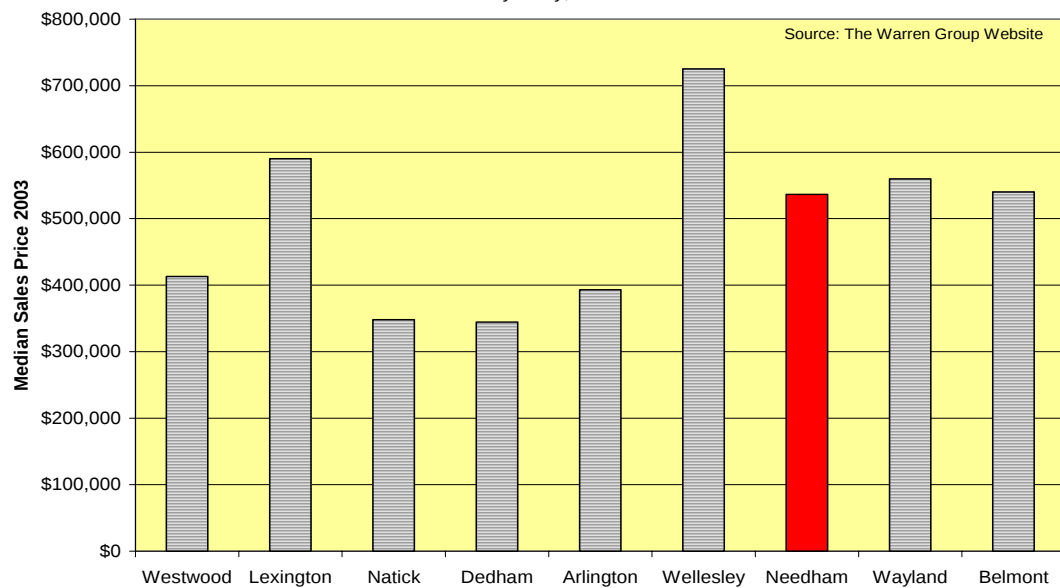


Chart 6
DWELLING MEDIAN SALES PRICE
January - July, 2003



2. Housing Needs and Gaps

There are many ways of defining housing needs and the related gaps in housing supply. The differences aren't between "right" and "wrong" but simply differences of perspective.

- About 160 of the applicants on the Housing Authority's waiting list, many of them Needham residents, have requested "emergency priority" because of being homeless, about to be homeless, or living in an unsafe situation. These cases are of undeniably severe need.
- The Housing Authority waiting list persistently contains about 785 applicants waiting for the Authority's 316 units. About 43 of the applicants are Needham residents.
- 15% of Needham homeowners pay more than 35% of their income on housing costs, even though their mortgage costs commonly reflect home purchases when prices were relatively low. Reductions in State and federal aid to localities exacerbates the housing problem, adding to the housing cost burden through local tax rates that must be higher than would be necessary had the historical level of local aid been maintained.
- About 40% of all renters in Needham pay more than 35% of their income on rent. A large share of those not so heavily burdened live in Needham's subsidized housing.
- Persons with disabilities are especially hard hit, since those disabilities often are income-limiting, and somehow the disabled must also gain supportive services. The numbers are substantial: in 2000 nearly 500 Needham residents who were employed had disabilities likely to need supportive services. Another 1,400 seniors reported disabilities.
- Excessive cost burdens are most common among the elderly. Three-quarters of Needham elders having incomes below 30% of the regional median spend more than half their incomes on housing.
- Cost burdens are also differentially felt by young adults trying to buy first homes without having the benefit of capital appreciation others can bring from earlier homeownership. Needham's young adult population of about 3,500 people aged 20-34 is barely half the number there would be at the regional average share of population. A substantial share of the 3,500 young adults "expected" but not living in Needham represents a real need for housing that such people can afford and will want.
- A simple indicator of need and of a gap is the disparity between the goal of 10% of housing to be subsidized per Massachusetts' Chapter 40B formula and the 4.61% that is so subsidized. Meeting that 10% rule by adding 600 subsidized units would, if carefully fitted to the Town's evolving needs, be adequate to

address many of the most urgent needs cited, but would still not stretch far enough to serve many Needham households who would qualify for housing subsidies and who are paying an unusual share of their income for housing. However, by indirect influence on the housing supply/demand relationship, those 600 units would also indirectly serve the needs of the much larger numbers represented in those paying an unusual share of income on housing, and those such as starter households who although not income qualified for subsidized housing are still unable to compete for housing in the Needham market.

C. VISION, HOUSING GOALS AND OBJECTIVES

Strategies and actions need to be guided by a vision of what we are striving for. Our vision includes both the Town and its regional and statewide setting, since they are fundamentally interdependent. In that vision of a perfect outcome the regional context would be highly supportive:

- Eastern Massachusetts housing production would have climbed to essentially meet growing demand, roughly doubling to match the rate of growth in demand.
- Towns, regions, and the state would be working together towards housing accomplishments through building an understanding of shared interests and community, and using assistance and incentives rather than regulations and punishments as means of guiding actions.
- Inter-municipal cooperation would have steadily grown, including cooperation in the provision of housing suited to community needs and differences.

Needham's goals, regardless of whether that regional vision is or is not achieved, should appropriately reflect Needham's own local vision, and can't simply assume that the visionary context will in fact be realized. Accordingly, four goals for this housing plan stand out.

- An overarching goal is to build a stronger and deeper community. The ways in which housing efforts are carried out can help in achieving that, bringing the community together in addressing a widely shared concern.
- A related goal is to remain a community having a broad socio-economic diversity shaped less by economic imperatives than by individual choices about the living environment that individuals choose. Achieving that goal entails meeting housing needs across the full range of incomes, promoting the diversity and stability of individuals and families living in Needham.
- A widely expressed goal is to have this community able to shape its own housing future, doing so with sensitivity to larger-than-local considerations but without loss of the Town's ability to guide development outcomes. A key objective in seeking to assure local control is to meet the subsidized housing standard set by Chapter 40B and its related regulations, which currently calls for producing at least .75% of its year round housing stock, or 81 units, per year based on an approved Housing Plan or meeting the state affordability goal of 10% of all housing to benefit through long-term subsidies.
- A related goal is to have assurance that new housing is appropriate to its location and context. Achieving that is made easier by meeting the above goals, but it also requires

more than that, including sensitively designed regulations and cooperative development and decision-making processes.

D. HOUSING PRODUCTION CHALLENGES AND REMEDIES

While housing goals articulate a commitment to producing affordable housing in Needham, it will be a great challenge for the town to create enough housing to meet the state's 10% affordable housing standard, production goals and local needs, particularly in light of current constraints to new development including:

1. Regulatory Barriers

Given the circumstances of the Town, the following are regulatory barriers to housing affordability that, to some degree, could in the future be mitigated, reduced, or eliminated by the Town. These findings describe the current regulatory context and have informed the action plans incorporated in this Plan.

- *The extent of multi-family zoning is extremely limited.* There is a near-absence of developable vacant land that is zoned to permit multi-family housing, even two-family dwellings. Actual development of multi-family housing now generally occurs as redevelopment of already developed sites, through rezoning by town meeting, through a variance from zoning, or through a Chapter 40B override of applicable zoning. This Housing Plan includes housing strategies to address multi-family zoning including pursuing housing in the Town Center and perhaps other business areas that involve rezoning for higher density mixed-uses and multi-family housing (Section VI.A.1), refining its multi-family zoning rules (see below), and promoting scattered-site single and two-family homes (Section VI.C.5). There are other zoning provisions that deal with multi-family housing for future consideration that are included in Section VII of this Housing Plan.)
- *The multi-family rules are seriously limiting.* The various Apartment Districts provide among them a fair range of allowable densities up to 18 units per acre, but are clearly designed for “garden apartment” configurations. More modern approaches, such as a Neo-Traditional Design, would be frustrated by the combinations of setback, frontage, height and FAR rules. This Housing Plan proposes that the Town look into how it can effectively update and refine its multi-family zoning rules to accommodate new multi-family development (Section VI.B.2) exploring the integration of multi-family housing in the New England Business Center and mixed-use 128 areas. (Other strategies on multi-family housing for future consideration are included in Section VII of this Housing Plan.)
- *No provisions exist for accessory dwellings.* Two-family dwellings are allowed by right either as initial construction or by conversion of a single-family dwelling throughout the General Residence District as well as in the Apartment Districts and certain business districts. That presumably provides a means by which one could in effect create an accessory dwelling under the current zoning. In the majority of the Town's land area, however, two-family dwellings are prohibited, and the Bylaw makes no mention of accessory dwellings, effectively making them a prohibited use in these areas. The creation of clear rules for accessory dwellings would remove that barrier. (This strategy is included in Section VII of this Housing Plan.)

- *Neither requirements nor incentives exist for affordability in housing.* Nearly a third of the municipalities in Massachusetts have incorporated some form of inclusionary zoning or affordability incentives into their zoning², but to date Needham has not done so. Such provisions could assure that, at minimum, the housing that utilizes the last vestiges of developable land does not in that process worsen the imbalance between affordable units and the overall developed stock of housing in the town and the region. This Housing Plan proposes the adoption of an inclusionary zoning provision (Section VI.B.1). The Plan also recommends developing housing guidelines for both non-profit and for profit housing development organizations that are descriptive of the types of developments Needham seeks in affordable housing including a range of issues such as locations, scale, siting, density, levels of affordability, and design (Section VI.A.2). Moreover, rezoning of the Town Center, which is currently under study, will include inclusionary requirements, setting a precedent for the expansion of these provisions in Needham (Section VI.A.1.).

2. Availability of Subsidies

Financial resources to subsidize affordable housing preservation and production as well as rental assistance have suffered budget cuts over the years making funding more limited and extremely competitive. Communities are finding it increasingly difficult to secure necessary funding and must be creative in determining how to finance projects and tenacious in securing these resources. Needham approved the Community Preservation Act in November of 2004. Community Preservation funding will offer Needham an important resource for affordable housing production, but the Town will, nonetheless, need further support from state and federal resources as well as private investment. While Needham is making progress, for example, the Town also successfully secured technical assistance funding from the Executive Office of Environmental Affairs to help it plan for the Town Center, this Housing Plan includes strategies to secure additional affordable housing funding including the submission of ongoing Commonwealth Capital applications (Section VI.D.7), the development of a committed loan pool for affordable housing (Section VI.D.2), the promotion of employer assisted housing (Section VI.D.3).

3. Community Perceptions

Residents in most communities are concerned about the impacts that any new development will have on local services and quality of life, and many may also have negative impressions of affordable housing in general. Therefore, local opposition to new affordable developments is more the norm than the exception. The Town of Needham proposes launching an ongoing educational campaign to better inform local leaders and residents on the issue of affordable housing to help dispel negative stereotypes, provide up-to-date information on new opportunities and to garner political support (Section VI.D.1).

E. SUMMARY OF PRODUCTION GOALS

Using the strategies summarized under the Initial Housing Actions described in Section V, the Town of Needham has developed affordable housing goals to chart production activity over the next ten years. The projected goals are best guesses at this time, and there is likely to be a great

² Herr Associates, *Zoning for Housing Affordability*, for the Massachusetts Housing Partnership Fund, 2000.

deal of fluidity in these estimates from year to year. The goals are based largely on the following criteria:

- To the greatest extent possible, at least 50% of the units that are developed on Town-owned parcels should be affordable to households earning at or below 80% of area median income and at least another 10% affordable to those earning up to 150% of area median income, depending on project feasibility. The rental projects will also target some households earning at or below 60% of area median income depending upon subsidy program requirements.
- Projections are based on a minimum of eight units per acre. However, given specific site conditions and financial feasibility it may be appropriate to increase or decrease density as long as projects are in compliance with state Title V and wetlands regulations.
- Because housing strategies include some development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or “friendly” comprehensive permit process. The Town plans to promote increased affordability in these projects, working with developers to incorporate up to 30% of the units as affordable to the greatest extent possible.
- The projections involve a mix of rental and ownership opportunities. The Town will work with private developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals with special needs to offer a wider range of housing options for residents.

Affordable housing goals over the next ten years include the creation of about 700 affordable units with a total projected number of approximately 1,100 housing units.

F. STRATEGIC PLAN AND APPROACH

Given the context, needs, vision and goals as described, the shape of our strategy for addressing housing involves these elements.

- It is critical to lead with planning, and to execute that planning as a mutual education process, with those undertaking it both educating the rest of the community and the rest of the community educating those doing the planning. No subject received broader support in the workshops that led to this Plan than did planning and education.
- Housing efforts should proceed under a broadly shared consensus, understanding that the consensus may well move over time, as early actions provide learning on which later ones can build. Accordingly, we should act concretely first where agreement already exists, and should allow the products of that agreement to inform the next steps: learning by doing.
- In a time of highly stressed fiscal capacity, it is important to skillfully reach out beyond Town resources for the means of accomplishing housing change. That means working with private interests in shaping regulatory improvements to facilitate the accomplishment of housing goals equitably but with minimal public investment, and working with them in many non-regulatory ways as partners in community development.
- Needham Center provides a great opportunity for demonstrating the potential for integrating housing in a business area and near transportation. Accomplishing that has high priority.

- We should make achievement of housing goals a part of the ongoing day-to-day operation of the town and its government, not just a one-time extraordinary effort.

G. INITIAL IMPLEMENTING ACTIONS

Based upon the above strategy, the actions to be taken over the next five years might be considered under four broad categories: Planning, Regulation, Development, and Ongoing Efforts. Some actions possibly fit under two or more categories, but are placed into one just for convenience. At least some effort should be initiated on each of these actions almost immediately, in some cases leading to quick achievement. Other actions by their nature can be well-begun within the next five years, but may well take longer to complete. There are still further actions whose implementation deserves consideration during this initial period, and if it later proves appropriate, might be added to this initial action plan.

It does not appear likely that this set of actions alone would raise the level of subsidized housing to the 10% goal within these five years, especially if given continuation of the 40B law without change and continuation of current economic trends. However, these early actions still might in those few years achieve the addition of as many 40B-counted units as have been created in the Town during the 37 years since that law was adopted. Furthermore, moving on these initial actions may well make feasible and supportable further potential actions. A sampling of possibilities for those is described in the later section “Further Potential Housing Implementation Actions.”

Note that the order of items within each category has no significance, either with respect to judged importance or with respect to priority for action.

1. Planning

a. Facilitate housing in the Town Center.

Providing housing in and around the Town Center can add 24-hour life and vitality to that area, and is a direction enjoying wide support. The challenge is to forge a collaborative effort among property owners, business managers, housing interests, and the municipality to make such development economically feasible and to assure its compatibility with supporting infrastructure, critically including parking and streets, as well as with the character and function of the area. An MIT student study of the area provided a welcome point of beginning for the organizing and additional planning is underway with funding from the state’s Smart Growth Technical Assistance Program.

Lead party: Planning Board and Board of Appeals

b. Develop guidelines for the housing that would be a community benefit.

Clarifying in advance what qualities the Town seeks in housing developments would help reduce the conflicts over individual affordable housing development proposals. What levels of affordability are sought, and how does that vary by location or density? What are the housing targets: elderly, starter households, big families, or individuals? When is rental preferred over owner-occupancy? Does it matter if project-based contributions to housing wind up being located on sites separate from the market units? Some guidance already exists, such as in Zoning Section 6.6 and in MassHousing guidelines. Those need to be brought together and expanded upon in non-regulatory guidelines to provide all those

contemplating housing action with LOCAL and current guidance on what is wanted, regardless of whether the action is zoning-controlled or not.

Lead party: Planning Board.

2. Regulation.

a. Develop rules for inclusion of affordable housing in new development.

“Inclusionary zoning” obliges inclusion of some share of affordable units in any development to which it applies, typically those that are over some size threshold and require a special permit. The added cost of inclusion is normally offset by allowing the development a higher density. Without such a zoning provision, every new “conventional” development widens the Town’s 40B gap.

Lead party: Planning Board.

b. Explore updating and refining antiquated multi-family zoning rules.

There is essentially no vacant developable land zoned for multi-family housing in Needham. Getting acceptance of rezoning to accommodate new multi-family development would be inhibited by the poor control provided by the current multi-family provisions. The apartment districts allow such housing by right, but lack sufficiently specific rules to give assurance that following rezoning the outcomes would be compatible with their contexts. Various business districts allow multi-family housing by special permit, but the density, yard, and parking rules combine to make it an unattractive option, evidenced by the near-complete lack of such development since the rules were framed. These requirements, inherited from an earlier era, are neither attracting developer interest nor assuring an outcome compatible with 21st Century Needham and need reconsideration, perhaps replacement.

Lead party: Planning Board.

c. Waive application fees for affordable housing where appropriate.

The waiver of application fees has proven to be a help in getting affordable housing efforts underway, both in Needham, where waivers have been granted on a case-by-case basis, and in other communities, so much so that such waivers are now a key to gaining funding from potentially supportive funding agencies who, in some cases, make such waivers a pre-requisite for assistance. The Town should continue to waive permit fees to support affordable housing projects where such waivers are deemed appropriate and useful for promoting project feasibility.

Lead party: Zoning Board of Appeals and Board of Selectmen

3. Development (See attached “Housing Suitability Map”)

USING PUBLIC PROPERTIES TO SERVE HOUSING NEEDS

a. Provide for housing development on selected parcels of Town-owned land.

Contribution or “bargain sale” of land owned by the Town but not essential for municipal purposes could have a catalytic effect in launching housing efforts in the public interest. The Open Space Work Group recommendations regarding such sites, while making modest provisions for housing, should be actively pursued.

Lead party: Board of Selectmen

b. Support efforts to complete funding for High Rock Estates expansion.
The Housing Authority is planning to increase the number of units in this development of 80 single-family units through replacement of 20 such units with 40 units in 20 two-family structures. Some funding is assured, more is needed.
Lead party: Needham Housing Authority.

c. Seek improvements and expansion of the Linden-Chambers development and Yurick Road.

The 152 existing Housing Authority units for the elderly and disabled at Linden Street could potentially be improved and expanded by at least another 30 units. Additionally, the Housing Authority owns another parcel on Yurick Road that is likely to be capable of accommodating five duplex or two-family structures for a total of 10 units.

Lead party: Needham Housing Authority.

d. Restructure the Stephen Palmer Building.

Through redevelopment, the Stephen Palmer Building plus additions to it might provide up to 25 housing units for seniors, compared with 28 today. At least many of the units would be offered at “affordable” rents or ownership, expanding housing supply at a great location and assuring better utilization of the building and the site. This property is currently under a 50-year lease with 20 years remaining, and the Town is in the process of discussing the redevelopment with the company that is under lease.

Lead party: Board of Selectmen.

SEEKING SUPPORTIVE USE OF PRIVATE RESOURCES

e. Support scattered-site affordable single and two-family developments.
Small-scale efforts towards housing affordability can occur with minimal disruption, one site at a time, using single or two-family structures and creative use of funding and development resources, typically but not necessarily within zoning limitations. Doing so can be facilitated through assistance by Town agencies.

Lead party: Needham Opportunities, Inc.

f. Explore transit area redevelopment and adaptive reuse.

Each of Needham’s rail stations presents a potential opportunity for mutually supportive transportation and development efforts to address housing needs. All these locations might be considered for new housing development opportunities, including affordable housing, especially in light of new public programs in support of such efforts. Similarly, opportunities to convert nonresidential properties into housing should be explored.

Lead party: Planning Board and Board of Selectmen.

g. Pursue “Buy-down” efforts

Efforts to increase the numbers of affordable units within existing housing developments or proposed projects should be explored. Available HOME Program funds or CPA funding could provide needed financial support.

Lead party: Needham Opportunities, Inc.

4. Ongoing facilitation efforts.

REACHING OUT AND MAKING CONNECTIONS TO SERVE HOUSING

a. Conduct educational programs.

Housing is a highly complex subject, so it is no surprise that there is great need for education directed at those seeking but not easily able to afford housing, to those whose actions powerfully impact housing, such as many Town officials and some private organizations, including banks, and to the general public, whose support for housing efforts is vital.

Lead party: Needham Opportunities, Inc.

b. Access new financial resources.

Supportive efforts by banks can be critical to affordable housing achievement, and two notable state programs now work through them: the “Soft-Second” mortgage program helping with home purchases by income-eligible applicants, and MassHousing’s “Take the T” home mortgage program giving favorable terms to committed rail commuters. By working with the banks serving Needham, those and other supportive efforts can continue to be made available to residents.

Lead party: Needham Opportunities, Inc.

c. Work with larger employers towards employer-assisted housing.

With housing prices making recruitment of workers harder, employer-provided housing assistance is becoming more common, with structured regional efforts already underway. Local initiatives can greatly expand participation.

Lead party: Needham Opportunities, Inc. with support from the Selectmen.

HELPING INDIVIDUALS TO GAIN BETTER HOUSING

a. Assure fair housing practices.

Fair housing concerns include but go beyond addressing discrimination based on race and ethnicity to also address, for example, possible discrimination against renters having small children, anecdotally common because of lead paint liability concerns. The Needham Human Rights Commission needs and deserves support in pursuing fairness.

Lead party: Human Rights Commission.

b. Help develop an Individual Development Account Program.

This program is one in which income-eligible renters can in effect have a “matched savings” account for eventual housing purchase through arrangements structured through housing authorities or non-profits.

Lead parties: Needham Opportunities, Inc.

EFFORTS AT THE STATE LEVEL

a. Apply for a Commonwealth Capital Score to Allow for Application to and Funding from State Capital Spending Programs

The Town should continue to prepare and submit the application for Commonwealth Capital scoring on an annual basis or as required. The state has established Commonwealth Capital as a policy that encourages communities to

implement smart growth measures by making municipal land use regulations more consistent with smart growth principles and using these reforms as part of the evaluation of proposals for state funding under a number of state capital spending programs.

Lead Party: Planning Board

b. Save “expiring use” units.

About 80 currently “affordable” housing units in private developments are at risk of being opened to market rates because the restrictions that assure their affordability have either expired or are soon to expire. Working through how to retain affordability and continue to have the units counted as part of the state’s Subsidized Housing Inventory serves housing needs with no new construction or disruption, but does require public initiative.

Lead party: Board of Selectmen.

H. OTHER POTENTIAL HOUSING IMPLEMENTATION ACTIONS The following strategies have all been considered for inclusion in the Needham Affordable Housing Plan, but for one reason or another have not been included, some since financial circumstances appear to preclude them, some requiring further study before being proposed, even in concept, some because there is not now evidence of an adequate body of support (e.g. accessory apartments), and some simply because the need for prior actions does not permit them (e.g. expanding apartment districts, which depends upon revising multi-family rules).

1. Regulatory Actions

a. Authorize accessory apartments.

The potential contribution of accessory apartments towards improving the fit between existing housing and meeting housing needs appears to be substantial, suggesting at some point a reconsideration of the Town’s past rejection of zoning intended to legalize the common practice.

Lead party: Planning Board.

b. Expand apartment districts.

Once given more appropriate zoning text provisions for multi-family housing, it might become appropriate to reexamine the zoning map to see if some areas might be rezoned to allow such housing and require the inclusion of some amount of affordable housing.

Lead party: Planning Board.

c. Authorize Conservation Developments.

“Conservation developments” are a 21st century method of achieving what cluster zoning promised but seldom delivered: coupling housing development with preservation of open space and other natural resources.

Lead party: Planning Board.

d. Promote small lots/small home zoning.

Some communities are having success with provisions that allow relatively small lots in designated areas, coupled with restrictions that assure that the houses built on those lots are also relatively small, making it likely that although the results are unlikely to be “affordable” in DHCD’s terms, the unit will still in an

unrestricted market command lower prices than other new homes, serving the needs of those who are unable to buy into the existing market but ineligible for subsidized housing.

Lead party: Planning Board.

e. Allow large dwelling multi-unit conversion.

Where a large older home exists on a large lot, adaptation of the existing structure for multiple units might be allowed so long as the number of units created is no greater than the number possible through demolition of the house and subdivision of the land. This action would require a zoning amendment.

Lead party: Planning Board.

f. Special zoning for other Town-supported developments.

In the same spirit as the above, the Town might provide special regulatory relief for those proposing affordable units. Towns including Bourne, Sandwich, Dennis and Bellingham, among others, in various ways offer higher densities for developments that include affordable units.

Lead party: Planning Board.

2. Other actions

a. Rehab program for homeowners.

Even though housing conditions in Needham are seldom less than very good, some households do need housing rehab or adaptations for the handicapped but lack the resources. There are State programs to assist in such cases. A concerted effort should be made to make those programs easily accessible in Needham.

Lead party: Needham Opportunities, Inc.

I. SUMMARY DESCRIPTION OF USE RESTRICTIONS

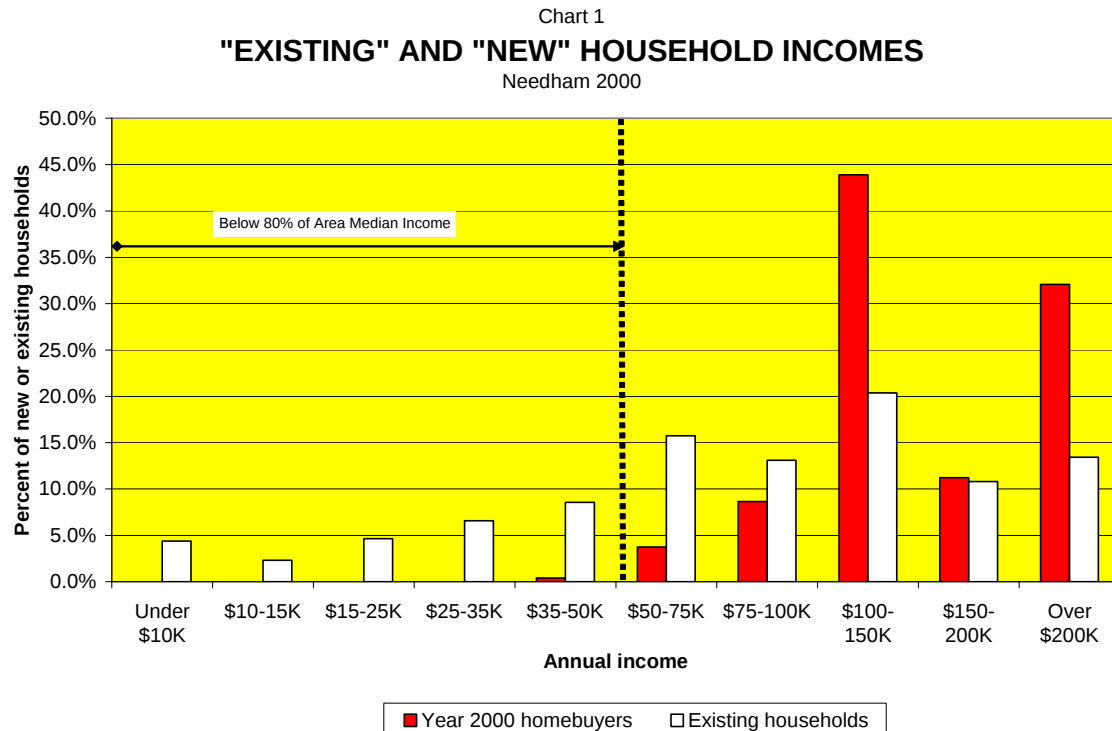
Needham is committed to maintaining its Subsidized Housing Inventory for as long a period as possible. Affordable units must serve households with incomes no greater than 80% of the area median income for which the unit is located. Units must be subject to use restrictions or re-sale controls to preserve their affordability as follows:

- For minimum of thirty years or longer from the date of subsidy approval or construction for new construction.
- For a minimum of fifteen years or longer from the date of subsidy approval or completion for rehabilitation.
- Alternatively, a term of perpetuity is encouraged for both new construction and completion of rehabilitation.

Units are or will be subject to an executed Regulatory Agreement between the developer and the subsidizing agency unless the subsidy program does not require such an agreement. The units have been, or will be marketed in a fair and open process consistent with state and federal fair housing laws.

II. INTRODUCTION

Needham is a largely residential community about ten miles southwest of Boston that includes almost 13 square miles and is home to almost 30,000 residents. As is the case with many communities in the region, Needham is becoming increasingly affluent. A significant indicator of this affluence is the housing market with average housing prices soaring beyond \$600,000. This Housing Plan provides information on housing characteristics in Needham as well as a blueprint for the Town to take a more proactive approach to promoting greater housing affordability while preserving the small town character of the community in response to the dramatic increases in housing prices and pressures from Chapter 40B.



Housing prices are doing two things to the socio-economic makeup of Needham as the chart above demonstrates. First, households are becoming wealthier. Second, the range of incomes found among the town's households is narrowing. This is occurring not so much because the new housing being built is so expensive, but rather due to housing turnover – as housing changes hands it is most frequently being sold to households having greater financial resources.

It is easier for local efforts to influence the prices and resulting household incomes associated with new dwellings than to affect market-driven housing turnover, which essentially reflects regional forces. Still a market analysis of housing conditions vividly makes three points:

- These conditions are likely to continue without substantial interventions that begin to counteract these trends.
- Needham's housing stock and home sales involve predominantly detached, single-family units. The numbers of two-family and multi-family units are small but are critical as they include the bulk of the affordable stock.

- The housing price and income stratification problem is larger than local, and therefore will require larger than local remedies, in which Needham should and is becoming an active participant.

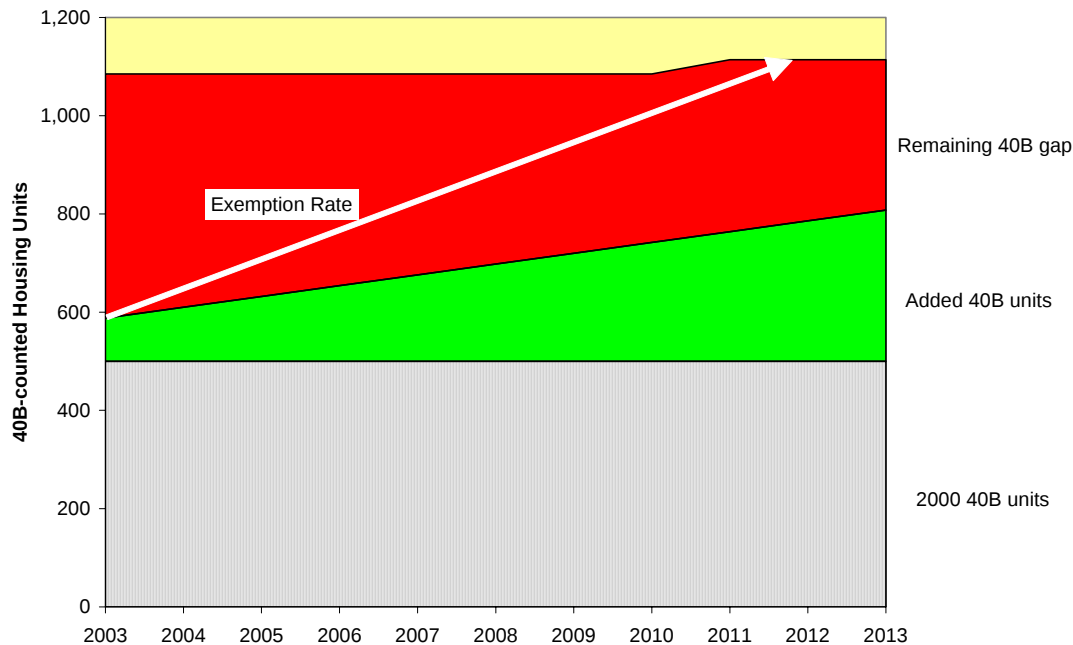
The escalation in housing prices that has recently been experienced is extraordinary. The median price for houses and condos in Needham doubled in just the past eight years. That problem is not often felt by those who have lived here through the whole of that period, but it is a severe problem for any seeking to live here for the first time, including the children of current residents. Despite Needham's residential property tax rates being substantially lower than a decade ago, even some long-term residents are being hurt by the reflection of housing market inflation in their tax bills. Since 1995 the Needham residential tax rate per \$1,000 of property has been pushed down by more than a third, essentially because of Prop 2 ½. The average single-family house tax BILL, despite that, rose by nearly 50% over that same period.

In addition to the pressures of the market that are escalating housing values, the town of Needham is also confronting housing development pressures to create new housing through the Chapter 40B comprehensive permit process that allows developers to override local zoning in exchange for producing affordable housing.³ As the chart below demonstrates, it will be a challenge for Needham to meet these production goals and it will have to become more proactive in its efforts to promote affordable housing.

³ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

NEEDHAM 40B GAP ANALYSIS

Favorable 40B revisions, robust Town actions



This chart projects the numbers of units that Needham is likely to produce over the next ten years, based on current private sector production, including Chapter 40B comprehensive permit projects, as well as additional units projected to be produced through Needham’s HUD Consolidated Plan (a Five-Year Plan required by U.S. Department of Housing and Urban Development (HUD) for participation in the HOME Program, a federal program that provides subsidies to support affordable housing initiatives). As the chart indicates, based on the current gap between the state 10% threshold and projected growth, almost 600 new units of affordable housing in the town of Needham would be required without considering future growth, an exceedingly ambitious task. This Affordable Housing Plan projects new affordable unit production of more than 700 units over the next ten years, necessary to reach the 10% state goal by 2015 based on growth projections.

For the Town to take a more proactive position towards affordable housing creation, it will be essential to plan for this new development as strategically as possible to best leverage the investment of limited resources and guide new housing creation for the benefit of existing residents and future generations. This Housing Plan begins to articulate a future course for affordable housing development for Town-approved initiatives that is based on local needs and market conditions, community input and what is working in nearby communities.

A. Purpose of Project

The purpose of this project is to build on the research and community outreach that occurred as part of the Town’s development of a Community Housing Plan as approved under Executive Order 418, and to develop production goals that will enable the Town to reach the 10% state affordable housing goal by 2015. This Plan will further enable the Town to better understand the current challenges and opportunities for developing affordable housing in Needham for low- and moderate-income individuals and households and to implement action plans on how the Town can best promote the acquisition, development and retention of affordable housing for the same

income groups throughout the community. The *context* for recommending affordable housing actions is summarized below:

- *Significant numbers of community residents have serious unmet housing needs.*
 - Those spending unsupportable shares of income on housing.
 - Those needing supportive services as well as housing.
 - Those living in overcrowded dwellings.
- *Like many nearby communities it is becoming increasingly difficult for some to live in Needham.*
 - Young “starter” households can’t begin here;
 - Seniors on fixed incomes have trouble staying here;
 - Many who provide both public and private services can’t afford to live here.
 - Options within Needham for “moving up” from subsidized housing to a larger or unsubsidized unit are very limited.
- *Housing decisions are being taken out of community hands through the Chapter 40B comprehensive permit process.*

Within this context there are also a number of *challenging uncertainties* including:

- *Fiscal strains:* Will delay in acting now risk even worse conditions later? When will the promise of compensating State assistance in return for housing efforts really be met?
- *Regulatory context:* Not only Chapter 40B but also basic planning laws are being seriously considered for sweeping change, with no current assurance of outcomes.
- *Community values context:* How strongly does the Needham community really feel about the imperatives of addressing housing? What steps is the community ready to support in acting on those feelings?

Escalating market prices for both the purchase and rental of housing have generated concern in town that many long-term residents may be experiencing difficulties paying market rents or maintaining their homes, that the children who grew up in Needham can no longer afford to live in town and raise their families, and that Town employees are unable to reside locally. The pressures of market prices are exacerbated by the town’s relative limited supply of subsidized housing. According to the state’s Department of Housing and Community Development (DHCD), 498 units, or 4.61%, of Needham’s 10,793 year-round housing units are “affordable”, well below the state’s Chapter 40B standard of 10%.

Three major obstacles impede Needham’s ability to respond effectively to this affordable housing problem. First, unlike many communities, Needham is largely developed. The town does not have substantial amounts of vacant land on which to construct new residential units. Second, housing prices in Needham (including both rental and homeownership) continue to skyrocket. Lastly, existing home prices, as well as demographics of Needham, not only make much of the housing in Needham ineligible for state and federal housing subsidies, but also place Needham as a community lower in program priority than more distressed communities.

In recognition of the growing need for affordable housing and diminishing supply due to an overheated market, the Town of Needham established a framework for becoming proactive on the

issue. In May 2002, the Board of Selectmen appointed a committee, known as the Comprehensive Community Housing Study Committee, to study the town's housing needs, consider locations for new housing development, and sponsor the implementation of zoning changes to facilitate the creation of new housing units. The Comprehensive Community Housing Study Committee included representation from the Board of Selectmen, Zoning Board of Appeals, Planning Board, Town Meeting, Housing Authority, Needham Opportunities, Inc., Needham Increased Housing Opportunities Committee (IHOC), and numerous other local leaders. The Committee was responsible for overseeing the development of a Community Housing Plan that was approved by the Board of Selectmen under Executive Order 418 in June 2004. The planning effort involved three phases. *Phase one* focused on the review and assessment of documentation and research already completed as well as the collection of new information to provide the framework for determining which affordable housing options are most appropriate for Needham's low-and moderate-income households and individuals. This research phase involved the analysis of the following: economic and housing-related data; previous plans, studies and surveys; relevant by-laws, zoning regulations, permitting and regulatory procedures; housing market conditions; building and land inventories; affordable housing models from other communities; and input from town residents, Town officials, Town committee members and real estate professionals.

Phase two involved the preparation of an overall vision statement of Needham's long-range housing goals for creating housing opportunities for low- and moderate-income residents and the preparation of an inventory of the best available strategies for developing affordable housing in Needham.

Phase three focused on specific actions to preserve and create affordable housing opportunities in Needham. Guided by the context established in phase one and the long-range vision in phase two, action plans were developed, each including a description of the strategy, appropriate party to lead the action, estimated costs, and potential affordable unit production level. These action plans provided an overall strategy to enable the Town Board of Selectmen, Comprehensive Community Housing Study Committee, Needham Housing Authority, Planning Board and Board of Appeals to chart a course for the future with respect to realizing more affordable housing opportunities in Needham.

In mid-2006, the Board of Selectmen in tandem with the Planning Board determined that it would be helpful for the Town to update its approved Executive Order 418 Housing Plan and to project production goals over a ten-year period that would enable the Town to meet the 10% state affordable housing goal. The Board of Selectmen appointed a special committee, the Affordable Housing Plan Task Force, to oversee this effort that included members from the Board of Selectmen, Planning Board, Zoning Board of Appeals, Housing Authority, Council on Aging, Board of Health and three citizens at large. Working in tandem with the Town Planner and a selected consultant, the Task Force updated the EO 418 Plan to reflect current market conditions and progress made on housing initiatives and charted annual production goals for 2006 through 2015. This Affordable Housing Plan is the result of this effort.

B. Definition of Affordable Housing

There are a number of definitions of affordable housing as federal and state programs offer various criteria. For example, HUD generally identifies units as affordable if gross rent (including costs of utilities borne by the tenant) is no more than 30% of a household's net adjusted income (with a small deduction for each dependent, for child care, for extraordinary medical expenses, etc.) or if the carrying costs of purchasing a home (mortgage, homeowners association fees, property taxes and insurance) is not more than typically 30% of net adjusted income. If households are paying more than these amounts, they

are described as experiencing housing affordability problems; and if they are paying 50% or more for housing, they have severe housing affordability problems and heavy cost burdens.

Affordable housing can also be defined according to percentages of median income for the area. Housing subsidy programs can be targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to households with incomes at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development (\$25,250 for a family of four for the Boston area) and very low-income is defined as households with incomes less than 50% of area median income (\$42,050 for a family of four). Sixty percent (60%) of area median income is used for the Low Income Housing Tax Credit Program (\$50,500 for a four person household). Low- and moderate-income generally refers to the range between 51% and 80% of area median income (\$66,150 for a family of four at the 80% level. These income levels are summarized in the table below:

**2006 Targeted Income Levels for
Affordable Housing in the Boston Area**

# of Persons in Household	30% of AMI	50% of AMI	80% of AMI
1	\$17,700	\$29,450	\$46,300
2	20,200	33,650	52,950
3	22,750	37,850	59,550
4	25,250	42,050	66,150
5	27,250	45,400	71,450
6	29,300	48,800	76,750
7	31,300	52,150	82,050
8+	33,350	55,500	87,350

2006 Median Family Income for the Boston PMSA = \$84,100

In general, programs that subsidize rental units are typically directed to households earning within 60% of median income, \$50,500 for a family of four. However, first-time homebuyer programs generally apply income limits of up to 80% of area median income. The Community Preservation Act allows resources to be directed to those within a somewhat higher income threshold – 100% of area median income.

In counting a community's progress toward the 10% threshold, the state counts a housing unit as affordable if it is subsidized by state or federal programs that support low- and moderate-income households at or below 80% of area median income under Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B). Additionally, most state-supported housing assistance programs are targeted to households earning at or below 80% of area median income, as well as some at lower income thresholds. *It is worth noting that, according to the 2000 census, approximately one-third of Needham's households are likely to be income-eligible for affordable housing using the 80% of area median income level.*

C. The Planning Process – Building a Community Dialogue on Housing

The Comprehensive Community Housing Study Committee that was charged with preparing the EO 418 Housing Plan committed itself to a rigorous community process to maximize the amount of resident input to provide a number of important benefits. First, the Committee believed it was imperative to better inform residents on the issue of affordable housing, dispelling negative stereotypes and providing forums for the public to obtain updated information on existing housing conditions with details on housing needs and the cost implications of housing market conditions. Second, the process provided an opportunity for the Committee to hear first-hand about the range of housing concerns, what residents believed were the major obstacles to new

affordable housing development and what residents considered to be the most feasible opportunities for making progress on the issue. Third, it enabled the Committee to conduct some “reality testing”, obtaining feedback from residents on what strategies had sufficient political support for implementation.

This community planning process was composed of three Community Housing Workshops, each building on the other to ultimately arrive at a general agreement, if not full consensus, on the critical elements of the EO 418 Community Housing Plan. Summaries of each of these workshops are included in Attachments 1, 2 and 3.

D. Housing Goals

From the first Community Housing Workshop there were a number of key themes that recurred throughout the discussions that provided the basis for guiding future housing strategies and form the basis for local housing goals.

- An overarching goal is to build a stronger and deeper community. The way in which housing efforts are carried out can help in bringing the community together in addressing a widely shared concern.
- A related goal is to remain a community having a broad socio-economic diversity shaped less by economic imperatives than by individual choices about the living environment. Achieving that goal entails meeting housing needs across the full range of incomes, promoting the diversity and stability of individuals and families living in Needham.
- A widely expressed goal is to have this community able to shape its own housing future, doing so with sensitivity to larger-than-local considerations but without loss of the Town’s ability to guide development outcomes. A key objective in seeking to assure local control is to meet the subsidized housing standard set by Chapter 40B, which currently calls for 10% of all housing to benefit through long-term subsidies as well as annual affordable housing goals.
- A related goal is to have assurance that new housing is appropriate to its location and context, which is made easier by achieving the above goals, but it also requires more than that, including sensitively designed regulation and cooperative development and decision-making processes.

III. HOUSING NEEDS ASSESSMENT

This Housing Needs Assessment provides a snapshot of the current housing situation in Needham focusing on an analysis of housing characteristics, affordable housing resources and resulting gaps between needs and existing resources. Key findings from this analysis, which are described in greater detail in the following sections, are highlighted in the following:

Housing Characteristics

- The 2000 census counted 10,846 housing units, an increase of 441 units since 1990. Based on building permit information, an additional 395 new housing units have been produced since then for a total of 11,241 as of the end of 2005.
- The census indicated that there were 10,612 occupied housing units – approximately 80% owner-occupied and 20% rentals – and approximately 80% of the housing units are in single-family structures.
- Needham's era of rapid growth occurred decades ago with almost two-thirds of the housing stock built prior to 1960, and more than a quarter, 27.2%, constructed prior to 1939.

Household Characteristics

- According to the 2000 census, approximately one-third of Needham's households were likely to be income-eligible for affordable housing using HUD's definition of the 80% of area median income level.
- Average incomes were increasing significantly, up 46% from \$60,357 in 1990 to \$88,079 in 2000, substantially more than the 2000 median income for the Boston area of \$65,500 according to HUD figures. These increases are demonstrated by households in all income ranges.
- The absolute numbers and percentages of those in poverty across all major categories decreased, however, there remains a population within the town with substantial income limitations, requiring public assistance to meet their housing needs
- Persons with disabilities have been especially hard-hit, since those disabilities often are income-limiting and somehow the disabled must also access supportive services. The numbers were substantial with nearly 500 workers having a significant disability that required supportive services. Another 1,400 seniors reported disabilities.
- The number of households age 25 to 34 – the age group that includes the bulk of the entry-level workers and those beginning their own families – totaled only 960 households or 9.0% of all households, a relatively low proportion of the population in comparison to other communities or the state as a whole at 14.6%.

Cost Burdens

- Based on 2000 data, almost a quarter of Needham residents were currently living in housing that was by common definition beyond their means and unaffordable.
- 20% of Needham homeowners, even though helped by having housing purchased when prices were lower, paid more than 30% of their income on housing, and of these 15% paid more than 35% on housing costs. That excessive but unavoidable cost burden distorts household budgets in harmful ways.
- Nearly half of all renters paid more than 30% of their income on rent, 40% paying more than 35%. A large share of those not excessively burdened live in Needham's subsidized housing.

- Seniors experienced the greatest cost burdens in Needham with three-quarters of elderly owners having earned less than 30% of median income spending more than 50% of their income on housing.
- Excessive cost burdens were most common among the elderly, but were also differentially felt by young adults trying to buy first homes without having the benefit of capital appreciation others can bring from earlier homeownership. Needham's young adult population of about 3,500 people aged 20 to 34 was barely half the number there would be at the regional average share of population.

Market Conditions

- The actual numbers of renters decreased from 1990 to 2000 across all income categories.
- More than one quarter of the households in Needham in 2000 reported incomes below \$50,000, which is approximately the ceiling for eligibility for any housing assistance program in that year. In sharp contrast, only two of the 508 home sales in 2000 would have been affordable to a household earning less than \$50,000.
- Not only were the highest income categories an unusually large segment of those who were purchasing homes in Needham, but households having incomes anywhere below the regional median (\$65,500 for a family of four in 2000 based on HUD figures) were virtually all shut out of the housing market.
- The affordability gap is about \$360,000 - the difference between the price of the median priced home (based on the average for all sales quoted by Banker & Tradesman of \$645,000 as of the end of 2005) and what a median income household can afford. The affordability gap is \$445,000 if the analysis focuses on those low- and moderate-income households earning at or below 80% of median income for the Boston area, or \$59,550 for a family of three (the average household size in Needham was 2.63 persons in 2000), who can afford a house costing no more than \$200,000. Based on 2000 census data, less than 5% of the homes were estimated to be valued at or below this price level. However, the dynamics of the housing market during the last few years has, for the most part, eliminated these lower home prices from the private housing market.
- Current market rents of about \$1,600 require an income of approximately \$64,000, not affordable to more than one-third of Needham residents, most particularly to those who cannot afford homeownership who represent the bulk of the rental market.
- The Needham Housing Authority waiting list persistently contains approximately 785 applicants waiting for the Authority's 316 units. About 43 of the applicants are Needham residents. The numbers are swollen by the many who broadcast applications across many authorities, but it is likely that many in real need do not apply at all.
- About 160 of the applicants on the Housing Authority's waiting list have requested an "emergency priority" because they are homeless, about to be homeless or living in an unsafe situation. These cases are of undeniably severe need. These numbers indicate that there are significant numbers living in Needham and other communities in the region that are experiencing great difficulties securing housing that is affordable and meets their needs.

A. Population and Housing Data

1. Population, Age and Household Information

The 2000 census data indicates that the town of Needham had a total population of 28,911, an approximately 5% increase over the 1990 population of 27,557. The population has remained predominantly White, including almost 95% of the population in 2000 versus 97% in 1990. In regard to the representation of other races, Asians comprised 3.5% of the population in 2000 with Black or African-American and

Hispanics both at about 1% of total residents, not significantly different from the distribution in 1990.

With respect to seniors 65 years of age or older, in 2000 there were 5,190 seniors who comprised 18% of the population, as compared to almost 17%, or 4,630 seniors, in 1990, representing only a small increase in this population. In contrast those 19 years or younger comprised more than 28% of the 2000 population, or 8,162 persons, up from almost 25%, or 7,082 children and adolescents age 20 or younger, in 1990. The median age was approximately 40 years in 2000.

Population Characteristics 1990-2000				
	1990		2000	
	#	%	#	%
Total Population	27,557	100	28,911	100
Minority Population*	833	3.0	1,499	5.2
Population Age 65+	4,630	16.8	5,190	18.0
Population 19 & under**	8,162	29.6	7,082	24.5

Source: 1990 and 2000 U.S. Census Bureau *All non-White classifications

** For 1990 the classification is age 20 and under

The total number of households increased by 452 households, or 4.4%, with the number of families decreasing only slightly, from 74.5% to 73.3%, while the number of those living alone increased somewhat from 21.2% to 23.4%. The comparison of female-headed households with children is difficult to gauge from 1990 to 2000 as the data in 1990 included female householders with and without children as opposed to those with children under 18 years in 2000 data.

Household Characteristics 1990-2000				
	1990		2000	
	#	%	#	%
Total Number of Households	10,160	100.0	10,612	100
Family Households	7,565	74.5	7,782	73.3
Married Couples/Families	6,470	63.7	6,887	64.9
Female Heads of Households*	873	8.6	337	3.2
Non-family Households	2,595	25.5	2,830	26.7

Source: 1990 and 2000 U.S. Census Bureau

The 2000 census also provided data on the distribution of households by age presented in the following table:

**Age of Householder
2000**

Age Category	#	%
Less than 24 years	60	0.6
25-34 years	960	9.0
35-44 years	2,442	23.0
45-54 years	2,432	22.9
55-64 years	1,529	14.4
65+ years	3,189	30.1
Total	10,612	100.0

Source: 2000 Census

The number of households age 25 to 34, the age group that includes the bulk of entry-level workers and those beginning their own families, totaled only 960 households or 9.0% of all households. On the other hand those householders age 65 or older counted for approximately 30% of the number of occupied units, indicating that seniors represent a substantial portion of Needham's housing market. The numbers of those in the 35-44 and 45-54 age ranges were comparable, 2,442 and 2,432 respectively, comprising together almost 46% of all householders.

2. Income

The table below demonstrates the significant increase in affluence that the town of Needham experienced from 1989 through 1999. The median household income increased 46%, from \$60,357 to \$88,079, substantially more than the median income for the Boston area in 2000 of \$62,600 according to HUD figures. Of particular note is the increase in households earning more than \$100,000, representing 21.6% of the households in 1989 and 44.6% of the households in 1999. There have also been significant increases in income levels on the other end of the income scale, with 1,759 households, or 17.1%, earning less than \$25,000 in 1989; and 11.4%, or 1,203 households, in this income range in 1999.

Income Distribution – Households 1989-1999

	1989		1999	
	#	%	#	%
Under \$10,000	647	6.3	464	4.4
10,000-14,999	339	3.3	246	2.3
15,000-24,999	773	7.5	493	4.7
25,000-34,999	886	8.6	698	6.6
35,000-49,999	1,434	14.0	909	8.6
50,000-74,999	2,350	22.9	1,668	15.7
75,000-99,999	1,618	15.8	1,389	13.1
100,000-149,999	1,271	12.4	2,158	20.4
150,000 or more	948	9.2	2,570	24.3
Median income	\$60,357		\$88,079	

Source: 1990 and 2000 U.S. Census Bureau

3. Poverty

The significant increase in income experienced by the general community is also evidenced in the data for those with incomes below the poverty level. As the following table indicates, the absolute numbers and percentages of those in poverty across all major categories have decreased.

	Poverty Status 1989-1999			
	1989		1999	
	#	%	#	%
Individuals below poverty level	896	3.3	705	2.5*
Families below Poverty level	140	1.8	121	1.6**
Female-headed hh's w/children	89	1.2	42	0.5**
Individuals 65 years +	250	0.9	201	0.7*

Source: 1990 and 2000 U.S. Census Bureau

*Percentage of total population

**Percentage of all families

Several issues must still be kept in mind when considering housing needs in Needham. First, while poverty has decreased, there remains a population within the town with substantial income limitations, requiring public assistance to meet their housing needs. Second, it is useful to consider whether some of those residents who were classified in 1990 as living beneath the poverty level managed to increase their financial resources or moved elsewhere searching for a more affordable living environment.

4. Education

In 2000, 96.4% of those 25 years and older had a high school diploma or higher and 64.9% had a college degree or higher, representing a relatively high level of educational attainment as opposed to the state at 84.8% and 40.4%, respectively. Those enrolled in school (nursery through graduate school) totaled 7,849 or 27% of the population and those enrolled in nursery school through high school totaled 6,307, 80.4% of those enrolled in school and 21.8% of the total population.

5. Disability Status

Of the 2000 population of 5 to 20 years old, 298 or 4.9% had some type of disability, and the population age 21 to 64, 1,377 or 9.0% claimed a disability but 66.2% of this cohort was employed, indicating that approximately 465 residents of working age have a significant disability that likely required supportive services. The population 65 years of age or older, 1,369 individuals or 28.8%, claimed some type of disability.

6. Residency in 1995

Of the population five years of age or older, 69.7% had lived in the same house since 1995. Of the remaining residents, 12.2% moved from somewhere else in Norfolk County, 10.9% in the same state, and 5.1% from a different state. Therefore, almost one-

third of the residents five years and older moved within the last five years indicating significant mobility of the population.

7. Housing Characteristics

The 2000 census counted 10,846 total housing units in the town of Needham, up only slightly from 10,405 units in 1990. Therefore, during these ten years a net increase of only 441 units was realized, a 4.2% increase. Since that time approximately another 395 units have been produced based on building permit information as of the end of 2005.

The 2000 data also indicate that the town has 10,612 occupied housing units and of these 8,587 or 80.9% were owner-occupied and 2,025 or 19.1% were rental units. In 1990 there were 10,160 occupied units of which 8,097 or 79.7% were owner-occupied and 2,063 or 20.3% were renter-occupied, comparable to the 2000 breakdowns.

In 2000 there were 234 units that were listed in the census as vacant representing 2.2% of the total housing stock. The homeowner vacancy rate was only 12% of the vacant units or .3% of the total housing stock. The remaining 205 units were classified as vacant rental units; for seasonal, recreational or occasional use; or in the “other” category representing about 88% of the vacant units and 1.9% of the total housing units. Vacancies were only slightly lower in 1990 with 245 vacant units, and a homeowner vacancy rate of .6% and rental vacancy rate of 3.7%. Another 42 units, or 0.4% of the total housing units, were classified for seasonal, recreational or occasional use. While the total number of seasonal units increased by 11 units, vacancy rates decreased from 1990 to 2000. However, any level of vacancy below 5% typically represents an extremely tight housing market and near complete occupancy.

**Housing Characteristics
1990-2000**

	1990		2000	
	#	%	#	%
Total # housing units	10,405	100.0	10,846	100.0
Occupied units	10,160	97.6*	10,612	97.9*
Occupied owner units	8,097	79.7**	8,587	80.9**
Occupied rental units	2,063	20.3**	2,025	19.1**
Owner vacancy rate	62	0.6*	29	0.3*
Rental vacancy rate	385	3.7*	152	1.4*
Seasonal, recreational	42	0.4*	53	0.5*

Source: 1990 and 2000 U.S. Census Bureau

* Percentage of total housing units

** Percentage of occupied housing units

Most of the housing units were in single-family detached structures, 76.8%, with 2.9% in single-family attached dwellings. Another 7.5% of the units were in small, multi-family structures of two to four units, and 1.7% of the units were in larger multi-family

structures of between 5 and 9 units. Those units in large structures of 10 units or more represented 10.94% of the housing stock. There were also 19 mobile homes remaining in Needham based on the 2000 census. The following table includes a comparison of 1990 and 2000 data.

**Units in Structure
1990-2000**

Type of Structure	1990 #	1990 %	2000 #	2000 %
1-unit detached	8,185	78.7	8,333	76.8
1-unit attached	237	2.3	317	2.9
2 to 4 units	800	7.7	813	7.5
5 to 9 units	225	2.2	187	1.7
10 units or more	901	8.7	1,177	10.9
Mobile homes	57	0.5	19	0.2

Source: 1990 and 2000 U.S. Census Bureau

This comparison demonstrates a fairly similar distribution of structure sizes in Needham between 1990 and 2000 but a significant increase of units in larger structures, 276 units, that is unusual during today's less than welcoming environment towards multi-family housing.

Almost two-thirds of the housing stock, 6,850 units or 63.2%, was built prior to 1960 with 2,960 units or 27.2% of housing units constructed prior to 1939. This relatively high level of older homes suggests that there are most likely problems associated with the existence of lead-based paint in Needham.

The median number of rooms per housing unit was 6.9 indicating that the average home had three to four bedrooms. The great majority, 73.8%, had six rooms or more, with only 10.6% with three rooms or less and 19.7% with nine rooms or more. Of the 10,612 occupied housing units, almost half of the occupants, 48.9%, moved into their units since 1990, indicating significant mobility in the housing market. More than half of the households, 53%, also had two vehicles and 13.4% with three or more cars representing significant parking needs. The 2000 census also counted 34.2% of the housing units using gas and 53.2% using oil. Less than ten housing units lacked complete plumbing or kitchen facilities.

Residential building activity since 1990 was as follows, as evidenced by building permits issued:

**Building Permit Activity
1990 -- 2005**

Year	New Single- Family Units	New Two+ Family Units	Conversion to Two- Family	Add/Alter Existing Residential Buildings	Total Residential Permits
1990	19	0	0	538	557
1991	23	1	0	566	590
1992	36	0	0	559	595
1993	34	0	0	561	595
1994	34	0	0	549	583
1995	35	0	0	700	735
1996	42	6	0	611	659
1997	56	4	0	785	845
1998	46	4	1	791	842
1999	58	3	2	473	536
2000	67	3	0	615	685
2001	65	5	0	607	677
2002	44	4	0	556	604
2003	54	12	0	559	625
2004	69	13	0	684	766
2005	73	11	0	703	787
Total	755	66	3	9,857	10,681

Source: Needham Building Department, 2006

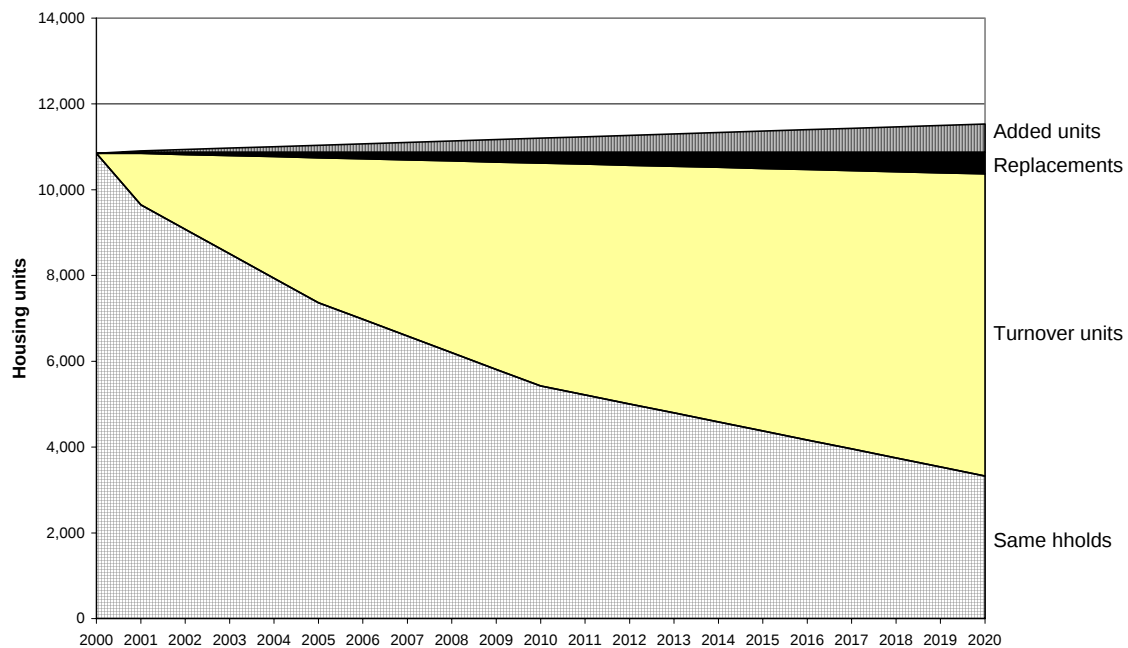
This information indicates that from 1990 through 2005, there were 821 new homes, or 887 new units, built in Needham including 350 new homes (395 units) since the 2000 census that would increase the total number of housing units to more than 11,200 units given some consideration for demolition activity. Annual production activity has increased significantly from 1990 through 2005, averaging approximately 35 units in the earlier years, doubling by the end of the decade, and last year approaching 100 units per year. Permits for additions and changes in existing homes have ranged significantly over the past 15 years, up to more than 700 permits towards the late 1990's, followed by a low of 473 permits in 1999, and once again above 700 permits in 2005.

Based on the average number of 35 new housing units produced annually from 1990 to 2002, given some demolition activity, and conservatively projecting similar trends over the next ten years, we can estimate that primarily privately-sponsored unit production will be at least 350 units over the next decade, further necessitating at least another 35 units be included as affordable based on the 10% Chapter 40B goal. It should be noted that building permit activity from 1990 to 2000 indicates 495 new units as opposed to the 441 units counted in the 2000 census, involving a discrepancy of 54 new units.

The chart below demonstrates what might happen to the Needham housing stock over twenty years of change, 2000 through 2020. Net housing additions are based on the 1990-2000 average production rate, enabling production to approach but not reach the Town's "build-out" of an additional 600 units by 2020. This chart clearly illustrates how small a share of the 2020 total housing stock new construction (added units plus replacements) represents on this basis and by comparison how huge the change resulting from turnovers turns out to be.

HOUSING CHANGE

Needham 2000 - 2020



B. Housing Market Conditions

Census data also provided information on housing values for homeownership and rental units. The census indicated that the 2000 median house value was \$385,600, up 50% from the median in 1990 of \$256,500. In 2000, a negligible number of homes were valued at less than \$100,000 while 126 homes were assessed for more than \$1 million. There were only 233 owner-occupied units, or 2.2% of the occupied housing stock, valued between \$100,000 and \$199,999 that included the bulk of the affordable housing stock.⁴ Housing values are summarized in the following table:

**Housing Values
1990-2000**

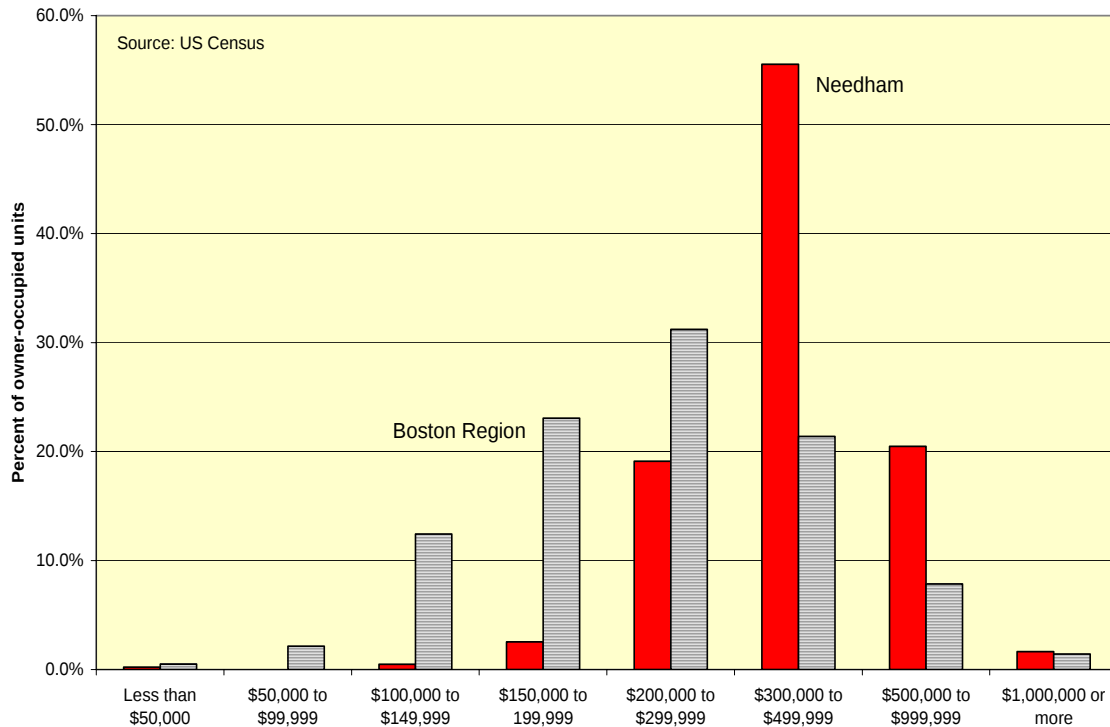
Value	1990 #/%	2000 #/%
Less than \$50,000	29/0.4	17/0.2
\$50,000 to \$99,999	44/0.6	0/0
\$100,000 to \$149,999	162/2.3	37/0.5
\$150,000 to \$199,999	891/12.5	196/2.5
\$200,000 to \$299,999	3,988/55.9	1,471/19.1
\$300,000 to \$499,999	2,022/28.3	4,274/55.5
\$500,000 to \$999,999		1,577/20.5
\$1,000,000 or more		126/1.6
Median (dollars)	\$256,500	\$385,600

Source: 2000 U.S. Census Bureau

⁴ Census housing values are derived from Assessor's data.

The comparison between 1990 and 2000 housing values demonstrates the dramatic shift upwards in housing costs. In 1990, 55.9% of the housing units were valued at \$200,000 to \$299,999, but in 2000, 55.5% of the units were instead valued in the \$300,000 to \$499,999 range. When compared to the census data for the Boston region, Needham's housing values were substantially higher as demonstrated in the following table:

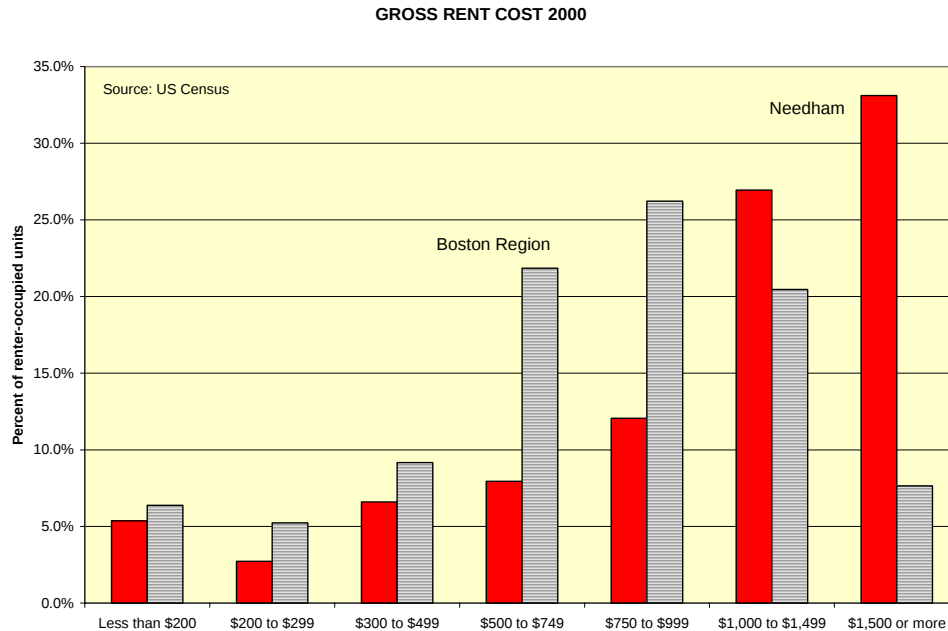
OWNER-OCCUPIED HOUSE VALUE 2000



While Needham had significantly fewer homes valued at less than \$300,000 than the Boston region overall, it has dramatically greater numbers of homes valued at more than \$300,000.

The median gross rental was \$1,289 according to the 2000 census, up almost 62% from the median contract rent in 1990 of \$798. This figure is likely to be skewed to the low end of the market range as the census included subsidized rents in addition to market rentals. Of the 2,015 rental units analyzed, 296 units, or 14.7%, had gross rents of less than \$500, and at the other end of the range 1,210 units, or 60%, were rented at more than \$1,000 per month. One hundred six (106) units were reported as having no cash rent. Local real estate listings indicate, however, that rents are actually much higher, more in the \$1,550 to \$1,700 range for two-bedroom apartments, averaging about \$1,600.

Comparisons of census data for Needham versus the Boston region for rental costs are charted in the table below:



Here again housing costs in Needham were significantly higher than those for the Boston region with fewer rental units available for less than \$1,000 per month when compared to the region and increasingly greater numbers of units with rents above \$1,000 with almost four times the number of units with rents above \$1,500.

More recent data on housing values for homes and rental units indicate significantly higher prices. According to Banker & Tradesman, which relies on the Multiple Listing Service, the median sales price at the end of 2005, was well above \$600,000. Median sales prices by year and type of housing are summarized in the following table:

Median Housing Prices 1990 - 2006

Year	Months	1-Family	Condo	All Sales
2006	Jan – Feb	\$599,125	\$350,000	\$591,289
2005	Jan – Dec	649,000	572,500	645,000
2004	Jan – Dec	609,500	379,000	599,000
2003	Jan – Dec	550,000	367,000	535,000
2002	Jan – Dec	506,000	323,950	498,250
2001	Jan – Dec	473,500	275,000	450,000
2000	Jan – Dec	425,000	239,000	415,000
1999	Jan – Dec	360,000	200,000	349,000
1998	Jan – Dec	323,892	180,000	315,000
1997	Jan – Dec	297,000	173,500	283,375
1996	Jan – Dec	285,000	174,000	275,000
1995	Jan – Dec	265,000	161,750	260,000
1994	Jan – Dec	249,000	154,500	240,000
1993	Jan – Dec	235,000	138,000	226,000
1992	Jan – Dec	224,750	133,500	216,000
1991	Jan – Dec	220,000	172,500	215,000
1990	Jan – Dec	234,000	167,500	225,000

Source: Banker & Tradesman, The Warren Group, March 15, 2006

This table demonstrates that median prices have almost tripled since 1990 with all sales averaging \$225,000 in 1990 and at \$645,000 as of the end of 2005. Prices decreased somewhat in the early 1990's, and then increased steadily throughout the rest of the decade by approximately \$10,000 to \$20,000 per year. Since 1998, prices for all sales escalated dramatically from \$315,000 to \$645,000, a 105% increase. In fact the median sales price increased \$100,000 over seven years from 1991 to 1998, another \$100,000 over the next two years, from 1998 to 2000, another \$120,000, from 2000 to 2003, and \$110,000 over the 2004 to 2005 period. As of the end of 2005, the median sales price of condominiums was \$572,500, tripling from \$180,000 in 1998. The median price for a single-family home was \$649,000 at the end of 2005, up \$224,000 or almost 53% from 2000.

C. Cost Analysis of Existing Market Conditions⁵

To afford the median house price of \$645,000 based on housing values for all sales as of the end of 2005, a household would have to earn approximately \$175,000, significantly more than the median income of \$88,079 cited in the 2000 census for Needham. The borrowing power of the average household, based on the median income of \$88,079, could support a home costing about \$284,000, increasingly more difficult to find in the town of Needham as noted above. The affordability gap is then about \$361,000 - the difference between the price of the median home and what a median income household can afford. The affordability gap is \$445,000 if the analysis focuses on those low- and moderate-income households earning at or below 80% of area median income, or \$59,550 for a family of three (the average household size in Needham was 2.63 persons according to the 2000 census), who are unable to afford a house costing more than approximately \$200,000. There are no homes on the private market that are currently affordable at this income level.

This affordability gap can be powerfully demonstrated through an analysis of the relationship between housing turnover and required household income. Sales data was collected from the Needham Assessors from the beginning of January of 2000 through the end of December 2000, deleting sales between relatives. This information was compared to the income distribution from the 2000 census. The year 2000 distribution of "existing" households by income reveals an affluent community, but one with a significant share of its population in each of the income categories included in the census. The results are indicated in a spreadsheet in Attachment 3 and through a chart – "Existing" and New " Household Incomes – on page 23 of this Plan and are summarized in the following:

- New sales were dominated by those earning \$100,000 or more, with only 4.1% of new buyers having incomes of less than \$75,000, while 43.9% of buyers had incomes between \$100,000 to \$150,000, purchasing homes of more than \$400,000.
- Almost one-third of the purchasers had incomes of more than \$200,000 giving them the buying power to purchase a single-family home costing more than \$600,000.
- There were no sales from anyone earning within 80% of median income with the exception of two condominiums.
- More than a quarter of the households in Needham in 2000 reported incomes below \$50,000, which is approximately the ceiling for eligibility for any housing assistance

⁵ Figures based on 95% financing, interest of 6.5%, 30-year term, annual property tax rate of \$8.80 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125% of loan amount, monthly condo fees of \$300, and rents for two-family homes of \$1,000.

program in that year. In sharp contrast only two of the 508 year 2000 home sales analyzed would have been affordable to a household having an income below \$50,000.

- Not only are the highest income categories an unusually large share of the newcomers to the Needham community, but also those having incomes anywhere below the regional median (\$65,500 in 2000 per HUD) were virtually shut out of the private housing market. Fewer than 4% of the new households apparently were able to find Needham housing affordable at or below such an income.

The chart included as Attachment 4 breaks the new households down into single-family buyers versus others. The “others” are those buying condos, either listed as such or likely products of a handful of two- and three-family dwelling sales. The chart makes clear that almost all of the “attainably” priced units in Needham are condos or similar units.

In regard to rentals, the gross median rent of \$1,289 in the 2000 census requires an income of \$51,560, not affordable to more than one-quarter of Needham residents, based on 2000 income data. The local rental market has softened significantly over the last several years as interest rates have made homeownership more accessible. Still, based on real estate listings, rents for two-bedroom apartments are in the \$1,550 to \$1,700 range, averaging about \$1,600, not affordable to those earning less than \$64,000, based on housing expenses within 30% of income, a standard threshold. These rents are out of reach for those who are earning within 80% of area median income and who would be most likely to seek rental housing. Market rents are well out of the range of those low-income households who are currently experiencing significant cost burdens with respect to housing.

While current housing market data tells us that the great majority of town residents cannot afford the median single-family house price of \$645,000 and more than one-third of town residents cannot afford average rents at \$1,600 per month, it is also useful to identify numbers of residents who are currently living beyond their means due to their current housing costs. The 2000 census provides data on how much households spend on housing whether for ownership or rental. Such information is helpful in assessing how many households have affordability problems, which are defined as spending more than 30% of their income on housing. Census data indicates that 1,566 homeowners, or 20% of all homeowners, paid more than 30% of their income on housing, and of these 1,127, or 14.6%, paid more than 35% of their income on housing. In regard to renters, 937, or 46.5%, of the renters who were counted in the census paid 30% or more of their income on rent, and 815, or 40.4%, paid more than 35%. Seniors experienced the greatest cost burdens in Needham with three-quarters of elderly owners earning less than 30% of median income spending more than 50% of their income on housing. As income increased, as evidenced by those earning between 51% and 80% of area median income, the cost burdens increased for renters and decreased for owners. Only 15% of elderly owners had some housing cost burden in this income category as opposed to 59% of the owners earning 31% to 50% of median income. Those elderly who were renters experienced an increase in their cost burden with 67% paying more than they should for housing, 44% with severe housing cost burdens spending more than 50% on housing. *This data suggests that almost a quarter of Needham residents were living in housing that by common definition was beyond their means and unaffordable.*

D. Subsidized Housing Inventory

Of the 10,793 year-round housing units in the town of Needham, only 498 units or 4.61% have been determined to be affordable by the Commonwealth of Massachusetts (a map indicating the locations of these units is included in Attachment 5). The State has ruled that if a municipality has less than 10% of its year-round housing stock set-aside for low- and moderate-income

residents, it is not meeting the regional and local need for affordable housing. Not meeting this affordability standard makes the locality vulnerable to an override of local zoning if a developer wants to build affordable housing through the comprehensive permit process.⁶ If Needham were to reach the state standard it would have to create another 618 units of subsidized housing – an ambitious task in the short-run.

While Needham’s share of units counted as affordable is small in relation to the state-set 10% affordability policy and regulatory target, it is not dramatically different from the levels existing in comparable communities. Interestingly, median housing costs bear no observable relationship to the level of affordable units in the community.

There are an additional four affordable units in two separate comprehensive permit projects that have received permit approvals and should now be eligible for inclusion in the Subsidized Housing Inventory. Another 372 units are in the affordable housing development pipeline that if completed will bring the count to 874 units or 8.1% of the year-round housing stock with at least 200 more units to be produced to meet the state’s 10% standard, assuming all of the pipeline projects reach completion and without consideration for housing growth.

To be counted as affordable under Chapter 40B, housing must be dedicated to long-term occupancy of income-eligible households through resale or rental restrictions. The following table presents the income limits for the affordable units based on the 2006 HUD guidelines for the Boston metropolitan area, that includes the town of Needham, directed to those earning at or below 80% of area median income adjusted by family size.

**Affordable Housing Income Limits
Based on 80% of Area Median Income for 2006**

Number of Persons in Household	Income Limit
1	\$46,300
2	52,950
3	59,550
4	66,150
5	71,450
6	76,750
7	82,050
8	87,350

Using these income guidelines a family of four could afford to purchase a house for no more than approximately \$214,000⁷. Based on housing market information described above. The current homeownership market is beyond the means of those earning the median income and is inaccessible to those of low- and moderate-income unless significant subsidies are involved. Recent home sales indicate

⁶ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households – defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income – by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

⁷ Based on 95% financing, interest of 6.5%, 30-year term and annual property tax and insurance costs of \$2,100.

that there were no sales of single-family homes for less than \$214,000, suggesting that those earning at or below 80% of area median income are virtually shutout of the current homeownership market. The condo market, while more affordable, is nevertheless beyond the means of most households with an average condo price as of the end of 2005, of \$572,500. Rentals remain the only recourse for low- and moderate-income households.

1. Current Subsidized Housing Inventory

Of the 498 units that are considered affordable by the state, 316 or 63% are owned and managed by the Needham Housing Authority (NHA) including 198 one-bedroom units for seniors and disabled individuals of any age and 120 units for families and veterans. The Authority also maintains two staffed apartments that serve eight individuals with special needs and is assigned 120 Section 8 vouchers and certificates. These projects are as follows:

- *High Rock Estates*
State Chapter 200 funding
Single-family housing
80 units (43 three-bedroom units and 37 two-bedroom units)
- *Linden-Chambers*
State Chapter 667 funding mixed elderly-disabled housing
152 one-bedroom units
- *Matthews House*
State Chapter 689 funding for special needs housing
8-bed group home
- *Captain Robert Cook Drive*
Federally-financed
Single-family housing
30 units (5 two-bedroom units, 20 three-bedroom units and 5 four-bedroom units)
- *Seabeds Way*
Federally-financed
Mixed elderly-disabled-singles housing
46 one-bedroom units

In addition to Matthews House, Needham has five other special needs housing facilities that altogether total 26 additional affordable housing units as well as 82 units in group homes for Department of Mental Retardation clients scattered throughout town. Needham also has five other projects that are a part of its Subsidized Housing Inventory that include an additional 74 affordable units that have been produced by private, for profit developers including:

- *Nehoidan Glen*
1035 Central Avenue
Total Rental Units: 61 Affordable Units: 61
- *Chestnut Hollow*
141 Chestnut Street

Variance granted in October 2000 by the Board of Appeals
Special Permit granted in December 2000 by the Planning Board
Total Rental Units: 28 Affordable Units: 6

Chestnut Hollow is a privately financed project sponsored by a local developer in Needham, Jeff Roche. The proposal for Chestnut Hollow Apartments appeared before both the Planning Department and Zoning Board of Appeals as a major renovation project of an existing non-conforming building, formerly the Hamilton House nursing home, for conversion into apartments. The nursing home was originally constructed in 1961 and contained 80 beds but closed due to changes in the health care industry.

The Chestnut Hollow apartments are unique to Needham in that this renovation was not only an “all rental-unit” development but also catered specifically to seniors. The six affordable units were designated for the elderly, aged 62 or older, with preference being given to those who currently lived in Needham or who had an affiliation with the town. Since Needham has a growing elderly population with many seniors interested in reducing their housing costs and property maintenance by downsizing, this project supported the needs of one of the town’s most vulnerable populations.

In late December of 2000, developer Jeff Roche approached the Planning Department to request special permits for Site Plan Review, alteration, enlargement and reconstruction of a non-conforming structure and for waiving strict adherence to the off-street parking requirement. Prior to making his request for special permits, Mr. Roche successfully applied for the necessary variances from the Zoning Board of Appeals in October 2000. It is extremely rare for the Needham Zoning Board of Appeals to grant any variances. Mr. Roche also partnered with the Needham Housing Authority to secure Project-based Section 8 Vouchers for the six affordable units.

The local action on the part of the Town was to grant all of the necessary special permits and variances so that this major renovation could be accomplished and the development of rental units geared toward seniors, including six affordable units, made possible. The end result is an attractive four-story apartment building with 28 units. There are 12 two-bedroom units, 15 one-bedroom units, and one studio unit. Six of the apartments will be affordable for a period of at least 20 years. The six affordable units are subsidized by the Needham Housing Authority under HUD’s Section 8 guidelines with rent a percentage of the tenant’s income. The project was completed and is fully occupied.

- *Junction Place Townhouses*

32 Junction Place

Comprehensive Permit granted in October 2000 by the Board of Appeals
Total Condominium Units: 5 Affordable Units: 2

Junction Place is a condominium project comprised of five attached townhouse units, approved by the Town for construction in November of 2001, through a comprehensive permit. The property is located at 32 Junction Place and contains approximately 11,200 square feet of land. The site was previously occupied by a small vacant two-story office building, a garage, asphalt parking area and

driveway off Junction Street, located in an urban area on the edge of a commercial district, abutting a single-family residential district. It is a short walk to the train station, shopping and the YMCA but removed from congestion because it is situated on side street and abuts a single-family residence. The developer received its financing through the New England Fund Program of the Federal Home Loan Bank of Boston.

All five of the townhouses were sold at below market prices to eligible families through a lottery system. Two of the homes were sold for \$165,000 to families earning up to 80% of the area median income with the remaining three sold for \$310,000 to families earning up to 150% of the area median income. Each of the units contains approximately 1,512 square feet including 3 bedrooms, 2 ½ bathrooms, a laundry room with a washer and dryer, a one-car garage and an outside parking space. All of the units were conveyed subject to a deed rider, containing restrictions that limited affordability in perpetuity. The project has been completed and fully occupied.

- *St. Mary Street*
199 St. Mary Street
Comprehensive Permit granted April 2002
Total Condominium Units: 12 Affordable Units: 3

The St. Mary's Street project is a townhouse condominium development with 12 condominium units in four buildings of three dwelling units per building. The property is located at 199 St. Mary Street and is bounded by St. Mary Street and I-95/Route 128 to the north and by residential homes to the east, west and south. The site was previously improved with a single-family home and was otherwise wooded and undeveloped.

The developer, R. Tocci Contracting Incorporated of Needham, received its financing through the New England Fund Program of the Federal Home Loan Bank of Boston. Three of the 12 condominiums were sold as affordable, selling for between \$105,000 and \$137,500, while the market rate units sold for between \$447,000 and \$582,300.

Nine of the units contain 2,016 square feet and three with 2,592 square feet, all including 3 bedrooms, 2 ½ bathrooms, a laundry room with a washer and dryer, an unfinished basement, a one-car garage and an outside parking space. All of the units will be conveyed subject to a deed rider, containing restrictions that limit affordability in perpetuity.

- *Browne-Whitney LCC*
207-213 Garden Street
Comprehensive Permit granted March 2002
Total Condominium Units: 6 Affordable Units: 2

The Brown-Whitney project is a condominium development with six units, two of which are affordable to low- and moderate-income families earning at or below 80% of area median income. The development was approved by the Town in March of 2002, and was subject to an appeal filed by an abutter to the property that was subsequently settled. The project is now completed and occupied. This

development was also financed through the New England Fund Program of the Federal Home Loan Bank of Boston.

The property is located at 207-213 Garden Street and contains approximately 27,132 square feet of land. Although within a single-family district, the property is located directly across the street from a business zone. Within 100-200 yards of the site there is a busy convenience store and delicatessen, and the site is a short walk to the center of Needham and public transportation.

Of the six condominiums, two affordable and sold for \$160,000 with the market rate units priced at between \$525,000 and \$759,000. The units contain 3 bedrooms, 2 ½ bathrooms, and a two-car garage and were conveyed subject to a deed rider containing restrictions that extend affordability in perpetuity.

There are two additional projects that have received comprehensive permit approvals and should be eligible for inclusion in the state's Subsidized Housing Inventory, adding four (4) more units and bringing the total inventory to 502 affordable units or 4.65% of Needham's year-round housing stock. These projects include:

- *797 Highland Avenue*
The developer, Robert Fox/The Suites of Needham LLC, filed a comprehensive permit application in 2005 and plans to build eight townhouses, two of which will be affordable. The ZBA approved the project in early 2006. The site is located on Highland Avenue, only a short walk to the MBTA station. The existing structure will be torn down to make way for the new units.
- *198-200 Nehoidan Street*
The developer of this comprehensive permit project, Nehoidan Knoll, proposed eight (8) townhouse units, two (2) affordable, on about an acre site in 2004. The comprehensive permit was approved by the ZBA in 2005. The property abuts conservation/camp land and is within one-half mile of Town Center and a commuter rail station.

2. Pending Subsidized Housing Inventory

There are three other projects where comprehensive permit approvals have been issued but actual development is stalled due to appeal or litigation. These projects include:

- *Greendale Avenue*
The developer of this comprehensive permit project, Burt Development, proposed a 36-unit townhouse development initially in 2002, to include nine (9) affordable units. The ZBA denied the application in 2003, which caused the developer to submit an appeal to the state's Housing Appeals Committee, which overruled the ZBA and allowed the developer to build 24 units (6 affordable). If after sale of the 24 units, the profit is less than what the developer would have realized with 32 units (not to exceed 20%), it was agreed that he could then build the minimum additional units needed to reach the profit level up to a cap of 32 units. Twenty-five percent of all additional units would also have to be affordable. The neighbors subsequently filed suit in Superior Court, which was dismissed, however, the developer did not renew his option to purchase the property in 2005, and development is currently pending his ability to acquire the site.

- *28 Webster Street*
The developer of this project, Webster Street Green LLC., proposed a total of ten (10) condominium units, three (3) of which would be affordable on approximately one acre. The comprehensive permit was filed in April 2005, and the ZBA approved the project in October 2005 for eight units. The developer has submitted his appeal to the state's HAC and is awaiting a decision.
- *21 High Street*
The developer, Hemark Realty Trust, filed the comprehensive permit application in 2003, and proposed building twelve units, three (3) to be affordable, on an about 27,000 square foot lot that is within walking distance to public transportation. The ZBA approved six units but the developer was unwilling to go below eight units and has appealed the decision to the state's Housing Appeal Committee.

3. Proposed Projects

There are four additional proposed projects with projected unit totals of 372 units, ranging from two very small projects to a large 350-unit Chapter 40B project.

- *Additional Units at High Rock Estates*
The Needham Housing Authority is planning to increase the number of units in their High Rock Estates development of 80 single-family units by replacing 20 such units with 40 units in 20 two-family structures. The Town approved the necessary zoning to allow the development to move forward in 2001. The Housing Authority is currently in the process of securing project financing and expects to begin construction in 2007.
- *Charles River Landing (300 Second Avenue)*
The Town of Needham has entered into an agreement with the developer, Cabot, Cabot & Forbes, to build 350 rental units through a "friendly" Chapter 40B process and as such jointly submitted an application to the state's Department of Housing and Community Development (DHCD) to participate in the Local Initiative Program (LIP). While 25% of the units will be affordable to low- and moderate-income households earning at or below 80% of area median income, involving 88 units, all of the units can be counted as part of the state's Subsidized Housing Inventory and Needham's affordable housing stock will increase from 4.61% of its year-round housing to 7.86%, bringing it considerably closer to the 10% goal.

The project site is located on Second Avenue at the outer edge of the New England Business Center, adjacent to a residential neighborhood and overlooking the Charles River. The parcel contains 7.9 acres and will promote a number of smart growth principles as it is served by existing infrastructure, is located in proximity to town services, transportation and employment, promotes higher density housing and includes affordable housing.

Most of the units are directed to non-families as they have no more than two bedrooms. The affordable units are distributed among all apartment types, and 70% of the units can be reserved for those living or working in Needham.

The developer filed the comprehensive permit application in August of 2006, and is projected to receive its comprehensive permit approval in late 2006 and to begin construction in 2007.

- *540 Hunnewell Street*
The developer, High Cliff Estates, Inc., proposes to build three (3) units, one (1) of which would be affordable, on a small 6,673 square foot lot that is within walking distance to the commuter rail. The developer filed the comprehensive permit in March 2006 and ZBA hearings have begun.
- *Bancroft/Brookline*
This parcel is currently owned by the Town of Needham, which issued a Request for Proposals to secure a developer to build an affordable home on the site. Habitat for Humanity was the winning respondent and will build a single-family house on the lot for a first-time homebuyer.

E. Gaps Between Existing Need and Current Supply

As the above affordability analysis indicates, gaps remain between what most current residents can afford and the housing that is available. In fact the current homeownership market is priced well above those earning even the median income.

The Buildout analysis that was performed by the state's Executive Office of Environmental Affairs (EOEA) in 1999 to 2000 projected that the town of Needham could support at least another 606 housing units at the time for a total build-out of almost 11,500 units, *assuming current zoning*. Based on unit production since the 2000 census, Needham had more than 11,200 units as of the end of 2005, coming increasingly closer to the state's projected buildout. The EOEA Buildout analysis further projected 1,562 additional residents, 236 of whom would be school children. Infrastructure requirements to support these additional units include 117,148 gallons of water per day and 801 tons of municipal solid waste, 570 of which would not be recyclable. The state Buildout analysis also projected that new development would require the equivalent of eight new miles of roads.

This analysis indicated that in order to meet the 10% state standard (current gap of 581 units), and in anticipation of projected growth based on past housing activity, more than 700 units of affordable housing would have to be created, suggesting that all new units would have to be affordable to reach the 10% state goal at projected build-out, which could not be accomplished without rezoning. Based on past housing construction patterns, this goal is extremely ambitious and unlikely to be achieved without a considerable investment of resources and political will, if not a continued infusion of Chapter 40B projects.

It is unlikely that if this is even possible, the affordable housing that is produced will be sufficient to meet local needs. Six hundred new affordable units may not be enough to meet the existing need and demand, much less potential future needs, based on the following indicators:

- Almost a quarter of Needham residents were currently living in housing that was by common definition beyond their means and unaffordable.
- Census data indicated that 1,566 homeowners, or 20% of all homeowners, paid more than 30% of their income on housing, and of these 1,127, or 14.6%, paid more than 35% of their income on housing.
- In regard to renters, 937 or 46.5% of the renters who were counted in the census paid 30% or more of their income on rent, and 815 or 40.4% paid more than 35%.

- Seniors experienced the greatest cost burdens in Needham with three-quarters of elderly owners earning less than 30% of median income spending more than 50% of their income on housing.
- Those low- and moderate-income families, small and large, who were renters were experiencing significant problems affording to live in Needham. However, the numbers of these families declined since 1990 with only 121 small families and 33 large families counted as tenants with incomes of less than 95% of area median income by the census, with as much as half of these with some affordability problems.
- As income increased, as evidenced by those earning between 51% and 80% of area median income, the cost burdens increased for renters and decreased for owners. Only 15% of elderly owners had some housing cost burden in this income category as opposed to 59% of the owners earning 31% to 50% of median income. Those elderly who were renters experienced an increase in their cost burden with 67% paying more than they should for housing, 44% with severe housing cost burdens.
- For moderate-income households, those earning 81% to 95% of median income, the shift in cost burdens from owners to renters continued with more than half of the renters paying more than 30% of their income on housing, including 78% of seniors who were renting in this income category. Twenty-eight percent of all renters had severe cost burdens, including two-thirds of seniors.
- The Needham Housing Authority waiting lists include approximately 785 applicants at any given time, including about 43 who live in Needham. About 160 have requested an emergency priority because they are homeless, about to be homeless or living in an unsafe situation. These numbers indicate that there are significant numbers living in Needham and other communities in the region that are experiencing great difficulties securing housing that is affordable and meets their needs.
- More than one-quarter of the households in Needham in 2000 reported incomes below \$50,000, which was approximately the ceiling for eligibility for any housing assistance program in that year. In sharp contrast, only two of the 508 home sales in 2000 would have been affordable to a household earning less than \$50,000.
- Not only were the highest income categories an unusually large segment of those who were purchasing homes in Needham, but households having incomes anywhere below the regional median (\$65,500 for a family of four in 2000 based on HUD figures) were virtually all shut out of the housing market.
- Based on 2000 census data, less than 5% of the homes were estimated to be affordable to a household earning at or below 80% of area median income. However, the dynamics of the housing market during the last few years has completely eliminated these lower home prices from the private housing market.
- The gross median rent of \$1,289 required an income of \$51,560, not affordable to more than one-quarter of Needham residents, most particularly to those who cannot afford homeownership who represent the bulk of the rental market.
- Approximately 465 residents of working age had a significant disability that likely required supportive services. Of the population 65 years of age or older, 1,369 or 28.8% claimed some type of disability.
- The number of households age 25 to 34 – the age group that includes the bulk of the entry-level workers and those beginning their own families – totaled only 960 households or 9.0% of all households, a relatively low proportion of the population in comparison to other communities and suggesting a strong need for starter housing.

There is therefore a sizable population of those who are seniors, have special needs and/or have very low incomes who have significantly reduced capacity to secure decent, safe and affordable housing. A

broader range of housing options is required to meet these varied needs. It will be a great challenge for the town of Needham to create enough affordable housing units to meet the state's 10% affordable housing standard as well as the needs of its existing residents, particularly in light of current constraints to new development.

F. Property Inventory

The Board of Selectmen formed an Open Space Working Group in 2002 to a.) Identify all Town-owned parcels; b.) Gather information about each parcel including present use, designation and management; and c.) Determine whether each parcel should remain under its current designation and use or whether the particular location and/or characteristics suggest a transfer to a new manager for another use.

The Working Group was chaired by Selectman Gerry Wasserman and was comprised of representatives of the Planning Board, Conservation Commission, Park and Recreation Commission, School Committee, Finance Committee and Housing Authority. The Town Administrator also served as a member of the Working Group. The Group reviewed 157 parcels and considered a variety of possible new uses including conservation land, affordable housing, recreation and other municipal uses. The Group examined each parcel and arrived at a recommendation based on its particular location, use and characteristics. Most of the parcels were designated as Category A parcels, meaning that they were either active or planned municipal use parcels (e.g., school building, recreational field, municipal pumping station) and were determined to be unsuitable for any other municipal or private purpose. Other Category A parcels were so designated because they were "protected" by state statute as conservation land (Massachusetts General Laws Chapter 40, Section 8C) or were purchased for certain public purposes under Article 97 (e.g., educational, recreational, park land, water protection and conservation of natural resources), such that the designated use cannot be changed without a two-thirds vote by Town Meeting and a two-thirds vote of the State Legislature. There was further consensus among Working Group members that certain "unprotected" parcels ought to be protected by transferring the jurisdiction of those properties to either the Conservation Commission or Park and Recreation Commission.

The Working Group identified 16 parcels that had the potential for redesignation. Of these, the following properties were considered for affordable housing (To see numbers on map, see Attachment 6):

- *Parcel 8 (Stephen Palmer Building/Senior Center on Pickering Street).* This parcel should continue to be used for housing and endorsed the efforts of the Selectmen to expand the amount of housing the building can accommodate and insure affordability of some of the units.
- *Parcels 4 (the unimproved lot at the corner of Bancroft and Brookline Streets) and 6 (presently houses the Department of Public Works Water Pumping Station).* Parcel 4 is a potential building lot for a single-family or two-family residence and Parcel 6 has available land at the front of the parcel for potential building lots, provided that DPW is certain it will never need the land for the future expansion of its present facility or for other public purposes.
- *Parcel 13 (Emery Grover Building).* Unless or until the School Committee determines that it has no further use for this parcel, it should remain "undesigned", however some consideration should be made for its possible use as housing.
- *Parcel 14 and a portion of Parcel 26 (undeveloped parcel on Central Avenue adjacent to the RTS).* Combining Parcel 14, an undeveloped parcel of approximately six acres, with

unused land on the adjacent transfer station site known as Parcel 26 should also be considered, with the possibility of a mixed-use project in the future to include housing, conservation and park and recreation purposes provided the parcel is not needed for DPW purposes.

- *Parcel 2 (undeveloped parcel of approximately two acres located across Mills Field on Gould Street).* The parcel was purchased in 1942 for recreational and educational purposes and would therefore require a 2/3 vote of the Massachusetts Legislature to change its use. The Housing Authority asserted that the appropriate use was housing while the Conservation Commission suggested that the parcel does provide some wildlife habitat that would be lost by development. The Conservation Commission indicated it would consider supporting the redesignation of the parcel to a housing use provided other Needham land that is presently unprotected but of greater value for conservation purposes be redesignated as protected conservation land.

There were a number of additional parcels that might bear some future consideration for some amount of affordable housing including the following:

- *Parcel 3 (undeveloped parcel at the corner of Harris Avenue and Great Plain Street).* Much of this parcel contains wetlands and is undevelopable. Additionally, it was determined that the property was purchased for the Town's water supply and any redesignation would require an Act of the Legislature under the provisions of Article 97 of the Massachusetts Constitution. The Conservation Commission believes strongly that the parcel should remain "as is", however the Housing Authority felt just as strongly that a portion of the site could be developed for housing.
- *Parcel 1 (undeveloped parcel at the corner of Dedham Avenue and South Street).* This parcel is located adjacent to the Department of Public Works Water and Sewer Division building and is entirely forested by mature pine trees. This parcel sparked considerable controversy as three options were discussed including a.) part of the parcel is developed as housing, b.) that it should be placed under the protection of the Conservation Commission, and c.) that DPW might utilize a portion for the expansion of its facilities.
- *Parcels 37,49 and 156 (Nehoiden Park).* Much of these parcels contain wetlands, however, the Town might explore their possible reuse for a combination of housing and conservation purposes if the Park and Recreation Commission determines that it has no further use for the parcels. Further studies in regard to wetland delineation are necessary before a final determination can be made.
- *Parcel at Broadmeadow Road and Great Plain Road.* This parcel is approximately an acre in size and is located along the commuter rail in close proximity to the Hersey MBTA station. The parcel has an Article 97 restriction and the Town would have to secure state legislative approval to allow the development of housing.

Attachment 6 includes a map of these potential Town-owned development sites.

G. Local Housing Organizations

There are three key organizations that are responsible for carrying out the housing and community development plan: The Town of Needham, the Needham Housing Authority, and the non-profit Needham Opportunities, Inc. The Town of Needham and Needham Housing Authority are public entities while Needham Opportunities, Inc. is a private non-profit organization comprised of local experts and activists, Town officials, and residents of public housing.

1. Town of Needham

The Town of Needham, through its Planning Office, is coordinating this planning effort and provides staffing for the HOME Consortium. The Town appointed the Comprehensive Community Housing Study Committee in August 2002 to discuss ways to implement the recommendations of a study undertaken on the housing needs of Needham's senior citizens and to oversee the preparation of a housing plan under Executive Order 418 funding directed to meeting the housing needs of all residents, while insuring the preservation of open space and the overall character of the town. Members of the Committee represented various boards and organizations as well as other interested citizens. Likewise, in coordination with the Board of Selectmen, the Affordable Housing Plan Task Force was appointed to oversee this planning effort, to update the EO 418 Plan and incorporate production goals.

2. Needham Housing Authority (NHA)

The Needham Housing Authority (NHA) operates 316 units of affordable housing including 198 one-bedroom units for seniors and disabled individuals of any age and 120 units for families and veterans. The Authority also maintains two staffed apartments that serve eight individuals with special needs and is assigned 120 Section 8 vouchers and certificates. These projects are as follows:

State Public Housing

- High Rock Estates
State Chapter 200 funding for family housing
80 units (43 three-bedroom units and 37 two-bedroom units)
- Linden-Chambers
Chapter 667 funding for mixed elderly-disabled housing
152 one-bedroom units
- Matthews House
Chapter 689 funding for special needs housing
8-bed group home

Federal Public Housing

- Captain Robert Cook Drive
Single-family housing
30 units (5 two-bedroom units, 20 three-bedroom units and 5 four-bedroom units)
- Seabeds Way
Mixed elderly-disabled-singles housing
46 one-bedroom units

NHA also recently managed a \$2 million modernization project that will expand the living areas and renovate the kitchens of units in their High Rock Estates project. Additionally, they are redeveloping 20 single-family houses into 20 duplexes, creating 20 additional units to be sold as affordable condominiums to income-eligible families, also in the High Rock Estates project. The Housing Authority also envisions the redevelopment of the Linden-Chambers project to create additional units.

3. Needham Opportunities, Inc.

Needham Opportunities, Inc. was established in 1998 as non-profit organization to develop affordable housing and job opportunities for Needham residents with low- and moderate-incomes. Board members bring expertise in banking, real estate, and legal

issues related to affordable housing development and represent several Town boards, the Needham Housing Authority, and Needham Housing Authority Tenant Associations. This organization will serve as the Town's Community Housing Development Organization (CHDO) for activities funded through the HOME Program.

A number of agencies or Commissions serve the special needs populations in Needham providing some level of supportive housing services. These agencies include Springwell, Charles River Association for Retarded Citizens, Needham Council on Aging, the Needham Board of Health, and Needham Commission on Disabilities.

IV. BARRIERS TO PRODUCING AFFORDABLE HOUSING AND MITIGATION MEASURES

The barriers to housing affordability in the Boston region have been repeatedly identified in published reports, with strikingly consistent observations including *Getting Home: Overcoming Barriers to Housing in Greater Boston*⁸. While sharp reductions in state and federal funds for housing have contributed to the problem, the region's mismatch between demand and supply is widely seen as the result of both state and local actions that constrain land availability, create regulatory impediments, and add to the costs of construction. The potential for reducing those barriers through action in Needham are limited by the Town's regional location, small land inventory, and maturity of development, but some opportunities for possibly doing so do exist.

These barriers should also be viewed within the context of the Chapter 40B comprehensive permit process that enables developers to bypass local zoning regulations if the town or city has less than 10% of its year-round housing targeted to affordable housing, per state requirements, and if at least 25% of the proposed units are affordable based on the state's Chapter 40B definition. During the last few years, Needham has encountered increasing numbers of comprehensive permit applications, largely in response to the soaring real estate prices that enable developments to include significant numbers of affordable units because the high prices of market units in effect are able to subsidize the affordable ones. In communities throughout the Commonwealth, Needham is no exception; many local residents and leaders have expressed their dissatisfaction concerning the town's loss of control over land use decisions in the case of Chapter 40B applications. The vehement opposition of some residents, particularly those who live in close proximity to comprehensive permit projects, has unfortunately had a polarizing effect in many communities where there is simultaneously an increasing awareness of the growing scarcity of affordable homes and apartments among residents who are committed to planning and mobilizing resources to create more affordable opportunities for local residents. The frequently contentious nature of comprehensive permit decisions has ignited the issue of affordable housing, making it increasingly difficult for communities to reach consensus on what to do, if anything, about the diminishing supply in face of pressing housing needs.

A. Existing Housing Circumstances

Needham is estimated to have only about 1,100 vacant acres, including undevelopable wetland and riverfront areas. That land supply has the building potential under current zoning for only about 600 dwellings at build-out, just a 5% increase above the current 11,000 plus housing units

⁸ Charles Euchner with Elizabeth Frieze, published by the Pioneer Institute and Harvard University's Rappaport Institute, January 2003.

existing in the Town. Capacity for only about 30 additional multi-family units exists on undeveloped land under current zoning⁹.

Ninety percent of the Town's total land area and 98% of its undeveloped residentially zoned land area is zoned for single-family residential development. A bit less than half of that area allows roughly four dwelling units per acre (10,000 square foot lots), the rest requiring one-acre lots, except where special regulations such as partial wetlands exclusions require lower densities. Only about 4% of the Town's land area is zoned to allow multi-family dwellings, 98% of it already developed to the full extent allowed by zoning.

Subsequent to Needham's building boom years of the early 1980s and until just recently, homebuilding in Needham has averaged fewer than fifty dwelling units per year, the housing stock growing at a rate of about ½% per year. A substantial share of that building occurs through redevelopment of previously developed sites, "recycling" land rather than consuming vacant land. That building includes many single-lot "tear-downs" of relatively small dwellings being replaced with substantially larger ones, leaving the number of dwelling units unchanged, but increasing their value and diminishing their potential affordability.

B. Past Actions Supportive of Future Housing Affordability

That Needham has less than 5% of its housing "counted" as affordable for purposes of Chapter 40B is an indication that barriers to housing affordability do indeed exist here. Before reciting some of them, it is important to note that the Town has in fact done many things in its regulatory system that are helpful towards affordability efforts. The modest level of "affordable" units is largely (though not entirely) a consequence of the Town's location and history, taken together with regional forces. These are among the things for which the Town deserves positive consideration¹⁰:

- Almost half of the Town's land area is zoned for only 10,000 square foot lots, an allowable lot size relatively rare in the Route 128 suburbs.
- Two-family dwellings are allowed by right across a limited land area.
- The Town recently approved the Community Preservation Act that will provide an important local resource in support of community housing.
- Apartments or multi-family units are allowed by special permit on the second floor of buildings in the town's commercial areas, but Town Meeting recently approved the allowance of housing in the second floor as well as the half story above the second floor in the Central Business District. Zoning was also amended to promote underground parking in the Central Business District by exempting the floor area of the parking garage in the calculations for determining the maximum floor area ratio.
- Boarding houses (SROs) are allowed on special permit across that same area and also in industrial districts.

⁹ Data from build-out studies prepared for the Town of Needham by the MAPC under the MA EOEA EO-418 Build-out program, 2000, in particular Map 3 "Composite Development: Town of Needham" and related notes.

¹⁰ More details on many of the items is contained in the Needham "FY2003 Request for Housing Certification," submitted to DHCD July 17, 2002.

- The Town's Apartment Districts allow multi-family development by right without need for a special permit for that use (requiring it only for site plan approval).
- Several forms of residential development flexibility are provided: Flexible Development (4.2.4), Planned Residential Development (4.2.5), Residential Compound (4.2.6), Dimensional Reductions (4.2.7).
- Mixed residential/business use has been anticipated in the Zoning and accommodated to some degree, more in some districts (Avery Square and Hillside Avenue Business) than in others.
- The Town's Subdivision Regulations are straightforward, without any unusually demanding provisions.
- The Town has NOT done some of the things that impose barriers in many similar communities, including growth timing or phasing controls, or punitive health or wetlands restrictions.
- The Town's split tax classification results in a residential tax rate that is about half that paid by businesses and being less than 1% of value is less of a "barrier" than would otherwise be the case.
- The Town Meeting has shown a willingness to rezone property to accommodate affordability efforts (High Rock Development).
- Building, sewer, and other development fees have in the past been waived for affordable developments.
- Town officials commonly make good-faith efforts to work with applicants to facilitate timely progress through the regulatory system, rather than using it as a "hurdle."

C. Current Challenges and Mitigation Measures

While housing goals articulate a commitment to producing affordable housing in Needham, it will be a great challenge for the town to create enough housing to meet the state's 10% affordable housing standard, production goals and local needs, particularly in light of current constraints to new development including:

1. Regulatory Barriers

Given the circumstances of the Town, the following are regulatory barriers to housing affordability that, to some degree, could in the future be mitigated, reduced, or eliminated by the Town. These findings describe the current regulatory context and have informed the action plans incorporated in this Plan).

- *The extent of multi-family zoning is extremely limited.* There is a near-absence of developable vacant land that is zoned to permit multi-family housing, even two-family dwellings. Actual development of multi-family housing now generally occurs as redevelopment of already developed sites, through rezoning by town meeting, through a variance from zoning, or through a Chapter 40B override of applicable zoning. That barrier could be reduced through either revising rules in some existing zoning districts to allow multi-family development or through revising the zoning map to include existing developable land in types of districts

that would allow multi-family development. This Housing Plan includes housing strategies to address multi-family zoning including pursuing housing in the Town Center and perhaps other business areas that involve rezoning for higher density mixed-uses and multi-family housing (Section VI.A.1) and refining its multi-family zoning rules (see below). There are other zoning provisions that deal with multi-family housing included in Section VII of this Housing Plan for future consideration..

- *The multi-family rules are seriously limiting.* The various Apartment Districts provide among them a fair range of allowable densities up to 18 units per acre, but are clearly designed for “garden apartment” configurations. More modern approaches, such as a Neo-Traditional Design, would be frustrated by the combinations of setback, frontage, height and FAR rules. There have been recent progress on amending the Zoning Bylaw to allow mixed-use development, but preclude many potential configurations. Except in certain limited locations and circumstances, multi-family parking must equal 1½ spaces per unit without reduction to reflect shared occupancy with uses having staggered peak demands. Such contemporary uses as co-housing, congregate housing, live/work spaces, or single room occupancies (SROs) can conceivably be fashioned under Needham zoning, but nothing in the Bylaw provides guidance or indication of such being the Town’s intent. This Housing Plan proposes that the Town look into how it can effectively update and refine its multi-family zoning rules to accommodate new multi-family development (Section VI.B.2). There is also a strategy on expanding Apartment Districts included in Section VII of this Housing Plan for future consideration.
- *No provisions exist for accessory dwellings.* Two-family dwellings are allowed by right either as initial construction or by conversion of a single-family dwelling throughout the General Residence District as well as in the Apartment Districts and certain business districts. That presumably provides a means by which one could in effect create an accessory dwelling under the current zoning. In the majority of the Town’s land area, however, two-family dwellings are prohibited, and the Bylaw makes no mention of accessory dwellings, effectively making them a prohibited use in these areas. The creation of clear rules for accessory dwellings would remove that barrier. This action is included in Section VII of this Housing Plan for future consideration.
- *Neither requirements nor incentives exist for affordability in housing.* Nearly a third of the municipalities in Massachusetts have incorporated some form of inclusionary zoning or affordability incentives into their zoning¹¹, but to date Needham has not done so. “Incentives” at minimum can effectively reduce costs for those intending to develop affordable housing and if strong enough might even result in some developers, acting out of self-interest, deciding to include affordable housing in their proposals. “Inclusionary” rules oblige some share of specified types of housing development to provide some level of affordability. Such provisions could assure that, at minimum, the housing that utilizes the last vestiges of developable land does not in that process worsen the imbalance between affordable units and the overall developed stock of housing in the town

¹¹ Herr Associates, *Zoning for Housing Affordability*, for the Massachusetts Housing Partnership Fund, 2000.

and the region. This Housing Plan proposes the adoption of an inclusionary zoning provision (Section VI.B.1). Additionally, the strategy to facilitate housing in the Town Center, now currently under study by a consultant, will include an inclusionary requirement that will establish a precedent for this action in Needham (see Section VI.A.1).

2. Availability of Subsidies

Financial resources to subsidize affordable housing preservation and production as well as rental assistance have suffered budget cuts over the years making funding more limited and extremely competitive. Communities are finding it increasingly difficult to secure necessary funding and must be creative in determining how to finance projects and tenacious in securing these resources. Needham approved the Community Preservation Act in November 2004. Community Preservation funding will offer Needham an important resource for affordable housing production, but the Town will, nonetheless, need further support from state and federal resources as well as private investment. While Needham is making progress, for example, the Town also successfully secured technical assistance funding from the Executive Office of Environmental Affairs to help it plan for the Town Center, this Housing Plan includes strategies to secure additional affordable housing funding including the submission of ongoing Commonwealth Capital applications (Section VI.D.7), the development of a committed loan pool for affordable housing (Section VI.D.2), the promotion of employer assisted housing (Section VI.D.3), and the solicitation of private donations (Section VI.D.4).

3. Community Perceptions

Residents in most communities are concerned about the impacts that any new development will have on local services and quality of life, and many may also have negative impressions of affordable housing in general. Therefore, local opposition to new affordable developments is more the norm than the exception. Needham proposes launching an ongoing educational campaign to better inform local leaders and residents on the issue of affordable housing to help dispel negative stereotypes, provide up-to-date information on new opportunities and to garner political support (Section VI.D.1).

V. PRODUCTION GOALS

Using the actions summarized in Sections VI. and VII, the Town of Needham has developed production goals to chart affordable housing production activity over the next decade. The projected goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year. The goals are based largely on the following criteria:

- To the greatest extent possible to promote greater public benefits, at least fifty percent (50%) of the units that are developed on Town-owned parcels should be affordable to households earning at or below 80% of area median income, depending on project feasibility. The rental projects will also target some households earning at or below 60% of area median income and lower depending upon subsidy program requirements.
- Projections are based on no fewer than four (4) units per acre. However, given specific site conditions and financial feasibility it may be appropriate to decrease or increase density as long as projects are in compliance with state Title V and wetlands regulations.
- Because housing strategies include some development on privately owned parcels, production will involve projects sponsored by private developers through the standard

regulatory process or the “friendly” comprehensive permit process. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability to at least 30% to the greatest extent feasible.

- The projections involve a mix of rental and ownership opportunities. The Town will work with private developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals with special needs to offer a wider range of housing options for residents.

NEEDHAM PRODUCTION GOALS TEN YEAR AFFORDABLE HOUSING PLAN

Strategies In Place	Units < 80% AMI	Total Units	Strategies Under Consideration	Units < 80% AMI	Total Units	Total < 80%	Grand Total
Year 1 - 2006						0	0
Charles River Landing (rental/LIP 88 of 350	350	350				350	350
540 Hunnewell Street (40B/Ownership)	1	3				1	3
Subtotal	351	353				351	353
Year 2 - 2007							
High Rock Estates (mix of rental and ownership, NHA)	20	20				20	20
Private Development	7	28				7	28
Subtotal	27	48				27	48
Year 3 - 2008							
Private Development	7	28	Stephen Palmer	25	25	32	53
Brookline/Bancroft Habitat	1	1				1	1
Subtotal	8	29		25	25	33	54
Year 4 - 2009							
Linden Chambers Senior rental	30	30	Town Owned Parcel/Gould	6	12	36	42
Private Development	7	28	Affordable Covenants/Scattered Sites	2	2	9	30
			Needham Center Redevelopment	12	40	12	40
Subtotal	37	58		20	54	57	112
Year 5 - 2010							
Private Development	7	28	Needham Center	6	24	13	52
Yurick Road (NHA)	10	10	MBTA Joint Venture	88	88	98	98
			Inclusionary Zoning	2	13	2	13
Subtotal	17	38		96	125	113	163
Years 1 - 5 Sub-total	440	526		141	204	581	730
Year 6 - 2011							
Private Development	7	28	Needham Center	6	24	13	52
			Inclusionary Zoning	2	13	2	13
			Affordable Covenant/Scattered Site Dev.	2	2	2	2
Subtotal	7	28		10	39	17	67
Year 7 - 2012							
Private Development	7	28	Needham Center	6	24	13	52
			Inclusionary Zoning	2	13	2	13
			Affordable Covenant/Scattered Site Dev.	2	2	2	2
Subtotal	7	28		10	39	17	67
Year 8 - 2013							
Private Development	7	28	Needham Center	6	24	13	52
			Inclusionary Zoning	2	13	2	13
			Affordable Covenant/Scattered Site Dev.	2	2	2	2
Subtotal	7	28		10	39	17	67
Year 9 - 2014							
Private Development	7	28	Needham Center	6	24	13	52
			Inclusionary Zoning	2	13	2	13
			Affordable Covenant/Scattered Site Dev.	2	2	2	2
Subtotal	7	28		10	39	17	67
Year 10 - 2015							
Private Development	7	28	Needham Center	6	24	13	52
			Needham Center/MBTA	50	50	50	50
			Inclusionary Zoning	2	13	2	13
			Affordable Covenant/Scattered Site Dev.	2	2	2	2
Subtotal	7	28		60	89	67	117
Total Years 1 - 10	475	666		241	449	716	1115

Summary

Strategies in Place	475	Current Qualifying Units	498
Strategies Under Consideration	241	Required to meet 10% Threshold:	1210
Total	716	Surplus/Deficit	4

If the Town meets the goals of this Ten-Year Plan, it would surpass its 10% affordable housing goal per the requirements of Chapter 40B.

Some of these estimates do not earmark particular projects as being directed to seniors, families, individuals or special needs populations. However, this Plan projects that all of these needs will be addressed through local development efforts during the next ten years.

VI. HOUSING ACTION PLAN

Based upon the context outlined in the above Housing Needs Assessment and Affordable Housing Program, the actions to be taken over the next five years might be considered under four broad categories: Organization and Planning, Regulation, Development and Ongoing Efforts. Some actions possibly fit under two or more of these categories but are placed into one just for convenience. At least some effort should be initiated on each of these actions almost immediately, in some cases leading to quick achievement. Other actions by their nature can be well-begun within the next ten years but may well take longer to complete. There are still further actions whose implementation deserve consideration during this initial period, and if it later proves appropriate, might be added to this initial action plan.

This Plan suggests that this set of actions alone could raise the level of subsidized housing to the 10% goal. Furthermore, moving on these initial actions may well make feasible and supportable further potential actions. A sampling of possibilities for those is described in the later section "Further Potential Housing Implementation Actions."

In addition to descriptions of the actions, this report provides information on the appropriate party to lead the action, projected administrative costs, and estimated affordable unit production. It is useful to note that despite passage of the Community Preservation Act in Needham and the availability of some local funding to support the implementation of the Plan, it will still be essential for the town to work creatively and cooperatively with other public and private partners on funding these actions. Note that the order of items within each category has no significance, either with respect to judged importance or priority for action.

A. Planning

1. Facilitate housing in the Town Center and perhaps other business areas

Providing housing in and around the Town Center can add 24-hour life and vitality to that area and is a direction enjoying wide support. The challenge is to forge a collaborative effort among property owners, business managers, housing interests, and the municipality to continue to promote mixed-use and housing development in certain business areas, certainly including Needham Center and Chestnut Street, plus possibly other areas including the New England Business Center and mixed-use 128 districts in the longer term. Some relatively recent progress has been made with Town Meeting approving the allowance of housing in the second floor as well as the half story above the second floor in the Central Business District. Zoning was also amended to promote underground parking in the Central Business District by exempting the floor area of the parking garage in the calculations for determining the maximum floor area ratio.

Further incentives through zoning use and dimensional regulations such as height, setbacks, and FAR could also be addressed, as well as parking, finance, marketing, and other aspects of creating an attractive context for investment in bringing housing into business areas.

If properly scaled, located, designed and priced, housing within the Needham Center and Chestnut Street area can help maintain and build on the vitality of those areas for business as well as providing a welcome form of housing choice likely to be attractive to some who are poorly served by current housing resources, including young people, starter households, seniors, and others. Some of those units might contribute to the Town's supply of affordable housing.

Consideration of the applicability of the state's Chapter 40R and 40S regulations should also enter into plans to better integrate housing into commercial areas. The key components of these regulations are that "the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income".¹² The production of housing through 40R brings several types of financial incentives to communities that establish these Overlay Districts and create higher density, mixed-use development.

A 2003 MIT student study of the area provided a welcome point of beginning discussions about redevelopment opportunities in the Town Center, and the Town has recently received state technical assistance funding to hire a consultant to prepare a master plan for the area that will require the integration of some level of affordable housing. The results of this work are due in the spring of 2007 in sufficient time to bring zoning changes to the spring Town Meeting. In moving forward, it is important to keep in mind that no other proposed initiative received as strong support as this one in the Community Workshops that were held as part of the EO 418 planning process and perhaps no other is as complex.

Lead Party: Planning Board and Board of Appeals

Timeframe: Two-Year Action. Work with selected consultant to prepare plans for the Town Center and prepare recommendations by spring of 2007 for consideration by the Board of Selectmen and Town Meeting.

Administrative Cost: Conceivably as much as \$80,000 in staff and consultant costs.

Estimate Affordable Unit Production: The HUD Consolidated Plan projects ten new affordable units would be produced through this strategy. If successful, it is easy to imagine at least six affordable units added per year for several years following the adoption of new zoning, 42 units within the timeframe of this Ten-Year Plan.

2. Develop guidelines for the housing that would be a community benefit

Most of the units produced under Affordable Housing goals are projected to be sponsored by private developers. As an aid to both non-profit and for profit housing development organizations, the Town should consider developing "Housing Guidelines" that are descriptive of what Needham seeks in affordable housing on issues such as locations, scale, siting, density, levels of affordability, and design, to make "win/win" outcomes more likely. Clarifying in advance what qualities the Town seeks in housing developments would help reduce the conflicts over individual affordable housing proposals. What levels of affordability are sought, and how does that vary by location or

¹² Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, "A Housing Strategy for Smart Growth and Economic Development: Executive Summary," October 30, 2003, p. 3.

density? What are the housing targets: elderly, starter households, big families, and/or individuals? When is rental preferred over owner-occupancy? Does it matter if project-based contributions to housing wind up being located on sites separate from the market units?

Needham's zoning provides little guidance regarding what the Town seeks in affordable housing. Even if it did so, under the current provisions of Chapter 40B that guidance would have little or no authority for projects proposed under those provisions. That silence on what the Town wants no doubt contributes to the often-voiced citizen complaint that housing being proposed is inappropriate to its location and context in myriad respects, and that Needham is acting reactively, rather than pro-actively, regarding housing development.

Needham Zoning Section 6.6 Complex Developments illustrates use of guidelines as opposed to standards for indicating preferences. Section 6.6.4 goes a considerable way towards giving guidance without pre-designing projects. MassHousing has adopted guidelines regarding development density as a condition of their writing site approval letters: not more than the greater of four times the zoned density or eight units per acre. Newton's Housing Partnership is considering a guideline that to gain their endorsement no project should displace more existing housing units at affordable prices than the number of such units that it will provide. Lexington prescribes in substantial detail its preferences in affordable housing: deed riders specifying resale prices or rental levels keyed to buyer affordability, rather than to an inflation index as has been common practice elsewhere;¹³ desired distribution of units across levels of affordability from low to moderate to middle income; preference for family rather than elderly units; acceptability of affordable units being smaller than market units if nearly indistinguishable visually; preference for other than large single-family houses; and support for shared living arrangements for elderly or handicapped. Additionally, some communities, such as Grafton, have established local policies for guiding "friendly" 40B developments that can be reviewed and adapted to Needham.

Lead Party: Planning Board.

Timeframe: Two-Year Action. Develop Housing Guidelines within the next two years.

Administrative Cost: Probably no more than minor staff time costs or at most consultant costs for drafting provisions, not likely to exceed \$5,000.

Estimated Affordable Unit Production: Projected to support privately developed projects projected to total 427 units.

B. Regulation

1. Develop rules for inclusion of affordable housing in new development

The Town should explore inclusionary zoning, requiring the inclusion of affordable housing in certain developments, offsetting that with incentives such as higher densities. Inclusionary zoning is not currently a part of Needham's Zoning Bylaw, however, an inclusionary component will likely be part of the rezoning for the Town Center, now currently under study. Inclusionary zoning has been adopted by many communities to insure that any new development project over a certain size would include a set-aside in numbers of affordable units or funding to support the creation of affordable housing. Most municipalities that have inclusionary zoning in place, one-third of the

¹³ Needham is also implementing this practice of indexing resale prices to income instead of market value.

municipalities in the Commonwealth, are reaping the rewards of these actions through the creation of actual affordable units or cash contributions to the locality for investment in affordable housing production. Without such a zoning provision every new “conventional” development widens the Town’s 40B gap.

Lead Party: Planning Board

Timeframe: Two-Year Action. Adopt inclusionary zoning within the next two years.

Administrative Cost: Possibly no more than minor staff time costs or at most consultant costs for drafting revisions, not likely to exceed \$5,000.

Estimated Affordable Unit Production: 12 units.

2. Explore updating and refining multi-family zoning rules

There is essentially no vacant developable land zoned for multi-family housing in Needham. Getting acceptance of rezoning to accommodate new multi-family development would be inhibited by the poor control provided by the current multi-family provisions. These requirements, inherited from an earlier era and neither attracting developer interest nor assuring an outcome compatible with 21st Century Needham, need reconsideration, perhaps replacement.

The Town’s apartment zoning regulations were crafted years ago for garden apartments and do not accommodate more contemporary formats. Multi-family dwellings are allowed under zoning in A-1, A-2 and A-3 districts as a matter of right, and on special permit in the Center, Chestnut Street, and Avery Square business districts. Multi-family housing may also be developed as attached single-family dwellings in Single Residence A and B districts and in Rural Residence C districts if part of a Planned Residential Development (PRD) under special permit.

No location has yet been zoned to allow use of the A-3 district rules, which are the most restrictive of the three Apartment districts. The A-2 district has been used only once, for North Hill. With that exception, A-1 districts have been the primary medium for multi-family development in Needham. The key rules for that district are those governing density (up to a generous 18 units per acre), setbacks (25 foot front yard, 20 foot side and rear yards), height (40 feet or three stories) and parking (1½ parking spaces per unit). Since apartments are allowed by right in the Apartment districts, no special permit review and hearing is entailed, but rather only minor site plan review by the Planning Board or major site plan review by the Design Review Board and Planning Board, depending upon project size. In neither case are those Boards given more than vague guidance regarding review criteria and no clear basis for denying an application if it meets the basic rules.

Those A-1 requirements seem very inviting to developers given the generosity in density rules, lack of complex stipulations, and by-right process, but essentially no developable land is so zoned. Town meeting might be very reluctant to rezone for such generous rules while having so little guidance for the developer or controls for the Town. Requirements in A-2 and A-3 districts are potentially less inviting to developers because of their lower allowable densities, and like A-1 they lack both specific design guidance and a special permit process. Planned Residential Development, on the books for many years, has such uninviting rules that it has yet to be used. Permitting multi-family in various business districts has also been on the books for many years with no takers for reasons to be explored elsewhere but easily imagined, including too-strict parking and dimensional controls.

Needham has many provisions dealing with multi-family development, but if the Town in fact seeks such development those rules require reconsideration to make them serve the interests of both those who would create or live in such developments and those into whose vicinity such development would be introduced. It may be worth exploring the possible applicability of incorporating multi-family districts in the New England Business Center or mixed use 128 areas.

Lead Party: Planning Board.

Timeframe: Five-Year Action. Implement changes during the next five years.

Administrative Cost: Possibly no more than minor staff time costs or at most consultant costs for drafting revisions, not likely to exceed \$10,000.

Estimated Affordable Unit Production: If implemented towards end of five years, new production will result starting in years 6-10.

3. Waive application fees for affordable housing where appropriate

The waiver of application fees has proven to be a help in getting affordable housing efforts under way, both in Needham, where waivers have been granted on a case-by-case basis, and in other communities, so much so that such waivers are now helpful in gaining funding from potentially supportive funding agencies, which, in some cases, make such waivers a pre-requisite for assistance. Waiver of regulatory fees is an area that the Town might have some capability to directly affect project costs and affordability. The Town should continue to waive permit fees to support affordable housing projects where such waivers are deemed appropriate and useful for promoting project feasibility.

Lead Party: Zoning Board of Appeals and Board of Selectmen.

Timeframe: Two-Year Action.

Administrative Cost: None.

Estimated Affordable Unit Production: This action is unlikely to by itself create affordable units, however, it represents a commitment on the part of the Town to support new affordable unit production that will help leverage other public and private resources for project financing.

C. Development

Using Public Properties to Serve Housing Needs

1. Provide for housing development on selected parcels of Town-owned land

The contribution or “bargain sale” of land owned by the Town but not essential for municipal purposes could have a catalytic effect in launching housing efforts in the public interest. The Board of Selectmen appointed an Open Space Working Group to review Town-owned land and to make recommendations regarding most appropriate uses. While the Group was unable to reach consensus regarding final determinations for all parcels, at least several parcels were identified for development as housing with at least a significant portion of the units designated as affordable. These recommendations, while making modest provisions for new housing production, should be actively pursued. In fact the Town is making progress on this action, recently accepting the proposal from Habitat for Humanity on the development of the Town-owned parcel at the corner of Brookline and Bancroft Streets for the construction of an affordable home for a first-time homebuyer in response to a Request for Proposals. A list of these potential sites is included in Section III.F.

Once the sites have been identified, the Town should establish development criteria for each site (i.e., first-time homebuyer versus rental, special site considerations, design guidelines), prepare and issue a Request for Proposals (RFP), select a developer/contractor and oversee development. The Town may also want to consider transferring the site to the Needham Housing Authority or Needham Opportunities, Inc. to manage the RFP and oversee development.

The major steps involved in such development might include the following:

- Identify property for development,
- Secure approval from Town Meeting to convey property for development to incorporate at least some affordable housing,
- Explore technical assistance funding from DHCD, EOEA or other entity to hire a consultant(s) to conduct preliminary feasibility analysis and prepare a Request for Proposals (RFP) for builders/developers (additional consultant time could be included as a required line item in project budget),
- Establish project criteria (e.g., design guidelines, community preference criteria, income mix, type of financing, ownership and management),
- Prepare and issue Request for Proposals,
- Select builder/developer,
- Finalize plans and budget,
- Obtain necessary regulatory approvals,
- Secure financing,
- Start construction,
- Market and select tenants/homebuyers,
- Complete construction,
- Occupy property, and
- Manage property and monitor affordability restrictions including annual income recertification of tenants in the case of affordable rental units.

Lead Party: Board of Selectmen.

Timeframe: Ongoing.

Administrative Cost: Possibly no more than minor staff time costs or at most consultant costs for coordinating the RFP, developer selection process, development oversight, and marketing not likely to exceed \$5,000.

Estimated Affordable Unit Production: 15 units.

2. Support efforts to complete funding for High Rock Estates expansion

Needham Housing Authority's High Rock Estates project currently includes 80 single-family units – 43 three-bedroom units and 37 two-bedroom units – that are available to families and veterans. The Authority is planning to demolish twenty units and replace them with two-family structures bringing the total number of units in the project to 100. Half of the new units will be produced as rental housing and the other half reserved for first-time homeownership. The Housing Authority has conducted the initial feasibility analyses, with the support of a consultant, and is in the process of securing additional professional assistance to prepare funding applications for state funds. The Town can continue to play a positive role in this effort in working with the Housing Authority to insure that adequate funding is available to make this expansion effort possible.

Lead Party: Needham Housing Authority

Timeframe: Two-Year Action. Continue to plan for the redevelopment of this project and raise necessary funds for a construction start in 2007.

Administrative Cost: Staff time and consultants to support funding applications and coordinate planned HOME Program funding of approximately \$2,000.

Estimated Affordable Unit Production: Twenty new units through the demolition of twenty existing single-family homes and redevelopment of ten rental units and ten new ownership units.

3. Seek improvements and expansion of the Linden-Chambers project and development of Yurick Road.

The Linden-Chambers project includes 152 one-bedroom units for the elderly and disabled and is owned and managed by the Needham Housing Authority. While there are no specific plans in place, the Needham Housing Authority has been interested in the prospects of redeveloping the project to improve the existing apartments and accommodate more units. The Consolidated Plan prepared by the Town for HUD suggests the potential addition of 30 units.

The Housing Authority owns a parcel of land along the commuter rail line on Yurick Road that is projected to accommodate five duplexes or two-family homes for a total of ten affordable units.

Lead Party: Needham Housing Authority

Timeframe: Five-Year Action. Begin planning for redevelopment during the next two years and implement within the next five years.

Administrative Cost: Costs of preparing funding applications and coordinate planned HOME Program funding of approximately \$4000.

Estimated Affordable Unit Production: 40 units of rental housing for seniors at Linden-Chambers and an estimated 10 units at Yurick Road.

4. Restructure the Stephen Palmer Building

In 2003, the Board of Selectmen established a special committee to explore the redevelopment of the former Stephen Palmer School that was renovated in the 1980's into 28 apartments. The Town leased the building to a private management company, which is halfway through a 50-year lease. The terms of the lease require that the apartments be rented to tenants over 55 years old at affordable rates. However, the building has not adequately served as elderly housing due to existing unit configurations and the absence of an elevator. Moreover, affordability was not defined in the lease and consequently the units, while below market, are above state standards of affordability. The current situation is not beneficial to either the management company because it cannot charge sufficient rents to properly maintain the building, or the Town. Therefore, Committee worked with the management company for a period of time to develop a plan for redeveloping the building.

Progress has been hindered by the complexity of changing the existing lease agreement as well as the needs of the Senior Center, located in the building, to expand. It is anticipated that a renovated and expanded building could provide up to 50 units of affordable or mixed-income elderly housing. This housing would be developed through the rehabilitation of the existing building and possible construction of an addition on the parking lot side of the building overlooking Green's Field. This project represents a priority strategy for the Town of Needham through the ability to accomplish multiple goals including the conversion of existing below market units into state-defined

“affordable” units, the creation of additional “affordable” units, the development of new much needed affordable housing for seniors in the Town Center near transportation and services, and the renovation of a key property in the downtown that is increasingly showing signs of age and neglect.

The Town-appointed special committee has been reinvigorated to find a feasible solution to the redevelopment of this important building and hopes to have a development plan in place by 2007.

Lead Party: Board of Selectmen

Timeframe: Two-Year Action. Continue to plan for the redevelopment of this project and raise necessary funds for a construction start in 2008.

Administrative Cost: Some staff time or consultant costs to support the necessary regulatory process, help access appropriate sources of financing, insure affordability of at least one-quarter of the units, and promote the overall redevelopment plan ranging up to \$10,000.

Estimated Affordable Unit Production: Depending on the numbers of units created and mix of incomes, approximately 50 units of housing will be produced, including a projected 25 affordable units.

Seeking Supportive Use of Private Resources

5. Support scattered-site single and two-family developments

The Town can continue to work with for profit and non-profit developers on opportunities to develop new infill housing on available sites scattered throughout town. The Town can play a helpful role in supporting developers in applying for subsidies to insure that at least some of the units are affordable and can be included in the Town’s Subsidized Housing Inventory or can negotiate “friendly” Chapter 40B projects through DHCD’s Local Initiatives Program, MassHousing’s Housing Starts Program, or the Federal Home Loan Bank Board’s New England Fund. Needham’s HUD Consolidated Plan proposes investing local HOME funds on this strategy to provide housing for renters and first-time homebuyers including helping those on Section 8 move to homeownership. Additional resources to support such development can be accessed through the state and federal governments. Junction Place provided the Town with an excellent model of this type of infill development. Habitat for Humanity is working with the Town on the development of a Town-owned parcel and remains interested in developing additional new affordable homes in Needham.

Lead Party: Needham Opportunities, Inc. or other nonprofit or for profit developer.

Timeframe: Ongoing.

Administrative Cost: Minor costs of staff time and possibly costs of a consultant involving approximately \$5,000.

Estimated Affordable Unit Production: The HUD Consolidated Plan projects eight units through this strategy, four units of rental and four units of homeownership. However, this number could be significantly higher, perhaps up to 20 units per year, with a more aggressive posture of working with area developers on affordable housing development based on the Town’s Housing Guidelines as recommended in strategy II.A.4. above.

6. Explore transit area redevelopment and adaptive reuse.

In pursuit of smart growth principles – including more efficient land use, more compact development patterns, less dependence on the automobile, and a wider range of housing

choices – many communities are increasingly focusing on redevelopment opportunities near transportation nodes. Needham has four transit stations that represent opportunities for redevelopment over time to enhance the vitality and safety of these areas, increase densities to better integrate mixed-uses, and to offer more housing options including but not limited to live-work spaces, senior housing, starter condominiums, mixed-income assisted living, and apartments for young professionals who want to be in a more village setting and near transportation and services. Needham is already entering into discussions with the MBTA on the prospects of developing some amount of affordable housing on a particular MBTA-owned property. Because of the increasing interest in smart growth, new resources are also becoming available to support the integration of housing in transit centers to support local efforts including Transit-Oriented Development (TOD) and Commercial Area Transit Neighborhood Improvement Program (CATNIP).

To further promote smart growth development, the Town should explore opportunities to convert existing nonresidential properties into housing, including some amount of affordable housing.

Lead Party: Planning Board and Board of Selectmen.

Administrative Cost: This action might require considerable staff time costs and consultant costs for planning, rezoning, and development that could be as high as \$25,000 over time for each project, however many of these costs could be covered by other predevelopment financing sources from the state and federal government, depending upon how the project is configured, and ultimately incorporated into project costs.

Estimated Affordable Unit Production: Could be significant over time, perhaps 100 units within the decade. Initial project plans project 30 affordable units.

7. Pursue “buy-down” efforts

The Town should pursue efforts to increase the numbers of affordable units within existing housing developments or proposed projects. Available HOME Program funds and/or CPA funding could provide needed financial support that would fill the gap between the market price of a unit and affordable purchase price. This strategy would allow the Town to leverage a higher level of affordability in any development, for example, more than 25% in a comprehensive permit project.

Lead Party: Needham Opportunities, Inc.

Administrative Cost: Staff costs to identify opportunities and negotiate agreements could be covered by CPA or HOME Program funding, potentially reimbursed out of project costs, likely not to exceed \$5,000.

Estimated Affordable Unit Production: 10 units

D. Ongoing Facilitation Efforts

Reaching Out and Making Connections to Serve Housing Needs

1. Conduct educational programs

During the Community Housing Workshops as part of the Executive Order 418 planning process, there appeared to be a growing consensus on the need for community outreach on the issue of affordable housing. This outreach was conceived to focus on activities to better inform local leaders and residents on the benefits associated with the development of affordable housing, to dispel negative stereotypes, and to increase local support – both political and financial – for housing production.

Outreach could initially be directed to local officials and committees and then followed by more formal public efforts directed to the entire community through the local press and media. Additional community outreach to various local groups (e.g., churches, PTA's, women's clubs, fraternal organizations, American Legion, realtors, Chamber of Commerce, hospitality organizations, Council on Aging, etc.) could occur through speakers or information meetings, and a newsletter or some progress report could be prepared for general distribution.

The presentation of this Affordable Housing Plan offers an opportunity to showcase the issue, providing information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. It may also be useful for the Town to sponsor special forums to present the Housing Plan, opening these up to the public to better sensitize community residents and local leaders on the issue. In addition to meetings that focus on this planning effort, other public education opportunities could be coordinated by Needham Opportunities, Inc. including having representatives from other towns speak in public forums on innovative affordable housing strategies, and organizing panel discussions on particular housing-related topics. These sessions can help build community interest, improve communication and garner support. It may also be feasible to have local banks support such an effort with financial and/or technical assistance.

Lead Party: Needham Opportunities, Inc.

Timeframe: Two-Year Action and ongoing. Begin work on this strategy immediately following approval of this Plan.

Administrative Cost: Minor staff time and donated time of volunteers.

Estimated Affordable Unit Production: Unlikely to have a direct impact on housing production.

2. Access new financial resources

As is the case with many other communities, Needham can work in partnership with area lenders on affordable housing initiatives to secure new funding resources for local efforts. For example, Needham is eligible to participate in the Soft Second Loan Program, which is administered by the Massachusetts Housing Partnership Fund. This program provides discounted mortgages to first-time homebuyers with incomes at or below 80% of area median income and increases a homebuyer's purchasing power by approximately 20% without increasing the monthly mortgage costs. The program makes homeownership more affordable by providing a second mortgage for 20% of the purchase price, where only interest is due for 10 years (in some cases the state will also waive interest payments). Also, private mortgage insurance is not required despite low down payments of 3 to 5%.

Additionally, because of the location of four commuter rail stations in Needham, the Town might consider working with lending institutions to make special mortgage financing available that provides advantageous mortgage terms and conditions to those who rely on public transportation. For example, MassHousing's Take the T Home Mortgage Program was launched in cooperation with 20 eastern Massachusetts banks and the MBTA, making no-down payment loans available at favorable rates. There are also a number of communities that have received commitments from local lending institutions to invest in loan pools with below market interest rates that are available for a range of housing activities including new development, purchase/rehab projects, and home repairs. The Town might also explore working in partnership with local banks on accessing state

funds from MassHousing including mortgages for first-time homebuyers and loans for home repairs and deleading.

Because of the age of most of the homes in Needham, it is likely that lead paint is prevalent in Needham, requiring abatement measures when occupied by children. MassHousing administers the “Get the Lead Out Program” that provides 100% financing for lead paint removal on excellent terms that are based on ownership status and type of property. For example, an owner-occupied, single-family home may be eligible to receive a 0% deferred payment loan up to \$20,000 that is due when the house is sold, transferred or refinanced. MassHousing requires that the program be serviced by an approved local rehab agency, something Needham currently does not have in place but could access from a nearby community.

Lead Party: Needham Opportunities, Inc.

Timeframe: Two-Year Action and ongoing.

Administrative Cost: Minor staff time.

Estimated Affordable Unit Production: This action will unlikely on its own increase the number of units in the Subsidized Housing Inventory but will provide resources to support local housing needs.

3. Work with larger employers towards employer-assisted housing

Consideration should be given to working with local and regional non-profit housing organizations and local business organizations to explore how to facilitate large employer housing assistance efforts. Recent studies have documented that the high housing prices in the Boston area are forcing many individuals and families to seek employment in other parts of the country where the cost of living is more affordable. Some large employers, in recognition that it is becoming more difficult to attract and keep employees, are finding it advantageous to offer financial benefits that will make living in the area more affordable, referred to as Employer-Assisted Housing (EAH). These benefits might include grant funding to support down payment and closing costs; a forgivable, deferred, or repayable second loan to write-down the costs of the new home; a matched savings plan; and homebuyer education. Assistance can also be provided to renters with funding for the payment of security deposits or last month’s rent. Needham may want to reach out to area employers to solicit their interest in such efforts and to encourage partnerships between developers, for profit and non-profit, in housing development. Needham could also consider exploring opportunities through the Employer-Assisted Housing Initiative sponsored by the Greater Boston Chamber of Commerce, with CHAPA providing assistance to employers to design programs tailored to the needs of their particular employees and provide information on community housing resources.

Lead Party: Needham Opportunities, Inc. with support from the Board of Selectmen.

Timeframe: Two-Year Action. Begin discussions with area employers as well as the Greater Boston Chamber of Commerce and CHAPA within the next year.

Administrative Cost: Staff time or consultant costs of approximately \$5,000.

Estimated Affordable Unit Production: This action will unlikely on its own increase the number of units in the Subsidized Housing Inventory but will provide resources to support local housing needs.

Helping Individuals Access Better Housing

4. Assure fair housing practices

The Federal Fair Housing Act was enacted more than three decades ago to promote fair and equal access to housing and prohibit discrimination on the basis of race, color, religion, sex, national origin, handicap or familial status. Massachusetts also has its Fair Housing Act that adds sexual orientation, marital status, ancestry, veteran status, children, age, and those who receive public assistance or rental subsidies to prohibitions against discrimination. Owner-occupied, two-family homes are exempted from these requirements. It is incumbent on any community to enforce these fair housing regulations, and the Town of Needham has directed this responsibility to its Human Rights Committee. The Human Rights Committee should determine what housing-related complaints have been received and to work towards some resolution of problems, if any, to the greatest extent possible. For example, several nearby communities have encountered discriminatory practices against families with children due to lead abatement regulations.

The WestMetro Consortium, which includes the Town of Needham, has applied through the City of Newton for a HUD Fair Housing Incentives Education and Outreach Grant. This grant provides Fair Housing training and technical support to member communities to help further Fair Housing within each community. Through this grant, Needham will analyze its impediments to Fair Housing Choice and will create an Action Plan for the community.

Lead Party: Human Rights Committee.

Timeframe: Ongoing

Administrative Cost: Minor staff time and a HOME contribution to a regional study on Fair Housing practices

Estimated Affordable Unit Production: Unlikely to have a direct impact on actual housing production.

5. Help develop Individual Development Account Program

The community non-profit, Needham Opportunities, Inc., is planning to implement an Individual Development Account (IDA) program (a form of matched savings) to allow public housing tenants to save for homeownership, to move into private rental housing, to support the costs of higher education, or to start a business. HOME funding might be needed to help cover down payment and closing costs for these households transitioning from public housing and rental assistance to homeownership. Using HOME funds and other resources, the Town should support this initiative.

Lead Party: Needham Opportunities, Inc.

Timeframe: Two-Year Action. Raise the necessary resources to implement this strategy within the next two years.

Administrative Cost: Minor staff time from the Planning Office to coordinate HOME Program funding and other costs of approximately \$2,000.

Estimated Affordable Unit Production: The HUD Consolidated Plan projects at least four homeowners will become homeowners through this strategy, however, it is unlikely to have a direct impact on actual housing production.

Efforts at the State Level

6. Apply for a Commonwealth Capital Score to Allow for Application to and Funding from State Capital Spending Programs

It is important for the Town to apply for Commonwealth Capital scoring. The state has established Commonwealth Capital as a policy that encourages communities to

implement smart growth measures by making municipal land use regulations more consistent with smart growth principles and using these reforms as part of the evaluation of proposals for state funding under a number of state capital spending programs including:

- Self Help/Urban Self Help (EOEA – DCS)
- Urban River Visions Implementation (EOEA)
- Agricultural Preservation Restriction Program (EOEA – DAR)
- Bike and Pedestrian Program (EOT)
- Transit Oriented Development Bond Program (EOT)
- Public Works Economic Development Program (EOT)
- Community Development Action Grant Program (DHCD)
- Coastal Pollutant Remediation Grant Program (EOEA – CZM)
- Drinking Water Supply Protection Grant Program (EOEA)
- Economic Development Fund (formerly Ready Resource Fund) (EOEA)
- State Revolving Fund (EOEA – DEP)
- Land Acquisition Programs (EOEA – DCR, DFG)
- Urban Brownfields Assessment Program (EOEA)
- Commercial Area Transit Node Grant Program (DHCD)
- Affordable Housing Trust Fund (DHCD)
- Housing Stabilization Fund (DHCD)
- Off-Street Parking Program (EOAF)
- Land & Water Conservation Fund (EOEA – DCS)
- Housing Development Support Program (DHCD)

The state's goal is to invest in projects that are consistent with the Office of Commonwealth Development's Sustainable Development Principles that include:

1. Redevelop first;
2. Concentrate development;
3. Be fair;
4. Restore and enhance the environment;
5. Conserve natural resources;
6. Expand housing opportunities;
7. Provide transportation choice;
8. Increase job opportunities;
9. Foster sustainable businesses; and
10. Plan regionally.

Grant applicants to the programs listed above apply directly to each of the specific programs, but additionally, each municipality must apply annually to the state's Office of Commonwealth Development (OCD) for a Commonwealth Capital score. Needham has already submitted its first application for Commonwealth Capital and obtained scores for fiscal years 2005 and 2006. This resulting score is used for all Commonwealth Capital programs to which a community applies that year. The Town should continue to prepare and submit this application annually or as required.

Lead Party: Planning Board

Timeframe: Two-Year Plan

Administrative Costs: Requires staff time from the Town Planner annually to prepare application.

Projected # Affordable Units Produced: This action leads to the production of units indirectly as it attracts new resources and increased local capacity to support housing creation activities.

7. Save “expiring use” units

In Needham’s efforts to produce new affordable housing units to at least meet the state’s 10% goal, (10% of year-round housing stock affordable to households earning at or below 80% of area median income per Chapter 40B), it is important that the town not lose ground on the affordable units it currently has in place, but insure that these units are preserved as affordable as far into the future as possible. Citizens Housing and Planning Association, with technical input from the Community Economic Development Assistance Corporation (CEDAC), maintains a list of those subsidized housing developments that are defined as “expiring use properties,” which are rental units built with federal and/or state subsidies for low- and moderate-income households that incorporate rental agreements to keep the apartments affordable over the long-term – 30 to 40 years. Many subsidy programs, however, typically allow owners to prepay their mortgages after 20 years that would release them from the use restrictions and enable them to seek market rents. CEDAC has identified four expiring use developments in Needham that involve 80 subsidized units including Highland Avenue/Charles River ARC project, Marked Tree Road, Nehoidan Glen, and Webster Street II. Affordability at Nehoidan Glen is due to expire in a couple of years, and the Massachusetts Affordable Housing Alliance has begun to work with the existing elderly and disabled tenants to organize a tenant group to begin addressing the problem. Even if expiring use restrictions allow an owner to convert a property to market rentals, based on a recent court case, the Zoning Board of Appeals of Wellesley vs., Ardmore Apartments, the Town is likely to have some leverage to enforce affordability given the applicability of certain regulatory or land use controls (e.g., comprehensive permit, 121A tax agreement, ZBA variance). It will be important to monitor these projects and intervene if necessary to maintain affordability well into the future and insure that these units continue to count as part of the state’s Subsidized Housing Inventory.

Lead Party: Board of Selectmen.

Timeframe: Two-Year Action and ongoing.

Administrative Cost: Minor staff time with possible costs of a consultant if intervention is necessary to maintain affordability ranging up to \$10,000.

Estimated Affordable Unit Production: Preservation of existing affordable units not new production.

VII. OTHER POTENTIAL HOUSING ACTIONS

The following strategies have all been considered for inclusion in the Needham Affordable Housing Plan, but for one reason or another have not been included, some because there is not now a clear body of support, some simply because time does not permit them, and some because further study is required. All of these actions, if a decision is reached to pursue, would be included under the Five-Year timeframe.

A. Regulatory Actions

1. Authorize accessory apartments

Typical household size in Needham is shrinking, while housing costs are soaring. That invites reexamination of the potential for accessory dwelling units. In 1970 the Needham median household size for owner-occupied dwellings was 3.6, but by 2000 it had dropped to 2.8 persons per household. In rental units the drop was even sharper, falling from 2.8 persons per household in 1970 to 1.8 in 2000. The housing we have “inherited” was built for a different set of demographics than we have today. That housing has also gotten uncomfortably expensive. Creating accessory dwelling units within existing housing is a potential means of addressing both large houses for small households and the current expense of housing. The benefit can go further: in many cases there is a supportive relationship between the occupants of primary and accessory units, whether by relationship, children and parents, or sometimes a person needing care and a caregiver.

There are no provisions to allow such units in Needham, although every one of the municipalities abutting Needham allows them, as do most Massachusetts communities similar to Needham. They do so with myriad variations, whether by right or special permit, whether limited to occupancy by relatives or through a dependency relationship, requiring virtual “invisibility” or not, sometimes limiting the number of such units per year that may be created, sometimes limiting them to large old houses on large lots, sometimes obliging them to be documented as being “affordable.”

Even in communities where allowed, such units often are created illegally in order to avoid restrictions, requirements, or added taxes (where that takes place). With very rare exceptions, communities find that even with very generous rules few people are interested in having such units in their homes. A recent program in Newton offering free technical assistance in sorting through the design, regulatory, and legal questions involved could find few interested at all.

Barnstable has been creating tens of such units per year with an aggressive program to encourage and assist them, in return getting at least some of them “counted” under Chapter 40B as being “affordable.” Allowing accessory dwelling units can almost invisibly enable older people to retain their homes, makes good use of existing housing stock, and expands the range of housing opportunities. Lack of success in past to gain legislation allowing them provides important learning that can aid efforts made now or in the near future, in a context of very different housing conditions and needs.

Lead Party: Planning Board.

Administrative Cost: Only the costs of technical assistance through staff or consultants, which should not exceed \$5,000.

Estimated Affordable Unit Production: A set of provisions with only moderately restrictive rules might result in as many as ten units per year, of which two units per year might be affordable.

2. Expand Apartment Districts

Appropriately updated multi-family zoning regulations, as contemplated in item VI.B.2. above, will be helpful as background in considering areas for potential zoning map changes to allow such units. However, they will otherwise be largely ineffective except as guidance for such rezoning, since there is virtually no undeveloped land included in the current Apartment Districts. Just three A-1 districts exist: two on Highland Avenue (one at Highland Court, one mid-way between Webster and Hunnewell streets) and one at

Rosemary Street and Hillside Avenue. All are fully developed. One A-2 district exists, congruent with the North Hill property at Central Avenue and Forest Street.

Simply waiting for property owners to seek rezoning to take advantage of the new rules would repeat some of the process shortcomings of Chapter 40B. Instead, the Town might consider undertaking an open and well-documented process to identify locations that, given the new rules, could appropriately be considered for their application. The Town should also consider requiring the inclusion of some amount of affordable housing in these districts as part of the zoning bylaw. Prior to having the rules at least in draft form and having such a site identification process, it would be inappropriate to speculate about what locations would be suitable or not. In our workshops that topic elicited lively discussion, and it is clear that possibilities can be identified.

Lead Party: Planning Board

Administrative Cost: Costs of technical assistance through staff or consultants, which should not exceed \$10,000.

Estimated Affordable Unit Production: A projected 50 new units of housing, at least 10 of which would be affordable.

3. Authorize Conservation Developments

“Conservation developments” are a 21st century method of achieving what cluster zoning promised but seldom delivered – coupling housing development with preservation of open space and other natural resources. The concept of “clustering” housing on a portion of a parcel allowing the remainder of it to remain as open land has never before had the benefit of as much public agency support as currently exists, as evidence of its benefits and its potentials accumulate. Like many similar communities, Needham’s Zoning has an array of options for implementing that approach, basically “Flexible Development” (§ 4.2.4), “Planned Residential Development” (§ 4.2.5), and “Residential Compound” (§ 4.2.6).

Newer models for achieving that goal and for making this approach one that is widely used by developers have been emerging under a variety of names, including “Conservation Developments.” Potentially the benefits can include more than open space preservation. They can also include housing affordability in cases where density is tied not to arbitrary lot sizes but to impacts, and where density bonuses and other incentives may make it attractive for the developer to include affordable units.

Revisions to the relevant portions of the Zoning Act may alter how this would be accomplished. Accordingly, action on it appropriately might be deferred until those outcomes become clear and then the possibility of gaining housing affordability and preservation of open space through the private marketplace through conservation developments should be explored.

Lead Party: Planning Board

Administrative Cost: Costs of technical assistance through staff or consultants, which should not exceed \$5,000.

Estimated Affordable Unit Production: A projected 10 new units.

4. Promote small lots/small home zoning

Some communities are having success with provisions that allow relatively small lots in designated areas, coupled with restrictions that assure that the houses built on those lots

are also relatively small, making it likely that although the results are unlikely to be “affordable” in DHCD terms unless directly subsidized, the units will still in an unrestricted market command lower prices than other new homes, serving the needs of those unable to buy into the existing market but not eligible for subsidized housing.

The free market price of a house can be thought of as reflecting three components:

- Basic price for the lot reflecting the value of being allowed to own a home in Needham; plus
- Additional land price reflecting the amenity value of the particular piece of land involved, importantly including the size of the lot but also considering other amenities, such as neighborhood qualities; plus
- Additional price reflecting the value of the structure, again importantly reflecting its size but also considering its other amenities.

Smaller lots with strict dimensional regulations obliging that the house also be small will depress two and possibly three of the components of market price. With the right rule crafting, at some locations it is likely that the value of a parcel of land developed for small houses on small lots would be significantly greater than its value for large houses on large lots. Those smaller houses on smaller lots would be priced lower than comparable but larger houses on larger lots, though not likely “affordable” as government agencies define it. By somewhat lowering prices that small house/small lot option would be a step towards serving market components not well served now, such as starter households and empty nesters wanting to “move down.” It also would reduce somewhat the amount of resources necessary to lower the prices of some of the houses to an affordable level. The proposal is to explore this possibility.

Lead Party: Planning Board

Administrative Cost: Costs of technical assistance through staff or consultants, which should not exceed \$5,000.

Estimated Affordable Unit Production: A projected 10 units.

5. Allow large dwelling multi-unit conversion

Over time there commonly is motivation for owners of large homes on large parcels of land to subdivide the land, sometimes demolishing the existing home in the process simply because of family economics. In some of those cases an alternative attractive to the owners and the Town would be to subdivide the dwelling rather than the land, creating a number of condominium units whose collective value might greatly exceed that of the single dwelling, but might not exceed the number of lots into which the parcel could potentially have been divided.

That model now exists at least in Ipswich, North Andover, Lenox and Stockbridge, who among them have a great variety of provisions. Needham might add to that variety. Doing so might preserve valuable historic resources, preserve the open spaces on those estate-sized lots, and even produce a few affordable units in the process. To explore that possibility, the number of potential sites for such an option might be inventoried, sketch studies made of the possibilities, and then the approach discussed with any owners showing interest. On that basis, an amendment to the Zoning Bylaw to allow it might then be prepared.

Lead Party: Planning Board.

Administrative Cost: Costs of technical assistance through staff or consultants, which should not exceed \$5,000.

Estimated Affordable Unit Production: A projected 10 units.

6. Special zoning for other Town-supported developments

In the same spirit as the above action, the Town might provide special regulatory relief for those proposing affordable units. Towns including Bourne, Sandwich, Dennis and Bellingham, among others, in various ways offer higher densities for developments that include affordable units. For example, the Town of Sandwich passed a zoning amendment to allow increased densities conditioned on the level of affordable units provided. Another example is the Town of Dennis that passed a zoning amendment that provides the Town with greater flexibility in the area of affordable housing. This bylaw was approved to “encouraging various lot sizes and housing types for persons of various age and income levels” in accordance with Massachusetts General Laws which allows municipalities to adopt “incentive” ordinances for the creation of affordable year round housing and for the purpose of helping people who, because of rising land prices, have been unable to obtain suitable housing at an affordable price, and maintaining a stable economy to prevent out-migration of residents who provide essential services. The amendment gives the Planning Board special permit granting authority for applications that produce affordable housing outside of allowable minimum lot sizes, density requirements and parking requirements with the requirement that no less than 25% of the units, containing 25% of the total number of bedrooms in any one development, are created as permanently affordable to households earning between 65% and 80% of area median income. This amendment was designed to fulfill the following objectives:

- Encourage practical residential development in the reuse of existing structures;
- Promote in-fill residential development opportunities;
- Be compatible with the adjacent neighborhood;
- Encourage development of economically priced housing and a variety of types of housing; and
- Foster flexibility and creativity in the creation of affordable housing.

The Town of Needham might consider adapting these or other similar types of regulatory measures to provide greater flexibility in promoting affordable housing that will be harmonious with the small town character of the town.

Lead Party: Planning Board.

Administrative Cost: Costs of technical assistance through staff or consultants, which should not exceed \$5,000.

Estimated Affordable Unit Production: A projected 10 units.

B. Other Actions

1. Provide rehab program for homeowners.

There are state resources available that provide financial and technical support for qualifying owners of homes that need repair, upgrading and deleading. Many seniors living on fixed incomes are finding it increasingly difficult to afford the costs associated with home improvements and as a result have deferred maintenance needs. Additionally, some seniors and those with special needs require special handicapped adaptations and

repairs to help them remain in their homes. The Town might want to explore options for accessing funding to support home repair needs through a regional non-profit, special funding application to DHCD, through MassHousing programs, or through a collaborative effort with nearby communities.

Lead Party: Needham Opportunities, Inc.

Administrative Cost: Costs of technical assistance through staff or consultants, which should not exceed \$5,000.

Estimated Affordable Unit Production: Support of at least 10 homeowners.

VIII. DESCRIPTION OF USE RESTRICTIONS

As has been indicated in various sections of this Housing Plan, the Town of Needham is committed to maintaining its Subsidized Housing Inventory for as long a period as possible. Affordable units must serve households with incomes no greater than 80% of the area median income for which the unit is located. Units must be subject to use restrictions or re-sale controls to preserve their affordability as follows:

- For minimum of thirty years or longer from the date of subsidy approval or construction for new construction.
- For a minimum of fifteen years or longer from the date of subsidy approval or completion for rehabilitation.
- Alternatively, a term of perpetuity is encouraged for both new construction and completion of rehabilitation.

Units are or will be subject to an executed Regulatory Agreement between the developer and the subsidizing agency unless the subsidy program does not require such an agreement. The units have been, or will be marketed in a fair and open process consistent with state and federal fair housing laws. The resale prices included in homeownership projects should be indexed to HUD's area median income as opposed to market value to better assure this affordability over the long-term. The annual recertification in the case of rental agreements should be the responsibility of the project sponsor who must report annually to a housing entity approved by the Town, perhaps the Housing Authority on a fee for service basis. The responsibility for monitoring resales of affordable homeownership units could be assumed by Citizens Housing and Planning Association (CHAPA), which is performing this function for affordable developments throughout the state, or DHCD, which is assuming the responsibility for monitoring Local Initiative Program (LIP) units.

ATTACHMENT 1 - Results of Community Housing Workshop One

HOUSING WORKSHOP I: EXPLORING CHALLENGES AND CHOICES

The Comprehensive Community Housing Study Committee held the first Community Housing Workshop at the Pollard School on the evening of May 29, 2003. Approximately 100 Needham citizens gathered to discuss their concerns about housing in Needham, what housing actions they thought the Town should take, and what obstacles to those actions they foresaw. Working in small groups following initial background presentations, participants produced a rich and largely consistent array of suggestions. Those results provided guidance for efforts leading to the second workshop to explore potential housing actions in more detail.

Those who attended the workshop included housing advocates, neighborhood advocates recently faced with threatening new development, Town officials, and other interested citizens and local leaders. The workshop began by presentations by the project consultants on existing housing characteristics and market conditions as well as potential future directions for housing development in Needham. Those in attendance were then broken-out into groups based on how aggressively they believed the Town should respond to the issue of affordable housing, with groups classified as leaning towards aggressive, moderate or cautious interventions. Members of the Comprehensive Community Housing Study Committee facilitated the group sessions. After the groups were organized, each individual was asked in turn to indicate their comments on three questions and all comments were recorded on flip sheets by a designated recorder. The questions included:

- What are your own two largest *concerns* about housing in Needham?
- What do you think are the two most important *actions* for the Town to take in the next few years regarding housing?
- What do you think is the single most important *obstacle to those actions* being taken?

The groups were then instructed to prioritize their comments, selecting their top three group items regarding concerns and actions and top single item for obstacles for later reporting, ideally by concurrence but if necessary by voting. All workshop participants reconvened, and the group selections were arranged on a wall. Each group presented its selections and the highlights of how they got there, plus any other key observations.

Following these presentations, participants were given five red “positive” sticky dots to place as “votes” wherever they wished on the presented selections, and depending upon their preferences could place all five red dots on one item or spread them between items denoting the extent of their interest in the item. Participants were also given one blue “negative” dot to record strong opposition to something included in the reports. The voting results were compiled and reported back to all participants and summarized below.

The red dot voting that followed the small group presentations presented a clear picture of preferences. Broad agreement was found to exist despite the diversity of orientations towards housing among those who attended. People indicated that they wanted to retain socio-economic

diversity in the town that they see threatened by housing price escalation. They were concerned that among others, young starter households and many seniors were systematically being priced out of the community. They wanted to see diversity throughout the town, avoiding out-of-scale developments and over-concentrations of any one type of housing.

More than any other action, participants saw zoning and other regulatory change as important for the Town to pursue. Changing rules to facilitate compatible housing in the downtown and certain other business areas drew large support. So, too, did a variety of measures that might apply in residential areas, such as authorizing accessory dwellings. Controlling teardowns was also heavily supported, though skepticism was expressed about feasibility. Other regulatory devices such as the mandated inclusion of affordable units in new residential development and requiring housing impact fees (“linkage”) from new business development drew support. Other ways of raising necessary funding were frequently mentioned, including revisiting the potential of the Community Preservation Act (CPA) in Needham. Even before zoning changes, people felt the need for careful planning, both comprehensive planning and housing planning, which of course is exactly that in which they were participating.

SMALL GROUP SELECTED SUGGESTIONS RANKED BY SUPPORT (DOTS)

Concern/action/obstacle text	Support (red dots)	Oppose (blue dots)
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CONCERNS

Diversity in housing stock, income, ages, race	18	0
Type: Smaller scattered developments vs large scale development	15	0
Keep seniors and families presently in Needham	13	0
Lack of a comprehensive plan	11	0
Lack of economic and cultural diversity and disabled housing+access	10	0
Need for geographic equity	8	0
Lack of Housing for 25-40 and moderate income people	8	1
Community Control	7	0
Pro-active Ways to achieve diversity	5	0
Need a plan fair to all	4	0
Respect for zoning and planning	4	0
Lack of range of housing spread through town	1	0
The town will have to pay for services for affordable housing	1	9

IMPLEMENTING ACTIONS

Zoning changes- Mixed commercial and residential including higher buildings part. In downtown	19	0
Use creative zoning to allow for more creative housing opportunities (Accessory apts, linkage, residential units in commercial area)	18	0
Control on tear downs	15	2
Create a town development authority	11	0
Formulation/Continuation of Master plan of which housing is one part	9	0
CPA	9	0
Increase the density of the housing authority's Linden st. area to more than double	9	6
Employ inclusionary zoning and linkage of development to affordable housing	5	0
Explore funding, CPA, linkage	4	0
Develop resources to support the plan (exCPA)	4	0
Increase aff. Housing such as rentals, 3 family zoning, housing for disabled, inlaw apts	3	1
Develop comprehensive, equitable plan voted at TM	2	1
Use existing resources more effectively	1	0
Create a community plan that leads to control of location of Aff. Housing		

OBSTACLES

Lack of agreement on principles	9	0
NIMBY	6	2
People don't want affordable housing	5	6
Zoning	4	0
Lack of govt \$\$	4	3
Neighborhood opposition	3	0
Lack of knowledge/fear/disconnected	2	0
Cost and availability of land	2	0
No plan	1	0
Budgetary impact to the town	1	3
Conflict open space	0	1

Each participant had five red dots, one blue dot.

ATTACHMENT 2 - Results of Community Housing Workshop Two

Housing Actions

The second Community Housing Workshop was held at the Pollard School on the evening of June 23, 2003. The central topic of this workshop was the wide agreement on the actions to be pursued as part of the Community Housing Plan that surfaced during Workshop One.

After a welcome and a summary of the results from the first Community Workshop, the consultants provided information on categories of strategies for the production and retention of affordable housing that have been effectively implemented in other communities including:

- Strategies to increase housing in business districts,
- Strategies to increase housing in residential districts,
- Strategies to retain existing affordable housing,
- Funding strategies, and
- Strategies to create public support for affordable housing.

Following these presentations, workshop participants were asked to join a working group organized according to the categories of strategies listed above, with funding strategies and strategies to retain existing affordable housing combined into one group. A member of the Comprehensive Community Housing Study Committee facilitated each of the working groups.

Initially members of the working groups were each asked to introduce themselves and identify one of the actions in the handouts or some other action that they would like the group to discuss. After all members of each group had their turn, they were asked to determine an agenda of particular actions for discussion, voting if necessary. More than an hour was committed to discussing this action agenda, and then each group was asked to select the top two highest priority actions to present back to all workshop participants. Each group selected a presenter, and the two priority actions were recorded on a sheet for presentation.

As was the case with the first Community Housing Workshop, following the group presentations each participant was given five red dots to place on those actions, or all five on one particular action, that they considered their highest priority strategies. Participants were also given one blue dot to place on that action, if any, that he/she most opposed. The results of this voting are included in Attachment 2 but are summarized in the following:

- There was significant support for incorporating more housing in Needham's business districts, particularly the downtown, and the notion of mixed-use development that incorporates some structured parking and increased densities received significant numbers of red dots.
- There was a lively debate on the merits of promoting accessory apartments in the working group on strategies to increase housing in residential districts, but there was substantial interest in the Town establishing affordable housing guidelines to provide greater assurances that the housing being proposed is appropriate to its location and context in a myriad of respects. There was also significant interest in increasing housing opportunities near transit stations.
- In regard to funding strategies, there was considerable interest in having the Town reconsider the Community Preservation Act that would bring in new resources to support

- open space and historic preservation as well as affordable housing. Funding through linkage and inclusionary zoning also received a fair amount of support.
- The issue of how best to preserve the town's existing affordable housing stock was linked in discussions directly to how the town can maintain its social and economic diversity. The preservation of starter housing received strong support as did the notion of promoting non-profit housing development.
 - There was wide recognition that a public education campaign on affordable housing was needed to update the community on the issue, dispel many negative stereotypes, and secure more community support for new housing initiatives. A Speakers Bureau and a broader educational role for the Comprehensive Community Housing Study Committee attracted interest.

As with the first Community Housing Workshop, while there were lively discussions within each working group, there was considerable agreement within and across groups on a core group of actions.

2nd WORKSHOP (6/23/03) RESULTS ORDERED BY CATEGORY AND DOTS
 NEEDHAM COMPREHENSIVE COMMUNITY HOUSING STUDY

ACTION ITEM	DOTS	
	Red	Blue

Strategies to Increase Housing in the Business Districts

	Height OK to achieve more units for increasing the affordability	17	2
	Parking garage OK that will be linked with houses- Show what it would look like before	15	0
	Housing near transportation	11	0
	There are existing areas that could have better uses	10	0
	Mixed uses	8	0
	Housing in center to improve business climate	7	1
	Tax incentives linked to affordability	6	0
<i>Other inputs</i>			
Where ?			
	Center of Town - 2 or 3 floors		
	Industrial - larger building		
	Needham Heights		
	Chestnut St., off Chestnut Street- infill		
	Close to transportation nodes		
	Retain railway		
Who ?			
	Middle group		
	Seniors		
	Young family- Starters		
	Young adults		
Problems			
	Not lots of space		
	Lack of parking		
	Difficulty encouraging rental development		
	Chestnut Street industrial uses. Where will they go?		
	Problem : increased number of families and school age children		
Incentives			
	Mass transit		
	Re-use underutilized buildings and lands		
	Parking garage		
	Address traffic		
	Planning board needs to work with assessors		
	Tax incentives to developers to build apartments		
	Increase height limits		
	Show examples		
	Zoning modification done to increase affordability		
	Streetscape		

Strategies to Increase Housing in Residential Districts

	Create affordable housing guidelines	9	1
	Affordable Housing Guidelines which gives a "shot of adrenaline to 40B"	6	0
	Dig into transit areas as general residence (Center, Heights, Junction)	4	0
	Zoning changes will be difficult to approve at TM	3	1
	Small lots/Small House	2	1
	Cluster/density bonus	1	1
	Concern that 40B goals will be obtained to slowly		
Other inputs			
	Smaller lots divided - 4000 sq feet ? (12000 3 or 4 ways)		
	Self deciding or restrictions and guidelines as options		
	Cluster zone		
	Density bonus		
	Concern about "small" zone inside "average" zoning and lots		
	Reduced subdivision		
	Larger clusters with whole street and some shared space		
	In transit area		
	Concerns about pricing, building and still having it affordable		
	Idea of losing the space between small houses		
	Idea of row houses , separated from each other but with out high maintenance yard		
	Need to discuss with builders to see if zoning changes can work		
	Increased General Residence zone ?		
	Take better advantage of outskirts of areas containing huge homes		
	Problem if the "two families" become luxury apartments (Maple St)		
	Example of development in front of Newman (4 houses, 1 1/4 acre each)		
	Regulation of deed for added unit to a home		
	Cannot control accessory apartments already		
	How many accessory apartments do we currently have, how they are being used.		
	Rigorous permit and adding perks to providing this type of affordable accessory (not changing outer structure)		
	Concerns over victimization as a landlord who converts the home to two family		
	Large home/ Small home Trading (Seniors exchanging with young families)		
	Need large complex, but how would apartments be taxed?		

Strategies to Retain Existing Affordable Housing Stock/Limit "Teardowns"

Consideration of the CPA and Other Funding Options

	CPA/Tax on everyone/Exemptions	11	2
	Linkage in residential development/Mansions and inclusionary zoning	6	2
	Preservation of starter housing	4	0
	Limited dividend/non-profit development	4	0
	Opportunities for young adults/families who defines "starter homes"	1	0
	Accessory apartments	1	0
	Demonstration fee or tax on property transfers or building permits	1	0
	Housing moratorium on new residential construction	1	5
	School funding versus (affordable) housing		
	Purchase of existing houses. But with which \$?		
	Private donations (on tax bill ?)		
	Others fundings for homebuyers		
	<i>NB Funding is good but disagreement over what is best</i>		

Strategies to Create Public Support for Affordable Housing

	Public education Campaign	13	0
	Speakers Bureau - To go in the Clubs and explain the affordable housing context	3	0
	Expand CCHC with Service Organizations	1	0
	Involvement of Schools/Olin, Involvement of Clergy	0	0
	Resolution at Town Meeting	0	0
	Newcomers Packet	0	0
	Realtors involvement	0	0
	Fund Raising	0	0

Herr Associates
WshopRpt2-P
July 7, 2003

ATTACHMENT 3 - Results of Community Housing Workshop Three

Feedback on the Draft Plan

On Tuesday evening, December 6, 2003, the Comprehensive Community Housing Study Committee hosted its third community forum to present the draft Community Housing Plan and to obtain feedback from Needham residents. Approximately sixty residents attended this meeting. Following some introductory remarks, members of the Committee then described the key elements of the Housing Plan then opened the meeting up to comments from those present. For the most part, comments expressed divergent opinions among meeting participants on the best approaches for implementing many affordable housing strategies. It was clear, however, that participants wanted the Town to take a more proactive role in producing affordable housing.

- *Vehicles for Development*

It was suggested by one meeting participant that the Town should pursue the creation of a new Town Department of Community Development to oversee the implementation of the Community Housing Plan pursuant to Massachusetts General Laws 43C, Sections 7 and 12. Another participant suggested the need to involve non-profit development organizations in the Town's plans. Several comments related to how greater incentives should be offered private developers to encourage them to produce affordable housing.

- *Parking*

A member of the Town's Traffic Management Committee urged the Housing Committee to consider parking issues when making changes to the Zoning Bylaw and avoid parking on streets. While transit-oriented development should be explored, she cautioned the Committee to insure that adequate parking is integrated into any new development.

- *Town Center and Transit-Based Redevelopment*

One person indicated that the Committee needs to be very thoughtful about how it proposes to redevelop the Town Center, particularly as to how any new development relates to Town Hall, insuring that buildings become no taller than Town Hall and do not cast shadows on the area. Another suggested that the Committee secure the cooperation of local businesses up-front and look to comprehensive versus piecemeal changes. He further suggested that the Town Center could become more vital and attractive with increased density and housing, as is the case on Newbury Street in Boston. Another indicated that because land is so expensive the only way to build affordable housing is with greater density that requires zoning changes. He also stated that besides the downtown and transit-nodes, the Committee should look at other parts of town as well to increase density.

- *Accessory Apartments*

There were a number of comments that indicated support for the inclusion of accessory apartments in the Housing Plan. Someone emphasized the point that accessory apartments allow the community to increase the number of affordable units within the existing housing stock. However, another person offered that accessory units aren't always a "blessing" as they have become primarily student housing in some other communities.

- *As-of-right Development*

There were a number of opposing comments concerning whether the Town should promote increased as-of-right development, such that developers could pursue various types of development without the need for special permits. One resident expressed concern that the recommendations from a recent MIT study regarding the redevelopment of the downtown might reduce the amount of local control that the Town has had through

the special permit process by promoting as-of-right development. Another person suggested that the public sector cannot build affordable housing without the involvement of the private sector, but the incentives must be there for the private sector to participate. He urged the Committee to think about ways to simplify the development process to make it more profitable to developers. Another resident added that the special permit process increases development costs and makes it too expensive and difficult to build in Needham, and by-right development should be promoted. However, another person countered with the comment that by-right development opens the door for developers to take advantage of the community, and the special permit process is worth the effort.

- *Preserving Affordability*

One resident suggested that the Plan place greater emphasis on how the Town can preserve the existing housing stock as it comes on the market to provide some opportunity for starter housing or options for others looking to locate into a smaller residence. As with past community meetings, there were a number of participants who expressed concern about the volume of tear-downs.

- *Promoting Affordability*

It was suggested that the Town should strive to increase the numbers of actual affordable units produced in comprehensive permit projects, potentially up to 50% of the units. This person also thought inclusionary zoning was a good idea, and the Town should explore how it can provide greater incentives for developers to build affordable housing, possibly taking some lessons from the Section 8 New Construction Program that created thousands of new affordable units several decades ago. Another added that the reality of Chapter 40B is that it pits the “haves” against the “have-nots”, but it is unlikely to change significantly. Therefore, he suggested we develop strategies to incorporate greater subsidies into the projects or build more substantial numbers of affordable units on available land to move towards the 10% target. Another meeting participant stated that the redevelopment of the Stephen Palmer Building is an important part of the Plan. Still another participant restated that 40B does not generate much affordable housing, and we need higher densities in terms of building size and smaller lot sizes to produce new affordable units. Still another person questioned whether the golf course, the largest Town-owned property, is the highest and best use. Another participant suggested that the Town look into the possibility of how existing assisted living developments might incorporate affordable units in exchange for financial incentives such as a special tax arrangement.

- *Community Preservation Act*

There were several comments related to the Community Preservation Act. One participant expressed concern about the possible economic impacts on the more vulnerable residents of Needham such as the elderly. Another urged the Committee to come out more strongly in favor of CPA and include the need to pass it in the short-term implementing actions as opposed to the current position of providing some information to the Town Committee reviewing the issue. Another meeting participant suggested that CPA funds could be an important resource for “buy-down” efforts to create new affordable units from the existing housing stock.

**ATTACHMENT 4 -INCOME AND
HOUSING SALES: NEEDHAM, 2000.**

2/17/2004

Interest rate:	7.00%	of mortgage amount.	
Loan term	30	years	
Down payment:	5.00%	of sale price.	
Real estate taxes:	1.23%	of sale price.	
Insurance:	1.00%	of sale price.	Year 2000 median income: \$88,079
Monthly condo fee:	0.10%	of sale price.	Income req'd. for median single family: \$144,466
Other debt payment*:	2.00%	of sale price.	Ratio ("Affordability index"): 61%

Household Income	"Affordable" price		"Affordable" sales			2000 total h'holds	Percent of 2000 buyers total		
	Single-fam	Other	Single-fam	Other	Total		Single-fam	Other	Total
Under \$10K	\$30,300	\$27,100	0	0	0	4.4%	0.0%	0.0%	0.0%
\$10-15K	\$45,400	\$40,600	0	0	0	2.3%	0.0%	0.0%	0.0%
\$15-25K	\$75,800	\$67,700	0	0	0	4.7%	0.0%	0.0%	0.0%
\$25-35K	\$106,100	\$94,800	0	0	0	6.6%	0.0%	0.0%	0.0%
\$35-50K	\$151,500	\$135,400	0	2	2	8.6%	0.0%	0.4%	0.4%
\$50-75K	\$227,300	\$203,100	6	13	19	15.7%	1.2%	2.6%	3.7%
\$75-100K	\$303,000	\$270,700	35	9	44	13.1%	6.9%	1.8%	8.7%
\$100-150K	\$454,500	\$406,100	196	27	223	20.4%	38.6%	5.3%	43.9%
\$150-200K	\$606,000	\$541,500	108	21	57	10.8%	21.3%	4.1%	11.2%
Over \$200K	Greater	Greater	82	0	163	13.4%	16.1%	0.0%	32.1%
Total			427	72	508	100.0%	84.1%	14.2%	100.0%

"Other" units are condos and two- or three-family dwellings (assumed to have separate buyers for each unit, with affordability calculated as if units were condo units with fees).

* Annual payments on non-housing debt, estimated as % of dwelling cost.

"Affordable" means maximum price for which income qualifies for a mortgage under 2000 FHA guidelines.

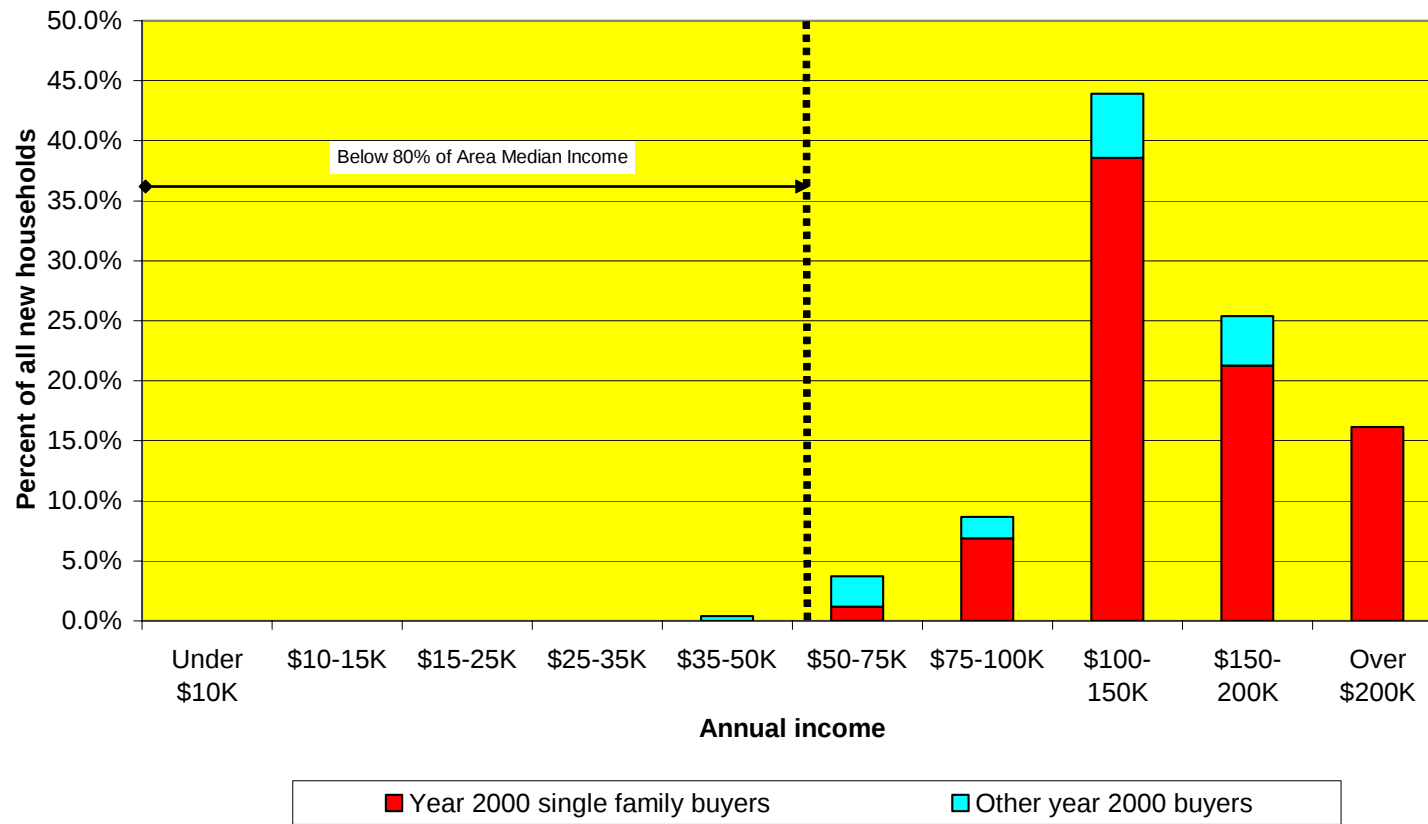
Sales data from the Needham Assessors for 1/1/00 through 12/31/00, with sales between relatives etc. deleted.

Income distribution from the 2000 US Census of Population.

ATTACHMENT 4

"NEW" HOUSEHOLD INCOMES

Needham 2000



ATTACHMENT 5

Existing Affordable Housing Map

Needham Community Housing Plan
January 2004

- Existing affordable housing developments
- Existing buildings
- Town boundary
- Rail
- MBTA bus route
- Roads
- Commuter stations
- Rte. 128 State Highway
- Protected open spaces
- Charles river
- Walking radius around train station :1/4 miles and 1/2 miles



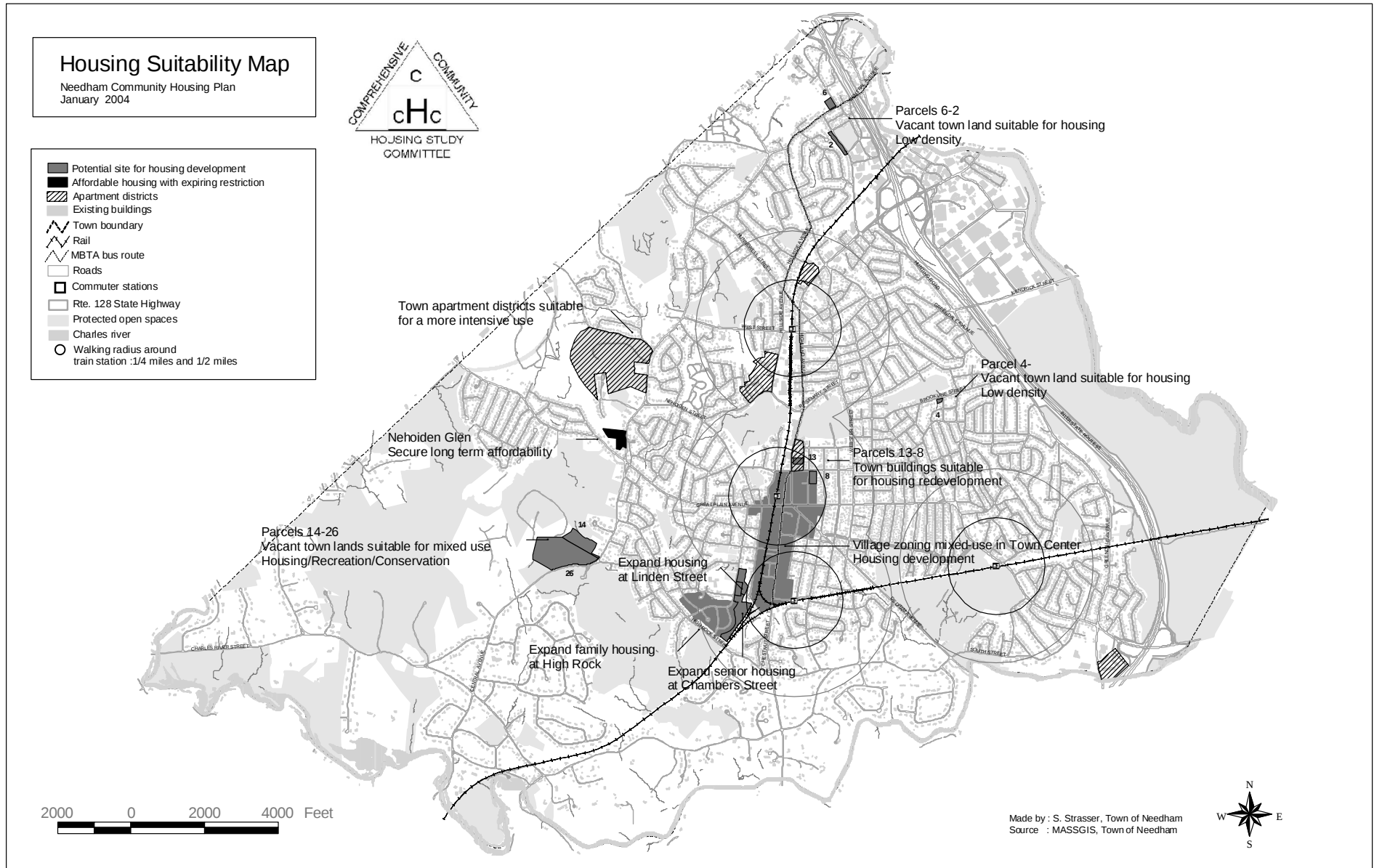
NAME	Nb. units	Nb. afford. units	Housing type
Capt. Robt Cook Dr	76	76	Unrestricted
Linden Street	72	72	Elderly
High Rock	80	80	Unrestricted
141 Chestnut St.	28	6	Elderly
32 Junction Place	5	5	Unrestricted
15-42 Chambers St.	80	80	Elderly
1415 Great Plain Ave	8	8	Special Needs
18 Dale Str.	6	6	Special Needs
262 Marked Tree Road	4	4	Special Needs
Nehoiden Glen/1035 Central Ave.	61	61	Mixed
929 Webster St.	4	4	Special Needs
299 Webster St.	6	6	Special Needs
111 Highland Ave.	6	6	Special Needs
Total	436	414	

2000 0 2000 4000 Feet

Made by : S. Strasser, Town of Needham
Source : MASSGIS, Town of Needham, D.H.C.D



ATTACHMENT 6



ATTACHMENT 7

SUMMARY OF HOUSING ACTIONS

HOUSING ACTION	PROJECTED # AFFORDABLE UNITS	PROJECTED COSTS TO IMPLEMENT
INITIAL IMPLEMENTING ACTIONS		
Planning		
Facilitate housing in Town Center	24	\$80,000
Develop housing guidelines (for “friendly” 40B projects)	427	\$5,000
Regulation		
Inclusionary zoning	15	\$5,000
Explore updating multi-family zoning	0	\$10,000
Waive application fees where appropriate	*	0
Development		
Development on Town-owned land	15	\$5,000
High Rock Estates (Housing Authority)	20 mix of rental and ownership	\$2,000
Linden-Chambers/Yurick Road (Housing Authority)	30 rental housing units for seniors/10 units	\$4,000
Stephen Palmer Building (Leased Town-owned property)	25 rental or ownership for seniors	\$10,000
Scattered-site development	8 mix of rental and ownership	\$5,000
Transit area redevelopment and adaptive reuse	30 mix of rental and ownership	\$25,000
Buy-down efforts	10 units ownership	\$5,000
Ongoing Facilitation Efforts		
Conduct educational programs	*	0
Access new financial resources	*	0
Work with larger employers on employer-assisted housing	*	0
Assure fair housing practices	*	(study)
Develop IDA Program	*	\$2,000
Apply annually for Commonwealth Capital score	*	0
Save expiring use units	*	\$10,000
Subtotal	614	?

HOUSING ACTION	PROJECTED # AFFORDABLE UNITS	PROJECTED COSTS TO IMPLEMENT
OTHER POTENTIAL ACTIONS		
Authorize accessory apartments	10	\$5,000
Expand apartment districts	10	\$10,000
Authorize conservation developments	10	\$5,000
Promote small lots/small home zoning	10	\$5,000
Allow large dwelling multi-unit conversion	10	\$5,000
Special zoning for Town-supported development	10	\$5,000
Rehab programs for homeowners	10	\$5,000
Subtotal	70	\$40,000
TOTAL	684	?

* Indicates that this action is unlikely to have a **direct** impact on actual housing production.