PLANNING & COMMUNITY
DEVELOPMENT

Needham Housing Plan Working Group Meeting

Thursday September 29, 2022
7:15 p.m.

Virtual Meeting using Zoom
Meeting ID: 811 9113 9515
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I. Welcome (Jeanne McKnight)
II. Approval of Minutes from September 8, 2022 Working Group Meeting
III. Discussion of Preliminary Draft of the Housing Plan
IV. Discussion of Upcoming Meetings to Present the Plan
V. Next Steps (Lee Newman)
VI. Other Business
VII. Adjournment

Housing Plan Working Group Membership

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

NEEDHAM HOUSING PLAN WORKING GROUP
*** MINUTES ***
September 8, 2022

7:18 p.m. A meeting of the Needham Housing Plan Working Group was convened by Jeanne McKnight, Co-Chair, as a virtual Zoom Meeting. Ms. McKnight announced this open meeting is being conducted remotely consistent with Governor Baker's Executive Order of March 12, 2020 due to the current state of emergency from the outbreak of the COVID-19 virus. She said all supporting documents used at this meeting are available on a special section of the Town's website at https://www.needhamma.gov/housingplan2021. Present were Jeanne McKnight and Natasha Espada representing the Planning Board, Heidi Frail and Marcus Nelson from the Select Board, Michael O'Brien from the School Committee, Helen Gregory from the Council on Aging, Ed Cosgrove from the Board of Health as well as Emily Cooper, Rhonda Spector and Oscar Mertz as Citizens At Large. Also present were Director of Planning and Community Development Lee Newman, Assistant Town Planner Alexandra Clee, and Community Housing Specialist Karen Sunnarborg.

Welcome and Introductions – Ms. McKnight, Co-Chair of the Housing Plan Working Group, offered a welcome and conducted a roll call of Working Group members who were then present, mentioning that additional members may be brought into the meeting as they become available to join.

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

Ms. McKnight also announced that there will be a meeting with the Select Board and Planning Board on October 11th for the Working Group to present the draft Housing Plan. The time has yet to be set, but further information on the meeting will be sent to members when it becomes available.

Approval of Meeting Minutes
Motion: Mr. Cogswell moved that the Minutes from the July 28, 2022 meeting be approved. The motion was seconded by Ms. Gregory. Approved: Unanimous 9-0.

Discussion of Final MBTA Communities Guidelines – Ms. McKnight offered a PowerPoint presentation that had largely been prepared by Katie King, the Assistant Town Manager, to update the Select Board. Following the presentation, Mr. Cosgrove indicated that the old Avery Building that sits right next to the railroad tracks and has the potential of adding a fourth story would be ideal as multi-family housing. Ms. McKnight responded that the property is being proposed for development as assisted living units. Ms. Espada inquired about the ownership of

this property. Ms. Newman stated that it is owned by a private company, and she will get back to the Group on the specifics.

Ms. McKnight also identified the Avery School as a potential opportunity for multi-family zoning to comply with the MBTA Communities Act. It could potentially be rezoned as an A-1 district to reflect its current use as a multi-family condominium; however, the property would fall short of the contiguous 25-acre minimum-size provision. Some consideration could be given to adding additional adjacent property.

Mr. Cosgrove then suggested looking at the Junction Station area, and asked if the Needham Housing Authority (NHA) property could be added to create a district of sufficient size. While it is not an easy walk to the train station given the railroad right of way, it would meet the ½ mile requirement.

Ms. McKnight also brought up the Stephen Palmer Building, which is currently zoned as single-family but already a multi-family property. She added that the most challenging requirement in the Guidelines involves reaching the 25 acres of contiguous parcels.

Ms. Cooper pointed out the Hartney Greymont site for consideration. Mr. Cosgrove added that while he did not vote to approve the previous housing development proposal for the property because of access issues, there is a lot of underdeveloped land off of Chestnut Street that could work. Ms. McKnight acknowledged that access and visibility issues make the site unsuitable for commercial use, but with some reconfiguration, it could work for housing based on A-1 district requirements with three stories. She suggested that the biggest objection of the previous housing proposal related to the proposed four stories.

Mr. O'Brien asked if all four commuter rail stations in town might work as potential transit stations within ½ mile of multi-family districts. Ms. McKnight indicated that the Hersey station is next to the golf course, which is likely excluded land based on the Guidelines; however, DHCD took all four stations into consideration when calculating Needham's developable area. Mr. Mertz observed that the Hersey Station would be the hardest one as the other stations would involve a continuation of existing urbanism where appropriate adjustments could more easily be made to comply with the Guidelines.

Ms. Espada asked about the biggest challenges that would be involved in complying with the Guidelines. Ms. McKnight responded that there is some ambiguity in the Guidelines that need further clarification. She offered the example of the area enveloping the Rosemary Lake and Rosemary Ridge developments that includes about 14 acres. Because a wetland runs through the site, the question arises whether this part of the parcel would need to be excluded from a proposed district and therefore the number of acres would correspondingly be reduced. Any redevelopment proposal could certainly involve greater density in higher-elevation

areas to comply with the Guidelines. Mr. Mertz agreed that the excluded land issue will have to be addressed in land area calculations. For example, the A-1 zoning of 18 units per acre and up to three stories may still result in insufficient density of at least 15 units per acre given excluded land calculations.

Ms. McKnight mentioned that DHCD held a webinar today on the final Guidelines, which was not particularly useful given the lack of a question-and-answer session. DHCD will be accepting and responding to questions, however, and a compliance model will be made available to communities by November 1st to provide opportunities to test calculations of particular sites and areas.

Ms. Spector stated that the MBTA Communities Guidelines do not address the larger issues and goals that have been raised as key in this planning process. With only a 10% affordability requirement, it is likely that almost all of the housing produced near transit will involve luxury market units. The costs of incorporating parking will boost total development costs and thus unit costs beyond those we are most concerned with supporting in the Housing Plan. Ms. Gregory concurred, also expressing her concern about how the Guidelines fit into the Working Group's mission.

Ms. Frail expressed some disagreement as the provision of affordable housing was only part of the mission in this planning process and providing additional housing in town will help meet our goals. Ms. McKnight added that while people may ask why the Town is complying with the Guidelines, this is something that we can readily do and still meet our goals for promoting housing and new development to address local needs. She added that maybe we do not want to allow stand-alone housing in the Center Business District and thus not include this specific area as part of the rezoning.

Ms. Cooper acknowledged that both Ms. Spector and Ms. Frail express important points, however, the creation of affordable housing is her greatest interest. She observed that the Working Group has stated its interest in addressing the wide range of local housing needs which will require a wide variety of resources. If we change zoning to create more units, we still need to be concerned about ensuring the production of affordable housing. Ms. McKnight suggested that the NHA redevelopment plans represent one important way of accomplishing this.

Ms. Spector indicated that the MBTA Guidelines skew development closer to transportation and will result in high-end development. As a Group we want more moderate-income housing, not just affordable. She expressed her concern that the Guidelines will increase problems and may backfire. Ms. McKnight stated that the Housing Plan will focus on other housing opportunities beyond those raised by the MBTA Guidelines, plus the Guidelines do not preclude affordable housing. For example, the current required percentage of affordable housing at 12.5% in some areas of Needham is not far off from the 10% level in the Guidelines and 10% affordability requirements remain part of zoning in some existing districts.

Ms. Newman reported back that Welltower is the property owner of the old Avery Building and proposed Carter Mill development, currently owning HCRI Massachusetts Properties Trust II in whose name the property is titled. The applicant for the proposed development is Well Balfour Needham Landlord LLC which entity will develop the property and operate the facility. Well Balfour Needham Landlord LLC comprises a joint venture between Welltower and Balfour.

Ms. Espada observed that there are not a lot of great opportunities for housing development to occur in town, and we need to be careful so as not to lose good options for creating the type of housing we want to produce. Consequently, the loss of the affordable independent-living units at the Carter Mill project is disappointing. She asked whether the developer will have to go back to Town Meeting based on the change. Ms. Newman responded that the zoning allowed both the assisted living and independent living residential uses but did not mandate either. Consequently, no further Town Meeting approval will be necessary. This situation is similar to the zoning that allowed both uses as part of the Wingate development, however, in that case the developer produced both uses as was initially represented.

At this point, Ms. McKnight welcomed Mr. Nelson into the meeting. Mr. Nelson stressed the need to develop an overarching Housing Plan to avoid having to be reactive on a project-by-project basis. He stressed the need to be intentional in our permitting, not just focusing on affordable housing but addressing the needs of everyone as we strive to be a more welcoming community.

Ms. Cooper asked to loop back to the MBTA zoning issue and expressed some concern that requiring affordable housing at just a 10% level will cause major problems for Needham's compliance with the Subsidized Housing Inventory (SHI), potentially reducing Needham's percentage of affordable housing units below the 10% state threshold. Ms. McKnight explained that unlike a Chapter 40B project, not all units in a rental development will count as part of the SHI so any multi-family housing built by right as a result of proposed rezoning will have a limited impact on the number of affordable housing units that are counted in the SHI. Mr. Mertz added that while loosening zoning as part of the MBTA Guidelines is advantageous, we might also consider zoning incentives in other areas, such as density bonuses, to better encourage the inclusion of not just affordable housing at the 80% of Area Median Income level, but potentially other income tiers as well.

Ms. Espada asked about next steps in the process. Ms. McKnight indicated that an Action Plan is due to DHCD by the end of January 2023 with zoning adopted by the end of 2024. The new zoning will require Town Meeting approval. Ms. Espada pointed out that people are nervous about the issue of as-of-right development, and it is important to make the Plan easily accessible so people understand what is being proposed. Ms. McKnight indicated that site plan review is allowed under the Guidelines that, while not part of the state Zoning Act, has been approved through

case law. Ms. Espada stressed the need for the Town to zone holistically instead of on a piecemeal basis. Ms. McKnight then added that by-right development is not new in town. The developments at Rosemary Lake, Rosemary Ridge, and Webster Green (now Hamilton Highlands) are examples of fine developments that occurred on a by-right basis in the 80's.

Further Discussion of Subgroup Priorities or Strategies – Ms. Espada then asked for any additional reports that the Subgroups might wish to offer.

Mr. Mertz presented changes to the Zoning Subgroup recommendations based on the final Guidelines and further deliberations by the Subgroup. He asked if members might want to schedule another meeting to review the maps and the recommendations in more detail. Ms. Espada responded in favor of such an additional meeting. Mr. Mertz reviewed the suggested changes to their previous report. Besides reviewing recommended changes to potential multi-family zoning districts, he indicated that he had conducted some preliminary calculations on possible unit counts in various districts on a new map and concluded that Needham was in a reasonable position to zone for more than the 1,784 units required by the Guidelines.

Ms. Cooper indicated that the Housing Development and Preservation Subgroup's report was previously provided and additional input involved comments on the roadmap. Ms. Sunnarborg stated that members of the Subgroups were able to provide additional input into the Housing Plan at tonight's meeting but this was on an individual basis. She added that she made changes to the roadmap that primarily involved reorganizing actions by Subgroup and eliminating references that did not include specific actions. Ms. Sunnarborg also mentioned that she agreed with Ms. Cooper's suggestions regarding combining various actions that if not duplicative involved similar content. Mr. Mertz said he agreed with Ms. Cooper's comments but asked her about the last one that involved the elimination of the recommendation to eliminate or reduce local preference in new development.

Ms. Espada then asked for some time to share the Capacity Building Subgroup's report and summarized the key elements. Mr. O'Brien also provided some information, highlighting the release of additional demographic projections in the fall.

Ms. McKnight inquired as to whether some of the issues regarding Town taxes and Town operating vs. capital costs solely related to the NHA or could be more broadly applied across the community. Ms. Espada responded that the latter was the case and stressed the need for the Town to determine what additional infrastructure or services might be required for new development and how or who will pay for them.

Mr. Mertz interjected that the MBTA Guidelines are neutral with respect to infrastructure impacts and assume that such issues will be addressed by project. He added that this may not as easily be the case with smaller projects that will not have

the financial flexibility to pay for such expenses. Ms. Espada expressed her concern about the impacts of new development, particularly in the older areas of town. Mr. Mertz suggested that the Town examine capacity issues along the entire commercial corridor, focusing on Great Plain Avenue and Highland Avenue, and analyze potential impacts related to zoning for an additional 1,784 housing units. It makes sense to start planning to address future problems. Mr. Mertz also mentioned that the question was raised at a recent Select Board meeting as to whether the Needham School Department had considered any impacts from the MBTA Guidelines. Mr. O'Brien offered that these impacts should begin to be factored into future school enrollment projections.

Ms. Espada stated that their Capacity Building Subgroup did not expect ADUs to have much impact on local capacity; however, workforce housing or other housing directed to families will likely affect student enrollment and should be considered in our recommendations.

Ms. Espada indicated that Ms. Sunnarborg will be pulling the pieces together into a draft Housing Plan that will be reviewed at our next meeting on September 29th.

Next Steps – Ms. Newman summarized the upcoming schedule including a joint meeting of the Planning Board and Select Board to review the draft Plan on October 11th and the Community Meeting to present the Plan on October 13th. We will not only review the draft Housing Plan at our next meeting, scheduled for September 29th, but will also discuss how we will present the draft for the October 11th and 13th meetings. A final meeting to discuss comments from the Community Meeting and other recommended changes is scheduled for November 17th.

Ms. Cooper indicated that the next meeting is scheduled to conflict with the High School's Back to School Night. Ms. Espada also stated that she will be out of town. After a discussion of changing the date, it was decided to keep it with members who cannot attend being able to review the recorded meeting and submit comments.

Ms. Newman also asked members who are interested in attending a meeting regarding a more detailed summary of the Zoning Subgroup recommendations to contact Ms. Clee who will then be in touch regarding scheduling.

9:21 p.m. **Motion: Ms. McKnight moved that the meeting be adjourned. The motion was seconded by Mr. Nelson. Unanimous: 9-0.**

TOWN OF NEEDHAM
HOUSING PLAN



The Kendrick

Prepared by the Needham Housing Plan Working Group

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

Dan Matthews served until his term on the Select Board ended 4/12/22

Needham Department of Planning and Community Development

Lee Newman, Director of Planning and Community Development
Alexandra Clee, Assistant Town Planner
Karen Sunnarborg, Housing Specialist

September 2022

TOWN OF NEEDHAM
HOUSING PLAN
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Acknowledgements

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- Nayda Sanchez and Marie Celeste, Needham Housing Authority
- Lynn Schoeff and Tiffany Zike, Needham Department of Health and Human Services

TOWN OF NEEDHAM
HOUSING PLAN

I. EXECUTIVE SUMMARY

Needham is among the most desirable places in the state to live, work, and raise children. However, based on a substantial affordability gap due to demographic and economic conditions, the community must continue to strategically plan for more affordable and accessible residential development in appropriate locations. The Needham Planning Board is sponsoring this Housing Plan to obtain important updated documentation on these conditions and identify priority local housing needs to guide decision-making on the Town's future housing agenda. To undertake this work, the Planning Board has appointed a Working Group composed of representatives of various local boards and committees as well as at-large members of the community. The active engagement of local leaders, housing stakeholders, and residents is a key component of the planning process that has included several community meetings and a community housing survey.

The Town of Needham has not had an approved Housing Plan in place since 2007, although it has made considerable progress in producing affordable housing since then, adding 894 new state-approved units[1] to its Subsidized Housing Inventory (SHI) and surpassing the state affordability goal of 10%. Despite reaching this threshold, the Town recognizes that significant unmet housing needs remain, particularly in the context of unprecedented housing prices and the pandemic. Consequently, the Town has determined that it should revisit its housing agenda by obtaining updated documentation on the local housing dynamic and preparing a Housing Plan to strategically address identified priority housing needs.

The Town of Needham has approximately 11,800 total housing units with a median single-family house price of $1.29 million in 2021 ($885,000 for condominium units), up from $1,065,000 (+21%) and $805,000 (+10%), respectively, as of the end of 2019. Housing prices are not only high and rising, but further evidence of tightening market conditions is reflected in vacancy rates for both rental and homeownership units of 2.6% and 1.0%, respectively, and little or no units remaining in the private unsubsidized housing stock that would be affordable to low- and moderate-income residents. These conditions have been exacerbated by substantial teardown activity, involving the demolition of more modest homes replaced with much larger and expensive ones, further driving up housing prices and eroding housing options. Low interest rates have also been a force in increasing housing demand and thus prices. It should be further noted that the loss of income that some households suffered as a result of the Covid-19 pandemic as well as rising property taxes due to escalating housing values, as well as other higher housing-related costs, have contributed to widening affordability gaps with some residents struggling to remain in the community.

It is the premise of this Housing Plan to create housing opportunities that will not only be affordable to low- and moderate-income households but will remain so for as long a period as possible, striving to remain above the state's Chapter 40B 10% affordability goal. Staying above this threshold offers the Town a strong negotiating position with developers to ensure that new units are created in the context of the Town's needs and preferences. It is also the intention of the Housing Plan to identify and address the wide

[1] A total of 894 units were added to the Massachusetts Department of Housing and Community Development ("DHCD") Subsidized Housing Inventory (SHI) maintained under MGL Chapter 40B, although 238 were actually affordable to those with incomes at or below 80% of area median income and 656 were market-rate rental units.

range of housing needs in the community to the greatest extent possible based on diverse target populations. Through a range of strategies including zoning changes, partnerships with developers and service providers, and subsidies; the Town can continue to play a meaningful role in promoting housing options that match people to appropriately priced and sized units – producing housing that reflects community priorities.

A. SUMMARY OF HOUSING NEEDS ASSESSMENT

The Housing Needs Assessment provides information on demographic, economic, and housing characteristics and trends with the following key findings:[2]

1. Summary of Demographic and Economic Characteristics and Trends

Recent spurt in population growth, increasing racial diversity, and shifts towards more older adults

The 2020 U.S. decennial census identified continued population growth in Needham between 2010 and 2020, up to 32,091 residents, representing a gain of 3,205 new residents or 11%. Some of this growth is due to new multi-family rental development that included 526 additional residential units in The Kendrick and Modera Needham 40B developments for example. All of the population projections forecasted a total population of less than 30,000 residents by 2020 and 31,000 by 2030, significantly less than the 32,091 residents reported in the 2020 census**.**

While the population has remained predominantly White, Black and other residents of color have been steadily growing in number and as a percentage of the total population, from 5% in 2000, 9% in 2010, and up to 15% according to the 2020 census.

In regard to demographic shifts, the 2020 decennial census data identified 8,439 residents as being under age 18, representing a 3.4% increase in growth since 2010 compared to the 11% increase in total population. Proportionately, however, the level of children decreased from 28.3% to 26.3% of all residents between 2010 and 2020. There were also general losses in young and middle-aged adults during this period.

On the other end of the age range, those 65 years of age or older increased from 4,700 residents in 2010 to 6,068 in 2020 or by 29% and from 16.3% to 19.5% of the population. This increase was largely driven by those age 65 to 74. As the community's Baby Boomers continue to enter this age range, the numbers of older adults will increase over the next decade or so as forecasted in population projections.

These population projections generally forecast declines in the numbers of children. The Needham Public Schools reported a student enrollment of 5,483 in the 2020-2021 school year, down from 5,645 for 2018-2019, and up considerably from 4,330 students during the 1999-2000 school year. These projections predict that student enrollments will grow to a peak of 5,946 students in the 2025-26 school year and then decline to 5,777 in 2033-2034.[3]

Population projections also predict continued increases in those 65 years and older to at least 24% of all residents by 2030. While many older adults would prefer to downsize in the community, they have tended

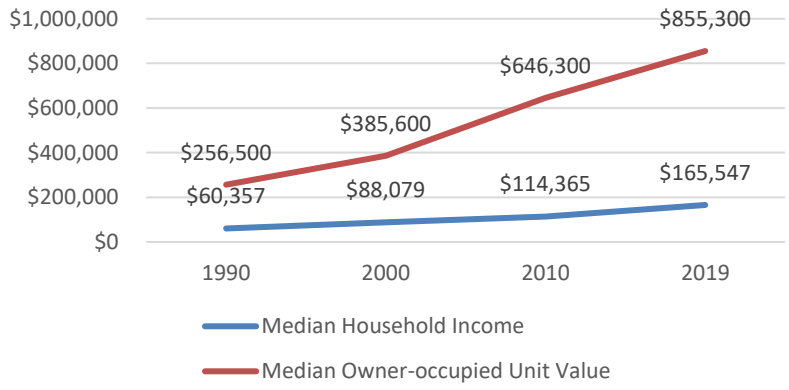
[2] As the U.S. census decennial data is limited, much of the analysis of demographic, economic and housing characteristics and trends sourced in the census as part of this Housing Plan will necessarily be based on the census estimates in the American Community Survey (ACS).

[3] McKibbin Demographic Associates, Enrollment Projections for FY 2019/2020 to 2033/34 to the Needham Public Schools, January 2, 2019.

to remain in their homes given limited affordable and accessible housing alternatives within their price range.

While the population increased by 11% between 2010 and 2020, the number of households increased by 4%, from 10,341 to 10,765 households. This suggests that households are becoming larger which was further demonstrated by the increase in average household size from 2.72 persons in 2010 to 2.82 by 2020. Perhaps the teardown activity that has occurred over the past decade, with smaller more modest homes being replaced with larger more expensive ones, is a contributing factor to the increasing numbers of larger households.

Figure I-1: Median Household Income and Median Owner-occupied Unit Value, 1990 - 2019



High incomes but growing income disparities

Incomes have been steadily increasing with the median household income growing by 30% between 1999 and 2010 to $114,365 and then by another 53% to $174,707 by 2020. This is more than twice the rate of inflation between 2010 and 2020 of 18.7%. As shown in Figure I-1, housing values have risen more than income, resulting in greater affordability gaps.

There were decreases in the numbers and percentages of households in all income ranges of less than $100,000 between 2000 and 2020, with 42% of all households earning less than $100,000 in 2010 compared to 30% by 2020. Correspondingly, 58% of all households earned more than $100,000 in 2010, increasing to 70% by 2020. Moreover, **44% of all households had incomes of more than $200,000 in 2020.**

Despite generally growing prosperity, there remains a vulnerable population living in Needham with very limited financial means as 1,157 households or 10.8% of all households were estimated to have incomes of less than $35,000, including 625 or 5.8% earning less than $25,000. Another sign of income disparities relates to tenure. While the median household income of homeowners almost doubled between 2000 and 2020, from $100,732 to $203,690, the median income of renters stayed about the same, going from $44,226 to $44,361.

2. Summary of Housing Characteristics and Trends

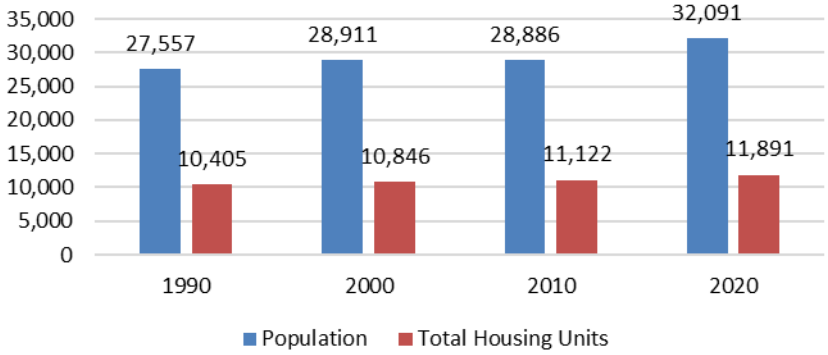
Slower housing growth than population growth in tandem with substantial teardown activity

Population growth increased by 4,534 residents or 16.4% between 1990 and 2020 to 32,091 residents compared to housing growth of 1,486 units or 14.3% to 11,891 units as shown in Figure I-2. This higher population growth reflects higher average persons per unit which largely occurred in the owner-occupied housing stock between 1990 and 2020, from 2.83 to 3.03 persons. Average household size in rentals decreased, however, from 2.01 to 1.69 persons during this same period.

Building permit data indicates that between 2010 and 2020 there was a net gain of 720 housing units with a net increase of only 19 single-family homes. This represents a teardown level of almost 98% of all building permits issued for single-family construction during this period.

Building permit data also shows that 666 units were built in multi-family buildings of three units or more between 2010 and 2020, representing 92.5% of new unit production. Most of these units were part of the 526 units built as part of The Kendrick and Modera Needham Chapter 40B developments. Despite this significant amount of new multi-family construction, Needham's housing stock remains dominated by single-family detached residences at 77.6% of all units with an owner-occupancy level (all owner-occupied units) of 84.5% based on 2020 census estimates.

Figure I-2: Change in Population and Total Housing Units, 1990 to 2020



Housing costs at unprecedently high levels for homeownership and rentals

Needham joined the "million-dollar club" several years ago as the median sales price of a single-family home climbed to $1,102,000 as of January 2019 from $976,250 as of the end of 2018. It subsequently increased to $1.29 million in 2021. The median price for all types of condominium units was $885,000 in 2021, up from $805,000 in 2019.

The rental market has also changed substantially as the median rent doubled between 1990 and 2020, from $798 per month to $1,604. The 2020 census estimates further indicated that 65.8% of the town's rental units were renting for more than $1,000, 50.8% above $1,500, and 11.4% at over $3,000. *It is also important to note that the census figures include subsidized units, which represents about 37% of all rental units in Needham, and thus median values make the rental market look more affordable than it actually is.* A more typical rent for a two-bedroom apartment is at least $1,900 in older dwellings and over $3,200 in newer multi-family developments.

There is very little affordability remaining in Needham's private housing stock as there was only one unit, a Habitat for Humanity house, valued below $200,000 and just one other single-family home assessed between $200,000 and $300,000 that were still relatively affordable to those with incomes at or below the area median income (see Table II-1 for income levels). While almost half of the homes were assessed between $500,000 and $700,000 in Fiscal Year 2014, homes in this range declined to 18.7% in FY22. In fact, all properties assessed for less than $700,000 decreased from 4,987 homes, or 60% of all single-family units in FY14, to 1,684 units representing 20% of these units by FY22.

A particularly important component of Needham's housing stock includes the 316 units owned and managed by the Needham Housing Authority (NHA), representing 22% of all units that the state counts as part of the Subsidized Housing Inventory (SHI). Most of these units are antiquated, without handicapped accessibility and energy efficiencies, and will require a major investment of capital to make improvements and potentially expand the number of units. This will be a major focus on the Town's housing agenda.

Growing affordability gaps and cost burdens

The affordability gap for single-family homes is estimated to have been $482,000 in 2021, the difference between $808,000, based on what a median income Needham household could afford (for an average household of three and 80% financing) and the median house price of $1.29 million.[4] This gap is up considerably from $211,500 as of April 2014. The upfront cash requirements for the down payment and closing costs in effect add more than another $265,000 to this affordability gap in the case of 80% financing with a 20% down payment, an amount most first-time homebuyers lack.

When looking at the affordability gap for those with incomes at the 80% AMI limit, the gap is an estimated at $918,500, the difference between the median priced single-family home and what a three-person household earning at this income limit can afford or $371,500 based on the ability to secure financing with no more than a 5% down payment, such as through some state subsidized mortgage programs.

In regard to rentals, because the median household income for Needham is so high, there is no affordability gap for households earning at the median income level who could likely afford a monthly rent of almost $4,000. However, a household with income at the 80% AMI level would encounter an affordability gap of about $650, the difference between an estimated median rent of $2,500 and what such a two-person household could afford of about $1,846 based on spending no more than 30% of income on housing costs and monthly average utility bills of $175.

Given rising housing costs and widening affordability gaps, it is not surprising that more households are spending more than they should for housing. Special tabulations of census data for HUD indicated that of the total 10,765 estimated households in Needham, 1,425 or 13.2% were spending between 30% and 50% of their income on housing with another 1,163 or 10.8% spending more than half their income on housing costs. This analysis suggests that 2,588 or 24% of all households were spending too much on their housing, commonly defined as spending more than 30% of income on housing cost and also referred to as having cost burdens.

There were 1,030 renter households and 1,060 owner households with incomes at or below 80% AMI, which included 57% or of all renter households and 11.8% of owner households.[5] Of the 1,810 reported renter households, 620 or 34.2% were experiencing cost burdens compared to 708 or 7.9% of owners. Consequently, renters were proportionately experiencing greater cost burdens although the total number of cost-burdened owners was a bit higher.

Of the 1,030 renter households with incomes at or below 80% AMI, 60.2% were experiencing cost burdens including 38.4% with severe cost burdens. In comparison, 66.8% of the 1,060 owner households were overspending including 46.0% with severe cost burdens. It is likely that many of these cost-burdened owner households are “cash poor but equity rich” in that their incomes might have qualified them for

[4] Figures based on interest rate of 4.0%, 30-year term, annual property tax rate of $13.03 per thousand, insurance costs of $6 per thousand for single and two-family homes and $4 per thousand for condominium units, and private mortgage insurance (PMI) estimated at 0.3125% of loan amount for 95% financing, and estimated monthly condo fees of $300. Figures do not include underwriting for PMI in calculations with a 20% down payment and for the 80% AMI level at 95% financing that would assume that the purchaser qualified for the ONE Mortgage Program, MassHousing, or other government mortgage offerings for example. Assumptions also include the purchaser spending no more than 30% of income on housing costs.

[5] HUD uses Median Family Income (MFI) in this report which is the equivalent of Area Median Income (AMI).

purchasing an affordable unit (that would qualify for the SHI) but their financial assets, particularly the equity in their homes, would render them ineligible for such housing.[6]

The convergence of these trends – an aging population, high housing prices, lower housing production, limited housing diversity, challenges in obtaining subsidies, and large up-front cash requirements for homeownership and rentals – all point to widening affordability gaps and increasing cost burdens. Consequently, without major interventions at all levels of government, Needham and many other communities in the Greater Boston area will continue to lose ground on their ability to be a place where individuals and families across a range of economic and social strata can call home.

3. Summary of Priority Housing Needs

Given the numbers of residents who are paying too much for their housing and growing affordability gaps, there is a pressing need to produce more housing that is affordable in Needham, not only for the most financially-vulnerable residents, but also for those who have moderate incomes and assets but are still struggling to remain in the community. The major obstacle to meeting underserved needs is the gap between the level of need and the resources available, including real property, which has been exacerbated by unprecedently high and rising housing prices. These prices have been buoyed by constraining regulations, low interest rates, and increasing demand for single-family homes as well as the pandemic.

Fundamental to the rise in housing prices is the imbalance between housing supply and demand. This is not just a local problem but one that is occurring throughout much of the Commonwealth, the Greater Boston area in particular. Regional solutions to boosting housing production are needed, albeit challenging given the discretion provided to municipalities to adopt their own zoning by-laws and ordinances under the home rule amendment to the Massachusetts Constitution which authorizes local bylaw enactment.

Based on input from a wide variety of sources including updated census data, market information, input from local stakeholders, and community meetings; the following priority housing needs have been identified. It should be noted that *g*iven the indicators of need that are included in the Housing Needs Assessment, even if the Town were to reach the 10% level of affordability without the inclusion of market rate units in the Chapter 40B rental developments, now at 6.7%, it will likely still have unmet housing needs in the community. Nevertheless, reaching this goal would represent authentic progress.

Households with Limited Incomes – Need affordable rental housing

There still remains a population living in Needham with very limited financial means. Given the high costs of rental housing, including sizable up-front costs (first and last months' rent, a security deposit, and moving expenses), more subsidized rental housing is necessary to offer more diverse and affordable housing options, particularly for the community's most vulnerable residents and its workforce. Additionally, almost all state subsidies are targeted to rental development which enables the Town to leverage any local investment and build at some higher scale.

Gaps in Affordability and Access to Affordable Housing – Need affordable homeownership opportunities

Housing in Needham is expensive with large gaps between what housing costs and what many residents can afford. There are also substantial cost burdens for owners with incomes at or below 100% AMI. Even

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

though Needham has a very high level of homeownership, at 84%, there would be a public benefit for the Town to promote opportunities for younger households to purchase a starter home and establish roots in the community. A wider range of affordable homeownership options is also needed for municipal employees, other local employees, and seniors looking to downsize. Many older adults are living in homes that are larger than they need, costly to maintain, and potentially isolating; but there are limited alternatives that better address their current lifestyles, resources, and potential special needs, such as condominiums with elevator access.

Special Needs Housing – Need barrier-free units and supportive services

An estimated 2,262 residents, or 7.4% of all civilian, noninstitutionalized residents, identified themselves as having a disability.[7] Given this level as well as the aging of the population, greater emphasis should be placed on housing that is linked to appropriate supportive services and promotes increased conformance with universal design guidelines for handicapped accessibility, adaptability and "visitability". Beyond the increasing needs of older adults, this planning process attracted input from parents who find it difficult to secure suitable housing for their children with disabilities when they turn 22.

B. SUMMARY OF HOUSING STRATEGIES

A summary of recommended housing strategies is included as Appendix 5 which provides information on the proposed action, entity primarily responsible for implementation, other partners or advocates, whether Town Meeting approval is required, the level of complexity, prerequisites or resources required, as well as the timeframe for implementation.

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

II. INTRODUCTION

A. Purpose of the Project

This Housing Plan represents an effort to update and augment information that was included in an Affordable Housing Plan, completed in 2007, that was the culmination of a lengthy process on the part of the Town of Needham to better understand and address unmet community housing needs. In the fall of 2002, the Needham Select Board created the Comprehensive Community Housing Study Committee, made up of both Town officials and local residents, to coordinate, research and make recommendations to the Town about ways to maintain and increase housing options for individuals and families with low- and moderate-incomes. With assistance from Needham's Planning Department, consultants and state funding under Executive Order 418, the Committee undertook a vigorous program of research and public workshops for more than a year that culminated in a completed Community Housing Plan.

In June of 2006, the Select Board appointed a special Affordable Housing Plan Task Force to work with the Town Planner and selected consultants on updating the above-mentioned 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,[8] setting production goals over the next decade to get to the Chapter 40B 10% state affordable housing goal.

More than 15 years have passed since then and significant progress has been made with respect to boosting housing production and building local capacity for promoting additional housing opportunities including the following important accomplishments:[9]

- Since 2006, the Town's Chapter 40B Subsidized Housing Inventory increased from 498 to 1,410 units or from 4.61% to 11.86% of its year-round housing stock for a net increase of 912 state-approved units.
- The Needham Housing Authority (NHA) coordinated a $2 million modernization project that expanded the living areas and renovated the kitchens of units in its High Rock Estates project. Additionally, they redeveloped 20 single-family houses into 20 duplexes with a net gain of 20 units. Ten of these duplexes were redeveloped into 20 condominium units with a separate Homeowners Association but also receiving NHA support in maintaining and managing the units. The remaining units are rentals owned and managed by NHA. Since then, NHA prepared a Facilities Master Plan and has brought on consultants to guide it in the next phases of modernization and redevelopment work.
- The Town approved new zoning that created special districts to promote housing for older adults and mixed-use development with mandates for the inclusion of affordable units. It also approved a bylaw to allow the creation of Accessory Dwelling Units (ADUs) for family members or caregivers.
- Significant funding has been committed in support of affordable housing including almost $1.5 million in Community Preservation Act (CPA) funding and $280,000 in federal HOME Program funds.
- The Town prepared a permitting guide that clarifies what qualities Needham seeks in housing development, focused primarily on Chapter 40B comprehensive permit projects.

[8] Such plans are required by HUD for receipt of HOME Program funding and updated every five years.
[9] A more detailed report of zoning and housing production accomplishments is included as Appendix 1.

- The Town launched new programs, one to support qualifying tenants in paying their rent during the pandemic and another to help eligible homeowners undertake important health and safety improvements to their homes.

This Housing Plan provides an opportunity to obtain updated information on local demographic and housing changes and reflect on the ramifications of these changes on current housing needs. In order to move forward on a proactive housing agenda, the Town recognizes that it needs a more current understanding of the local housing dynamic to identify and prioritize unmet housing needs in the community and prepare a plan of action to address them. This planning effort will enable the Town to document the extent of local need in terms of affordability, accessibility, sustainability, and suitability that will provide input into decision-making on future regulatory and development prospects.

The Needham Planning Board has appointed a Working Group of representatives of various Town boards and committees as well as three at-large community members to coordinate the planning process. Fundamental to this planning effort is a robust community engagement process of public forums, interviews, and a survey to ensure that residents have opportunities to express their thoughts about local housing issues and an action plan.

B. Town Overview

Needham is a largely residential community that is located on rocky uplands within a loop of the Charles River in the eastern part of Norfolk County, about ten miles southwest of Downtown Boston. The town includes almost 13 square miles and is home to about 32,000 residents. Neighboring communities are some of the most affluent in the Boston Region and the state including Wellesley on the west and northwest, Newton on the north and northeast, the West Roxbury section of Boston on the east, Dedham on the southeast and south, and Westwood and Dover on the south.

Needham also has the great advantage of being well positioned with respect to transportation with four stops on the Massachusetts Bay Transit Authority's (MBTA) commuter rail system, a bus route connecting Needham with the MBTA's Green Line in Newton, and tremendous highway accessibility that includes Route 9 to the north and Routes 95 and 128 that run through town with two exits in Needham.

Needham is also made up of richly diverse environments, ranging from a compact Town Center, outlying areas that are more rural in character, a variety of smaller village centers and residential neighborhoods, as well as substantial and well-planned business areas. While, Town government remains under significant fiscal pressures, like virtually all others in Massachusetts, the level of services it strains to maintain is one that many communities would envy. Moreover, Needham has a well-recognized school system that has been ranked highly among others in the state. All of these amenities have resulted in Needham being a desirable place to live, work and raise a family.



Nevertheless, the Town faces some very real problems that need to be addressed, and housing is among them. High housing costs coupled with limited state and federal resources present substantial challenges to meeting local housing needs. For example, young adult children of Needham families typically find it impossible to afford housing here, particularly if they have a disability. Many households, especially older adults with fixed incomes,

find that remaining here imposes increasingly unbearable cost burdens. Mobility within Needham is limited as "empty nesters," even those with good incomes and substantial home equity, find downsizing to housing with services a choice that is largely unavailable at reasonable cost.

Moreover, Needham is categorized by the regional planning agency, the Metropolitan Area Planning Council (MAPC), as a "mature suburban town" characterized by mid-20th century neighborhoods of owner-occupied, single-family homes on small lots, interspersed with commercial districts and high-density residential developments. Such "maturity" reflects fewer future housing development opportunities. While there are some remaining scattered parcels of vacant developable land, most new development will have to occur through the redevelopment of existing buildings. This will likely be in areas where some greater density is welcome, such as near commuter rail stations and along commercial corridors. Moreover, almost all new single-family homes now involve the demolition of more modest homes in the community with replacement of much larger and expensive ones.

Bringing affordability to existing units is made more daunting by Needham's extraordinary market values with a median single-family home price of almost $1.3 million.

Within this context of housing challenges is the virtual mandate from Chapter 40B and the Commonwealth that at least 10% of all housing should be affordable based on specific requirements, regardless of market changes. As Needham has surpassed this 10% affordability threshold, it is in a position to better control new development of affordable housing as the Chapter 40B comprehensive permit process can only be used if the Town agrees to basic project terms and conditions.

C. Guiding Principles

This Housing Plan adopts the following guiding principles as core values in driving the Town's future housing agenda. These become the context for the housing strategies that are proposed to address local and regional housing needs.

- To build a more diverse and welcoming community that includes residents of all ages, races, ethnicities, gender identification, sexual orientation, religion, abilities, and stages of life.
- To be a community having broad socio-economic diversity.
- To be an engaged community that actively shapes a vision for its housing future that is sensitive to regional considerations.
- To ensure that new housing is appropriate to its location and context.
- To provide opportunity for different housing types of a broad range of size and price.
- To enhance the vitality of our commercial areas to encourage walkability, commuting, shopping, services, socializing, and health.

D. Definition of Affordable Housing[10]

The federal government 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 or adjusted income (with a small deduction per dependent, for child care, extraordinary medical expenses, etc.) or if the carrying costs of purchasing a home (mortgage, property taxes and insurance) is not more than 30% of gross income. The state's Chapter 40B comprehensive permit regulations and Local Initiative Program (LIP) guidelines define affordability if the household is not paying more than 30% of income on housing costs. If households are paying more than these thresholds, they are described as experiencing housing affordability problems or cost burdens; and if they are paying 50% or more for housing, they have severe housing cost burdens.

Affordable housing is also defined according to percentages of median income for the area, and most housing subsidy programs are targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to those with incomes at or below 30% of area median income (AMI) as defined annually by the U.S. Department of Housing and Urban Development. Housing that targets this income group is often referred to as "deeply affordable". Very low-income is defined as households with incomes between 31% and 50% of area median income. Low-income generally refers to the range between 51% and 80% AMI. These income levels are summarized in Table II-1, comparing 2021 and 2022 income limits. The median area household income increased by 16% between these years, from $120,800 to $140,200.

Table II-1: INCOME LIMITS FOR THE BOSTON-CAMBRIDGE-QUINCY MA-NH METRO AREA, 2021/2022

# Household	30% AMI	50% AMI	80% AMI	100% AMI
1	$28,200/$29,450	$47,000/$49,100	$70,750/$78,300	$84,560/$98,140
2	$32,200/$33,650	$53,700/$56,100	$80,850/$89,5000	$96,640/$112,160
3	$36,250/$37,850	$60,400/$63,100	$90,950/$100,700	$108,720/$126,180
4	$40,250/$42,050	$67,100/$70,100	$101,050/$111,850	$120,800/$140,200
5	$43,500/$45,450	$72,500/$75,750	$109,150/$120,800	$130,464/$151,416
6	$46,700/$48,800	$77,850/$81,350	$117,250/$129,750	$140,128/$162,632
7	$49,950/$52,150	$83,250/$86,950	$125,350/$138,700	$149,792/$173,848
8	$53,150/$55,550	$88,600/$92,550	$133,400/$147,650	$159,456/$185,064

Source: U.S. Department of Housing and Urban Development (HUD) and Community Preservation Coalition for 100% AMI figures.

Most state-supported housing assistance programs are targeted to households earning at or below 80% AMI, as well as some at lower income thresholds. The Community Preservation Act (CPA) allows resources to be directed to those at a somewhat higher income threshold – up to 100% of area median income – now typically referred to as "community housing". It should be noted, however, that units in this income range cannot be counted as part of the SHI. In general, programs that subsidize rental units are targeted to households earning less than 60% AMI with some financing reaching those with incomes below 30% AMI. First-time homebuyer programs typically apply income limits of 80% AMI.

In counting a community's progress toward the Chapter 40B 10% threshold, the state counts a housing unit as affordable if it meets a number of requirements under Chapter 40B as summarized in Figure II-1. These units are often referred to as "A" affordable. It is worth noting that there are moderately-priced units available on the open market that do not qualify for the SHI and referred to as Market Affordable Housing.

[10] Definitions of other terms are included in a Glossary of Terms in Appendix 2.

Figure II-1: CHAPTER 40B: WHAT IS AFFORDABLE HOUSING?

1. Must be part of a "subsidized" development built by a public non-profit, or limited dividend corporation or approved Through a state subsidizing agency.
2. At least 25% of the units in the development must be income restricted to households at or below 80% of area median income (or 20% for those earning at or below 50% AMI) and have rents or sales prices restricted to affordable levels. Restrictions must run at least 15 years for rehab and in perpetuity for new homeownership units.
3. Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
4. Project sponsors must meet affirmative marketing requirements.

State policies also enable municipalities to possibly reserve up to 70% of the affordable units created in state subsidized developments, including comprehensive permit projects, for those who live, work or attend school in the community, referred to as "local preference" units. State approval is required, and thus far Needham has obtained local preference approval at the 70% level for all of its eligible projects.

III. HOUSING NEEDS ASSESSMENT

It is important to closely examine demographic and economic data and trends, particularly past and future trends, in order to understand the composition of the population and how it relates to current and future housing needs. A profile describing housing growth and occupancy patterns as well as the current housing market dynamic is also provided, including an analysis of affordability based on different income levels and housing types.

A. DEMOGRAPHIC PROFILE

This section examines population growth in terms of changes in the age distribution and household types that predict impacts on local services and the housing market.

1. Population Growth – Recent spurt in population growth

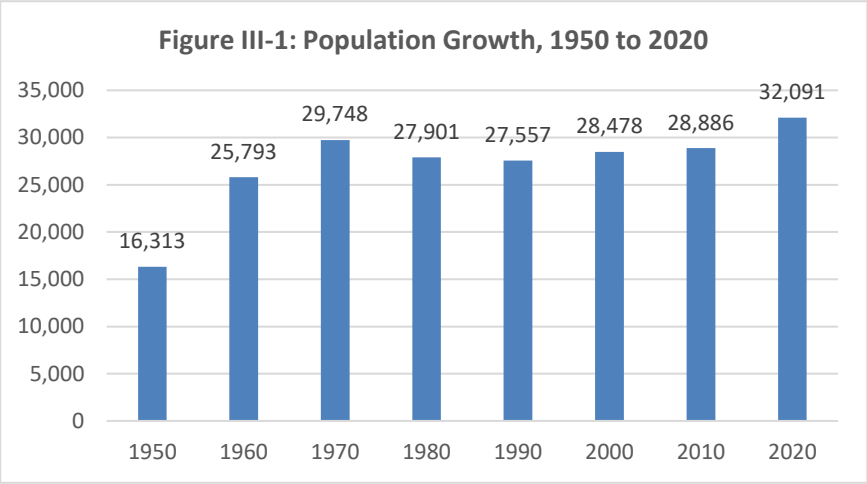
As presented in Table III-1 and Figure III-1, Needham's population increased substantially after World War II, more than doubling between 1940 and 1960, according to U.S. census data. The population climbed to 29,748 residents by 1970, and then dipped to 27,557 in 1990. It rebounded after that growing to 28,478 residents or by 3.3% in 2000, and then up modestly to 28,886 residents and 1.4% in 2010. The 2020 census identified significant population growth between 2010 and 2020 of up to 32,091 residents or 11%, representing a gain of 3,205 new residents. Some of this growth is due to larger household size and new multi-family rental development. For example, The Kendrick and Modera Needham Chapter 40B developments included 526 additional residential units.

The Town census figure was 31,736 residents as of November 2021 with an additional 1,163 inactive voters for a total of 32,899. The Town is required to keep these inactive voters on the census for two biennial state elections if they do not return a confirmation notice. The disparity between the federal and local figures is also typically due to the federal census counting students as living at their colleges and universities while the Town counts students as living at the home of their parents.

Table III-1: Population Change, 1930 to 2020

Year	Total Population	Change in Number of Residents	Percentage Change
1930	10,845	--	--
1940	12,445	1,600	14.8%
1950	16,313	3,868	31.1%
1960	25,793	9,480	58.1%
1970	29,748	3,955	15.3%
1980	27,901	-1,847	-6.2%
1990	27,557	-344	-1.2%
2000	28,478	921	3.3%
2010	28,886	408	1.4%
2020	32,091	3,205	11.1%
Town Records As of 11/21	32,899	--	--

Sources: U.S. Census Bureau, 2010 and 2020; University of Massachusetts Donahue Institute State Data Center; Needham Town Clerk's Office.



There are a number of projections that have been calculated to forecast future demographic growth including those provided by the Metropolitan Area Planning Council (MAPC), State Data Center at the University of Massachusetts Donahue Institute, and Needham Public Schools, all of which are summarized below. **All these projections calculated a total population of less than 30,000 by 2020 and less than 31,000 by 2030, less than the 32,091 residents reported in the 2020 U.S. census.**

The Metropolitan Area Planning Council (MAPC) provided two different sets of projections based on varying assumptions. The first is the Status Quo scenario based on the continuation of existing rates of births, deaths, migration and housing occupancy. The second is the Stronger Region alternative based on the following assumptions:

- The region will attract more people than it does today, particularly young adults;
- Younger households born after 1980 will be more inclined to live in urban areas with less of an inclination to live in single-family homes; and
- An increasing number of older adults will choose to downsize from their single-family homes to apartments or condominium units.

The projections suggested very limited population growth over the next several decades with a total population of 28,981 and 29,491 by 2020 under the Status Quo and Stronger Region scenarios, respectively. By 2030, MAPC calculated that Needham's total population would be 29,706 or 30,746 residents under the Status Quo and Strong Region scenarios, also respectively.

Projections from the University of Massachusetts State Data Center forecasted declining growth with a total population of 29,610 and 28,539 residents for 2020 and 2030, respectively. The Needham Public Schools forecasted a comparable population to the 2010 level of 28,960 residents for both 2020 and 2030.

The projected changes in the age distribution for all of these population projections are included in Section III.A.3 below.

2. Race – Gains in resident diversity

Table III-2 provides a summary of the racial breakdowns of the population for 2000, 2010, and 2020, showing the increase in population diversity over these decades. The population has remained predominantly White, but Asian, Latinx and Black residents have been steadily growing in number and as a percentage of the total population, from 5% in 2000, 9% in 2010, and up to 15% according to the 2020 census. Asians comprised 3.5% of the population in 2000 and 9.4% by 2020, representing half of all minority residents. Black or African-American residents comprised only 1.4% of the population in 2020.

Those claiming Hispanic or Latino heritage added another 1,223 residents in 2020, representing 3.8% of the population.[11]

Table III-2: Racial Distribution, 2000, 2010, and 2020

Race/Ethnicity	2000		2010		2020	
	#	%	#	%	#	%
Total Population	28,911	100.0	28,886	100.0	32,091	100.0
White*	27,140	93.9	25,730	89.1	26,013	81.1
Black*	187	0.6	275	1.0	452	1.4
Asian*	1,023	3.5	1,753	6.1	3,033	9.4
Native American*	7	0.02	10	0.03	10	0.03
Some Other Race*	34	0.1	64	0.2	195	0.6
Two or More Races*	179	0.6	436	1.5	1,165	3.6
Non-White, Non-Hispanic/ Non-Latino	1,430	5.0	2,538	8.8	4,855	15.1
Hispanic or Latino**	341	1.2	618	2.1	1,223	3.8

Source: U.S. Census Bureau, 2020 * Includes race alone, non-Hispanic. ** Includes all racial groups.

3. Age Distribution – Increasing numbers of children despite proportional declines with losses in younger adults and significant gains in older residents

Census data regarding changes in the age distribution from 1990 to 2020 is provided in Table III-3 and visually presented in Figure III-2. The 2020 census data identified a total population figure of 32,091 residents, including 8,439 residents as being under age 18, close to the 8,496 children indicated in the 2020 census estimates based on survey data. In general, trends show an overall increase in children accompanied by decreases in younger and middle-aged residents and gains in older adults. The aging of the population is also reflected in the median age which climbed from 38.9 years in 1990 to 43.0 by 2010, and then to 43.9 years in 2020, largely reflective of overall increases in the 65 to 74 age range. The 2020 median age of 43.5 years is higher than that of Norfolk County at 40.9 years or the state at 39.6 years.

Table III-3: Age Distribution, 1990 to 2020

Age Range	1990		2000		2010		2020	
	#	%	#	%	#	%	#	%
Under 5 Years	1,860	6.7	2,153	7.4	1,869	6.5	1,511	4.8
5 – 17 Years	4,402	16.0	5,423	18.8	6,270	21.7	6,985	22.4
18 – 24 Years	2,088	7.6	1,540	5.3	1,527	5.3	2,054	6.6
25 – 34 Years	3,776	13.7	2,514	8.7	1,694	5.9	1,535	4.9
35 – 44 Years	4,619	16.8	4,939	17.1	4,046	14.0	2,090	6.7
45 – 54 Years	3,223	11.7	4,490	15.5	4,940	17.1	4,624	14.8
55 – 64 Years	2,959	10.7	2,662	9.2	3,840	13.3	4,370	14.0
65 – 74 Years	2,394	8.7	2,265	7.8	2,053	7.1	3,170	10.2
75 – 84 Years	1,556	5.6	1,885	6.5	1,606	5.6	1,579	5.1
85+ Years	680	2.5	1,040	3.6	1,041	3.6	1,319	4.2
Total	27,557	100.0	28,911	100.0	28,886	100.0	31,177	100.0
Under 18	6,262	22.7	7,576	26.2	8,139	28.2	8,496	27.2
Age 65+	4,630	16.8	5,190	18.0	4,700	16.3	6,068	19.5
Median Age	38.9 years		40.8 years		43.0 years		43.9 years	

Sources: U.S. Census Bureau, 1990, 2000 and 2010 and American Community Survey 2016-2020 5-Year Estimates

[11] There is some overlap of race identification between these minority groups.

A further analysis of these demographic shifts is offered below.

- *Increasing population of children that is slowing down with proportional declines*
  While many relatively affluent towns have experienced significant decreases in the number of children, this has not been the case in Needham. Those under age 18 increased from 6,262 residents in 1990 to 8,139 by 2010, or from 22.7% to 28.2% of the population. This represented a 21% increase between 1990 and 2000 and a lower 7.4% increase between 2000 and 2010. Census estimates for 2020 suggest continued growth to 8,496 children but proportionally down to 27.2% of the population with a growth rate down to 4.3% since 2010. The 2020 decennial census identified 8,439 residents under age 18, down to 26.3% of all residents and a 3.7% rate of growth since 2010.[12]

- *College age residents decreased by 27% between 1990 and 2010 and increased to almost 1990 levels according to 2020 census estimates*
  Young residents in the 18 to 24-age range decreased by 27% between 1990 and 2010, going from 2,088 residents to 1,527. The 2020 census estimates indicate some increase in this population to 2,054 residents and 6.6% of the population. It is important to note that many former Needham residents in this age range are boarding at college or living out of town and are not included as part of this count but are still connected to the community.[13]

- *Young adults declined by 59% since 1990*
  Younger adults in the 25 to 34-age range, many in the family formation stage of their lives, also decreased significantly between 1990 and 2010, dropping to 5.9% of the population from 13.7% in 1990, or from 3,776 to 1,694 residents. The 2020 census estimate of 1,535 residents represents another decrease to 4.9%. Overall, an increasing number of Millennials (born 1980-1994) who were raised in Needham have been choosing to live elsewhere, and the high cost of housing is likely a contributing factor in addition to general preferences for living in more urban areas.

- *Recent losses of younger middle-aged residents*
  While those age 35 to 44 increased between 1990 and 2000, by 320 residents or 6.9%, there was a fall-off of this population after that, decreasing from 4,619 to 4,046 residents or by 12.4% between 2000 and 2010. The 2020 census estimates suggest a major loss of 1,956 residents or 48% in this age range since 2010 to 2,090 residents. While many in this age range would likely be attracted to Needham given the high quality of its school system and other community amenities for young families, it is also likely that many have been priced out of the town's housing market.

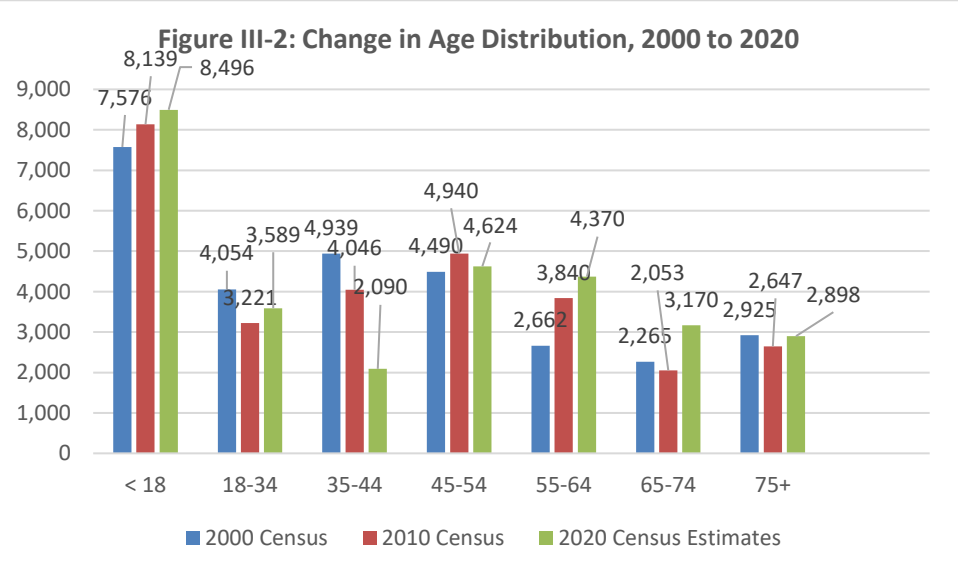
- *Recent decline in middle-aged residents*
  There was an upsurge of those in the 45 to 54 age range, growing by 1,717 residents or 53.3% between 1990 and 2010, likely reflective of those further into their work lives being better able to afford to live in Needham. However, the 2020 census estimates indicate a decrease in this age cohort, down to 4,624 residents from 4,940 in 2010. Some in this age range may also have found it challenging to afford the rising housing costs during this period.

[12] Decennial census data is limited and consequently much of the analysis is this Housing Plan must necessarily rely on census estimates from the American Community Survey 5-Year Estimates which involves sample data.

[13] The federal census counts students attending colleges and universities, or other boarding institutions, as residing in their school community. Those living in dormitories are reported separately as living in group quarters.

- *Increases in older middle-aged residents*
  Those in the 55 to 64-age range increased from 10.7% of the population in 1990 to 13.3% by 2010, or from 2,959 to 3,840 residents. Census estimates for 2020 suggest further increases to 4,370 residents, comprising 14.0% of Needham's population. The Town will need to be prepared to accommodate this increasing population of older adults as they enter retirement with more housing with handicapped accessibility, supportive services, and low maintenance demands.

- *Fluctuating population of older residents with recent increases*
  The number of those 65 years of age and older has fluctuated somewhat over the decades from 4,630 residents in 1990, up to 5,190 in 2000, and then back down to 4,700 in 2010, close to the 1990 level. The 2020 census estimates indicate a major increase to 6,068 residents and up to 19.5% of the population, largely driven by those age 65 to 74. As the community's Baby Boomers continue to enter this age range, the numbers of older adults will increase over the next decade or so as forecasted in population projections.



Population Projections

There are several different projections of changes in the age distribution including two scenarios from the Metropolitan Area Planning Council (MAPC), figures from the University of Massachusetts Donahue Institute's State Data Center, and calculations from Needham Public Schools. These estimates are summarized below.

MAPC Projections

A comparative summary of MAPC's Status Quo and Stronger Region projections is provided in Table III-4, also comparing 2010 census figures. Total population growth between 2010 and 2030 under the Status Quo scenario is 2.8% with the Stronger Region growth rate at 6.4%. These projections suggest that Needham's population would continue to grow slowly to a total population of 30,746 by 2030 based on their Stronger Region scenario, however, *even the Stronger Region scenario underestimates actual growth of 32,091 residents according to the 2020 U.S. census decennial count*.

Nevertheless, as explained above, it is likely that the Stronger Region scenario will more reliably reflect future growth patterns that the Status Quo projections. Both scenarios, however, indicate an increase in those 65 years of age or older, from about 16% to 24% of the population between 2010 and 2030, with

some fall-off of those under age 20, from 30.1% in 2010 to about 25% by 2030. There were also some gains in younger adults age 20 to 34 and modest projected decreases in those 35 to 64 years of age.

Table III-4: MAPC Population Projections for 2030

Age Range	2010 Census		2030 Status Quo Projections		2030 Stronger Region Projections	
	#	%	#	%	#	%
Under 5 Years	1,869	6.5	1,572	5.3	1,650	5.4
5 to 19 Years	6,814	23.6	5,763	19.4	5,935	19.3
20 to 34 Years	2,677	9.3	3,400	11.4	3,680	12.0
35 to 64 Years	12,826	44.4	11,593	39.0	12,002	39.0
65+ Years	4,700	16.3	7,378	24.8	7,479	24.3
Total	28,886	100.0	29,706	100.0	30,746	100.0

Source: Metropolitan Area Planning Council (MAPC), Massachusetts Housing Data Portal, January 2014.

Figure III-3 shows the projected percentage change in total population for those under 15 years of age and for those over age 65 for Needham from 2010 and 2030. These changes are compared to other Maturing Suburbs in the Boston region, MAPC's Three Rivers Interlocal Council subregion, and the entire Metro Boston area, once again based on MAPC's Stronger Region figures. This data indicates that Needham's total projected growth of 3% between 2010 and 2030 is comparable to what is estimated in other Maturing Suburbs and the subregion. The data also identified Needham with the greatest predicted decrease in the number of children although this 19% population loss is about the same as the estimated 18% decline in other Maturing Suburbs. While not as extreme as the other areas, Needham is also projected to experience increases in those over the age of 65, at a 57% gain.

Figure III-3: Population Change Comparison, 2010 to 2030[14]

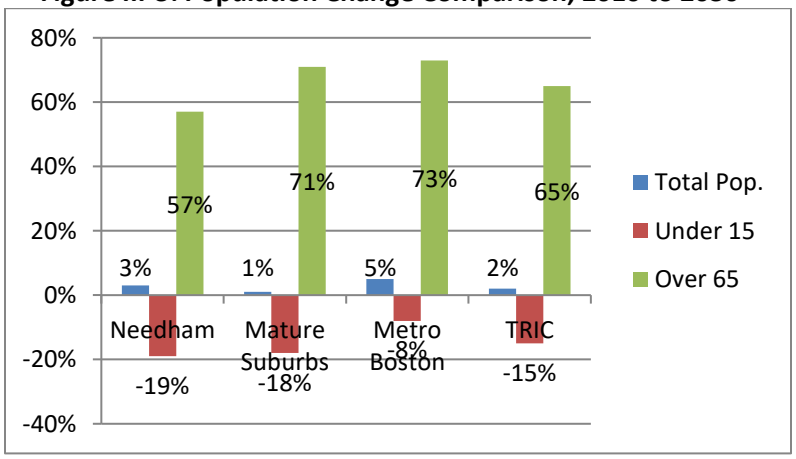


Table III-5 and Figure III-4 present more detailed MAPC Stronger Region figures for 2020 and 2030 for Needham in comparison to the 2010 U.S. census counts, suggesting the following more specific population trends:

[14] Source: Metropolitan Area Planning Council, Metro Boston 2030 Population and Housing Demand Projections. TRIC (Three Rivers Interlocal Council) is the MAPC subregion that includes Needham as well as Canton, Dedham, Dover, Foxborough, Medfield, Milton, Norwood, Randolph, Sharon, Stoughton, Walpole and Westwood.

- *Continuing declines in the number and percentage of children* with those under age 20 decreasing from 30.1% of the population in 2010, to 26.8% by 2020, and down further to 24.7% by 2030, representing a loss of 1,098 young residents during this period. This decline, if realized, would have impacts on school enrollments and costs.

- Gains of those in the 20 to 24 age range with a net increase of 173 such residents. Given such high housing prices, many in this age range and recently out of college may need to live with their family or find rentals that they can share.

- Increases in those age 25 to 34, from 5.9% of all residents in 2010 to 8.2% by 2030 and with a net gain of 830 residents. This group represents a major target market for the new Chapter 40B rental developments or other future multi-family construction, both rentals and ownership.

Table III-5: 2010 Census and 2020 and 2030 MAPC Population Projections

Age Range	2010 Census		2020 Projections Stronger Region		2030 Projections Stronger Region	
	#	%	#	%	#	%
Under 5 Years	1,869	6.5	1,438	4.9	1,650	5.4
5 –14 Years	4,952	17.1	4,301	14.6	4,106	13.4
15 – 19 Years	1,862	6.4	2,165	7.3	1,829	5.9
20 – 24 Years	983	3.4	1,295	4.4	1,156	3.8
25 – 34 Years	1,694	5.9	1,968	6.7	2,524	8.2
35 – 44 Years	4,046	14.0	3,780	12.8	4,181	13.6
45 – 54 Years	4,940	17.1	4,192	14.2	4,008	13.0
55 – 64 Years	3,840	13.3	4,480	15.2	3,813	12.4
65 – 74 Years	2,053	7.1	3,326	11.3	3,909	12.7
75 – 84 Years	1,606	5.6	1,528	5.2	2,509	8.2
85 Years and Over	1,041	3.6	1,018	3.5	1,061	3.5
Total	28,886	100.0	29,491	100.0	30,746	100.0
Under 20 Years	8,683	30.1	7,904	26.8	7,585	24.7
65+ Years	4,700	16.3	5,872	19.9	7,479	24.3

Source: 2010 U.S. Census Bureau and Metropolitan Area Planning Council's Population and Housing Demand Projections for Metro Boston, January 2014.

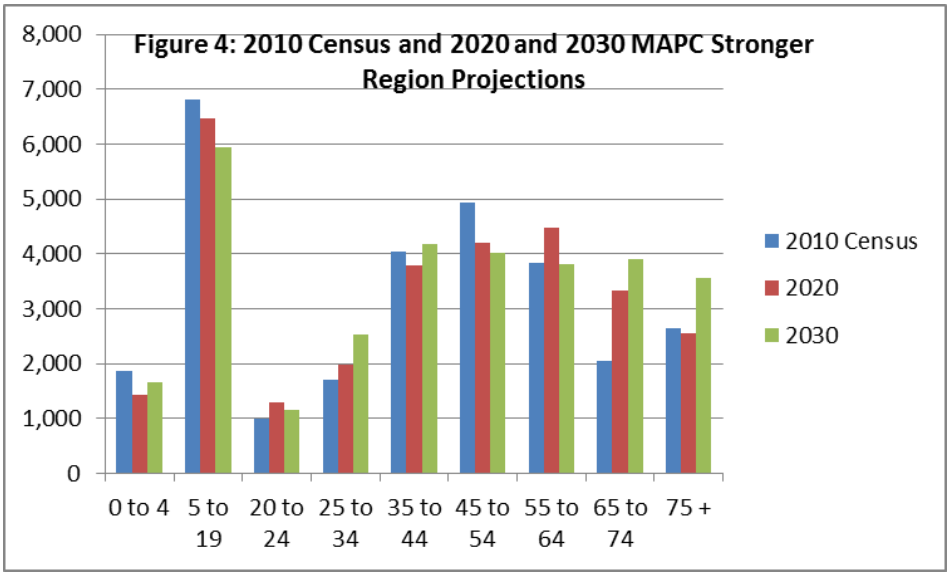
- Relative stability of younger adults age 35 to 44 that are projected to continue to represent about 14% of the population, increasing by an estimated 135 residents.

- A fall-off in middle-aged residents age 45 to 54, from 17.1% of the population in 2010 to 13.0% by 2030 and with a net loss of 932 residents or 18.9%. Some of these residents may choose to leave the community in search of more affordable living conditions and/or because their children have already graduated from local schools.

- Projected fluctuations in those 55 to 64 years old, increasing from 13.3% to 15.2% between 2010 and 2020 and then down to 12.7% by 2030 with a net loss of 27 residents. Some in this age category might be looking for opportunities to downsize which are very limited in Needham.

- *Increases in the population 65 years of age and older,* from 16.3% in 2010 to 24.3% in 2030 and with an estimated gain of 2,779 residents. This increase includes the aging Baby Boomers and

suggests that the Town undertake appropriate planning to accommodate an aging population that is likely to have special needs in the future. The Town can anticipate a greater demand for housing opportunities for downsizing as well as Council on Aging services for example.



State Data Center Projections

Table III-6 provides projections of the age distribution in Needham for 2020 and 2030 from the State Data Center at the University of Massachusetts Donahue Institute. The 2020 data suggests rather comparable population figures to the 2020 MAPC Stronger Region estimates with proportional variations of only about 1% or less for each age range with the exception that the State Data Center projects a higher level of those 45 to 54 years of age at 16.4% instead of 14.2%.

Table III-6: 2010 Census and 2020 and 2030 State Data Center Population Projections

Age Range	2010 Census		2020 Projections		2030 Projections	
	#	%	#	%	#	%
Under 5 Years	1,869	6.5	1,187	4.0	1,340	4.7
5 –14 Years	4,952	17.1	4,140	14.0	3,133	11.0
15 – 19 Years	1,862	6.4	2,479	8.4	1,290	4.5
20 – 24 Years	983	3.4	963	3.3	966	3.4
25 – 34 Years	1,694	5.9	1,680	5.7	2,156	7.6
35 – 44 Years	4,046	14.0	3,496	11.8	3,615	12.7
45 – 54 Years	4,940	17.1	4,851	16.4	3,918	13.7
55 – 64 Years	3,840	13.3	4,739	16.0	4,458	15.6
65 – 74 Years	2,053	7.1	3,242	10.9	3,896	13.7
75 – 84 Years	1,606	5.6	1,680	5.7	2,559	9.0
85 Years and Over	1,041	3.6	1,153	3.9	1,208	4.2
Total	28,886	100.0	29,610	100.0	28,539	100.0
Under 20 Years	8,683	30.1	7,806	26.4	5,763	20.2
65+ Years	4,700	16.3	6,075	20.5	7,663	26.9

Sources: 2010 U.S. Census Bureau and University of Massachusetts, Donahue Institute, State Data Center.

Additionally, the State Data Center's 2030 projections indicate a decline in population to 28,539 residents which is below the 28,886 total population count in 2010 and well below the 2020 census population

count of 32,091 residents. Nevertheless, these figures still demonstrate general demographic trends related to decreases in children, gains in younger adults, and increases in seniors age 65 or older. For example, the State Data Center estimates that those under age 20 will decline by 2,920 residents between 2010 and 2030 while those 65 years of age or older will increase by close to the same amount at 2,963 residents. Younger adults between the ages of 25 and 34 are projected to increase by 462 residents.

Needham Public Schools Projections[15]

Table III-7 presents population projections that were prepared by McKibben Demographics for the Needham Public Schools which suggest no real total net growth or population loss from the 2010 census count through 2030. The figures nevertheless demonstrate the same general demographic shifts as the other projections with a decrease in younger residents, with the exception of Millennials, as well as increases in older residents triggered largely by the aging of the Baby Boom generation and the continuing residency of empty nesters.

The report's findings suggest an increase of 111 students between school year 2021-2022 and 2025-2026, or from 5,835 to 5,946 students, the highest enrollment forecasted for pre-kindergarten through 12th grade. The projections then suggest a decline of 169 students after that through 2033-34, or from 5,946 to 5,777 students. These projections indicate a much higher level of growth in enrollment than is currently occurring with the 2020-2021 enrollment at 5,483 students as opposed to the forecasted 5,813.

This data is primarily based on birth, death and migration data. In regard to housing, the report suggests that "even if the district continues to have some annual new home construction (even if that construction is rental units), the rate, magnitude and price of existing home sales will become the increasingly dominant factor affecting the amount of population and enrollment change". The report further suggests the following with respect to housing:

The issue over the next five to ten years is that the number of new and existing home sales over the last three years has been more than 60% lower on average than the previous seven years. Without this in-migration flow the district pre-school age cohorts will be of insufficient size to maintain the current elementary enrollment levels. The more dependent an area is on in-migration for students to compensate for a low number of births, the larger the enrollment will decline. While the construction of new rental units will help reduce this problem in the short term, once these units are finished (assumed in these forecasts to be by 2027) they will have no additional impact on the overall age distribution of the district.

[15] McKibben Demographics, Needham Public Schools, MA Demographic Study, January 2, 2019. These figures reflect the forecaster's "Best Scenario" with all currently platted and approved housing developments built out and completed by 2032 and occupied by 2033.

Table III-7: 2010 Census and 2020 and 2030 Needham Public School Projections

Age Range	2010 Census		2020 Projections		2030 Projections	
	#	%	#	%	#	%
Under 5 Years	1,869	6.5	1,760	6.1	1,620	5.6
5 –14 Years	4,952	17.1	4,710	16.3	4,750	16.4
15 – 19 Years	1,862	6.4	1,910	6.6	1,850	6.4
20 – 24 Years	983	3.4	1,060	3.7	940	3.2
25 – 34 Years	1,694	5.9	2,170	7.5	2,210	7.6
35 – 44 Years	4,046	14.0	3,090	10.7	3,600	12.4
45 – 54 Years	4,940	17.1	4,040	14.0	3,240	11.2
55 – 64 Years	3,840	13.3	4,680	16.2	3,810	13.2
65 – 74 Years	2,053	7.1	2,990	10.3	3,700	12.8
75 – 84 Years	1,606	5.6	1,490	5.1	2,220	7.7
85 Years and Over	1,041	3.6	1,060	3.7	1 ,020	3.5
Total	28,886	100.0	28,960	100.0	28,960	100.0
Under 20 Years	8,683	30.1	8,380	28.9	8,220	28.4
65+ Years	4,700	16.3	5,540	19.1	6,940	24.0

Sources: 2010 U.S. Census Bureau and Demographic Study conducted by McKibben Demographics for the Needham Public Schools, January 2, 2019.

Table III-8 and Figure III-5 provide a comparison of the 2030 MAPC Stronger Region, State Data Center, and Needham Public School projections. The State Data Center and Needham Public School projections suggest relatively comparable total population estimates, but the decreases in children as well as the increases in older adults are much less extreme in the Public School figures in comparison to the others. Of particular note in these population projections are the following general demographic shifts and resulting implications:

- Some declines in the numbers of children which will provide relief to Needham's public school system, reducing costs with decreases in school enrollment. MAPC and State Data Center projections suggest greater declines in children than those prepared for the Needham Public School District.

- Increases in younger adults with sufficient income to afford housing in Needham. These smaller households will likely put less stress on local infrastructure, and many will be attracted to the smaller multi-family units that have been produced as part of the new rental developments or opportunities that might arise out of new zoning such as the Mixed Use Overlay District (MUOD) or potential accessory dwelling units. Fiscal analyses of the MUOD and recent multi-family developments have indicated that they will likely result in positive annual fiscal benefits to the Town.

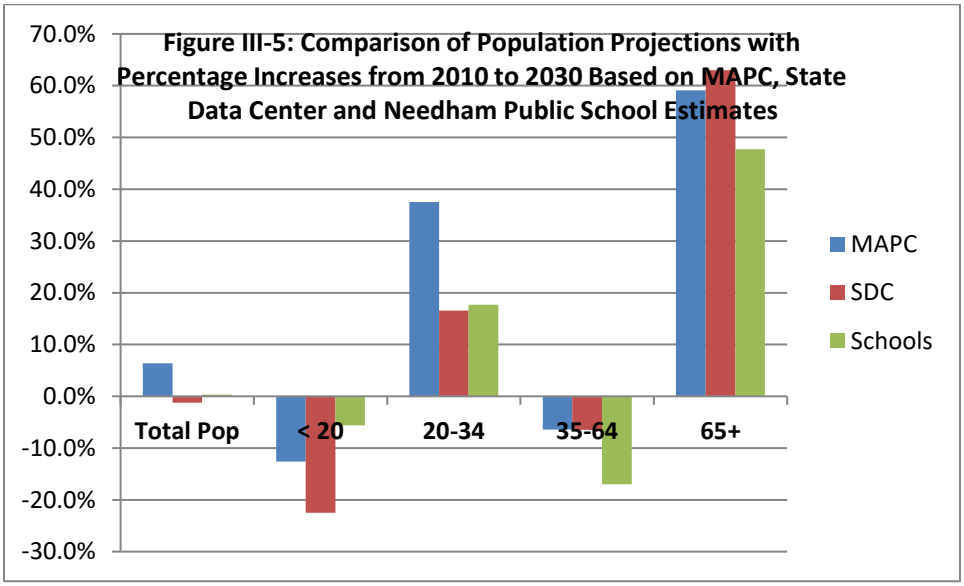
- Some declines in middle-age residents who are likely to be homeowners, many with school-age children. This population puts substantial pressure on Town services.

- Increases in older adults 65 years of age or older, many who would prefer to downsize in the community but have tended to remain in their homes given limited housing alternatives. These residents will likely put greater pressure on the Council on Aging and local ambulance services as well as private health services. The increase in this age category is much higher in the MAPC and State Data Center projections as compared to the Needham Public School estimates.

Table III-8: Comparison of Population Projections for 2030

Age Range	2010 Census		MAPC Stronger Region Projections		State Data Center Projections		Needham Public Schools Projections	
	#	%	#	%	#	%	#	%
Under 5 Years	1,869	6.5	1,650	5.4	1,340	4.7	1,620	5.6
5 to 19 Years	6,814	23.6	5,935	19.3	5,389	18.9	6,600	22.8
20 to 34 Years	2,677	9.3	3,680	12.0	3,122	10.9	3,150	10.9
35 to 64 Years	12,826	44.4	12,002	39.0	11,991	42.0	10,650	36.8
65+ Years	4,700	16.3	7,479	24.3	7,663	26.9	6,940	24.0
Total	28,886	100.0	30,746	100.0	28,539	100.0	28,960	100.0

Sources: 2010 U.S. Census Bureau, Metropolitan Area Planning Council's Population and Housing Demand Projections based on the Stronger Region Scenario, January 2014; University of Massachusetts, Donahue Institute, State Data Center; and Demographic Study conducted by McKibben Demographics for the Needham Public Schools, January 2, 2019.



Previous fiscal analyses of new Chapter 40B development or the Mixed Use Overlay District as well as some updated cost information suggest the following:

- The Needham Public School projections suggest a decline of 169 students between 2025-2026 and 2033-34, or from 5,946 to 5,777 students. These projections indicate a much higher level of growth in enrollment than is currently occurring with the 2020-2021 enrollment at 5,483 students as opposed to the forecasted 5,813. With average school costs of approximately $15,000 per student, savings would be significant.

- Because Needham is so close to buildout of single-family homes, any new development is likely to involve new multi-family development in business areas and/or the redevelopment of existing properties that will be better oriented towards young single adults, young couples, and downsizers who put less demand on local services.

- With time and the turnover of homes by empty nesters, it is likely that the population will increase after 2030 as families reoccupy the homes with accompanied increases in the number of children, school enrollments, and a higher demand for local services.

4. Households – More families and recent increases in household size[16]

As shown in Table III-9, after an increase in the number of households between 1990 and 2000, the number of households fell by 271 or 2.6% to 10,341 by 2010. It then increased to 10,765 households according to 2020 census estimates. The net number of new households was 605 between 1990 and 2020 representing a 6.0% rate of growth, a bit more than a third of the 16.4% rate of population growth during this period. This suggests that households were becoming larger which was further demonstrated by the increase in average household size from 2.68 persons in 1990 to 2.82 by 2020. Perhaps the teardown activity that has occurred over the past decade, with smaller more modest homes being replaced with larger more expensive ones, is a contributing factor to increasing numbers of larger households as families largely replace empty nesters.

MAPC Stronger Region projections suggest an increase from 10,310 households in 2010, to 11,084 by 2020, and then 12,026 by 2030, representing a growth rate of 16.6% compared to projected population growth of 6.4%. This indicates an increase in smaller households, which is a reversal of recent trends. While projections have underestimated actual population growth, it is likely that they are overestimating household growth levels.

Unlike many communities, where the number of families is shrinking in comparison to growing numbers of non-family households (includes unrelated household members and those living alone), the number of families has been increasing in Needham. **The percentage of families, 81.0% in 2020, was higher than the 66.6% level for Norfolk County and 63.2% statewide.**

Almost 11% of the households with children under age 18 were headed by one parent and 87% of these, or 428 households, involved single mothers who likely have lower incomes on average than their male counterparts.

Table III-9: Household Characteristics, 1990 to 2020

Household Type	1990		2000		2010		2020	
	#	%	#	%	#	%	#	%
Total Households	10,160	100.0	10,612	100.0	10,341	100.0	10,765	100.0
Family Households*	7,565	74.5	7,782	73.3	7,792	75.4	8,718	81.0
Married Couple Families With Children <18*	2,876	28.3	3,528	33.2	3,619	35.0	3,953	36.7
Female Headed Families With Children <18*	331	3.3	337	3.2	386	3.7	428	4.0
Non-family Households*	2,595	25.5	2,830	26.7	2,549	24.6	2,047	19.0
Persons Living Alone*	2,149	21.2	2,470	23.3	2,492	24.0	1,857	17.2
Average Household Size	2.68 persons		2.63 persons		2.72 persons		2.82 persons	

Sources: U.S. Census Bureau, Census 1990, 2000 and 2010 and American Community Survey 5-Year Estimates 2016-2020 *Percent of all households

[16] The U.S. Census Bureau's definition of "family" includes married couples, with or without children, or single heads of households with children.

The 2020 census estimates indicate that there were 1,857 individuals living alone, representing 17.2% of all households. This shows a decrease from 2,470 and 2,492 such households in 2000 and 2010, respectively. Of the single-person households, 1,387 or 75% were 65 years of age or older in 2020.

Table III-10 examines the types of households by household size. Single-person households comprised 17.2% of all households in 2020, down from 24% in 2010, including 91% of all non-family households. There was a modest increase in two-person households, from 3,359 in 2000 to 3,457 by 2020, remaining at about 32% all households. On the other hand, households with more than three persons increased from 3,070 in 2000 to 3,775 by 2020, or from 29.0% to 35.1% of all households. This is consistent with increases in average household size from 2.63 to 2.82 persons.

Table III-10: Types of Households by Size, 2000, 2010 and 2020

Households by Type and Size	2000		2010		2020	
	#	%	#	%	#	%
Non-family Households	**2,795**	**26.4**	**2,667**	**25.7**	**2,047**	**19.0**
1-person household	2,470	23.3	2,492	24.0	1,857	17.2
2-person household	279	2.6	159	1.5	154	1.4
3-person household	36	0.3	0	0.0	36	0.3
4-person household	10	0.1	16	0.2	0	0.0
5-person household	0	0.0	0	0.0	0	0.0
6-person household	0	0.0	0	0.0	0	0.0
7+ person household	0	0.0	0	0.0	0	0.0
Family Households	**7,800**	**73.6**	**7,706**	**74.3**	**8,718**	**81.0**
2-person household	3,080	29.1	2,864	27.6	3,303	30.7
3-person household	1,660	15.7	1,525	14.7	1,640	15.2
4-person household	2,043	19.3	2,245	21.6	2,733	25.4
5-person household	785	7.4	933	9.0	739	6.9
6-person household	203	1.9	139	1.3	193	1.8
7+ person household	29	0.3	**0**	0.0	110	1.0
Total	**10,595**	**100.0**	**10,373**	**100.0**	**10,765**	**100.0**

Source: U.S. Census Bureau, 2000 Census, Summary File 3, and 2016-2020 American Community Survey 5-Year Estimates.

Small families with three or four household members comprised 40.6% of all households in 2020, increasing from 35% in 2000. Large families of five or more persons represented 9.7% of all households in 2020, relatively comparable to 9.6% in 2000 and somewhat higher than Norfolk County at 9.1%.

Table III-11 provides the distribution of household size as to whether the household was a renter or homeowner. While 86% of renters were in households of only one or two members, this was the case for 43% of owner households (includes those who own houses as well condo units) based on the 2020 census estimates, compared to 80% and 49% of renters vs. owners in 2000, respectively. Also, 14.1% of all renter households included three or more members compared to 57.4% of owner households.

Generally, renter households have been getting smaller while the opposite is true for owner households. These changes are also demonstrated in average household sizes of 1.69 persons for renters in 2020, down from 1.90 in 2010. The average household size for owners increased from 2.88 persons to 3.03 during this same period. Consequently, the rental housing stock has far fewer children, largely dictated by units with more limited numbers of bedrooms. On the other hand, the increasing numbers of larger homes due to teardown activity is likely a factor in the increases in average household size for owners. This also points to the development of rental housing having far less impact on school enrollments.

A high percentage of Needham households are likely what could be termed as "over-housed" given the disparity between the average-sized, owner household of 3 persons and the median-sized, owner-occupied unit of 7.5 rooms and three to four bedrooms.

Table III-11: Household Size by Tenure, 2000, 2010 and 2020

Household Size by Tenure	2000		2010		2020	
	#	%	#	%	#	%
Owner-occupied Housing	**8,584**	**80.9**	**8,607**	**83.0**	**9,092**	**8.45**
1-person household	1,431	13.5	1,472	14.2	956	8.9
2-person household	2,765	26.1	2,621	25.3	2,921	27.1
3-person household	1,522	14.3	1,427	13.8	1,567	14.6
4-person household	1,946	18.3	2,089	20.1	2,622	24.4
5-person household	727	6.9	859	8.3	739	6.9
6-person household	174	1.6	139	1.3	193	1.8
7+ person household	19	0.2	0	0.0	94	0.9
Renter-occupied Housing	**2,028**	**19.1**	**1,766**	**17.0**	**1,673**	**15.5**
1-person household	1,051	9.9	1,020	9.8	901	8.4
2-person household	571	5.4	402	3.9	536	5.0
3-person household	193	1.8	98	0.9	109	1.0
4-person household	127	1.2	172	1.7	111	1.0
5-person household	76	0.7	74	0.7	0	0.0
6-person household	0	0.0	0	0.0	0	0.0
7+ person household	10	0.1	0	0.0	16	0.2
Total	**10,612**	**100.0**	**10,373**	**100.0**	**10,765**	**100.0**

Source: U.S. Census Bureau, 2000 Census, Summary File 3, and 2006-2010 and 2016-2020 American Community Survey 5-Year Estimates.

B. ECON0MIC PROFILE

This section focuses on economic issues related to Needham households including changes in incomes and employment over time, also examining changes regarding education and levels of special needs that affect the community.

1. Income – High income levels but growing income disparities

Table III-12 and Figure III-6 present income data based on census estimates, revealing huge increases in higher-income earners over time. Median incomes have increased substantially, with the median household income increasing from $60,357 to $88,079, or by 46% between 1989 and 1999, and growing by 30% between 1999 and 2010 to $114,365. The 2020 census estimates indicate a 53% growth in median household income since 2010 to $174,707, more than twice the rate of inflation of 18.7%. Moreover, Needham's median household income was considerably higher than the county and state levels of $105,320 and $84,385, respectively.

In 1989, about 40% of all households had incomes of less than $50,000, decreasing to 15.1% by 2020. There were decreases in the numbers and percentages of households in all income ranges of less than $100,000 between 1989 and 2020, with 78.4% of all households earning less than $100,000 in 1989 compared to 30% by 2020. **On the other hand, 21.6% of all households earned more than $100,000 in 1989, increasing to 70% by 2020.**

Table III-12: Household Income Distribution, 1989 to 2020

Income Range	1989		1999		2010		2020	
	#	%	#	%	#	%	#	%
Under $10,000	647	6.3	464	4.4	298	2.9	196	1.8
$10,000-24,999	1,112	10.8	739	7.0	884	8.5	429	4.0
$25,000-34,999	886	8.6	698	6.6	357	3.4	532	4.9
$35,000-49,999	1,434	14.0	909	8.6	477	4.6	476	4.4
$50,000-74,999	2,350	22.9	1,668	15.7	1,329	12.8	815	7.6
$75,000-99,999	1,618	15.8	1,389	13.1	971	9.4	833	7.7
$100,000-149,999	1,271	12.4	2,158	20.4	2,027	19.5	1,541	14.3
$150,000 +	948	9.2	2,570	24.3	4,030	38.9	5,943	55.2
Total	10,266	100.0	10,595	100.0	10,373	100.0	10,765	100.0
Median income	$60,357		$88,079		$114,365		$174,707	

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3, and American Community Survey 2006-2010 and 2016-2020 5-Year Estimates.

44% of all households earned more than $200,000 according to 2020 census estimates.

The income distribution of families shows even higher income levels with a median of $213,438 and 78.2% earning more than $100,000 including 52.6% with incomes of more than $200,000, a finding highly correlated with the greater prevalence of two-worker families.

Despite generally growing prosperity, there remains a vulnerable population living in Needham with very limited financial means as 1,157 households or 10.8% of all households were estimated to have incomes of less than $35,000 in 2020, including 625 or 5.8% earning less than $25,000.

Some of Needham's lower income households likely live in subsidized housing, while others might be retired and/or disabled, living on fixed incomes. Others may need to leave the community entirely at some point because of rising housing costs.

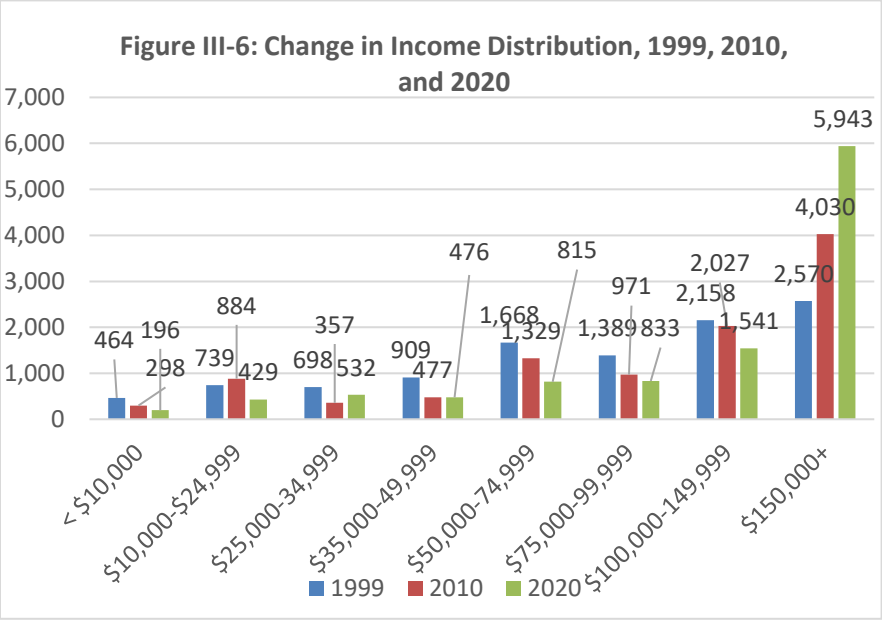


Table III-13 provides comparative median income levels for various types of households in 2020. Not surprisingly, incomes were highest for families, households in the prime of their working lives, men, and homeowners. The Town's per capita income was $57,716 in 2010, increasing to $80,532 by 2020, considerably higher than the county and state medians of $55,860 and $45,555, respectively. The median for non-family households was 35% of median household income and 29% of median family income.

The median income of those 65 years of age or older was $88,239, less than 40% the median for households with heads in the 25 to 64 age range. It is interesting to note that the median income of households in the 25 to 44 age range, and earlier into their careers, was higher than for those age 45 to 64. It may be that some of these younger households are newer residents who were attracted to the community as a place to raise their families and have incomes that can accommodate Needham's high and rising home values, including the larger homes that are being built through teardown activity.

Table III-13: Median Income by Household Type, 2020

Type of Household/Householder	Median Income
Individual/Per capita	$80,532
Households	$174,707
Families	$213,438
Non-families	$61,506
Male full-time workers	$151,788
Female full-time workers	$104,449
Renters	$44,361
Homeowners	$203,690
Householder age 15 to 25	Sample size too small.
Householder age 25 to 44	$242,885
Householder age 45 to 64	$228,281
Householder age 65 or more	$88,239

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates for 2016-2020.
Householder is a member of the household.

Other 2020 census data indicates that 3,512 or 32.6% of households were obtaining Social Security benefits with an average benefit of $26,019. A total of 2,406 households received some other retirement income, representing an average of $51,976 in income. There were 205 recipients of public assistance, averaging only $7,217 in benefits, and 289 households were receiving Food Stamps/SNAP benefits.

As shown in Table III-14, median income levels largely increased with growing numbers of household members, from $56,069 for a single individual living alone to $239,531 for three-person households. The census data did not calculate the specific medians for both the four- and five-person households as the categories were open-ended over the amount of $250,000.

Table III-14: Median Household Income by Household Size, 2020

Size of Household	Median Household Income
1-person households	$56,069
2-person households	$122,566
3-person households	$239,531
4-person households	$250,000+*
5-person households	$250,000+ *
6-person households	$190,069
7+ person households	$239,010

Source: U.S. Census Bureau, American Community Survey 2016-2020 5-Year Estimates
* Indicates that median falls in the upper interval of an open-ended distribution.

Another perspective on income levels examines *income by the age of the primary household earner* or householder as summarized in Table III-15. Few householders were less than 25 years of age and all had incomes of less than $25,000 according to 2020 census estimates. Some of these households may have been attending local colleges or working part-time.

Of the 2,524 householders age 25 to 44, only 13.3% had incomes of less than $50,000 while 70.5% had incomes of more than $150,000. This age group had the highest median income level of $242,885.

The largest age group included those in the 45 to 64 age range involving 4,617 households or 43% of all households. As with the 25 to 44 age group, a substantial number of these households had incomes of more than $150,000, representing 70.1% of these households, while only 7.0% had incomes of less than $50,000. It is likely that some of these households with more modest means have lived in Needham for many years, entering the community when it still had a fair amount of starter housing available, prior to the huge boom in housing values.

It is also interesting to note that the median incomes and percentages of those earning more than $100,000 are fairly similar in the 25 to 44 and 45 to 64 age categories, in the 81% to 83% range. More typically, income levels are higher for those in the older age range as they are generally more established in their careers and at the peak of their earning potential. One reason for this comparability may be that more recent homeowners are younger and were particularly attracted to Needham schools and other community amenities, including public transportation. They also were able to afford the high costs associated with housing, particularly the large homes that are a product of demolition and replacement activity.

The incomes of those 65 years or older were not as concentrated in any particular income range but 11.9% had incomes of less than $25,000 and 41% earned under $75,000. Nevertheless, more than one-quarter had incomes of more than $150,000 with another 18% earning in the $100,000 to $149,999 range. These income levels also do not reflect a household's financial assets, especially home equity that can be considerable for long-term Needham residents.

Table III-15: Household Income by Age of Householder, 2020

	Less than 25 Years		25 to 44 Years		45 to 64 Years		65 Years and Over	
Income Range	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Under $10,000	21	60.0	13	0.5	19	0.4	143	4.0
$10,000-24,999	14	40.0	38	1.5	94	2.0	283	7.9
$25,000-34,999	0	0.0	61	2.5	133	2.9	338	9.4
$35,000-49,999	0	0.0	226	9.0	77	1.7	173	4.8
$50,000-74,999	0	0.0	32	1.3	253	5.5	530	14.8
$75,000-99,999	0	0.0	102	4.0	196	4.2	535	14.9
$100,000-149,999	0	0.0	272	10.8	610	13.2	659	18.4
$150,000 +	0	0.0	1,780	70.5	3,235	70.1	928	25.9
Total	35	100.0	2,524	100.0	4,617	100.0	3,589	100.0

Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates.

While the median household income of homeowners almost doubled, from $100,732 in 2000 to $203,690 by 2020, the median income of renters stayed about the same, going from $44,226 to $44,361.

Table III-16 compares 2000 and 2020 estimated *income levels for owners and renters*. Besides income disparities related to age, there are growing disparities related to tenure. For example, 33% of renters had incomes of less than $35,000 based on 2020 census estimates, down from 41% in 2000. In comparison, only 5.6% of homeowners had incomes in this range in 2020, down from 12.8% in 2000. On the other end of the income range, 62.5% of homeowners earned more than $150,000 compared to 15.7% of renters. Most of these higher-income-earning renters were likely renting single-family homes, were staying in other rentals while renovating their existing home, or moved into one of the market rate units in the larger Chapter 40B developments.

An estimated 23% of all households and 60% of all renter households had incomes below $75,000. These households might qualify to purchase or rent an affordable unit, some even obtaining such assistance based on income alone given that this threshold is generally less than the 80% of the 2021 area median income level.

Table III-16: Income Distribution by Owner and Renter Households, 2000 and 2020

Income Range	Homeowners				Renters			
	2000		2020		2000		2020	
	#	%	#	%	#	%	#	%
Under $10,000	177	2.1	106	1.2	292	14.4	90	5.4
$10,000-24,999	420	4.9	172	1.9	338	16.7	257	15.4
$25,000-34,999	501	5.8	235	2.6	201	9.9	297	17.8
$35,000-49,999	607	7.1	267	2.9	308	15.2	209	12.5
$50,000-74,999	1,316	15.3	670	7.4	411	20.3	145	8.7
$75,000-99,999	1,230	14.3	578	6.4	120	5.9	255	15.2
$100,000-149,999	1,954	22.8	1,383	15.2	193	9.5	158	9.4
$150,000 +	2,379	27.7	5,681	62.5	165	8.1	262	15.7
Total	8,584	100.0	9,092	100.0	2,028	100.0	1,673	100.0
Median Income	$100,732		$203,690		$44,226		$44,361	

Source: U.S. Census Bureau, 2000 Census and 2016-2020 American Community Survey 5-Year Estimates.

2. Poverty Status – Low and declining except for those age 65 or older

Table III-17 confirms that poverty declined between 1989 and 1999, both in terms of percentages and the numbers of individuals and families living in poverty, from 3.3% to 2.5% of all residents. However, between 1999 and 2010 poverty increased to 3.8%, especially among older adults where poverty increased from 0.7% to 5.3%, likely related to the recession towards the end of the decade. The 2020 census estimates indicate declines in those living in poverty to 2.4% of all residents with a decrease for families as well to 1.9%. Poverty among older adults age 65 or older increased to 5.8% from 5.3% in 2010, and from 249 to 336 individuals.

The level of poverty remains lower than the state where 9.8% of all individuals were estimated to be living in poverty in 2020, including 6.6% of all families and 8.9% of older adults.[17] The 2020 poverty levels for Norfolk County included 6.0% of all residents, 4.0% of families, and 7.2% of those 65 years of age or older.

Table III-17: Poverty Status, 1989 to 2020

Populations	1989		1999		2010		2020	
	#	%	#	%	#	%	#	%
Individuals Below Poverty *	896	3.3	705	2.5	1,098	3.8	716	2.4
Families **	140	1.8	121	1.6	234	3.0	166	1.9
Individuals 65+***	42	0.9	36	0.7	249	5.3	336	5.8

Sources: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and 2006-2010 and 2016-2020 American Community Survey 5-Year Estimates.

3. Employment – Diverse economic base with high average wages

Needham has a strong and diverse economic base. Early agricultural, grazing, lumbering and tanneries gave way to manufacturing with the extension of the railroad and the removal of the community's relative isolation within the loop of the Charles River. Land speculation, housing development and knitwear became the foundation of the community's economy well into the 20th Century. The construction of

[17] The federal poverty limits for 2021 were $12,880 for a single individual and $21,960 for a family of three (3).

Route 128 enabled the town to become part of the high-tech highway after World War II, further expanding the local economy.

Of those 23,761 Needham residents over the age of 16 in 2020, 15,392 or 64.7% were in the labor market. *Of these, 3,816 or 25% worked in the community.* It should also be noted that 66.7% of workers drove alone to work and another 3.9% carpooled. Almost 13% used public transportation, up from 11.6% in 2012 and 10.6% in 2017. The average commuting time was 32.5 minutes.

The 2020 census estimates also provide information on the concentration of Needham working residents by industry, indicating that more than two-thirds were involved in management or professional occupations (68.3%), 20.5% in sales and office occupations, 6.0% in service occupations, 2.3% in construction or maintenance jobs, and 2.9% in production and transportation work. About 82% were private salaried or wage workers, another 9.9% were government workers, and 8.1% were self-employed.

Detailed labor and workforce data from the state on employment patterns for establishments located in Needham is presented in Table III-18. This information shows an average employment of 19,951 workers employed in Needham in 2020, up from 19,212 in 2012, but down from 22,788 in 2017. The data also confirms a mix of employment opportunities with a concentration of higher paying professional jobs that brings the average weekly wage for those working in Needham to a relatively high level of $2,105, up from $1,698 in 2012 and $1,829 in 2017, and almost as high as Boston's average weekly wage of $2,281. Needham's average weekly wage translates into an annual income of approximately $109,880, lower than Needham's median household income of $174,707 but well over the state's median of $84,385. As another point of comparison, the unemployment level as of August 2021 was 3.7%, up from 2.1% in 2019 prior to the pandemic, but down from 5.7% in 2020. Needham's unemployment rate was in fact lower than Boston's at 5.7% as of August 2021.

Table III-18: Average Employment and Wages by Industry, 2012/2017/2020

Industry	# Establishments	Total Wages	Average Employment	Average Weekly Wage
Construction	91/97/93	$42,622,017/ $63,363,569/ $71,658,524	607/737/791	$1,350/ $1,653/ $1,742
Manufacturing	34/30/27	$63,547,622/ $58,946,451/ $57,157,442	905/994/788	$1,350/ $1,140/ $1,395
Wholesale trade	85/91/75	$71,748,277/ $83,824,817/ $168,380,722	704/757/1,378	$1,960/ $2,129/ $2,350
Retail trade	88/91/88	$44,685,144/ $47,792,522/ $54,086,597	1,195/1,166/ 1,071	$719/ $788/ $971
Transportation/warehousing	11/16/13	$12,314,649/ $12,903,648/ $15,605,271	205/215/232	$1,155/ $1,154/ $1,294
Information	51/57/65	$115,387,213/ $144,131,188/ $97,229,775	1,159/1,374/ 877	$1,915/ $2,017/ $2,132
Finance/insurance	101/116/128	$145,016,408/	1,141/1,256/	$2,444/

		$175,911,361/ $188,385,336	1,119	$2,693/ $3,238
Real estate/rental/leasing	52/73/72	$23,073,500/ $34,711,522/ $30,718,057/291	282/374	$1,573/ $1,785/ $2,030
Professional/technical services	281/281/308	$749,042,333/ $795,475,169/ $721,177,474	3,607/3,101/ 2,449	$3,994/ $4,933/ $5,663
Management of companies/enterprises	15/16/14	$34,875,515/ $52,573,490/ $55,805,435	519/556/494	$1,292/ $1,818/ $2,172
Administrative and waste Services	79/87/43	$53,763,933/ $227,978,705/ $257,843,051	1,154/2,426/ 2,258	$896/ $1,807/ $2,196/
Health care/social assistance	127/191/194	$184,236,263/ $258,298,719/ $264,507,740/	4,075/5,282/ 4,634	$869/ $940/ $1,098
Educational services	31/40/43	$69,940,784/ $103,182,739/ $110,552,909	1,202/1,720/ 1,624	$1,119/ $1,154/ $1,309
Arts/entertainment/recreation	22/23/23	$2,942,322/ $3,797,711/ $3,307,819	118/188/141	$480/ $388/ $451
Accommodation/food services	53/57/58	$25,158,353/ $40,321,432/ $26,431,704	1,025/1,396/ 742	$472/ $555/ $685
Other services	250/228/256	$34,798,802/ $36,726,874/ $31,421,022	921/837/621	$727/ $844/ $973
Total	1,381/1,503/1,548	$1,696,831,400/ $2,166,747,180/ $2,183,370,050	19,212/ 22,788/ 19,951	$1,698/ $1,829/ $2,105

Source: Massachusetts Executive Office of Labor and Workforce Development, 2012, January 22, 2019, and November 12, 2021

Shaded industries have average employment of more than 1,000 workers.

4. Education – High educational attainment and increasing student enrollment

The educational attainment of Needham residents is very high and has improved over the last couple of decades. In 2020, 97.9% of those 25 years and older had a high school diploma or higher, and 78.1% had a bachelor's degree or higher compared to 54.6% for the county and 44.5% for the state. These attainment levels are up from the 2000 figures of 96.4% with at least a high school degree and 64.9% with a bachelor's degree or higher. Such high education attainment levels are correlated with Needham's generally high incomes.

According to 2020 census estimates, there were 9,330 residents three years of age or older who were enrolled in school (nursery through graduate school) or about 29% of the 2020 population Those enrolled in kindergarten through high school totaled 7,264 students, representing 22.6% of the total population. The Needham Public Schools reported a student enrollment of 5,483 in the 2020-2021 school year, down from 5,645 for 2018-2019, and up considerably from 4,330 students during the 1999-2000 school year. This data suggests that about 1,500 school-age children attend schools outside of the Needham Public

School system. Needham Public School projections also predict that student enrollments will grow to a peak of 5,946 students in the 2025-26 school year and then decline to 5,777 in 2033-2034.[18]

Figure III-7 shows the racial distribution of students enrolled in the Needham Public School system, indicating that about 25% of students were members of minority populations. The White population, at approximately 75% in 2020-2021, was down from previous years, from 84% in 2010-2011 for example.

Figure III-7: Student Race and Ethnicity for Needham Public Schools, 2020-2021

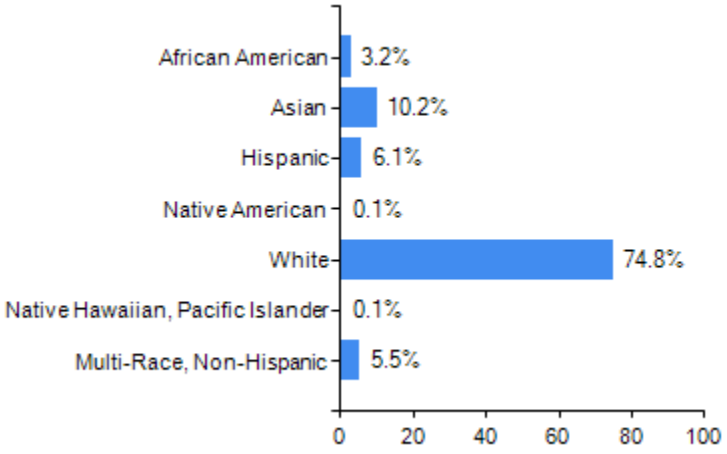
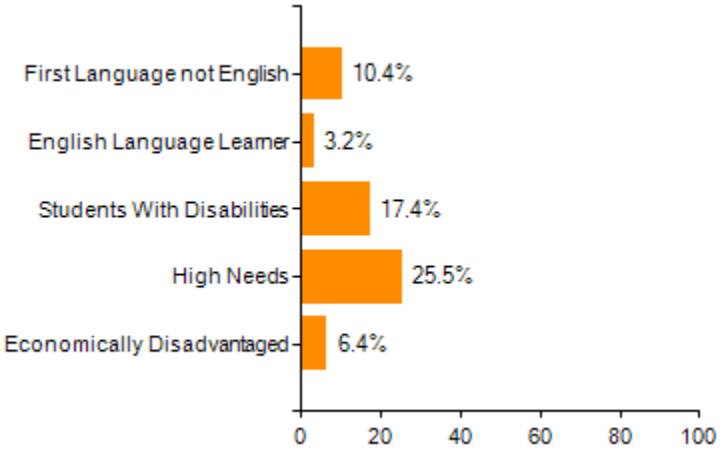


Figure III-8 presents the distribution of selected populations for 2020-2021, showing significant special needs and that 6.4% of students were economically disadvantaged and eligible for free or reduced-priced meals from the U.S. Department of Agriculture's school nutrition program. To qualify, the student must be part of a household receiving supplemental nutrition assistance program (SNAP) or temporary assistance for needy families, or homeless, a migrant, or in foster care.

Figure III-8: Selected Populations for Needham Public Schools, 2020-2021



[18] McKibbin Demographic Associates, Enrollment Projections for FY 2019/2020 to 2033/34 to the Needham Public Schools, January 2, 2019.

5. Disability Status – More than 2,200 residents claimed a disability

The 2020 census estimates, as summarized in Table III-19, indicate that 2,262 residents, or 7.4% of all civilian, noninstitutionalized residents, identified themselves as having a disability.[19] Of these, 171 were under the age of 18,650 between ages 18 and 64, and 1,441 were 65 years or older. These levels of disability are largely less than county and statewide figures, but still represent notable special needs within the Needham community and suggest that the Town make a concerted effort to produce special needs housing units that are handicapped accessible and/or have supportive services.

Table III-19: Civilian Noninstitutionalized Population with a Physical Disability, 2020

Age Range	Needham		County	MA
	#	%	%	%
Less than age 5	0	0.0	0.3	0.8
5 to 17 years	171	2.5	4.2	6.1
18 to 34 years	309	8.7	5.7	6.4
35 to 64 years	341	2.6	7.3	10.5
65 years+	1,441	25.0	27.8	31.3
Total	2,262	7.4	9.5	11.7

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2016-2020.

The 2020 census estimates also identify numbers of residents with particular disabilities, as summarized in Table III-20. It should be noted that some residents will have multiple challenges but more than half of the 2,262 residents who claimed a disability experienced an ambulatory difficulty with about 37% and 39% with cognitive and/or independently living problems, respectively.

Table III-20: Types and Distribution of Disabilities, 2020

Type of Disability	# Residents	% Disabled	% All Residents
Hearing Difficulty	694	30.7	2.3
Vision Difficulty	256	11.3	0.8
Cognitive Difficulty	834	36.9	2.9
Ambulatory Difficulty	1,240	54.8	4.2
Self-care Difficulty	684	30.2	2.3
Independent Living Difficulty	885	39.1	4.0

Source: U.S. Census Bureau, Census American Community Survey 5-Year Estimates for 2016-2020.

6. Resident Mobility – Housing turnover lower than the statewide level

Of the population one year of age or older, 92.6% lived in the same house as they did the year before according to 2020 census estimates. Of those 2,284 residents who had moved into Needham in 2019, 34% came from within Norfolk County, 35% from another county in Massachusetts, with another 30% coming from a different state or abroad. There was more mobility of residents on the statewide level with 12.5% of residents moving in 2019.

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

C. HOUSING PROFILE

This section summarizes housing characteristics and trends, analyzes the housing market from a number of different data sources and perspectives, compares what housing is available to what residents can afford, and identifies what units are defined as affordable by the state. Through indicators of needs, priority housing needs are also identified.

1. Housing Growth – Slower housing growth than population growth and high demolition/replacement activity

The 2020 U.S. census counted 11,891 housing units, involving an increase of 769 units or 6.9% since 2010. This is higher than the 6.5% and 5.0% growth rates of the 1970s and 1990s, respectively, but a bit lower than the 8.9% and 7.9% rates of the 1980s and early 2000s. It should be noted that housing growth between 2010 and 2020, at 6.9%, was lower than the 11.1% population growth during the same period pointing to increases in average household size.

Table III-21 provides information from the 2020 census estimates on housing growth over the decades. This information indicates that 22.4% of Needham's housing stock predates World War II. Building activity took off in the 1940s through the 1960s when about 41% of the housing stock was developed according to these figures, greatly affected by the construction of Routes 95 and 128. After that, growth slowed down to below 10% per decade.

It is important to note that there is a disparity between the 2020 decennial census figures and the 2020 census estimates with total housing unit figures of 11,891 and 11,211, respectively. Much of the analysis of housing characteristics and trends in this Housing Plan will be necessarily based on the census estimates as such information is not available in the decennial figures.

The Town will still have a healthy cushion with respect to the 10% affordability threshold under Chapter 40B with a current Subsidized Housing Inventory (SHI) of 1,410 units; however, the percentage of affordability decreased from 12.76% based on the 2010 year-round housing figure to 11.86%.

Table III-21: Housing Units by Year Structure Was Built, 2020

Time Period	#	%
2010 or later	913	8.1
2000 to 2009	888	7.9
1990 to 1999	564	5.0
1980 to 1989	998	8.9
1970 to 1979	725	6.5
1960 to 1969	1,188	10.6
1950 to 1959	2,353	21.0
1940 to 1949	1,069	9.5
1939 or earlier	2,513	22.4
Total	11,211	100.0

Source: U.S. Census Bureau, American Community Survey 2016-2020 5-Year Estimates.

In 2021, 76 single-family units were permitted as well as three duplexes. During the year, 72 single-family homes and two duplexes involved teardowns for a total net unit gain of only ten units.

Table III-22 indicates that between 2010 and 2020 there was a net gain of 720 housing units with a net increase of 19 single-family homes. This represents a teardown level of almost 98% of all new permitting for the construction of single-family homes during this period. On the other hand, 666 units were built in multi-family buildings of three units or more, representing 92.5% of new unit production. This level of housing growth is lower than the 913 units built between 2010 and 2020 according to the 2020 census estimates summarized in Table III-21. Nevertheless, based on the 2010 and 2020 decennial census counts, the total number of units produced between 2010 and 2020 was 769 as shown in Table III-23, 49 units higher than the building permit count.

Table III-22: Net New Residential Units, 2010-2021

Year	New Single-family Units	New Two-family Units/New Multi-family	Demolished or Relocated	Estimated Total Net New Single-family Units	Net New Two-family + Multi-family or Subdivisions
2010	66	4 (8 units)	160*	5	1
2011	67	5 (10 units)	101*	5	1
2012	75	10 (20 units)	108*	6	2
2013	61	10 (20 units)/ 1***	68**	-7	2 + 12
2014	98	34 (68 units)/4****	92**	6	6 + 40
2015	85	9 (18 units)	84**	1	2
2016	104	6/12*****	96**	8	1 + 52
2017	92	10 (20 units)/12 ******	93**	-1	2 + 562
2018	80	4	79	3	2
2019	87	11	87	2	9
2020	52	11	65	-9	7
Subtotal = 720 Total Net New Units	*867*	*886*	*1,033*	*19*	*35 + 666*
2021	76	6	72	6	4
Total = 730 Total Net New Units	**943**	**892**	**1,105**	**25**	**39 + 666**

Source: Needham Building Department

* All demolition permits

** Indicates only residential building permits. Assume that about 92% of the new single-family and two-family units involved demo/replacement.

*** Includes 12 independent living units at The Residences of Wingate.

**** Includes 10 units at mixed-use property at 50 Dedham Avenue, Greendale Village 40B with 12 single-family units and 4 duplex units for a total of 20 units, and 10 units at Webster Street Green 40B development.

***** Includes 52 independent living units at One Wingate Way.

****** Includes 390 units at 275 Second Avenue (The Kendrick), 136 units at 700 Greendale Avenue (Modera Needham) as well as several subdivisions (Sunrise Terrace – 6 units, Rockwood Lane – 22 units, and Belle Lane – 8 units).

2. Housing Occupancy – High level of owner-occupancy and extremely tight market conditions

Table III-23 includes a summary of housing occupancy characteristics from 1990 through 2020. Of the total 11,891 housing units counted as part of the 2020 U.S. decennial census, 11,282 were identified as occupied compared to 609 vacant units with an occupancy rate of 94.9%, up from 93.0% in 2010.[20]

Based on 2020 census estimates, of the occupied units 9,092 or 84.5% were owner-occupied and the remaining 1,673 occupied units, or 15.5%, were rental units. This suggests that there was an increase of 450 owner-occupied units between 2010 and 2020 and a 26-unit loss of rental units. This data is clearly inaccurate as almost all new owner-occupied development involved teardown activity with only 19 net new single-family homes built between 2010 and 2020 as identified in Table III-22. Given the construction of 666 new units of multi-family housing as noted in Table III-22, the changes in new owner versus rental units are more likely closer to the reverse.

These figures still represent a relatively high level of owner-occupancy. For example, only 69.2% of the occupied units in Norfolk County were owner-occupied with the state at 62.3% in 2010, which changed very little to 68.8% and 62.5%, respectively, by 2020.

The average number of persons per unit increased from 2.83 persons in 1990, to 2.88 persons by 2010, and then up to 3.03 persons in 2020 for owner-occupied units. On the other hand, the average household size decreased from 2.02 to 1.69 persons for rental units during this period. This increase in the average household size of owner-occupied units is consistent with increases in the town-wide average number of persons per household from 2.68 persons in 1990, to 2.72 by 2010, and 2.82 by 2020, and likely at least partially reflects the larger size of new homes. Moreover, new rental development has focused on multi-family projects with smaller unit sizes and thus the decrease in average household size is not surprising.

Table III-23: Housing Occupancy, 1990 to 2019/2020

Housing Characteristics	1990		2000		2010		2020 Decennial/ Estimates*	
	#	%	#	%	#	%	%	#
Total # Housing Units	10,405	100.0	10,846	100.0	11,122	100.0	11,891/ 11,211*	100.0/ 100.0
Occupied Units *	10,160	97.6	10,612	97.8	10,341	93.0	11,282/ 10,765*	94.9/ 96.0
Total Vacant Units*	245	2.4	234	2.2	781	7.0	609/ 446*	5.1/ 4.0
Occupied Owner Units **	8,097	79.7	8,587	80.9	8,642	83.6	9,092*	84.5
Occupied Rental Units **	2,063	20.3	2,025	19.1	1,699	16.4	1,673*	15.5
Average Household Size/ Owner-occupied Unit	2.83 persons		2.82 persons		2.88 persons		3.03* persons	
Average Household Size/ Renter-occupied Unit	2.02 persons		1.84 persons		1.90 persons		1.69* persons	

Source: U.S. Census Bureau, Census 1990, 2000, 2010, and 2020 decennial and American Community Survey 5-Year Estimates for 2016-2020 as marked with an asterisk (*).
* Percentage of all housing units ** Percentage of occupied housing units

[20] The year-round housing figure is the one used under Chapter 40B for determining the 10% affordability goal, calculated by subtracting seasonal units (zero based on 2020 census estimates) from total units (11,891).

The vacancy rate was only 2.2% for homeownership in 2010, up somewhat from 0.3% in 2000 as shown in Table III-24. Estimates for 2020 indicate an even tighter market with a 1.0% vacancy rate, which was somewhat higher than the county and state at 0.8% and 0.9%, respectively.

On the other hand, the rental vacancy rate was estimated to be zero in 2010, which does not even reflect normal turnover rates. By 2020 this rate had increased to 2.3%, lower than county and state levels of 3.1% and 3.3%, respectively. As any rate below 5% is considered to reflect extremely tight housing market conditions, this information confirms very strong homeownership and rental markets.

Table III-24: Vacancy Rates by Tenure,[21] 2000 to 2020

Tenure	Needham 2000	Needham 2010	Needham 2020	County 2020	MA 2020
Rental	2.2%	0.0%	2.6%	3.1%	3.3%
Homeowner	0.3%	2.2%	1.0%	0.8%	0.9%

Source: U.S. Census Bureau, 2000 and 2010, Summary File 1; American Community Survey 5-Year Estimates, 2016-2020.

3. Types of Structures and Units – Predominance of single-family homes

Table III-25 and Figure III-9 demonstrate that Needham's housing stock is dominated by single-family homes with the following changes in housing types:

- The number of detached and 1-unit attached dwellings (e.g., townhouses) combined continues to comprise about 82% of all units. The census data suggests a gain of 371 single-family detached units between 2010 and 2020 and a loss of 44 attached units. The total number of identified single-family detached units, of 8,700 units, is higher than the 8,412 units included in Assessor's records although some of multiple units on one lot might be included in the census data. Moreover, Table III-22 shows that because teardown activity was so high, only 19 net new single-family homes were built between 2010 and 2020. This once again points to an overestimation of housing growth in the census figures, likely at least somewhat related to counting new building permits instead of net new units given teardown activity.
- There was a loss of 135 units in two to four-unit properties between 2010 and 2020 but a net loss of 408 units since 1990. These losses are of particular concern as such properties are typically among the most affordable in the private housing stock as they can provide rental income to purchasers who choose to occupy them.
- There was a net increase of 57 units in five to nine-unit properties between 1990 and 2020.
- The 2020 census estimates also suggest an increase of 211 units in properties of ten or more units since 2010 which undercounts the units created as part of the large multi-family properties that have been permitted under Chapter 40B. It is clear that the 2020 census overestimates the increase in single-family units while underestimating the growth of units in large rental developments. Table III-22 indicates that 666 units were built as part of multi-family development. For example, 526 units were produced as part of The Kendrick and Modera Needham projects alone.

[21] Vacant units include those offered for rent or sale, units that are rented or sold but unoccupied, seasonal or occasional units, and an "other" category.

- The number of units in the "other" category, which includes mobile homes, RV's, houseboats, etc., decreased to ten units according to census estimates. This is incorrect as Assessor's data indicates that there are no such units remaining in Needham.

Table III-25: Units by Type of Structure, 1990 to 2020

Type of Structure	1990		2000		2010		2020	
	#	%	#	%	#	%	#	%
1-unit detached	8,185	78.7	8,333	76.8	8,329	77.3	8,700	77.6
1-unit attached	237	2.3	317	2.9	619	5.7	575	5.1
2 to 4 units	800	7.7	813	7.5	527	4.9	392	3.5
5 to 9 units	225	2.2	187	1.7	256	2.4	282	2.5
10+ units	901	8.7	1,177	10.9	1,041	9.7	1,252	11.1
Other	57	0.5	19	0.2	9	0.1	10	0.1
Total	10,405	100.0	10,846	100.0	10,781	100.0	11,211	100.0

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and the American Community Survey 2006-2010 and 2016-2020 5-Year Estimates.

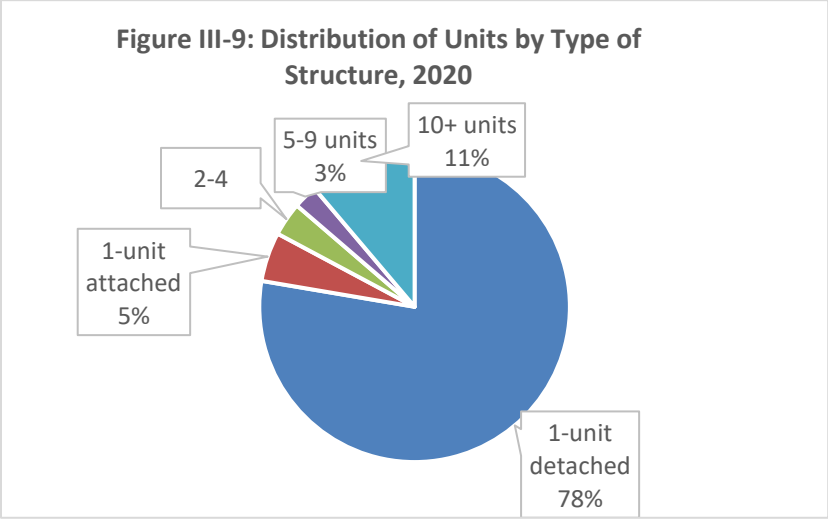


Table III-26 provides a breakdown of the estimated 2010 and 2020 distributions of units per structure according to whether the units were occupied by renters or homeowners. About 94% of owners resided in single-family detached or attached homes in both 2010 and 2020. On the other hand, more than 40% of renters lived in multi-family units of ten or more units in 2020, up from one-third in 2010. This is related to new multi-family rental development that has helped diversify the housing stock.

It is interesting to note that 21% of renters lived in single-family homes in 2020, down from almost one-third in 2010. This is higher than the state level of 14.7% in 2020, and not surprising given the prevalence of single-family homes in Needham and once again new rental alternatives in the community. The decline in homeowner units in buildings of 10 or more units, from 323 in 2010 to 298 units in 2020, perhaps indicates that more condominium units are held as investments and rented out.

Table III-26: Type of Structure by Tenure, 2010 and 2020

Type of Structure	Homeowner Units				Renter Units			
	2010		2020		2010		2020	
	#	%	#	%	#	%	#	%
1 unit, detached and attached	8,115	94.3	8,634	95.1	577	32.7	357	21.3
2 to 4 units	160	1.9	102	1.1	367	20.8	197	11.8
5 to 9 units	0	0.0	48	0.5	228	12.9	234	14.0
10 or more units	323	3.8	298	3.3	594	33.6	674	40.3
Total	8,607	100.0	9,082*	100.0	1,766	100.0	1,673	100,.0

Source: U.S. Census Bureau, 2006-2010 and 2016-2020 American Community Survey 5-Year Estimates.
* The 10 mobile homes that are counted by the 2020 census estimates are not included in this analysis.

It also should be noted that the 2020 decennial census indicates that Needham had 776 people living in group quarters (including licensed group homes). These individuals included 381 institutionalized residents, largely living in skilled nursing facilities, and 395 noninstitutionalized individuals, most living in student housing. These units are not counted as part of the total number of housing units per census data.

Table III-27 provides information on the distribution of unit sizes, more specifically the number of rooms per unit. This data indicates that the median sized unit in Needham was large with 7.5 rooms based on 2020 census estimates, likely including four bedrooms, and higher than the county and state medians of 6.0 and 5.5 rooms, respectively. In addition, those units that might be more appropriate for single persons, with five or fewer rooms, involved only 21.5% of all units in Needham, down from 23.0% in 2010 and much lower in comparison to 42.7% and 49.4% for the county and state, respectively.

Given that about half (49.4%) of all households included single individuals or two-persons, a portion of households in Needham are living in housing that is much larger than what they may need; in essence they could be considered "over-housed". Some residents may even want to downsize but find it challenging to find appropriate alternative housing that better meets their current lifestyles and ability to pay. The new multi-family housing developments have provided some opportunities for downsizing, however, most long-term homeowners would be unlikely to qualify for the affordable units given financial assets, including accrued equity, and market prices require incomes well over $100,000. The lack of new condominium developments means that those who wish, for the sake of financial security, to reinvest a portion of the proceeds of sale of their single-family homes in a condominium unit that meets their needs, cannot find such housing in Needham.

Table III-27 also shows that Needham's housing stock includes a growing segment of large homes. With the exception of units with one, two and five rooms; the percentages of all units with less than nine rooms decreased between 2010 and 2020 while those units with nine units or more increased by 1,195 units, going from 26.3% to 35.9% of all units. Those units with seven or more rooms involved 65.7% of Needham's housing stock compared to 41.6% for the county and 33.5% for the state.

The surge in larger homes is also reflected in the median number of rooms per unit increasing from 7.1 to 7.5 rooms as well as increases in the size of the average house in Needham.

Through a sample of Assessor records, including 192 homes from 1975 to 1980 and 213 homes from 2018 to 2020, the average square footage increased from 2,235 to 4,461 square feet. This has occurred while the average household size decreased from 2.99 persons in 1980 to 2.82 based on 2020 census estimates.

Table III-27: Number of Rooms per Unit, 2020

Number of Rooms per Unit	Needham 2010/2020		Norfolk County 2020	Massachusetts 2020
	#	%	%	%
1 Room	191/226	1.8/2.0	2.1	2.6
2 Rooms	130/248	1.2/2.2	3.5	3.4
3 Rooms	643/455	6.0/4.1	10.5	10.0
4 Rooms	810/682	7.5/6.1	13.7	15.7
5 Rooms	700/796	6.5/7.1	12.9	17.7
6 Rooms	1,749/1,426	16.2/12.7	15.7	17.1
7 Rooms	1,896/1,720	17.6/15.3	13.4	12.2
8 Rooms	1,827/1,628	16.9/14.5	11.7	9.3
9 or More Rooms	2,835/4,030	26.3/35.9	16.5	12.0
Total	10,781/11,211	100.0	100.0	100.0
Median (Rooms)	7.1/7.5 rooms		6.0 rooms	5.5 rooms

Source: U.S. Census Bureau, American Community Survey 2016-2020 5-Year Estimates.

Certainly, the demolition of smaller homes and replacement with much larger units explains some of these shifts towards larger units although other market dynamics are also at play. The regional, and in many cases national, imbalance between housing supply and demand drives up property values, particularly land costs, and the pandemic has caused increases in construction costs. Such costs in turn compel developers to build larger homes at very high sales prices to cover their investment and deliver a profit when zoning limits the number of units that can be created. Escalating market prices have been further fueled by low mortgage interest rates. Consequently, Needham has experienced a housing market where very large and expensive homes set the bar for real estate expectations.

4. Housing Values – Extremely high and rising housing costs

The following analysis of the housing market examines values of homeownership and rental housing from a number of data sources including:

The 1990, 2000, 2010 and 2020 Decennial U.S. Census figures
The U.S. Census Bureau's 2006-2010 and 2016-2020 American Community Survey 5-Year Estimates
The Warren Group's median sales price statistics and sales volume by year
Multiple Listing Service data
Town Assessor's data
Internet rental listings

Homeownership – Unprecedently high housing values

Census data also provides information on housing values, summarized for owner-occupied units (includes single-family and two-family homes as well as condominium units) in Table III-28. The 2020 census estimates indicated a median house value of $900,200, up from the median of $646,300 in 2010 and more than triple the median in 1990 of $256,500. Between 2000 and 2020, the median increased by 133%, considerably more than the rate of inflation of 50% during this period.

In 2020, there were only 81 units valued at less than $200,000 with another 189 units in the $200,000 to $300,000 price range. This demonstrates that very little of the community's owner-occupied housing units were relatively affordable to low- and moderate-income households. On the other end of the price range, *35% of the units were valued at over $1 million, almost triple the 2010 level.*

Table III-28: Housing Values of Owner-occupied Units, 1990 to 2020

	1990		2000		2010		2020	
Price Range	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Less than $200,000	1,126	15.8	250	3.2	148	1.7	81	0.9
$200,000 to $299,999	3,988	55.9	1,471	19.1	239	2.8	189	2.1
$300,000 to $499,999	1,672	23.4	4,274	55.5	1,551	18.0	304	3.3
$500,000 to $999,999	350	4.9	1,577	20.5	5,525	64.2	5,324	58.6
$1 million or more			126	1.6	1,144	13.3	3,194	35.1
Total	7,136	100.0	7,698	100.0	8,607	100.0	9,092	100.0
Median (dollars)	$256,500		$385,600		$646,300		$900,200	

Source: U.S. Census Bureau, 1990 and 2000, Summary File 1, and U.S. Census Bureau, 2006-2010 and 2016-2020 American Community Survey 5-Year Estimates.

Table III-29 provides The Warren Group data from *Banker & Tradesman* on median sales prices and the number of sales from 2000 through 2021, offering a long-range perspective on sales activity. This data is tracked from Multiple Listing Service information based on actual sales.

Needham joined the "million-dollar club" several years ago as the median sales price of a single-family home climbed to $1,102,000 as of January 2019 from $976,250 as of the end of 2018. It subsequently grew to almost $1.3 million in 2021.

The lowest point of the market occurred in 1992 when the median single-family home was priced at $225,000, reflective of the economic recession in the early 1990s. After that, single-family home values climbed steadily until 2005 when they fluctuated a bit due to the financial crisis but remained above $600,000. Since then, the median has grown steadily, almost doubling from the 2005 median to $1,290,000 in 2021. Figure III-8 shows this pattern of increasing housing values. COVID-19 did not have a negative impact on housing values, and much of the increase in housing values is due to the larger homes that are being built through teardown activity.

The number of single-family home sales has also fluctuated, declining from 452 sales in 2004, to a low of 329 sales in 2008 in reaction to the recession, and then up and down after that to 384 and 383 sales in 2018 and 2019, respectively. Sales activity decreased somewhat in 2020, to 366 sales, and was up a bit to 372 sales in 2021.

The condominium unit market has experienced more volatility, both in terms of values and number of sales. Median prices reached a high of $593,750 in 2005 and then dropped to $297,750 by 2009, again in response to the recession. The condo market did not surpass pre-recession levels until 2015 when the median reached a high of $636,000. After a decline in 2016, the median spiked to $767,000 in 2017 and was at its highest of $885,000 in 2021. The number of sales ranged from a low of 41 in 2000, to a high of 77 in 2015, then down again to 57 sales in 2016, and once again up to 69 in 2018 and 2019. It has continued to increase, up to 85 sales in 2021.

Table III-29: Median Sales Prices and Number of Sales, 2000 to 2021

Year	Months	Single-family		Condominiums		All Sales	
		Median	# Sales	Median	# Sales	Median	# Sales
2021	Jan – Dec	$1,290,000	372	$885,000	85	$1,199,500	494
2020	Jan – Dec	$1,170,000	366	$858,000	59	$1,100,000	455
2019	Jan – Dec	$1,065,000	383	$805,000	69	$1,025,000	483
2018	Jan – Dec	$976,250	384	$754,900	69	$930,000	488
2017	Jan – Dec	$962,500	396	$767,000	58	$910,000	489
2016	Jan – Dec	$859,000	422	$580,000	57	$836,000	513
2015	Jan – Dec	$848,250	419	$636,000	77	$809,000	537
2014	Jan – Dec	$810,000	385	$550,000	75	$789,500	496
2013	Jan – Dec	$749,500	424	$485,000	59	$729,000	529
2012	Jan – Dec	$672,100	396	$445,000	47	$657,000	491
2011	Jan – Dec	$656,500	356	$361,000	35	$636,500	428
2010	Jan – Dec	$632,500	392	$402,000	52	$625,500	468
2009	Jan – Dec	$650,000	331	$297,750	54	$620,000	408
2008	Jan – Dec	$645,000	329	$415,000	65	$625,000	421
2007	Jan – Dec	$618,000	441	$428,000	57	$610,000	527
2006	Jan – Dec	$655,000	368	$444,500	44	$636,000	454
2005	Jan – Dec	$663,750	364	$593,750	62	$650,000	456
2004	Jan – Dec	$619,500	452	$379,500	70	$604,500	569
2003	Jan – Dec	$560,000	426	$379,750	42	$545,000	508
2002	Jan – Dec	$520,850	422	$328,000	63	$500,000	522
2001	Jan – Dec	$489,950	366	$279,950	48	$465,000	449
2000	Jan – Dec	$436,250	434	$239,000	41	$425,000	525

Source: The Warren Group/Banker & Tradesman, April 11, 2022.

Housing prices are high in Needham even relative to neighboring communities that include some of the priciest suburbs in the Boston area and state. Median values for single-family homes are shown in Table III-30 for 2000, 2005 (the height of the market for most of these communities prior to the recession), 2010 and 2021, showing the fluctuations in the market over time. The 2021 medians ranged from a low of $725,750 in Dedham to a high of $1,650,000 in Wellesley. Needham's median is almost twice the $636,000 level for Norfolk County. It is also interesting to note, that while Needham's median values have typically lagged well behind those of Dover, the 2021 figures show a growing comparability as Needham's values have recently risen at a faster rate.

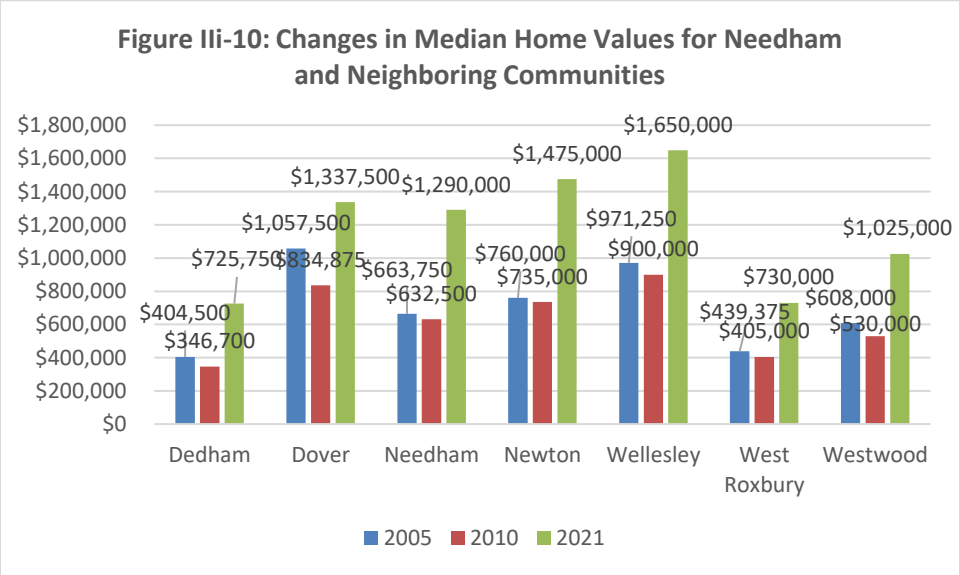
Table III-30: Median Single-family Home Prices for Needham and Neighboring Communities, 2000 to 2021

Community	2000	2005	2010	2021
Dedham	$254,950	$404,500	$346,700	$725,750
Dover	$700,000	$1,057,500	$834,875	$1,337,500
Needham	$436,250	$663,750	$632,500	$1,290,000
Newton	$539,000	$760,000	$735,000	$1,475,000
Wellesley	$592,750	$971,250	$900,000	$1,650,000
West Roxbury	$270,000	$439,375	$405,000	$730,000
Westwood	$392,500	$608,000	$530,000	$1,025,000
Norfolk County	$275,000	$425,000	$378,000	$636,000
Massachusetts	$215,000	$355,000	$295,000	$510,000

Source: The Warren Group/Banker & Tradesman, April 11, 2022.

Figure III-10 tracks these median single-family home values, demonstrating the trajectory of the housing market since 2005, the height of the housing market in many communities just before the recession. While all of these nearby communities experienced a downturn in the market following the recession, as shown in the 2010 values, they recovered quite well and have since experienced unprecedentedly high housing values. The recovery from the "bursting of the housing bubble" demonstrates the robust and relatively resilient housing markets in these communities as well as a clear signal of the upswing in the overall housing market in the region.

The speculation and bad loans that drove home sales and prices into an artificially inflated, unstainable bubble during the recession are not factors today. Market prices are instead being driven mainly by limited availability where housing demand exceeds housing supply.



Source: The Warren Group/Banker & Tradesman, April 11, 2022.

There are some signs that the housing market is slowing somewhat. However, economists point to a continuing imbalance of housing supply and demand as even a slower market with escalating interest rates will likely create enough inventory to satisfy demand anytime soon. This is not just a regional problem as for years the county has suffered from a chronically undersupplied housing market. A *New York Times* article stated, "After two years of torrid demand, agents had become accustomed to fielding multiple offers for each listing and setting price records each weekend. That frenzy, brought on by pandemic migrations and the growing centrality of the home as a space where people live and work, is now subsiding…That rising mortgage rates have not had more of an effect shows how difficult it is to tamp down prices and bring demand into balance in an economy where a lack of supply – marked by half-empty car lots, furniture order backlogs and a paucity of homes for sale – is playing a guiding role."[22]

[22] Dougherty, Conor and Smialek, Jeanna, "Hot Market for Housing Beginning to Cool Off", *New York Times* April 16, 2022.

Town Assessor data on the assessed values of residential properties in Needham is presented in Tables III-31 and III-32, which provide insights not only into the diversity of the existing housing stock but also the range of values for each dwelling type. This data shows that Needham had 8,413 single-family properties, less than the 2020 census figure of 8,700 single-family detached homes. This again points to the census overestimation of growth in the owner-occupied housing stock.

There was only one unit, a Habitat for Humanity house, valued below $200,000 and just another assessed between $200,000 and $300,000 that were still relatively affordable to low- and moderate-income households. While almost half of the homes were assessed between $500,000 and $700,000 in Fiscal Year 2014, homes in this range have declined to 18.7%. In fact, all properties assessed for less than $700,000 decreased from 4,987 homes, or 60% of all single-family units in FY14, to 1,684 units representing 20% of such units by FY22.

The bottom line is that there is very little affordability left in Needham's private housing stock for low- and moderate-income households.

The most striking change involves the number of properties assessed for more than $1 million, increasing from 1,322 homes, or 15.8% of the single-family dwellings in FY14, to 3,062 or 36.4% in FY22. The highest assessment was $5,649,600 for a property with 43 acres and 12,400 square feet of living space on South Street.

The loss in lower-valued properties and growth in high-end market units clearly corresponds to the substantial amount of demolition and replacement activity that has been taking place in the community where small, less expensive homes have been replaced by much larger and pricier ones. The dramatic uptick in Needham's housing market, particularly the luxury market, is visually presented in Figure III-11.

There were 988 condo units counted in Assessor's records, up from 791 in FY14, comprising about 8.3% of all housing units and thus representing a relatively small segment of Needham's housing market. The growth in condos has occurred largely by the conversion of two-family dwellings to high-priced condominium units. Nevertheless, condos were assessed generally more affordably than the single-family homes with the median value of $698,300 compared to $876,300 for the single-family homes with a range of values from $111,400 for a deed restricted affordable unit to $1,690,900 for a condo on Maple Street.[23]

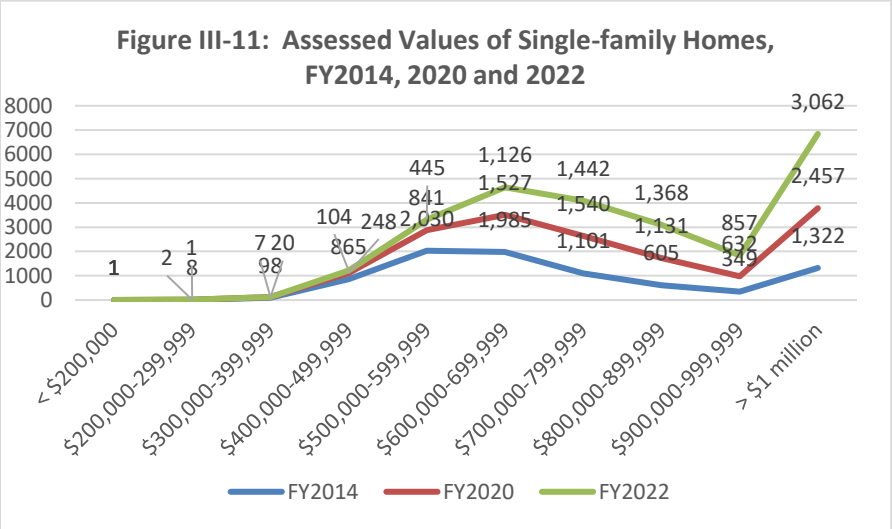
Many of the 22 condos with assessments below $200,000 were deed restricted and part of the Town's Subsidized Housing Inventory (SHI). Altogether, almost 12% of the condos were assessed below $300,000, down considerably from 40% in FY14. Condos with assessments between $300,000 and $500,000 increased from 22.7% to 28.7% between FY14 and FY22. Those higher end condos valued at more than $500,000 increased from one-third to 60% of all condos during this period, including 156 condos assessed for more than $1 million in FY22 compared to four in FY14. It is also interesting to note that there was a relatively even distribution of condos among each of the assessment ranges between $500,000 and $1 million, each at about 10% of all condos.

[23] It should be noted that assessed values typically underestimate market levels, particularly in rising housing markets, as they are largely based on sales prices two years before.

Table III-31: Assessed Values of Single-family Homes and Condominiums, FY 2022

Assessment	Single-family		Condominiums		Total	
	#	%	#	%	#	%
Less than$200,000	1	0.01	21	2.1	22	0.2
$200,000-299,999	1	0.01	96	9.7	97	1.0
$300,000-399,999	7	0.08	130	13.2	137	1.5
$400,000-499,999	104	1.2	153	15.5	257	2.7
$500,000-599,999	445	5.3	73	7.4	518	5.5
$600,000-699,999	1,126	13.4	83	8.4	1,209	12.7
$700,000-799,999	1,442	17.1	95	7.6	1,537	16.4
$800,000-899,999	1,368	16.3	89	9.0	1,457	15.5
$900,000-999,999	857	10.2	92	9.3	949	10.1
Over $1 million	3,062	36.4	156	15.8	3,218	34.2
Total	8,413	100.0	988	100.0	9,401	100.0
Median	$876,300		$698,300		--	

Source: Needham Assessor, Fiscal Year 2022.



While condo units are on the whole more affordable, they also tend to be more susceptible to wide fluctuations in the housing market. Condominium markets are historically slower to appreciate and faster to decline in value, and condominium unit values tend to rise when the price of single-family homes reaches unprecedented high levels, a trend Needham is currently witnessing.

Assessor's data for multi-family properties, as summarized in Table III-32, indicates that there are 197 two-family homes (394 units), down from 254 two-families (508 units) in FY14, likely related to the conversion of two-family homes to single-family use. The 2020 census estimates are lower than the Assessor's count, at 281 units. The median two-family house price was $635,900 based on Assessor records. There were also 12 three-family properties, all assessed at more than $600,000 and with a median of $822,600.

As to larger multi-family rental properties, there are 31 properties with four units or more that ranged in assessed value from $482,900 to $92,289,800. Many of the larger properties were concentrated on Tillotson and Perrault Roads (off Rosemary Street) but also included Charles River Landing, Chestnut Hollow, Nehoiden Glen, Modera Needham, The Kendrick, and Hamilton Highland developments for

example. There were also 26 mixed residential and commercial properties including 13 properties that were primarily residential and 13 that were primarily commercial.

Table III-32: Assessed Values of Multi-family Properties, Fiscal Year 2022

Assessment	2/3-unit properties		More than 4-unit properties	
	#	%	#	%
Less than $200,000	0/0	0.0/0.0	0	0.0
$200,000-299,999	0/0	0.0/0.0	0	0.0
$300,000-399,999	10/0	5.1/0.0	0	0.0
$400,000-499,999	10/0	5.1/0.0	1	3.2
$500,000-599,999	40/0	20.3/0.0	0	0.0
$600,000-699,999	81/4	41.1/33.3	3	9.7
$700,000-799,999	29/1	14.7/8.3	2	6.4
$800,000-899,999	17/4	8.6/33.3	2	6.4
$900,000-999,999	4/1	2.0/8.3	4	12.9
Over $1 million	6/2	3.0/16.7	19	61.3
Total	197/12	100.0/100.0	31	100.0

Source: Needham Assessor, Fiscal Year 2022.

Rental Housing

Table III-33 presents information on rental costs from 1990 to 2020 based on the *U.S. Census Bureau* sample data. The rental market has changed over the years as the median rent doubled between 1990 and 2020, going from $798 per month to $1,604. In 2020, 65.8% of the town's rental units were renting for more than $1,000, 50.8% above $1,500, and 11.4% at over $3,000. *It is also important to note that the census figures include subsidized units, which represents about 37% of all rental units in Needham, and thus median values make the rental market look more affordable than it actually is.*

Table III-33: Rental Costs, 1990 to 2020

Gross Rent	1990		2000		2010		2020	
	#	%	#	%	#	%	#	%
Under $200	197	9.7	108	5.4	0	0.0	238	14.2
$200-299	79	3.9	55	2.7	139	7.9		
$300-499	195	9.6	133	6.6	176	10.0		
$500-749	350	17.2	160	7.9	74	4.2	189	11.3
$750-999	540	26.5	243	12.1	98	5.5		
$1,000-1,499	487	23.9	543	26.9	329	18.6	251	15.0
$1,500 +			667	33.1	788	44.6	850	50.8
No Cash Rent	190	9.3	106	5.3	162	9.2	145	8.7
Total*	2,038	100.0	2,015	100.0	1,766	100.0	1,673	100.0
Median Rent	$798		$1,289		$1,484		$1,604	

Sources: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and 2006-2010 and 2016-2020 American Community Survey 5-Year Estimates.

Updated information on rental offerings in November 2021 is presented in Table III-34, which indicates very high rent levels. The lowest advertised rents included a studio apartment, one and two-bedroom units at Rosemary Lake Apartments, an older rental development, and a two-bedroom condo unit, all below $2,000. More typical market rentals are significantly higher including rents near or above $4,000 for two and three-bedroom units in newer multi-family developments that were permitted under Chapter

40B and thus also include some affordable units at 25% of total units. A typical rent for a two-bedroom apartment is at least $1,900 in older dwellings and over $3,200 in newer multi-family development.

Table III-34: Market Rental Listings, November 2021

Location	# Bedrooms	# Baths	Square Feet	Rent	Property Type
The Kendrick	Studio	1	606	$2,473	Large Multi-family/40B
	2	2	985-1,292	$3,411-$3,755	
Modera Needham	1	1	905	$2,746	Large Multi-family/40B
	2	2	1,205-1,360	$3,997-$4,291	
	2	2.5	1,756	$5,705	
Charles River Landing	1	1	1,024-1,122	$2,659-$3,324	Large Multi-family/40B
	2	1	1,139	$3,198	
	2	2	1,379	$3,471	
Rosemary Lake	1	1	441-1,024	$1,550-$1,775	Large Multi-family
	2	2	1,047	$1,925	
	3	1.5	1,774	$2,850	
	3	2	1,850	$3,195	
Webster Green	1	1	987	$2,650	Large Multi-family
	2	1	900-978	$2,400-$2,650	
	2	2	1,200	$2,700	
Oak Street	Studio	1	NA	$1,575	Top Floor in House
Hamlin Lane	2	1	800	$1,900	Condo
Marshall Street	2	1	1,000	$2,300	2nd Floor of House
Pleasant Street	2	1	NA	$2,500	Apt. in House
Guild Road	3	1	1,400	$2,300	Townhouse
Great Plain Ave.	3	1	1,200	$2,500	Duplex Apt.
Maple Street	3	1	1,200	$2,800	Townhouse
Hillcrest Road	3	2	1,825	$4,000	House
Forest Street	3	2	1,604	$4,000	House
Standish Road	3	2	1,837	$4,500	House
Greenough St.	4	3	2,606	$2,500	Duplex Apt.
Carol Road	5	2	1,956	$3,800	House
Myrtle Street	5	2.5	2,620	$4,500	House

Source: Internet listings, November 16, 2021.

Most of the apartments also require first and last month rent plus a security deposit equivalent to as much as a month's rent. For a $2,500 apartment, that totals $7,500 in up-front cash, an amount that many prospective tenants are hard-pressed to afford. Some listings even added a broker's fee as well.

Table III-35 provides HUD Fair Market Rents (FMRs) for the Boston area that are the rent limits that are applied to Section 8 Housing Choice Vouchers and some other rental subsidy programs, adjusted annually by the number of bedrooms. These rents are meant to reflect the cost of modest not luxurious rental units in the community. Given the market rents listed in Table III-33, it becomes clear why Section 8

voucher holders can encounter problems finding rental opportunities in Needham below these caps. The Needham Housing Authority has received permission to permit voucher holders to rent units up to 110% of FMRs given high market prices.

Table III-35: HUD Fair Market Rents (FMRs), 2018 to 2021

Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
2021	$1,742	$1,924	$2,336	$2,906	$3,168
2020	$1,715	$1,900	$2,311	$2,880	$3,131
2019	$1,394	$1,561	$1,902	$2,383	$2,571
2018	$1,253	$1,421	$1,740	$2,182	$2,370

Source: U.S. Department of Housing and Urban Development (HUD)

5. Affordability Analysis

Affordability Gaps

While it is useful to have a better understanding of past and current housing costs, it is also important to analyze the implications of these costs on affordability. Tables III-36 and III-37 review affordability from two different perspectives. Table III-36 calculates what households earning at various income levels can afford with respect to types of housing. On the other hand, Table III-37 examines housing costs summarized above in Section III.C.4, estimating what households must likely earn to afford these prices *based on spending no more than 30% of their income on housing expenses*, the commonly applied threshold of affordability.

In addition to showing how different types of housing are more or less affordable to households earning at the median household income level for Needham, the 100% of median income for the Boston area, and at the 80% of area median income, Table III-36 also indicates that the amount of down payment has a substantial bearing on what households can afford. Prior to the recession, it had been fairly easy for purchasers to limit their down payments to 5% or even less as long as they paid Private Mortgage Insurance (PMI) or qualified for a subsidized mortgage program such as the state's ONE Mortgage Program,[24] MassHousing mortgage programs, or other government mortgage insurance programs. Since then, lenders have typically applied more rigid lending criteria, including high down payments and stricter credit standards. These requirements make homeownership, particularly first-time homeownership, much more challenging, and the proportion of first-time homebuyers entering the market has plummeted. As Table III-36 demonstrates, a household earning the same level of income can acquire a much higher priced home if the household is able to pay more cash down, as they are borrowing less.

Whether mortgage financing requires Private Mortgage Insurance (PMI) also makes a difference. PMI is not required on mortgages with large down payments or for many publicly insured or subsidized mortgage programs. Assuming that a household earning at 80% AMI can qualify for the state's ONE Mortgage Program or MassHousing offerings for example, this household could potentially afford a single-family home for about $371,500 without PMI but $351,500 with this extra cost.

Table III-36 also shows that because condo fees are calculated as housing expenses in mortgage underwriting criteria, condo units can be relatively more expensive. Therefore, a three-person household earning at the 80% of area median income limit (based on 2021 HUD income limits for the Boston area), for example, can afford a single-family home of $371,500 with a 5% down payment, but a condo unit for only $331,500, assuming a condo fee of $300 per month. Condo units are typically smaller and cost less

[24] The Soft Second Program has been replaced by the state's ONE Mortgage Program.

than single-family homes, however, and the condo fee pays for maintenance of building and grounds that is borne directly by the homeowner.

It should be noted that the same household with income at the 80% AMI limit is estimated to potentially be able to buy a two-family house for $593,000. This assumes that it can charge $2,000 per month in rent as this income is also considered in mortgage underwriting, usually at about 75% of the rent level or $1,500. A three-family house is even more affordable with two paying tenants, and it is therefore not surprising that the two-family and triple-decker have been so successful as starter housing for those looking to enter into homeownership.[25]

Table III-36: Affordability Analysis I
Maximum Affordable Prices Based on Various Income Levels and Housing Types

Type of Property	Income Level	30% of Monthly Income	Estimated Max. Affordable Price 5% Down***	Estimated Max. Affordable Price 20% Down***
Single-family	Needham Median Income = $174,707*	$4,367.68	$686,000	$808,000
	100% AMI = $108,720	$2,718.00	$427,000	$503,000
	80% AMI = $90,950**	$2,273.75	$371,500	$420,500
Condominium	Needham Median Income = $174,707*	$4,367.68	$656,000	$776,500
	100% AMI = $108,720	$2,718.00	$390,000	$461,500
	80% AMI = $90,950**	$2,273.75	$331,500	$377,000
		30% of Monthly Income	**Estimated Utility Cost**	**Affordable Monthly Rental**
Rental	Needham Median Income = $165,547*	$4,367.68	$175.00	$4,192.68
	100% AMI = $96,640	$2,416.00	$175.00	$2,241.00
	80% AMI = $80,850**	$2,021.25	$175.00	$1,846.25
	50% AMI = $53,700**	$1,342.50	$175.00	$1,167.50
	30% AMI = $32,200**	$805.00	$175.00	$630.00

Source: Calculations provided by Town's Community Housing Specialist.
* Based on the U.S. Census Bureau's American Community Survey (ACS) 5-Year Estimates, 2016-2020.
** HUD 2021 Income Limits for the Boston area for a household of three (3) for homeowners (average household size for homeowners in Needham was 3.03 persons per the ACS 2016-2020 Estimates) and average of two (2) for renters as average household size for renter-occupied units was 1.69 persons based on the 2016-2020 ACS Estimates).
*** Figures based on interest rate of 4.0%, 30-year term, annual property tax rate of $13.03 per thousand, insurance costs of $6 per thousand for single and two-family homes and $4 per thousand for condo units, and private mortgage insurance (PMI) estimated at 0.3125% of loan amount for 95% financing, and estimated monthly condo fees of $300. Figures do not include underwriting for PMI in calculations with a 20% down payment and for the 80% AMI level at 95% financing that would assume that the purchaser qualified for the ONE Mortgage Program, MassHousing, or other government mortgage offerings for example. Assumptions also include the purchaser spending no more than 30% of income on housing costs.

Because median income levels are so high in Needham, at $174,707 based on 2020 census estimates, the amount that can be borrowed and ultimately the purchase price are relatively high as well. For example,

[25] Two-family homes are allowed in Needham's General Residence District.

a median income household may likely be able to afford a single-family home for $808,000 and a $776,500 condo based on 80% financing.

Table III-36 also looks at what renters can afford at five different income levels. For example, a two-person household (average household size of renters in Needham was 1.69 persons according to 2020 census estimates) earning at the 50% of area median income limit or $53,700 annually could afford an estimated monthly rental of about $1,168, assuming they were paying no more than 30% of their income on housing including utility bills that average $175 per month.[26] An unsubsidized rental this low is virtually impossible to find in Needham where the lowest rental advertised in November 2021 was $1,550 for a very small one-bedroom apartment in an older multi-family development.

As noted above, rentals also include relatively high upfront cash requirements, often including first and last months' rent plus a security deposit. This means that any household looking to rent in the private housing market must have a considerable amount of cash available, which has an impact on affordability.

It is also important to note that the figures included in Table III-36 are for those earning at the 80% AMI limit and are not the same as the purchase prices that are calculated under the state Local Initiative Program (LIP) formula. The state-approved purchase prices for initial occupancy are established at the 70% AMI level with some other slightly different assumptions.

Table III-37 examines affordability from another angle, going from specific housing costs to income. Taking median price levels for single-family homes and condominium units into account, the incomes that would be required to afford these prices are calculated, also showing the differences between 95% and 80% financing. For example, using the median single-family home price of $1.29 million in 2021, a household would have to earn approximately $328,600 if they were able to access 95% financing and $278,900 with 80% financing, well above the median household income of $174,707 and even the median income for homeowners of $203,690.

The median condominium unit price was $885,000 in 2021, which required an estimated income of $231,500 with 5% down and $197,440 with the 20% down payment.

In regard to rentals, using the prices listed in November 2021, a one-bedroom unit renting for $1,800 would require an income of $78,000, assuming $150 per month in utility bills and housing expenses of no more than 30% of the household's income. This is relatively close to the HUD income limit of $80,850 for a two-person household earning at the 80% of area median income limit. A relatively low-priced listing for a two-bedroom unit of about $2,500 would require an income of about $107,000 based on $175 in average monthly utilities costs.

In comparison, someone earning the 2022 minimum wage of $14.25 per hour for 40 hours per week every week during the year would still only earn a gross income of $29,754. Households with two persons earning the minimum wage would still fall far short of the income needed to afford these minimum advertised rents. While there are rents that fall below this level, particularly subsidized rents, market rents tend to be beyond the reach of those earning at 80% AMI much less lower wage earners.

[26] Based on utility allowances provided annually by the Needham Housing Authority.

Table III-37: Affordability Analysis II
Income Required to Afford Median Prices and Minimum Market Rent

Type of Property	Median Price *	Estimated Mortgage		Income Required **	
		5% Down	20% Down	5% Down	20% Down
Homeownership					
Single-family	$1,290,000	$1,225,500	$1,032,000	$328,600	$278,900
Condominium	$885,000	$840,750	$708,000	$231,500	$197,440
	Estimated Market Monthly Rental ****	**Estimated Monthly Utility Costs**	**Income Required**		
Rental					
One-bedroom	$1,800	$150	$78,000		
Two-bedroom	$2,500	$175	$107,000		
Three-bedroom	$2,800	$200	$120,000		

Source: Calculations provided by Town's Community Housing Specialist.
* From The Warren Group Town Stats data 2021 for median prices.
** Figures based on interest rate of 4.0%, 30-year term, annual property tax rate of $13.03 per thousand, insurance costs of $6 per thousand for single and two-family homes and $4 per thousand for condo units, and private mortgage insurance (PMI) estimated at 0.3125% of loan amount for 95% financing, and estimated monthly condo fees of $300. Figures do not include underwriting for PMI in calculations with a 20% down payment. Assumptions also include the purchaser spending no more than 30% of income on housing costs.

Through the combination of information in Tables III-36 and III-37, it is possible to compute the affordability gap, typically defined as the difference between what a median income household can afford and the median priced unit on the market. The affordability gap would then be $482,000 as of the end of 2021 for single-family homes, the difference between $808,000, based on what a median income household could afford (for an average household of three and 80% financing) and the median house price of $1.29 million. This gap is up considerably from $211,500 as of April 2014. The upfront cash requirements for the down payment and closing costs in effect can add more than another $265,000 to this affordability gap in the case of 80% financing. The gap widens to $604,000 plus some upfront cash requirements for 95% financing.

When looking at the affordability gap for those with incomes at the HUD 80% of area median income limit, the gap is an estimated $918,500, the difference between the median priced single-family home and what a three-person household earning at this income level can afford, or $371,500 based on 95% financing. This gap is up substantially from $556,500 in 2014. In the case of 80% financing, the gap would decrease to $869,500.

As to condominium units, the affordability gap is about $229,000, the difference between the median priced condo of $885,000 and what a median income earning household can afford or $656,000 with 95% financing. The gap drops somewhat to $108,500 based on 80% financing, assuming the purchaser can afford the upfront cash requirements of close to $185,000. There was no affordability gap in 2014 as a household earning at the median income level could afford the median priced condo at the time.

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

assisted financing. More rigorous underwriting criteria, including more stringent credit requirements, remain significant challenges in obtaining mortgage financing however.

In regard to rentals, because the median household income for Needham is so high, there is no affordability gap for households earning at the median income level who could likely afford a monthly rent of almost $4,000. However, a household with income at the 80% AMI limit would encounter an affordability gap of about $650 per month, the difference between an estimated median rent of $2,500 and what such as household could afford of about $1,846.

Housing Demand and Supply Analysis

Table III-38 identifies how many single-family homes and condominium units exist in Needham that were potentially affordable within various income categories based on Town Assessor records. Only eight single-family homes, which includes a Habitat for Humanity house, were affordable to households earning at or below 80% AMI as were 147 condominiums that included 17 affordable condominiums as part of Chapter 40B developments. An additional five single-family homes and 92 condominiums would be potentially affordable to those with incomes in the 80% to 100% AMI range. This represents limited affordability in the housing stock. Moreover, assessments typically lag sales prices by a year or two and thus it is likely that there has been a further erosion of affordability in the housing inventory.

About 38% of the single-family units as well as condos were potentially affordable to those earning between 100% AMI and Needham's median household income level, largely because Needham's median household income level was so high in comparison to the area-wide income levels for the Boston region.

Table III-38: Affordability Analysis III
Relative Affordability of Single-family and Condo Units in Needham, FY22

Price Range Single-family/ Condo*	Income Range	Single-family Homes Available in Price Range		Condominium Units Available in Price Range	
		Number	%	Number	%
Less than $371,500/ Less than $331,500	Less than 80% AMI	8	0.1	147	14.9
$371,500-$427,000/ $331,500-$390,000	80% to 100% AMI	5	0.6	92	9.3
$427,001-$766,000/ $390,001-$733,000	100% AMI to Needham's median household income	3,230	38.4	376	38.0
More than $766,000/ more than $733,000	More than Needham's median household income	5,170	61.4	373	37.8
Total		**8,413**	**100.0**	**988**	**100.0**

Source: Needham Assessor's Database for FY22. Figures based on a three-person household.

* Includes estimated condo fee of $300 per month and figures are based on 80% financing with the exception of the less than 80% AMI category where households could possibly qualify for subsidized mortgage programs where 95%/97% financing is available.

Table III-39 demonstrates a substantial need for more affordable homeownership opportunities in Needham for those earning at or below 80% AMI with even a deficit in units for those with incomes in the 80% to 100% AMI range. These calculations suggest that of the 1,060 owner households who were

estimated to have earned at or below 80% AMI in 2018 (latest report available), there were only eight single-family homes and 147 condominium units that would have been affordable to them based on FY22 assessed values and other assumptions listed in Table III-36, including spending no more than 30% of income on housing costs.

Table III-39: Homeownership Need Analysis, FY 2022

Income Group	Income Range*	Affordable Sales Prices Single-family/Condos**	# Owner Households ***	# Existing Units Single-family/Condos	Deficit -/ Surplus + Single-family + Condos
Less than 80% AMI	Less than $90,950	Up to $371,500/ $331,500	1,060	8/147	-905
80% to 100% AMI	$90,950-$108,720	$371,501-$427,000/ $331,501-$390,000	375	5/92	-278
Total			**1,435**	**13/239**	**-1,183**

Source: Needham Assessor data for FY22.
* For a household of three (3) as the average household size for owners (was 2.99 persons per the 2015-2019 ACS 5-Year Estimates) based on 2021 HUD income limits for the Boston area that includes Needham.
** See analysis in Table III-36.
*** See Table III-41.

It is likely that many of these lower income owner households are "cash poor but equity rich" in that their incomes might have been sufficient to buy a house or condominium unit in Needham a few decades ago, but a household with their current income could not afford a house or even a condo unit in Needham today. Moreover, their income might qualify them to purchase an affordable Chapter 40B unit but their financial assets, particularly the equity in their homes, would render them ineligible for such housing.

Table III-40 compares numbers of renters within certain lower income ranges to the numbers of existing units that might be affordable to them, based largely on special tabulations of data summarized in Table III-41 that identify households by type, tenure, income, and cost burdens. This information suggests that there is a shortage of 620 rental units for those with incomes at or below 80% of area median income. Since this data was reported in 2018, it is likely that some of this need was subsequently addressed by The Kendrick or Modera Needham Chapter 40B developments for those in the 50% to 80% AMI range but not for those with incomes below this range, which comprise the greatest need of 500 units. Given rising housing costs, it is likely that the deficits have grown or some of these households have had to relocate to other communities.

Table III-40: Rental Unit Need Analysis

Income Group	Income Range*	Affordable Rent**	# Renter Households ***	# Existing Affordable Units ****	Deficit -/ Surplus +
Less than 30% AMI	$25,900 and less	$472.50 and less	450	205	-245
Between 30% and 50% AMI	$25.901 to $43,150	$472.51 to $903.75	405	150	-255
Between 50% and 80% AMI	$43,151 to $64,900	$903.76 to $1,447.50	175	55	-120
Total			**1,030**	**410**	**-620**

Source: .S. Department of Housing and Urban Development (HUD), SOCDS CHAS Data, American Community Survey, 2014-2018 5-Year Estimate (latest figures available based on HUD special table data).

* For a household of two (as the average household size for renters was 1.74 per 2015-2019 5-Year ACS Estimates) and based on 2018 HUD income limits for the Boston area that includes Needham.
** Data based on the household spending no more than 30% of income on rent as well as an average monthly utility allowance of $175 per month.
*** Data from Table III-41.
**** Data from Table III-41 for those without cost burdens.

The MAPC projections also provide estimates on future housing demand with an estimated net demand of 1,339 housing units between 2010 and 2030, further suggesting that this demand will come primarily from those who were under age 54 in 2010. MAPC figures for the period of 2010 to 2020 indicate that much of the demand will be from those under age 35, split relatively evenly between single-family ownership and multi-family rental options, both at about 500 units each. A large demand of about 1,500 single-family units was estimated for those in the 35 to 54 age range. On the other end of the age range, those age 55 to 64 will demand a small amount of multi-family rental or ownership units while vacating about 500 units of single-family units based on outmigration, mortality, or decreased preference for that housing type. Those 75 years of age or older are expected to vacate about 1,300 units, most in single-family homes, for the reasons mentioned above.

Cost Burdens

An important measure of housing affordability or housing need is the number of residents who are living beyond their means based on their housing costs, whether for ownership or rental. Such information is helpful in assessing how many households are encountering housing affordability problems or cost burdens, defined as spending more than 30% of household income on housing, or severe cost burdens based on spending more than 50% of income on housing costs.

Based on 2020 estimates from the Census Bureau's American Community Survey, there were 1,974 homeowners, or 21.7% of all homeowners in Needham, spending more than 30% of their income on housing and thus experiencing cost burdens. Of these, 664 households or 7.2% were spending at least half of their income on housing and thus incurring severe cost burdens. In regard to renters, 731 renters or 43.7% were spending more than 30% of their income on housing including 479 or 28.6% with severe cost burdens.

This data suggests that *2,643 households or 24.5% of all Needham households were living in housing that was by common definition beyond their means and unaffordable including 1,143 or 10.6% who were spending more than half their incomes on housing costs.* These cost burdens are lower than Norfolk County with 32.8% of households spending more than 30% of their income on housing costs but a bit higher than the 10% level for those with severe cost burdens.

The Department of Housing and Urban Development (HUD) provides data on how many households were spending too much of their income on housing costs, or were experiencing cost burdens, through its State of the Cities Data System's Comprehensive Housing Affordability Strategy (CHAS) report. This information is summarized in Table III-41 and distributes households by tenure, income, and household type, also showing how many were spending between 30% and 50% of their income on housing, and how many were spending more than half of their income on housing. For example, the first cell indicates that there were 260 elderly renter households (62 years of age or older) with incomes at or below 30% of area median income estimated by the Census Bureau's American Community Survey with 30 spending between 30% and 50% of their income on housing and another 105 spending more than half of their income on housing for a total of 135 with cost burdens.

Of the total estimated 10,765 households in Needham, 1,425 or 13.2% were spending between 30% and 50% of their income on housing with another 1,163 or 10.8% spending more than 50%. This analysis suggests that 2,588 or 24% of all households were spending too much on their housing, the same level that was identified in the 2019 census estimates. This level is down from 26% in 2015 and 27.7% in 2011.

Of the 1,810 reported renter households, 620 or 34.2% were experiencing cost burdens compared to 708 or 7.9% of owners. Consequently, renters were proportionately experiencing greater cost burdens although the total number of cost-burdened owners was a bit higher.

There were 1,030 renter households and 1,060 owner households with incomes at or below 80% AMI, which included 57% of all renter households and 11.8% of owner households.[27]

Table III-41: Type of Households by Income Category and Cost Burdens, 2018*

Type of Household By Tenure	Households Earning <30% AMI/# with cost burdens *	Households Earning > 30% to < 50% AMI/ # with cost burdens *	Households Earning > 50% to < 80% AMI/# with cost burdens *	Households Earning > 80% and < 100% AMI /# with cost burdens *	Households Earning > 100% AMI/ # with cost burdens *	Total
Elderly Renters	260/30-105	250/35-150	60/20-0	175/25-35	150/30-15	895/140-305
Small Family Renters	45/0-0	100/0-10	70/70-0	30/0-0	270/0-0	515/70-10
Large Family Renters	0/0-0	10/10-0	0/0-0	0/0-0	15/0-0	25/10-0
Other Renters	145/0-110	45/30-20	45/30-0	0/0-0	140/0-15	375/60-145
Total Renters	**450/30-215**	**405/75-180**	**175/120-0**	**205/25-35**	**575/30-30**	**1,810/280-460**
Elderly Owners	285/15-260	160/125-14	270/30-45	215/50-35	1,785/175-40	2,715/395-394
Small Family Owners	20/0-20	20/0-20	225/50-80	160/30-65	4,630/635-55	5,055/715-240
Large Family Owners	0/0-0	20/0-20	15/0-0	0/0-0	855/35-0	890/35-20
Other Owners	25/0-25	20/0-4	0/0-0	0/0-0	250/0-20	295/0-49
Total Owners	**330/15-305**	**220/125-58**	**510/80-125**	**375/80-100**	**7,520/845-115**	**8,955/1,145-703**
Total	**780/45-520**	**625/200-238**	**685/200-125**	**580/105-135**	**8,095/875-145**	**10,765/1,425-1,163**

Source: U.S. Department of Housing and Urban Development (HUD), SOCDS CHAS Data, American Community Survey, 2014-2018 5-Year Estimate (latest figures available based on HUD special table data).
*First number is total number of households in each category/second is the number of households paying between 30% and 50% of their income on housing – and third number includes those that are paying more than half of their income on housing expenses (with severe cost burdens). Elderly households involve heads 62 years of age or older. Small families have four or fewer family members while larger families include five or more members. The "Other" category, for both renters and owners, includes non-elderly and non-family households, basically single individuals.

Other key findings from this data include the following:

Total Households

- **Of the 2,090 total households earning at or below 80% of area median income (AMI), 1,328 or 63.5% were experiencing cost burdens including 883 or 42.2% with severe cost burdens as they**

[27] HUD uses Median Family Income (MFI) in this report which is the equivalent of Area Median Income (AMI).

were spending more than half of their income on housing costs. This is down from 1,489 households or 71% and 1,059 and 51% with cost burdens versus severe cost burdens, respectively in 2015.

- Of the 780 households with incomes below 30% AMI, 565 or 72.4% were overspending with 520 or 66.7% spending more than half of their income on housing costs. While the number of households in this income category decreased from 929 households in 2015, the proportion of those with cost burdens increased from 61% and 54%, respectively, with cost burdens and severe cost burdens. Many households in this income range without cost burdens were likely living in subsidized units.
- There were also high cost burdens among those with incomes between 30% and 50% AMI including 438 or 70.1% with cost burdens, and of these 238 or 38.1% with severe cost burdens.
- While still high, cost burdens decreased somewhat for those in the 50% to 80% AMI range declining to 47.4% and 18.2%, respectively for those spending more than 30% of their income on housing compared to spending more than half their income.
- Even those with incomes above 80% AMI were overspending including 980 households spending between 30% and 50% of their income on housing and another 280 spending more than half of their income. This is down from 1,465 or 17% of those in this income range who were spending too much on their housing in 2015, and a further decline from 1,710 and 20% in 2011.

Renter Households

- **Of the 1,810 reported renter households, 740 or 40.9% were cost burdened that included 460 or 25.4% with severe cost burdens. This is somewhat higher than the 37.8% and 22.0% with cost burdens versus severe cost burdens identified in 2015.**
- **There was an increase in the number and percentage of renter households with incomes at or below 80% AMI between 2015 and 2018, from 939 to 1,030 households or from 52.9% to 56.9% of all renter households. The level of cost burdens also increased from 59.1% to 60.2% during this period including an increase in severe cost burdens from 37.8% to 38.4%. These figures are higher than those for 2011 when 36.6% in this income range had severe cost burdens.**
- There were 450 renter households with incomes at or below 30% AMI, referred to as extremely low-income households by HUD. Of these, 245 or 54% were experiencing cost burdens, 215 or 48% with severe cost burdens which is up from 41% and 40% with severe cost burdens in 2015 and 2011, respectively.
- Of the 580 renter households earning between 30% and 80% AMI (up from 465 in 2015), 285 or about half were overspending including 180 or 31% of households with incomes in the 30% to 50% AMI range that had severe cost burdens. None of the households in the 50% to 80% AMI income category were reported to have had severe cost burdens. The level of cost burdens is down, however, from 2015 that included 325 or 70% of renter households in the 30% to 80% AMI range which were overspending including 160 or 34% with severe cost burdens, up from 54% and 30% in 2011, respectively.
- It can largely be assumed that many if not most of the 410 renter households earning below the 80% AMI level and without cost burdens were living in subsidized housing given the high costs of rentals in Needham.
- The highest number and proportion of renters included those 62 years of age or older, representing 895 households or about half of all renters. Families involved about 30% of all renter households with non-family, non-elderly households at 21%, down from almost 30% in 2015.
- About 60% of the 570 elderly renter households with incomes at or below 80% AMI were overspending on their housing, including 255 or about 45% with severe cost burdens. Those

remaining 230 seniors earning below 80% AMI and not overspending were likely living in Needham's subsidized housing reserved for seniors (265 units) or other subsidized or 40B developments. These figures also suggest increased cost burdens from 2011 data when only one-third of the 495 seniors in this income range were experiencing cost burdens, 29% with severe cost burdens.

- A total of 80 or 37% of the 215 small families (2 to 4 household members) who earned within 80% AMI were paying too much for their housing. It is likely that those without cost burdens were living in affordable housing. Additionally, the number of small family renter households has grown from 100 in 2015 and 109 in 2011, which may be a result of the opportunities offered as part of the larger Chapter 40B developments.
- The data identifies only 25 large families (5 or more members) that were renting in Needham, 10 with cost burdens. The number of such households is down from 45 in 2015 and 65 in 2011, all of which were experiencing severe cost burdens. This reduction of large family renters likely reflects some erosion of relatively affordable larger units for rent in the private market over time including the teardown of two-family homes with rentals units and reconstruction of much larger condominiums that are owned, not rented out.
- There were also 235 non-elderly, non-family households (largely single individuals) with incomes at or below 80% AMI, of which 190 or 81% were overspending on their housing, including 130 or 55% with severe cost burdens. This is up from 31% and 35% with severe cost burdens in 2011 and 2015, respectively.

Owner Households

- **Of the 8,955 owner households, 1,148 or 12.8% were overspending on their housing, including 703 or 7.8% with severe cost burdens. This is down from 2,084 households or 24% with cost burdens in 2015 including 764 or 8.7% encountering severe cost burdens. More recent levels are also down a bit from 2011 when 26.7% were overspending and 10% had severe cost burdens.**
- Small families comprised the majority of homeowners at 56.4% with large families at about 10%. Seniors at age 62 or over represented a 30.3% of local owners with non-family non-elderly owners at only 3.3% of all homeowners.
- Of the 1,060 owner households with incomes at or below 80% AMI, 708 or two-thirds had cost burdens with 488 or 46% experiencing severe cost burdens. There were more owner households in this income range in 2015, at 1,154 households, but the percentage of those with cost burdens was lower with 64% spending too much and 44% with severe cost burdens. Levels of cost burdens were also equivalent or up somewhat from 2011 when 68% had cost burdens and 55% were experiencing severe cost burdens.
- *Almost all owners with incomes at or below 30% AMI were overspending including 92.4% with severe cost burdens. This suggests that the Town continue to explore options to reduce housing costs for these extremely low-income households, most of whom are older adults. Efforts such as the Small Repair Grant Program and additional tax deferrals could provide much needed assistance. ADUs may become another source of income for these households with zoning changes.*
- There were 715 elderly owners earning at or below 80% AMI, down from 750 in 2015 but up somewhat from 710 in 2011. By 2018, 489 or 68.4% had cost burdens including 319 or 44.6% with severe cost burdens. This is higher than the cost burdens in 2015 with 420 households or 56% were overspending, including 275 or 37% with severe cost burdens. In comparison, the 2011 levels of those with cost burdens was somewhat lower at 63% but higher in the case of severe

cost burdens at 50%. *These high levels of cost burdens point to a situation where long-term senior residents who are retired and living on fixed incomes are experiencing challenges affording the high housing costs in Needham, including rising energy, insurance costs and property taxes. Many of these owners are likely empty nesters living in single-family homes that cost too much for them to maintain and with more space than they require at this stage of their lives.*

- Of the 265 small family households with incomes at or below 80% AMI, 170 or 64.2% were experiencing cost burdens including 120 or 45.3% with severe cost burdens. The level of cost burdens is down somewhat from 2015 when almost 90% were spending too much, including 66% with severe cost burdens. The number of households in this income range was lower in 2011, at 225 households, but the percentage with cost burdens was at 73% with a higher proportion of those with severe cost burdens at 69%.
- There were only 35 large families with incomes at or below 80% AMI, of which 20 or 57% had severe cost burdens, all earning between 30% and 50% AMI. This represents a slight increase from 14 large-family owner households in 2011, 10 having severe cost burdens and earning less than 30% AMI.
- There were also 45 non-elderly, non-family owner households with incomes at or below 80% AMI of which 29 or 64.4% had cost burdens, all with severe cost burdens. While the total number of households were higher in 2015, with 80 such households, cost burdens were lower with 44% spending too much for their housing and one-quarter pending more than half of their income on housing costs in 2015. The 2011 data also shows 80 households in this category with a bit lower cost burdens including 61.2% with severe cost burdens.

6. Subsidized Housing Inventory (SHI)

Of the 11,891 year-round housing units in Needham,[28] 1,410 or 11.86% are included in the Subsidized Housing Inventory (SHI) maintained by the Commonwealth of Massachusetts, up from 841 or 7.6% in 2015 and 425 units or 3.9% in January 2006.[29]

State law through Chapter 40B has decreed 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 local and regional 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 housing through the comprehensive permit process.[30] Consequently, by surpassing the 10% affordable housing threshold, Needham will no longer be required to process Chapter 40B comprehensive permit applications that it determines are inappropriate and do not address local housing needs. This means that Needham has much more control over future development. Maintaining this 10% plus level of SHI units is a baseline priority for the Town.

[28] Computed by subtracting seasonal units (zero based on 2020 census estimates) from total units of 11,891. The figure was 11,047 based on 2010 census figures with 11,122 total units minus 75 seasonal or occasional units.

[29] Includes 668 market rental units or 47% as part of 40B projects. New rentals helped diversify the housing stock.

[30] 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.

Table III-42 summarizes those units that are included in the Subsidized Housing Inventory (SHI) and thus meet all of the state requirements of affordability including 656 market units that are part of Chapter 40B rental developments.

Table III-42: Needham's Subsidized Housing Inventory (SHI), October 12, 2021

Project Name	# SHI Units	Project Type/ Subsidizing Agency	Use of a 40B Comp Permit	Affordability Expiration Date
Cook's Bridge (Captain Robert Cook Drive and Seabeds Way)*	76	Rental/HUD	No	Perpetuity
High Rock Estates*	80	Rental/HUD	No	Perpetuity
138-158 Linden Street*	32	Rental/DHCD	No	Perpetuity
168-188 Linden Street*	40	Rental/DHCD	No	Perpetuity
15-42 Chambers Street*	80	Rental/DHCD	No	Perpetuity
Matthews House/ 1415 Great Plain Ave.*/**	8	Rental/DHCD	No	Perpetuity
Highland Ave./Charles River ARC. **	6	Rental/HUD and EOHHS	No	2038
Marked Tree Corp. **	4	Rental/HUD and EOHHS	No	2038
Nehoiden Glen	61	Rental/MassHousing	Yes	Perpetuity
Webster Street II/929 Webster **	4	Rental/HUD	No	2037
Webster Street II/299 Webster **	6	Rental/HUD	No	2037
West Street Apartments **	6	Rental/HUD	No	2043
Junction Place	2	Ownership/DHCD and FHLBB	Yes	Perpetuity
Garden Street	2	Ownership/FHLBB	Yes	Perpetuity
High Cliff Estates	3	Ownership/FHLBB	Yes	Perpetuity
Chestnut Hollow	6	Rental/DHCD and HUD	No	2021
Suites at Needham	2	Ownership/MassHousing	Yes	Perpetuity
Charles River Landing	350	Rental/DHCD	Yes	Perpetuity
DDS Group Homes **	84****	Special Needs Rental/DDS	No	NA
Craftsman Village	2	Ownership/MassHousing	Yes	Perpetuity
Greendale Village	4	Ownership/MassHousing	Yes	Perpetuity
The Residences at Wingate	2	Rental/DHCD	No	Perpetuity
Webster Street Green	2	Ownership/MassHousing	Yes	Perpetuity
Needham Place/50 Dedham Ave.	1	Rental/DHCD	No	Perpetuity
The Kendrick/2nd Avenue Residences	390	Rental/DHCD	Yes	Perpetuity
Wingate Phase II	5	Rental/DHCD	No	Perpetuity
Greendale Mews/Modera Needham	136	Rental/MassHousing	Yes	Perpetuity
1180 Great Plain Avenue	16	Rental/MHP	Yes	Perpetuity
TOTAL***	1,410	12.76% of year-round housing units		

Source: Massachusetts Department of Housing and Community Development

* Needham Housing Authority units ** Special needs units

*** Includes 262 market units at Charles River Landing, 292 market units at The Kendrick, and 102 market units at Greendale Mews/Modera Needham for a total of 656 market units. The number of actual affordable rental units in these projects is 220. Under Chapter 40B, the state incentivized communities to produce multi-family rental housing by allowing all rental units, including market rate ones, to qualify for inclusion in the SHI.

**** Down from 89 units in 2018

The Needham Housing Authority (NHA) owns 316 SHI units in the following developments:

- *High Rock Estates*
  Converted from state Chapter 200 state funding to Section 9 Federal subsidy
  Single-family housing for families
  80 units (43 three-bedroom units and 37 two-bedroom units)
  The Needham Housing Authority redeveloped this property by replacing 20 single-family units with 20 two-family structures with a net gain of 20 units. Ten of these units were redeveloped into 20 condominiums with a separate Homeowners Association but also receiving some NHA support in maintaining and managing the units. The remaining ten are rentals managed by NHA.

  The NHA also sponsored the conversion of 10 single-family units at its High Rock development into duplexes, creating 20 condos which it continues to be involved in supporting through ongoing monitoring work and maintenance.

- *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 for families
  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

The Housing Authority focuses on "deeply" affordable housing for those with incomes at or below 50% AMI and no tenant pays more than 30% of annual income for rent. Waitlists are very long. For example, NHA has 559 applicants on its wait list for the family units including 359 applicants for two-bedroom units, 167 for three-bedrooms, and 33 for four-bedroom units. Waits for these units extend to three to five years. In regard to the NHA's elderly/disabled units, there were 227 on the waitlist with waits of approximately six months to a year.

In addition to the Housing Authority's Matthews House, Needham has five other special needs housing facilities that altogether total 26 additional affordable housing units (including the Highland Avenue ARC project, Marked Tree Road, 299 and 929 Webster Street, and West Street Apartments) as well as 84 units in group homes for state Department of Developmental Services (DDS) clients scattered throughout town.

These group home units include five units as part of a group home for developmentally disabled adults on South Street that was supported with HOME Program and CPA funding.[31]

Needham also has 15 other projects that are a part of its SHI that include an additional 312 actual affordable units (total of 968 units that can be counted in the SHI) that have been produced by private, for profit or non-profit developers including:

- *Nehoiden Glen*
  1035 Central Avenue
  Comprehensive Permit granted in 1976 and amendments were issued through June 2011.
  Total Rental Units: 61 Affordable Units: 61
  This development is for very low-income older adults and is managed by Wingate.

- *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 involved a major renovation of an existing non-conforming building, formerly the Hamilton House Nursing Home, for conversion into apartments for seniors. The development was processed through a Special Permit and variances. There are 12 two-bedroom units, 15 one-bedroom units, and one (1) studio unit.

- *Junction Place Townhouses*
  32 Junction Place
  Comprehensive Permit granted in October 2001
  Total Condominium Units: 5 Affordable Units: 2
  Junction Place is a condominium project comprised of five (5) attached townhouse units, approved by the Town in October 2001 through a comprehensive permit. The property contains approximately 11,200 square feet of land, previously occupied by a small vacant two-story office building, a garage and parking area on the edge of a commercial district and across the road from a train station. All five (5) of the townhouses were sold at below market prices to eligible families through a lottery system. Two (2) of the homes were sold for $165,000 to families earning up to 80% of the area median income with the remaining three (3) initially sold for $310,000 to families earning up to 150% of the area median income.

- *Garden Street/Browne-Whitney*
  207-217 Garden Street
  Comprehensive Permit granted March 2002
  Total Condominium Units: 6 Affordable Units: 2
  The Garden Street project, also known as Browne-Whitney, is a condominium development with six (6) total three-bedroom units, two (2) of which are affordable. The Town approved the project in March of 2002, and was subject to an appeal filed by an abutter to the property that was subsequently settled. The property contains approximately 27,132 square feet of land. Although

[31] The Town allocated $280,000 in HOME Program funding and $220,000 in CPA funds to support development financing.

within a single-family district, the property is located directly across the street from a business zone and only a short walk to the center of Needham and public transportation. The two (2) affordable units sold for $160,000 with the market rate units were priced between $525,000 and $759,000.

- *High Cliff Estates*
  209-233 St. Mary Street
  Comprehensive Permit granted April 2002
  Total Condominium Units: 12 Affordable Units: 3
  The High Cliff Estates project is a townhouse condominium development with 12 total three-bedroom condominium units in four (4) buildings and with three (3) of the condominiums sold as affordable, selling between $105,000 and $137,500. The market rate units sold for $447,000 to $582,300.

- *Suites at Needham*
  797 and 805 Highland Avenue
  Comprehensive Permit granted in 2006
  Total Condominium Units: 8 Affordable Units: 2
  The development includes eight (8) townhouses, two (2) of which are affordable. The project is located on Highland Avenue, only a short walk to an MBTA commuter rail station.

- *Charles River Landing*
  300 Second Avenue
  Comprehensive Permit granted in 2007
  Total Rental Units: 350 Affordable Units: 88 (all units count as part of the SHI)
  The Town of Needham entered into an agreement with the developer, Cabot, Cabot & Forbes, to build 350 rental units through a "friendly" Chapter 40B process as part of the state's Local Initiative Program (LIP). The project is located 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 promotes 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. About two-thirds of the units have one-bedrooms, the remainder with two-bedrooms.

- *Craftsman Village*
  17-27 High Street
  Comprehensive Permit granted initially in 2006 and amended for new developer in 2009
  Total Condominium Units: 6 Affordable Units: 2
  The initial developer filed the comprehensive permit application in 2003 and proposed building twelve three-bedroom condominium units, three (3) to be affordable, on an about 27,000 square foot lot within walking distance to public transportation. The ZBA approved six (6) units but the developer was unwilling to go below eight (8) and appealed the decision to the state's Housing Appeal Committee. The project finally moved forward with a new developer, Craftsman Village LLC, with a total of six (6) units including two (2) affordable ones. The market units sold for $609,000.

- *The Residences at Wingate/Phase I*
  235 Gould Street
  Special Permit Approval in 2011
  Total Independent Living Rental Units: 12 Affordable Units: 2
  Pursuant to a zoning change to create an Elder Services Zoning District, approved by Town Meeting in 2010, and Special Permit approval of the Planning Board in 2011, the developer built a senior housing facility on Gould Street next to its Nursing Home at 589 Highland Avenue. The building includes 91 total units – 12 Independent Living Apartment units, 42 Assisted Living units, and 37 Assisted Living units specializing in Alzheimer's and other memory loss related conditions. The project also includes two (2) affordable units, one (1) that was initially reserved for those who lived or worked in Needham.

- *Needham Place (previously known as Dedham Avenue)*
  50 Dedham Avenue
  Special Permit Approval in 2012
  Total Rental Units: 10 Affordable Units: 1
  Through the rezoning of Needham Center through a Center Business Overlay District approved by Town Meeting in 2009, as well as Special Permit approval by the Planning Board in 2012, the developer, MMM Property LLC (Brookline Development Corp.), built a new three plus one story mixed-use building on Dedham Avenue near Great Plain Avenue. The property contains ten (10) rental units, including one (1) affordable unit, as well as two (2) first-floor retail units.

- *Greendale Village*
  900 Greendale Avenue
  Comprehensive Permit granted in 2013
  Total Condominium Units: 20 Affordable Units: 4
  The Greendale Village development includes 20 new townhomes, four (4) of which are affordable to those earning at or below 50% of area median income. The lottery was held on July 8, 2014. The 2 two-bedroom affordable units sold for $112,600 and the 2 three-bedrooms sold for $121,400. The market units ranged in price from $759,000 to $940,000.

- *Webster Street Green*
  28 Webster Street
  Comprehensive Permit initially granted in 2005 and amended in 2013
  Total Condominium Units: 10 Affordable Units: 2
  The developer, Webster Street Green LLC, was issued a comprehensive permit in November 2005, which was appealed, amended, and extended through the state's Housing Appeals Committee (HAC). The affordable units were targeted to those earning at or below 50% AMI and sold for $121,300 and $136,800 while the market units sold in the $689,000 to $769,000 range.

- *One Wingate Way/ Wingate Phase II*
  235 Gould Street
  Special Permit Approval in 2014
  Total Independent Living Rental Units: 52 Affordable Units: 5
  Another 52 Independent Living Units were built next to the existing Phase I Residences at Wingate senior living development. Given that the project is part of the Town's Elder Services District, at least 10% of the units must be affordable. The project received Special Permit approval by the Planning Board on October 20, 2014 (amendment of Phase I approval in 2011).

- *The Kendrick (previously known as 2nd Avenue Residences)*
  275 Second Avenue
  Comprehensive Permit granted in 2015
  Total Rental Units: 390 Affordable Units: 98 (all units count as part of the SHI)
  The Town of Needham provided its support for the 2nd Second Avenue Residences development as part of the Local Initiative Program (LIP) Project Eligibility Application that was submitted to DHCD by the developer, A Street Residential LLC, on April 15, 2015. The ZBA subsequently approved the comprehensive permit on October 20, 2015.

- *Modera Needham (previously known as Greendale Mews)*
  700 Greendale Avenue
  Comprehensive Permit granted in 2013 for 108 units and approved 136 units in 2015
  Total Rental Units: 136 Affordable Units: 34 (all units count as part of the SHI)
  The developer, Mill Creek Residential Trust LLC, proposed 300 and then 268 rental units on the six-acre site through a comprehensive permit application on April 13, 2013, and the ZBA approved 108 on December 19, 2013. The parties subsequently agreed to a total of 136 units, which the ZBA formally approved on October 20, 2015.

- *1180 Great Plain Avenue*
  Comprehensive Permit granted in December 2019. An abutter appealed the decision which was resolved in 2022. Units were removed from the SHI but will be restored when building permits are issued.
  Total Rental Units: 16 Affordable Units: 4 (all units count as part of the SHI)
  The developer, Petruzziello Properties LLC

The Town also sponsored a Habitat for Humanity project on a parcel owned by the Town of Needham. The Town 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 built a single-family house on the lot for a first-time homebuyer. This house is not eligible for inclusion on the SHI because the deed rider was not approved by the state

The Needham Housing Authority also administers *rental subsidies* and is currently assigned 120 Section 8 Housing Choice Vouchers. While these rental subsidies are not eligible for inclusion in the SHI, they nevertheless provide important support for qualifying households renting units in the private housing market, filling the gap between an established market rent – the Fair Market Rent (FMR) – and a portion of the household's income. Preference is granted to applicants who reside or are employed in Needham. Applicants must also have incomes at or below 50% of area median income based on HUD area income limits (see Table II-1), but 75% of an agency's vouchers are to go to applicants whose incomes do not exceed 30% of area median income.

7. Priority Housing Needs

Given the high numbers of residents who are paying too much for their housing (see Table III-41) and growing affordability gaps, there is a pressing need to produce more housing that is affordable in Needham, not only the most financially-vulnerable residents, but also for those who may not meet all affordable housing requirements but are still struggling to remain in the community. Needham's Council on Aging and Public Health Department prepared an Assessment of Housing and Transit Options for Needham Seniors in August 2016 that suggested that the affordable housing problem is greatest for moderate-income people who do not qualify for subsidized housing but cannot afford market rate

housing. Nevertheless, it is important to note that even if a household qualifies for subsidized housing, there are not nearly enough units to meet all of the need nor demand.

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

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

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

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

Rental housing is the greatest priority

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

- Target the needs of the community's most vulnerable residents with very limited financial means as rental housing is typically more affordable and requires less up-front cash.
- Promote greater housing diversity as 84.5% of Needham's housing stock is owner-occupied and 82.7% involves single-family homes. More housing options are necessary to meet the needs of local workers who are priced out of the housing market, people who grew up in Needham and want to remain in the community, and empty nesters, for example.
- Better leverage other funds, as state and federal resources are almost exclusively directed to rental housing development, family rentals in particular, unless the municipality has been designated as a Gateway City or has qualified low- and moderate-income census tracts (Needham does not).
- Invest locally-available subsidy funds (e.g., CPA, Needham Affordable Housing Trust Funds, HOME Program funds) in support of greater numbers of households/occupants over time as rentals turnover more regularly than ownership units.
- Respond to new state guidelines for MBTA communities in creating new transit-oriented zoning districts with by-right permitting for a minimum land area of 50 acres, minimum gross density of 15 units per acre, and minimum multi-family unit count of 20% of the Town's total housing units or 2,378 units.
- Provide opportunities for some seniors who are "over-housed" and spending far too much on their housing to relocate to more affordable and less isolated settings, opening up their homes

to families requiring more space. Create new income opportunities (e.g., through Accessory Dwelling Units or conversions to two-family homes) could also help these cost burdened seniors.

- Enhance the ability to qualify occupants for housing subsidies as state requirements for including units on the Subsidized Housing Inventory (SHI) make it very difficult for long-term homeowners to be eligible for subsidized or assisted housing given asset limits.
- Provide opportunities for mixed-income housing where several different income tiers can be accommodated within the same project.

Indicators of Need for Rental Housing

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

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

- *High cost burdens* – Needham's renters are spending too much for their housing with 41% of all renter households overspending including 25% with severe cost burdens as they were spending more than half their income on rent and utilities.

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

- *High rents* – The 2020 census estimates indicated a gross median rent of $1,604 which would require an income of about $77,160, assuming $175 per month in utility bills and housing expenses of no more than 30% of the household's income. Not only is the median income of renter households much lower at $44,361, but market rents are typically much higher and tend to be beyond the reach of lower wage earners (see Table III-34). *Moreover, it is also important to note that the census figures include subsidized units, which represents about 37% of all rental units in Needham, and thus the median makes the rental market look more affordable than it actually is.*

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

- *High up-front move-in expenses* – Many apartments require first and last months' rent plus a security deposit. For a $2,500 apartment, that totals as much as $7,500, an amount that many prospective tenants do not have available. Additionally, because many of Needham's rental opportunities in smaller properties are not advertised, those who do not have a special connection to the community are often out of luck.

- *Deficit of affordable rentals* – Calculations in Table III-40 suggest that there is a shortage of 620 rental units for those with incomes at or below 80% AMI. Since this data was reported in 2018, it is likely that some of this need was subsequently addressed by The Kendrick or Modera Needham Chapter 40B developments for those in the 50% to 80% AMI range but not for those with incomes below which comprise the greatest need of 500 units. Given rising housing costs, it is likely that the deficits have grown and more units will be out of the range of low-income households.

- *Low vacancy rate* – The 2020 census estimates identify the rental vacancy rate as 2.6%, lower than county and state levels of 3.1% and 3.3%, respectively. As any rate below 5% is largely recognized to reflect extremely tight housing market conditions, this information confirms a very robust rental market.

Rental Needs of Older Adults

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

- *Recent population growth* – The number of those 65 years of age and older increased to 6,068 residents and 19.5% of the population according to 2020 census estimates, from 4,700 residents and 16.3% in 2010. This increase was largely driven by those age 65 to 74.

- *Significant projected growth* – As the community's Baby Boomers continue to enter the 65 years and over age range, the numbers of older adults is forecasted to increase over the next decade or so to about one-quarter of all residents. The housing challenges of this expanding population of seniors will need to be addressed in the Town's housing agenda.

- *Significant population of renters* – The highest number and proportion of renters included those 62 years of age or older, representing 895 households or about half of all renter households.

- *High cost burdens* – About 60% of the 570 elderly renter households with incomes at or below 80% AMI were overspending on their housing, including 255 or about 45% with severe cost burdens. Those remaining 230 older adults earning below 80% AMI and not overspending were likely living in Needham's subsidized housing reserved for seniors (265 units) or other subsidized or 40B developments.

- *Insufficient income* – Most older adults living on fixed incomes and relying substantially on Social Security find that their income may not be sufficient to afford their current housing and other expenses, particularly when they lose their spouse. As their homes increase in value, so does their property taxes unless they qualify for special tax exemption or deferral programs.

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

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

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

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

  NHA has addressed most of the findings and recommendations in this report including improved communication protocols, the hiring of a part-time Public Safety Coordinator, increased staff focus on property maintenance, and new onsite activities among other important improvements.

Rental Needs of Families

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

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

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

- *Fewer subsidized housing opportunities and long waits* – NHA has 559 applicants on its wait list for their 90 family units (30 at Captain Robert Cook Drive, 60 at High Rock, and 20 at High Rock Homes) including 359 applicants for two-bedroom units, 167 for three-bedrooms, and 33 for four-bedroom units. Waits for these units extend to three to five years. None of the units are handicapped accessible. NHA also administers 120 Section 8 Housing Choice Vouchers that

subsidize the difference between HUD Fair Market Rents (FMRs) for the Boston area and a percentage of household income, with long waitlists as well.

Rental Needs of Non-elderly Individuals

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

- *Significant but declining population of these renters* -- Non-family, non-elderly households (under age 62) comprised 21% of all renter households, down from almost 30% in 2015. A total of 235 or 63% of these renters had incomes at or below 80% AMI. The remaining 140 such renters had incomes of at least 100% AMI and may include single professionals that were attracted to the market units as part of the larger Chapter 40B developments.

- Adult children who were raised in Needham and want to remain in the community are back living with their parents as they cannot find places they can afford.

- *High cost burdens* - There were also 235 non-elderly, non-family households (largely single individuals) earning at or below 80% AMI, of which 81% were overspending on their housing, including 55% with severe cost burdens. This is up from 31% and 35% with severe cost burdens in 2011 and 2015, respectively. These individuals may be good targets for new Accessory Dwelling Units (ADUs) should the Town change zoning to allow occupancy by those without family ties or performing the role of caregiver.

- *Long waits for subsidized housing* – 13.5% of NHA's units in elderly developments are targeted to younger individuals (age 18 to 61) who are disabled with 14 applicants on the waitlist.

New ownership opportunities are also a priority

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

- Provide opportunities for families who want to invest in Needham but are shut-out of the current housing market.
- Create first-time homeownership opportunities for those with incomes in the 50% to 80% of area median income range, including those who work in the community.
- Potentially develop units for those with incomes in the 80% to 100% AMI range that would be eligible for Community Preservation Act (CPA) assistance and are challenged to afford market rate units.
- Offer more affordable housing alternatives to empty nesters who want to downsize, thus opening their existing homes to families and enabling them to stay in Needham. The need for elevator access in multi-family properties is particularly important for this population. Condominium unit

ownership offers the security of ownership at a lower price than single-family home ownership, with significantly less maintenance, utility, insurance and tax burden.
- Lend additional stability to neighborhoods as homeowners are perceived as more rooted and invested in the community with less unit turnover.
- Enable children who were raised in the community to return to raise their own families locally.
- Provide housing options for municipal employees and other local workers who want to invest in the community in which they are working.

Because state and federal subsidy programs are almost exclusively targeted to rental housing, there are limited opportunities to leverage local investments such as CPA funding or public property sites.[32] Consequently, most homeownership developments that include affordable units are permitted through Chapter 40B, where market units cross-subsidize affordable units, or are very small in scale and heavily reliant on CPA funds. Additionally, due to the high land costs in Needham and limited opportunities to leverage local funds, the subsidy needed to fill the affordability gap would typically be extremely high on a per unit basis, perhaps as much as $500,000 to target those at the 80% AMI level unless the property was donated and some density could be incorporated.

Indicators of Need:

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

- *Few subsidized ownership units* – Only 17 units or 1.2% of the Town's SHI involve ownership. All of these units were permitted through the Chapter 40B comprehensive permit process.

- *Deficit of affordable units* – Table III-39 demonstrates a substantial need for more affordable homeownership opportunities for those with incomes at or below 80% AMI with even a deficit in units for those with incomes in the 80% to 100% AMI range. These calculations suggest that of the 1,060 owner households who were estimated to have earned at or below 80% AMI in 2018, there were only eight single-family homes and 147 condominium units that would have potentially been affordable to them based on FY22 assessed values and other assumptions listed in Table III-36, including spending no more than 30% of income on housing costs. It is likely that many of these owner households are "cash poor but equity rich" in that their incomes might have qualified them for an affordable unit, such as those permitted under Chapter 40B or mandated by inclusionary zoning for example, but their financial assets, particularly the equity in their homes, would render them ineligible for such housing.[33]

- *High affordability gaps* – When looking at the affordability gap for those with incomes at the HUD 80% AMI limit, the gap is an estimated $918,500, the difference between the median priced

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

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

single-family home of $1.29 million and what a three-person household earning at this income level could likely afford, or $371,500 based on 95% financing. This gap is up substantially from $556,500 in 2014. In the case of 80% financing, the gap would decrease to $869,500.

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

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

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

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

  Additionally, those age 35 to 44 decreased significantly since 2000, from 17% to 6.7% of all residents by 2020. While many in this age range would likely be attracted to Needham given the high quality of its school system and other community amenities for young families, it is also likely that many have been priced out of the town's housing market. The dwindling of this population may also result in shortages of residents to serve on local boards and committees as well as Town Meeting.

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

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

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

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

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

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

Indicators of Need:

- *Sizable local population with disabilities* – A total of 2,262 residents, or 7.4% of all civilian, noninstitutionalized residents, identified themselves as having a disability.[34] These levels of disability are largely less than county and statewide figures, but still represent meaningful special needs within the Needham community. They further suggest that the Town make a concerted effort to produce housing units that are handicapped accessible and/or have supportive services as well promote home modifications in support of those with disabilities.

- *Few options for younger disabled residents* – The SHI includes six special needs housing facilities that altogether total 26 affordable housing units as well as another 84 units in group homes for state Department of Developmental Services (DDS) clients scattered throughout town. As noted in the January 27, 2022 Public Education and Listening Session, these facilities are insufficient to address local needs including those of young disabled adults who were raised in Needham but have few options for living independently with necessary supportive services in the community.

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

The Needham Special Education Parent Advisory Council (SEPAC) developed a short survey for their members to obtain input on the affordable/supported housing needs of Needham's children with disabilities when they reach adulthood.[35] SEPAC emphasized that many of these children fall into a grey area of being unlikely to qualify for and/or be a good fit for traditional group homes but unlikely be able to live and support themselves independently.

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

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

Needs vary but the largest subgroups appear to be those with Autism (ASD), Down Syndrome and other developments disabilities. There is also a subgroup with more complex medical needs who would require accessibility accommodations and 24/7 trained medical staff.

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

- *Very limited inventory of barrier-free units* – Only the NHA's federal project, Seabed's Way, has subsidized handicapped-accessible units that include 23 one-bedroom units. Of particular concern have been the second-floor units in senior housing at Chambers Street that can only be accessed by stairs and hopefully can be resolved at some point as part of NHA's modernization plans.

  The 2022 Annual Town Meeting provided CPA funding for NHA's Linden/Chambers Architectural and Engineering Designer Phase project and will be preparing a redevelopment plan that tackles the issue of disabled residents head on, including redeveloping a certain number of the existing 152 units to be much more disability friendly. New development plans will also include additional units specifically designed for persons with disabilities. NHA is also considering significant upgrades to its provision of support services

- *Growing senior population* - As the number of seniors continues to increase with the aging of the Baby Boomers and longer life expectancies, growing numbers of residents will need better access to housing that includes on-site supportive services and/or barrier-free accessibility. Local assisted living units are also typically expensive. The assisted living and independent living units as part of Needham Residences at Wingate and the Residences at Carter Mill (may not include independent living units) will help address some of these needs.

- *Barriers to aging in place* – The Assessment of Housing and Transit Options for Needham Seniors, prepared by the Council on Aging and Public Health Department in 2016, identified specific barriers to aging in place. In addition to the high cost of housing, these barriers include the scarcity of accessible housing; the high cost of upkeep; costliness of modifying existing homes to increase accessibility; and zoning regulations that at the time prohibited Accessory Dwelling Units, also known as, in-law apartments.

  The report defined an age-friendly home as one with universal design elements that make living comfortable, safe, and accessible for all people regardless of ability. Key elements include: at least one no-step entry; single-floor living; wide hallways and doors; lever-style door and faucet handles; storage within easy reach; and bathrooms with walk-in showers and higher toilets. Although minor modifications can make a home safer for older adults (installing banisters on both sides of stairways, grab bars in bathrooms, slip-proof floors, etc.), many changes are significant and costly (such as adding full bathrooms, laundry facilities, and master bedrooms to the first floor of a house, etc.). Stairlifts can provide important assistance to those who are challenged by stairs.

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

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

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

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

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

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

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

Table III-43: Unmet Housing Needs

Target Populations	All Units	Market Affordable Units (Without Cost Burdens)	Unmet Need/Those with Cost Burdens*
Rentals			
Extremely Low Income (Within 30% AMI)	450	205	245 (54.4% of units) 215 with severe burdens
Very Low Income (30% to 50% AMI)	405	150	255 (63.0%) 180 with severe burdens
Low to Moderate Income (50% to 80% AMI)	175	55	120 (68.6%) None with severe burdens
Subtotal	*1,030*	*410*	*620 (60.2%)* *395 or 38.4% with severe burdens*
80% to 100% AMI	205	145	60 (29.3%) 35 with severe burdens
Above 100% AMI	575	515	60 (10.4%) 30 with severe burdens
Total	***1,810***	***1,070***	***740 (40.9%)*** ***460 or 25.4% with severe burdens***
Owners			
Extremely Low Income (Within 30% AMI)	330	10	320 (97.0%) 305 with severe burdens
Very Low Income (30% to 50% AMI)	220	37	183 (83.2%) 58 with severe burdens
Low to Moderate Income (50% to 80% AMI)	510	305	205 (40.2%) 125 with severe burdens
Subtotal	*1,060*	*352*	*708 (66.8%)* *488 or 46.0% with severe burdens*
80% to 100% AMI	375	195	180 (48.0%) 100 with severe burdens
Above 100% AMI	7,520	5,672	1,848 (24.6%) 115 with severe burdens
Total	***8,955***	***7,107***	***1,848 (20.6%)*** ***703 or 7.8% with severe burdens***
TOTAL	**10,765**	**8,177**	**2,588 (24.0%)** **1,163 or 10.8% with severe Burdens**
Target Population in Need	**All Units Occupied By Those Earning ≤ 80% AMI**	**Housing Available That is Affordable to Those Earning ≤ 80% AMI**	**All Those with Cost Burdens/Unmet Needs Occupied by Those Earning ≤ 80% AMI**
Seniors (62 and over)	570 Renters 715 Owners	230 Renters 226 Owners	340 Renters (59.6%) 489 Owners (68.4%)
Families	225 Renters 300 Owners	140 Renters 110 Owners	90 Renters (40.0%) 190 Owners (63.3%)

Non-elderly Individuals	235 Renters 45 Owners	45 Renters 16 Owners	190 Renters (80.8%) 29 Owners (64.4%)

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

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

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

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

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

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

Given the indicators of need that are included in this Housing Needs Assessment, even if the Town were to reach the 10% level of affordability without the inclusion of market rate units in the Chapter 40B rental developments, now at 6.24%, it will likely still have unmet housing needs in the community. Another 435 affordable units would be required to reach the 10% threshold if the market units were not taken into consideration.

The NHA suggested a more detailed breakdown of target goals including the following for their deeply affordable rental units over the next 10 years. NHA further suggested additional breakdowns by development entity such as Planning Board/zoning changes and financial incentives and 40B developers. (Note: Not sure this would be meaningful as it would be a struggle to estimate.)

- 1BR - 110 senior units
- 1BR - 25 disabled units
- 2BR - 30 family
- 3BR - 20 family
- 4BR - 10 family

Total = 195 units

It should also be noted that some private developers, including nonprofits, might also opt for creating rental units for lower income households with subsidies such as the Low Income Housing Tax Credit.

In conclusion, there is a need to provide support to all these types of households along a wide range of incomes. Everyone should have a right to safe and affordable housing which is so fundamental to stabilizing both individuals and families who may be living in substandard conditions and/or spending far too much for their housing. The whole community benefits when all residents have a decent and affordable place to call home.

IV. HOUSING STRATEGIES

As noted earlier, the Needham Planning Board appointed a Housing Plan Working Group to coordinate the preparation of this Housing Plan, including representatives from various boards and committees and the community at large. The Working Group met largely on a monthly basis since October 2021. In addition to these monthly meetings, the Working Group sponsored a number of important community outreach activities to attract a wide range of voices and ideas from Needham residents and leadership. Fundamental to these activities were the premises of better informing the public on basic housing requirements and conditions as well as ensuring a robust inquiry into community perspectives on the Town's future housing agenda, most importantly on the priority housing strategies that should be included in this Housing Plan. These outreach activities included:

- *Dedicated Webpages*
  The Housing Plan Working Group maintained a special website dedicated to the preparation of the Housing Plan at www.needhamma.gov/housingplan2021. The Working Group also encouraged written comments from the community throughout the planning process.

- *Public Education and Listening Session*
  This meeting was held virtually on January 27, 2022 to offer an early opportunity for community leaders and residents to provide their viewpoints on housing concerns, needs, and strategies for the Working Group to consider as part of its preparation of the Housing Plan. A summary of basic housing-related information was also presented.

- *Community Housing Workshop*
  On March 24, 2022, the Working Group held another community-wide meeting, also held virtually, to once again present basic information on housing issues and then facilitate small breakout group discussions. Facilitated by Working Group members, these discussions involved obtaining feedback on a range of specific questions such as what affordable housing meant to each participant, aspirational goals that the Town should pursue, challenges to producing housing, best locations for new housing, and priority actions for addressing housing needs.

  All attendees reconvened after the breakout group discussions when each group presented their top six priority actions. In follow-up to this meeting, attendees received a poll that listed all the top recommended priority actions and were asked to identify their top six preferences. The poll was sent to 73 people with 32 respondents. The top six actions that were selected as a result of this polling included:

  1. Participate in the MBTA Communities Initiative to promote by-right, multi-family housing development in proximity to transit and change zoning as needed to participate. (69%)
  2. Support the Needham Housing Authority (NHA) plans to renovate and expand their housing units. (59%)
  3. Review and change zoning to allow for different types of housing in different parts of town (from modest single-family homes to multi-family developments). (41%)
  4. Broaden Accessory Dwelling Unit (ADU) zoning to allow occupancy beyond those who are caregivers or related to the owner. (38%)

5. Inventory Town-owned land and identify parcels that could be used to build more housing (including those that might need regulatory/zoning changes to make housing possible) and identify owners who would be interested in developing them. (31%)
6. Incentivize the development of higher-density, multi-family housing. (31%)

- *Community Housing Survey*
  The Working Group also issued a Community Housing Survey to obtain further input from the broad Needham community on housing issues, priority housing needs, goals, and actions in particular, especially from those who were less able or interested in attending meetings. The intent was to still be open-ended in the inquiry as opposed to narrowing in on what some might view as preconceived Town priorities. The results can be accessed through this link: https://www.surveymonkey.com/results/SM-e8YNblqnvGJNxjKb1dSt_2BA_3D_3D/

In addition to this community outreach, the housing strategies that are included in this Housing Plan were informed by the following other important considerations:

- *Previous Housing Plan*
  The Working Group recognized that the previous Housing Plan, prepared in 2007, was out of step with the significant demographic shifts and changing housing market conditions that occurred in the 15 or so years since. Nevertheless, it was useful to refer to the actions that were recommended in the 2007 Plan, identifying not only the progress that has been made but also those actions that are still relevant for consideration in this planning process.

- *Previous Progress*
  The Needham Planning and Community Development Department prepared a report on the progress that had been made through housing production efforts and zoning changes to address housing needs. This report enabled the Working Group to gain an historical understanding of existing zoning and what prior initiatives had been most effective in addressing housing needs and boosting the Subsidized Housing Inventory (SHI). See Appendix 1 for this report.

- *Guiding Principles*
  During its May meeting, the Working Group established a set of six guiding principles as core values in driving the Town's future housing agenda. These principles are listed in Section II.C of this Housing Plan and serve as an aspirational context to further inform the housing strategies that are included in this Housing Plan.

- *Regulatory Requirements*
  Regulations and other governmental requirements are also important considerations in the actions that are proposed as part of this Housing Plan. Foremost among these requirements is the existing Zoning Bylaw, particularly bylaws related to promoting affordable housing or smart growth development; the Local Initiative Program (LIP), also referred to as the "friendly 40B Program"; and the MBTA Communities Guidelines which will require significant zoning changes related to by-right, multi-family and mixed-use development for the Town to be in compliance with the new initiative.

- *Housing Needs Assessment*
  This Housing Plan includes a comprehensive and detailed analysis of updated demographic, economic, and housing characteristics and trends, including housing market conditions and affordability calculations. Through this analysis and other compelling considerations, the Housing Needs Assessment identified priority housing needs to be addressed in the package of actions proposed in this Housing Plan. These priority needs are detailed in Section III.C.7.

- *Subgroups*
  During the Working Group's February meeting, it was recognized that the Working Group had a great deal of talent among its members and some had expressed an interest in being more involved in preparing the Housing Plan. Consequently, it was recommended that interested members break into Subgroups to focus on particular categories of housing strategies. Subgroups related to Zoning, Housing Development and Preservation, and Capacity Building were subsequently organized. The Subgroups have met and produced reports that recommended specific actions for inclusion in the Housing Plan.

The housing strategies that are included in this Housing Plan are summarized in a spreadsheet, referred to as the Implementation Roadmap in Appendix 5. The strategies are categorized according to Subgroup topic and then by timeframe, whether in the near-term (1-2 years 1-4 years?), medium term (3-5 years 5-9 years?) or longer-term (more than 5 years 10+ Years?). There is also a category of actions that will likely require further study. The Roadmap also includes the lead entity responsible for implementation, partners and advocates for the action, whether Town Meeting approval is required, level of complexity, and identified resources or approvals that will be required.

A. Zoning Strategies

Housing production is contingent not only on actual development projects but on the planning and regulatory tools that enable localities to make well informed decisions to strategically invest limited public and private resources. To most effectively and efficiently execute the strategies included in this Plan, greater flexibility will be needed in the Town's Zoning Bylaw. Compliance with recent state Guidelines for communities to rezone for by-right, multi-family housing near transit is also a significant component of this Housing Plan.

The State Economic Development Bill and Housing Choice legislation enacted in 2021 changed zoning approval requirements for housing-related amendments from a supermajority to a simple majority, making the passage of such new zoning somewhat less daunting.

The Town has nevertheless made significant progress in reforming local zoning through the passage of a number of bylaws or regulatory policies including permitting requiring the inclusion of affordable housing in some areas and allowing the creation of Accessory Dwelling Units (ADUs) for example. These reforms are detailed in Appendix 1.

It is also important to note that this Housing Plan stresses the need to develop a more holistic or comprehensive orientation towards zoning to avoid having to be reactive on a project-by-project basis. Zoning strategies are meant to help the Town be more intentional in its permitting, looking at more Town-wide opportunities for directing future development.

1. Adopt Town-wide Inclusionary Zoning

Lead Entity: Planning Board
Timeframe: Near Term
Requires Town Meeting Approval: Yes (Simple Majority)
Level of Complexity: Medium

Background: While Needham has made strides in passing zoning that mandates the inclusion of affordable housing in more areas,[36] the Town's Zoning Bylaw does not currently include town-wide inclusionary zoning provisions. This mechanism has been adopted by more than one-third of the communities in the state to ensure that any new development project over a certain size includes a set-aside in numbers of affordable units or funding from the developer to support the creation of affordable housing. Most of the bylaws include mandated percentages of units that must be affordable, typically 10% to 20% and density bonuses[37]. Many also allow the development of affordable units off-site under extraordinary circumstances and/or cash in lieu of actual units.

Recommendations: This Housing Plan recommends that zoning be extended to requiring at least 12½ of housing units be affordable for households with incomes at or below 80% of Area Median Income (AMI) for projects with six or more units in every district where multi-family or mixed-use housing is allowed.(Why not extend to all districts including subdivisions of 6 or more units as well?) For new MBTA designated multi-family districts under MA law c.40A, sec 3A Guidelines, the Town will be limited to a 10% affordability limit, also for households earning at or below 80% AMI, unless a designated area has an inclusionary requirement that predates January 2021.

This affordability rule should also be applied to single-family subdivisions. For developments of fewer than six units, a monetary contribution to the Needham Affordable Housing Trust Fund should be required proportionate to the cost of providing an affordable unit. (Consider a cash-out fee for all areas to be deposited into the Affordable Housing Trust as is typically done?)

It is essential that the formula for calculating the cash-out fee provide sufficient proceeds to fully subsidize the required number of affordable units despite changes in market conditions and to ensure that the funding will be dedicated to supporting affordable housing. The cash-out fee should be tied in some way to the value of the affordable unit. From a theoretical standpoint that value is commonly considered to be the difference between a unit's market-rate price and the affordable one. This means that the value of the cash-out fee relates to the losses the developer would suffer by building affordable units. Stronger fees typically match the value of the affordable unit not built, allowing the fee to subsidize the same number of units in a separate project.

A simple formula would be the difference between the market sales price and the affordable one with the affordability based on the state's formula for calculating the purchase price through the Local Initiative

[36] Affordable units are mandated at 10% of the total number of units in developments of six or more units that are built in the Central Business District, Lower Chestnut and Garden Street areas, and Elder Services District as well as at 12½% in the Neighborhood Business District/128, Mixed Use Overlay District, and Highland Avenue/Route 128 districts.

[37] Density bonuses allow increased densities beyond what is allowed under the subdivision requirements in the Zoning Bylaw.

Program (LIP). The per unit fee would be multiplied by the number of affordable units required under the permitting.

Another consideration that was adopted as part of the changes to the Neighborhood Business District/128 zoning, is adopting the cash-out fee calculation in which the cash payment is equal to the most current Total Development Costs (TDC) as articulated in the MA Department of Housing and Community Development's Qualified Allocation Plan (QAP) for projects using the Low-Income Housing Tax Credit. These costs are divided by whether the units are part of a production or preservation project, are outside or within the Metro Boston area and by the type of housing to be built.

It is also useful to provide sufficient incentives to developers to make sure that the incorporation of affordable units will be financially feasible. Incentives also reduce the risk of litigation from developers who claim that the mandatory inclusion of affordable units involves a "taking" of their property rights. In fact, inclusionary zoning can be legally vulnerable if requirements make it impossible for the developer to earn a reasonable return on the project as a whole. Consequently, it would be prudent for the to add incentives, such as density bonuses, to cover these legal questions and ensure that the zoning works economically.

2. Broaden Requirements for Accessory Dwelling Units (ADUs)

Lead Entity: Planning Board
Timeframe: Near Term
Requires Town Meeting Approval: Yes (Simple Majority)
Level of Complexity: Medium

Background: The 2019 Special Town Meeting approved the bylaw to permit the creation of accessory dwelling units (ADUs) by Special Permit of the Board of Appeals. The bylaw limits the units to single-family homes that are occupied "by the Owner; Family members related to the Owner by blood, adoption or marriage (spouse, parent, sibling, child, or a spouse of such persons); and Caregivers of Family members who look after an elderly, chronically ill or disabled Owner who needs assistance with activities of daily living or a Family member who needs such assistance, subject to specified standards and procedures."[38] The bylaw also defined the ADU as "an apartment in a single-family detached dwelling that is a second, self-contained dwelling unit and a complete, separate housekeeping unit containing provisions for living, sleeping, cooking and eating. The ADU must be subordinate in size to the principal dwelling unit on a lot, and constructed to maintain the appearance and essential character of the single-family dwelling."[39] . A total of /eight ADUs were permitted as of August 2022.

While the bylaw limited occupancy to family members or caregivers, it still promotes greater housing diversity in the community by allowing small apartments in existing dwellings, enabling extended family members to live together, and also providing opportunities for live-in support for people with disabilities.

Major provisions of the current bylaw include the following:

[38] Section 3.15 of the Needham Zoning By-law.
[39] Ibid.

- Available by Special Permit from the Board of Appeals, good for 3 years, renewable by Special Permit. If there is a new owner of the home, they have to go through the Special Permitting process to keep the ADU.
- At least one of the units (the primary residence or the ADU) must be owner-occupied and occupancy of the second residence must be limited to a member of the owner's family or a caregiver and such caregiver's family.
- No more than five persons who are not family members of the owner can live in the primary residence and the ADU combined.
- There can be no more than one ADU on a lot, and it must be located within the single-family detached dwelling and ***not*** in a separate building.
- To the extent possible, exterior entrances and access ways shall not detract from the single-family appearance of the dwelling. No stairs for access to upper floors of the ADU shall be on the outside. There must be an interior doorway between each living unit for safety purposes in an emergency.
- The size of the ADU is limited to 850 sq. ft., and it can have no more than one bedroom.
- Off-street parking must be provided with at least one parking space per dwelling unit.

It is important to emphasize that ADUs provide a number of <u>important benefits</u> to the community, diversifying the housing stock and allowing Needham to be part of a regional effort to contribute to the urgent need for additional smaller, more affordable housing unit production. As documented in this Housing Plan, Needham's housing is increasingly less affordable without a sufficient range of housing choices that offer smaller unit sizes with more affordable rental costs for employees, new residents or families, or for existing, mostly senior, residents.

- ADUs can provide additional, affordable studio and one-bedroom rentals, by expanding the housing opportunities for
    - Seniors and other residents to remain in their homes
    - Young adults who want to stay in or return to Needham
    - Employees of Needham businesses
    - Potential newcomers to the Needham community
- ADUs can allow homeowners to stay in their homes by providing needed rental income to assist with housing costs including taxes, utilities and other housing expenses.
- Homeowners of small homes that cannot easily be enlarged can benefit from ADU income by converting a smaller building on their lot, such as a detached garage, into an ADU.
- ADUs provide additional housing while maintaining existing single-family neighborhoods.
- ADUs are encouraged by the Massachusetts Executive of Energy and Environmental Affairs and advocated by Needham's Council on Aging, Board of Health and Department of Public Health and Human Services.
- Owners will be responsible landlords because they must reside in the property and always provide emergency egress freely through the main unit from the ADU.
- ADUs can provide important services for the owner such as snow removal or errands for seniors or babysitting for families for example.

It is important to note that <u>ADUs are not</u>:

- ADUs in Needham are <u>*not*</u> to be used for short-term rentals (i.e., Airbnbs) **because** rentals must be for at least 6 months.

- ADUs will *not* be built in large numbers throughout the town **because** the data from our Town and others in Massachusetts shows small numbers of ADUs even when regulations are less restrictive.
- ADUs will *not* change the look of our single-family neighborhoods **because** the appearance maintains that of a single-family dwelling.
- ADUs will *not* be unattractive **because** they will have to comply with specific building design guidelines that have them in keeping with the architectural design character of the main building, which will be reviewed by the Town's Design Review Board. (Will this be the case? It's not usually done in other communities.)
  (Any zoning amendment would address the role of Needham's Design Review Board to review ADU submissions for compliance with building appearance requirements and report to the Building Commissioner on design guideline compliance as a pre-condition to the issuance of a building permit for a by-right ADU or report to the Zoning Board of Appeal as a pre-condition to the issuance of an ADU special permit).

ADUs are allowed in many Massachusetts communities. For example, of the 100 cities and towns in the Metropolitan Area Planning Council (MAPC) region outside the City of Boston, 37 allow a homeowner to create an accessory apartment and rent it to persons other than family members or caregivers. Moreover, in the last decade, almost half of the 100 Boston-area municipalities have adopted either a master plan or housing production plan that recommends allowing ADUs with fewer restrictions. For example, Belmont and Hudson voted to allow ADUs unrestricted to relatives. Lexington, Newton, Carlisle, and other municipalities voted to allow ADUs in detached structures. Burlington, Bedford, and Acton, among other towns, allow ADUs by-right. Most recently, Wellesley's Town Meeting voted to adopt an ADU by-law without any residency restrictions, allowing both attached and detached ADUs by-right with a minimum unit size of 900 square feet.

Homeowners who want to add an ADU to their home under the current by-law must obtain a special permit, which involves unnecessary time for both the applicant and the Zoning Board of Appeals. Review of proposed building plans for attached ADUs by the Building Commissioner should suffice to ensure compliance with the by-law. (This makes sense instead of adding Design Review Committee involvement.)

Recommendations: This Housing Plan recommends amending the ADU by-law to allow for unrestricted lessee residency requirements (owner must occupy the property and allow as rental property with a 6-month minimum lease), using a by-right process. In addition, the Town should consider allowing stand-alone (detached) ADUs using the special permit process for existing accessory buildings using the current design and building code regulations.

This Housing Plan recommends that the Zoning Bylaw be amended to incorporate the following new ADU definition:

> **An accessory dwelling unit (ADU) is an apartment on a single-family-zoned lot that is a second, self-contained, complete, separate housekeeping unit containing provisions for living, including 1 bedroom, cooking and eating. ADUs come in three different forms: Existing portions of a home can be converted into a separate apartment; an outward addition could create a new unit within an existing home, or a detached living space, such as a garage or carriage house, can be renovated to create a new unit if the detached structure already exists (a detached ADU would require a special permit approval process).**

This Housing Plan recommends the following zoning changes to better encourage the creation of ADUs:

- Allow attached ADUs by-right rather than by special permit, eliminating delay and perhaps legal costs for the homeowner, while still requiring that building and design guidelines be met. ADUs must meet all zoning dimensional requirements for a single-family home.
- Eliminate the residency restriction (i.e., the unit can be rented to anyone).
- Allow ADUs in detached dwellings on the property if the detached structure to be renovated and converted already exists. Such detached ADUs would be by the special permit process.
- ADU rentals must be leased for at least 6 months, so that ADUs will be used for rental housing rather than short-term accommodations.
- This Housing Plan also suggests that there be some consideration for allowing the new construction of ADUs in detached structures in the Single Residence A districts under a special permit process and certain conditions, including approval by the Design Review Committee.

3. Comply with MBTA Communities Guidelines

Lead Entity: Planning Board
Timeframe: Near Term
Requires Town Meeting Approval: Yes (Simple Majority)
Level of Complexity: High

Background: The State, through the Department of Housing and Community Development, issued Draft Guidelines on December 15, 2021 and comments were due by March 31, 2022. The Needham Select Board submitted a number of questions and comments regarding the Draft Guidelines with some of the recommendations being integrated into the final requirements.

A principle of DHCD's guidelines is that MBTA communities benefit from having transit stations and should provide the opportunity for multi-family housing development around these assets. The required "unit capacity" is a percentage of the total existing housing units in the municipality, determined by the type of MBTA community. Section 3A identifies Needham as a commuter rail community with the requirements that the district(s) minimum unit capacity be at least 15% of the town's total housing units or 1,784 units.

The final MBTA Communities Guidelines, as Massachusetts General Law, Chapter 40, Section 3A of the Zoning Act, were released on August 10, 2022. The purpose of Section 3A is to encourage the production of multi-family housing by requiring MBTA communities[40] to adopt zoning districts where multi-family housing is allowed as of right, and then meet other requirements set forth in the statute. These Guidelines require that an MBTA community have at least one zoning district of reasonable size and also includes:

- Amend existing zoning within ½ mile of MBTA transit stations to accommodate multi-family housing at an average minimum density of 15 units per acre, which must be allowed by-right, not by special permit, though site plan review may be required.
- Zoning target areas are to be a minimum of 50 acres with at least one site of 25 contiguous acres within ½ mile of a transit station. Needham will have to rezone approximately 120 acres, however, to comply with Guidelines given the need to have an average minimum density of 15

[40] There are 175 identified MBTA communities including Needham.

units per acre, including the requirement that 90% of the acres be within ½ mile of transit. Analyses that were conducted as part of this planning process indicate that such rezoning is strategically possible.

- Zoning districts may allow mixed-use buildings that include both commercial and residential uses provided that the allowed density for housing units is at least 15 units per acre and the housing units are all allowed by-right and stand-alone multi-family housing is also allowed by-right in the district.
- Zoning cannot include age restrictions, and affordable housing mandates are limited to 10% unless such requirements were part of existing district zoning that predates January 2021.
- Zoning districts cannot restrict the size of the units, number of bedrooms, size of the bedrooms, or the number of occupants.
- As noted above, at least 90% of Needham's zoning district(s) must be located within ½ mile of transit based on the its total developable area near transit stations. This translates into Needham's multi-family zoning district including at least 45 acres and the ability to build 1,606 units within ½ mile of a commuter rail station.

These Guidelines represent a significant departure from current permitting of multi-family housing which relies largely on the special permit process.

DHCD's Section 3A Guidelines allow an MBTA community to obtain "interim compliance" before it adopts a compliant zoning district by submitting an Action Plan that establishes an achievable path to zoning adoption. The Action Plan provides guidance to MBTA communities and establishes communication between DHCD and MBTA communities that are developing strategies for compliance and is due by January 31, 2023. DHCD staff will then be available to provide technical assistance and respond to inquiries about whether a proposed district complies, prior to going to Town Meeting. Inquiries must be submitted to DHCD at least 90 days prior to any vote. Needham must adopt the zoning no later than December 31, 2024 to be in final compliance with Section 3A.

An MBTA community that fails to comply with Section 3A will not be eligible for funds from a number of sources including the Housing Choice Initiative (the Town has been designated a Housing Choice community and is therefore eligible for certain types of funding and technical assistance), the Local Capital Projects Fund and the MassWorks infrastructure program. The final Guidelines reference that determinations of compliance may also inform other state funding decisions regarding discretionary grant programs.

Recommendations: Many of the preliminary recommendations for complying with the MBTA Communities Guidelines involve adopting existing Apartment A-1 dimensional limits in more areas. The major dimensional requirements of Apartment A-1 zones include:

- Minimum lot area of 20,000 square feet.
- Minimum frontage of 120 feet.
- Maximum dwelling units per acre of 18 units.
- Maximum floor area ratio (FAR) of 0.5, meaning on a 20,000 square foot lot the maximum square footage that can be built is 10,000 square feet.
- Minimum setback (front/side/rear) of 20/20/20 feet.
- Maximum height of 3 stories or 40 feet.

Recommendations are focused largely in the areas along the Highland Avenue to Chestnut Street which are not only near transit but also where higher density development already exists. The recommendations involve changing zoning to A-1 provisions in business areas that already allow housing as well as those that do not currently permit residential uses. Moreover, the recommendations provide guidance for the Town to consider in areas that are unlikely to be included in the rezoning as part of the Town's compliance with MBTA Communities Guidelines, but prescribe opportunities for promoting more appropriate zoning to better direct growth and redevelopment.

Recommendations for specific zoning bylaw changes to be considered are listed below **(Please see the annotated zoning maps in Appendix 6 for further review of proposed zoning changes)**:

1. Implement **Apartment A-1** zoning in **SRB**, **GR** or **Industrial** Districts or in locations of non-conforming existing multi-family (MF) or other non single-family uses. Use Apartment A-1 dimensional limits - these meet (slightly exceed) the MF density required by MBTA Guidelines.

Apartment A-1 – Rezone parcels within ½ mile of Needham Center transit station, now zoned SRB:

1a. 888 Great Plain Avenue (former nursery/garden center);
1b. Baptist and Christian Science Church parcels on Great Plain Avenue, near corner of Warren Street;
1c. YMCA site on Great Plain Avenue next to Greene's Field;
1d. St. Joseph School strip along May Street;
1e. Stephen Palmer, former school, owned by Town but under a lease arrangement for multi-family housing;
1f. Greene's Field playground/playfield remains and does not get rezoned;
1g. Congregational Church on Great Plain Avenue, including former rest home parcel;
1h. Extend existing Apartment A-1 along Rosemary Street adjacent to the Industrial District and up to and across Highland Avenue to include the public library, Christ Episcopal Church and a strip along the Rosemary Street frontage of Sudbury Farms, to create a contiguous Apartment A-1 parcel of approximately 25 acres; and
1i. Rezone parcels within ½ mile of Needham Center transit station, now zoned Garden Street Overlay District. Convert to Apartment A-1 requirements.

Apartment A-1 – Rezone parcels within ½ mile of Needham Center Transit station, now zoned GR:

1j. Lots on Pickering Place together with a portion of St. Joseph School parcel.

Apartment A-1 – Rezone parcels within ½ mile of Needham Heights transit station, now zoned SRB:

1k. From Hamilton Highlands (Apartment A-1) along Highland Avenue (W) to Hunnewell Street; and
1l. Avery Park Condominium and further East and South along Highland Avenue (E) to Hunnewell Street.

Apartment A-1 – Rezone parcels within ½ mile of Needham Heights transit station, now zoned GR:

1m. Convert Hillside School and the rear portion of 5 lots that abut the Hillside School property to Apartment A-1; and
1n. Convert the Industrial zone along Crescent Road to Apartment A-1 to allow MF housing and a consolidated district with the Hillside School also converted to Apartment A-1. Existing uses are to remain as non-conforming uses.

Apartment A-1 – Rezone parcels within ½ mile of Needham Junction transit station, now zoned Chestnut Street Business Overlay District and SRB:

1p. Rezone the Hartney Greymont site (now partly Chestnut Street Business/Lower Chestnut Street Overlay District and partly SRB) to Apartment A–1 to allow MF without mixed-use stipulation; and

Iq/r. Rezone temple and church parcels at major intersections for potential future MF housing by-right and use A-1 dimensional limits including Temple Beth Shalom at Webster Street and Highland Avenue (1q) and Presbyterian Church at Central and Great Plain Avenues (1r).

2. Amend current **Business**, **Hillside Avenue Business**, and **Neighborhood Business** Districts within 1/2 mile of transit, including 59 bus route, to allow MF by-right and use Apartment A-1 dimensional limits - these meet (slightly exceed) the MF density required by MBTA Guidelines. Allow mixed-use option by special permit if not allowed by-right.

2a. Expand current Business District boundary from May Street up to Rosemary Street;

2b. Hillside Avenue Business with dimensional regulations for MF housing the same as Apartment A-1 district and by-right;

2c. Neighborhood Business District along Reservoir and Central Avenue area along Route 128; and

2d. Neighborhood Business District along Great Plain Avenue near the Hersey MBTA station.

3. Amend current **Industrial** Districts within 1/2 mile of transit to allow MF and use Apartment A-1 dimensional limits - these meet (slightly exceed) the MF density required by MBTA.

3a. Add multi-family housing to the uses allowed by-right in the Industrial District between Hillside Avenue and the MBTA right-of-way.

4. Amend current **Center Business District and its overlays** and **Chestnut Street** and **Avery Square Business** Districts and **Avery Square** and **Lower Chestnut Street Overlay** Districts within 1/2 mile of transit to allow MF and mixed-use with MF by-right, not special permit, and adjust/increase current height and story limits. Changes to limits are to be appropriate to their immediate context within their district.

4a. Needham Center and Overlay District A/no stand-alone MF allowed;

4b. Denmark Lane rezone to Apartment A-1 similar to rezone of Garden Street Overlay District;

4c. Increase height limits in Overlay District B to 48’ and 4 stories with 4th floor setback;

4d. Needham Center and Overlay District B/no stand-alone MF allowed;

4e. Chestnut Street Business and Lower Chestnut Street Overlay District;

4f. Extend Chestnut Street Business and Lower Chestnut Street Overlay Districts to include Skilled Nursing Facility (SNF) property on Lincoln Street; and

4g. Avery Square Business and Overlay District – increase height from 35’ to 38’ and 3 stories.

5. Expand **General Residence** over **SRB** area along the Highland Avenue corridor to allow 2-family and single-family conversions to 2-family.

5a. Highland Avenue from Rosemary Street to Avery Square Business District.

6. Rezone designated residential areas currently zoned **SRA** to **SRB**. These specific SRA areas are adjacent to SRB and currently have parcel sizes that are closer to SRB 10,000 square-foot lots. This

would allow for the use of dimensional controls for setbacks and coverages that are more appropriate for these smaller lots:

6a. East side of Hunting Road on both sides of Kendrick Street down to Cheney Street;
6b. East side of Greendale Avenue across from Meadow Road and Kenney Street;
6c. Brookside Road near Wellesley town line; and
6d. Clarke Road/Rolling Lane/Forest Street neighborhood.

Recommendations also include **revising parking requirements**. Needham's Apartment A-1 District now requires 1.5 parking spaces per dwelling unit. For A-1 Districts that are within ½ mile of transit stations, this should be reduced to 1 space per dwelling unit. Additionally, multi-family housing and multi-family housing units within mixed-use buildings in Industrial and business districts within ½ mile of transit stations should require no more than 1 parking space per dwelling unit as well.

4. Consider Options for Promoting Development in Appropriate Locations

Lead Entity: Planning Board
Timeframe: Medium Term
Requires Town Meeting Approval: Yes (Simple Majority)
Level of Complexity: High

Background: This Housing Plan includes Guiding Principles (Section II.C) that stress the need for the Town to implement strategies that will promote a more socially and economically diverse community which welcomes residents of all ages, races, ethnicities, gender identification, sexual orientation, religion, abilities, and stages of life. These Guiding Principles also emphasize the need to further diversify the types of units that are created while ensuring that new housing is appropriate to its location and context.

In the framework of sound planning and smart growth principles, this Housing Plan places a high priority on developments that will involve a more efficient use of land and less dependence on the automobile to promote more walkable and pedestrian-friendly neighborhoods. Consequently, the following types of housing development will be encouraged:

- The redevelopment of existing structures.
- Infill site development that can address the missing middle concept of housing types. Missing middle housing might include two- to four-unit properties or small-scale pocket neighborhoods or co-housing units for example.[41]
- Mixed-use and multi-family development near transportation, in business areas, or along commercial corridors.

[41] As reported by the Lincoln Institute of Land Policy, "Urban planners and public officials are focused on developing housing types that restore the 'missing middle' – row houses, duplexes, apartment courts, and other small to midsize housing designed at a scale and density compatible with single-family residential neighborhoods." The "missing middle" concept grew out of the New Urbanism movement "to inject more moderately-priced housing into residential neighborhoods, from shrinking or subdividing lots to adding accessory dwelling units (ADUs), to expanding legal occupancy in homes." It recommends housing types that "typically have small to medium-size footprints with a body width, depth, and height no larger than a single-family homes. These can blend into a neighborhood as compatible infill, encouraging a mix of socioeconomic households and making more effective use of transit and services."

The MBTA Communities Guidelines, discussed in strategy IV.A.3 above, help promote such smart growth development. They also recommend some zoning changes that are unlikely to be included in the MBTA Communities rezoning proposal. In addition to the locations identified above, there are other areas of the community where development might also be promoted to address a wide range of incomes and target populations, not just affordable housing that meets state requirements for inclusion in the Subsidized Housing Inventory (SHI), but more moderate-income households whose incomes might be higher than 80% AMI but who are still challenged to find housing that they can afford in Needham.

Recommendations: This Plan recommends that the Town consider options to incentivize new housing development that is in alignment with the Guiding Principles that are a key component of this Plan such as:

It should be noted that the state's Local Initiative Program (LIP), also known as the "Friendly 40B Program", can also be an effective permitting tool for projects that have at least 25% of the units designated for households with incomes at or below 80% AMI. Such projects can still include more affordable units including several income tiers for those with incomes at or below 60%, 50% or even 30% AMI given multiple layers of subsidies such as Low Income Housing Tax Credits and the HOME Program for example. Homeownership options can include higher income tiers such as 100%, 110% or even up to 150% AMI with the availability of internal subsidies and perhaps CPA.

- In areas not designated for rezoning under MBTA Communities Guidelines but still in general proximity to transportation, adjust dimensional and parking limits and add density bonuses to make the inclusion of some level of affordability or other public benefit more economically viable.

- Improve development opportunities for mixed-use and multi-family development along major corridors (e.g., Chestnut Street, Highland Avenue, Great Plain Avenue) and incorporate density bonuses for increased affordability. Consider incentives for consolidating parcels to promote larger developable sites for mixed-use and multi-family projects.

- Consider options for incentivizing higher-density, smaller unit, multi-family housing choices as part of zoning reforms in other districts (not related to MBTA Communities Law requirements). Besides zoning relief, the investment of CPA, Affordable Housing Trust, or HOME Program funding would be examples of additional incentives for consideration. There are communities that have issued Requests for Proposals (RFPs), such as Manchester-by-the-Sea, for developers or property homeowners to apply for CPA or Affordable Housing Trust funds to create affordable units based on the Towns' specific priorities.[42]

[42] Funds were made available through a Notice of Funding Availability (NOFA) on a rolling basis to offer financial support for qualified proposals from developers, property owners, and individuals for the creation of affordable homeownership and rental housing. Priority activities include gap funding of the shortfall of private and public sources of financing to make a homeownership or rental development feasible or buydown assistance in exchange for a commitment to rent or sell one or more dwelling units to an income-qualified tenant(s) at a reduced rate.

5. Consider Options to Better Control Teardown Activity

Lead Entity: Planning Board
Timeframe: Medium Term
Requires Town Meeting Approval: Yes (Simple Majority)
Level of Complexity: High

Background: The Housing Plan Working Group received ongoing feedback throughout the course of this planning process regarding resident concerns about the level and effects of teardown activity. Residents not only expressed concerns about neighborhood impacts when very large houses are shoe-horned into small lots, but also about the erosion of smaller, more affordable homes that historically could serve the needs of first-time homebuyers. Others, it should be mentioned, voiced their concerns that additional regulation would constrain housing values and thus how much equity that many owners anticipate from selling their homes, some it has been pointed out, relying on this equity to support their retirement.

Needham's housing stock has historically comprised mostly single-family homes of varying sizes, from small summer cottages that owners winterized, modest 1950s and 1960s era Cape and ranch homes, to larger farmhouses, stately Victorians, and large new modern homes. These various options, along with Housing Authority affordable housing and Chapter 40B developments, provide housing across a wide range of incomes. Such options are critical to the Town goal of having a community with broad socio-economic diversity and housing for residents of all ages, races, ethnicities, sexual orientation, religion, abilities, and stages of life.

Limited regulations with respect to the demolition or renovation of historic or older structures combined with modest zoning restrictions on the size of new homes has led to the significant loss of many modestly-sized homes that could be affordable to people with incomes between 85% and 140% of area median income. Of the 943 new single-family homes built between 2010 and 2021, only 25 did not involve demolition and replacement activity.

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

The median sales price for a home in Needham in April 2022 was $1.4 million. To purchase that home would require a 20% down payment of $280,000 which would leave a mortgage of $1,120,000. A mortgage for that amount at the current rate of 5.875% for a 30-year mortgage will require a monthly payment of $6,635 or $79,620 annually. That would require a minimum annual gross income of $238,860 to have the mortgage be equal to 1/3 of gross income, as most banks require, and assumes the buyer has a $280,000 down payment. A home sold at even $800,000, while not inexpensive, could be afforded by someone with an income of $136,260 or 82% of the $140,200 Boston area median income limit (AMI) for a household of four in 2022 ($160,000 down payment, 30-year mortgage at 5.875%, monthly payment of $3,785, annual payment of $45,000). The loss of housing at or below this price point is reducing housing opportunities for that middle income tier, which includes teachers, police and firefighters.

This is not a new issue for Needham as the Town has sponsored previous efforts to review this demolition and replacement activity. Most recently, the Planning Board formed a special committee with representatives of Town boards including Planning Board, Select Board, and Design Review Committee as well as industry professionals including builders, architects, realtors, and town residents. The first formal Committee meeting occurred on May 22, 2014, starting with a review of the Committee's purpose and goals including:

- Review past reports, plans and maps prepared by Town committees and officials, state agencies and consultants including the previous Large House Study Committee in 1999.
- Seek the input of neighborhood residents, builders, contractors, real estate agents, property owners and others, as required, including holding citizen information meetings to elicit general public comments and input.
- Review and analyze the current Zoning By-law and Planning Board regulations and consider amendments to each.
- Analyze the impact of recent planned and potential new housing constructed in the past 5 years in the Residence B and General Residence Districts.
- Review and analyze alternative zoning dimensions, restrictions, or limitations that may address neighborhood concerns.
- Prepare recommendations to amend the Zoning By-law or propose other regulatory strategies that will protect the characteristics valued by residents in the Single Residence B and General Residence Districts.
- Identify key issues and needs, analyze alternative solutions, and make recommendations to the Planning Board, both short and long-term, within the overall purpose of the Large Housing Review Study Committee.

Committee members then started to identify the regulatory options they wanted to explore and analyze teardown activity, including a detailed analysis and mapping of recent teardown activity. Another important component of the Committee's research involved learning how other communities were regulating the demolition/replacement issue through a detailed review of zoning that was adopted in Wellesley, Newton and Weston. Other meetings involved a review of tree regulations in Newton and Wellesley; as well as the building height, retaining wall and setback provisions in Wellesley, Newton and Brookline for example. The Committee determined that it was unnecessary for it to focus on tree and stormwater regulations at the time as there were plans to take on these issues by separate entities in the future. Research also included site visits and a community survey.

The Committee reviewed potential zoning articles for the spring 2015 Town Meeting including new zoning related to retaining walls; how height is measured; half story and dormers; exceptions for front-yard setback, grading and drainage review; and minimum side and rear line setbacks as well as height limits for accessory structures. Ultimately, the Committee decided to only request approval for a zoning article revising the definition of half-story and a complementary dormer definition, similar to Newton's, approved by Town Meeting in May 2015.

With additional analysis, discussion, and community input, a designated Working Group of the Committee drafted zoning articles for further review, modification and approval by the Committee. These articles reflected recommendations as to front, side and rear setback, lot coverage, Floor Area Ratio (FAR), and building height with the following general directions:

- Increase and encourage architectural variety by allowing various elements to be built within the front and side setbacks.
- Change setbacks to reduce some negative effects of massing.
- Increase lot coverage to 28%.
- Add Floor Area Ratio (FAR) calculations to the regulations defined as gross finished habitable area on the first and second floors with an additional 600 square foot allowance for garage space.
- Change the measurement for establishing maximum building height by providing 2 options from which the applicant can choose.
- Require that alterations and extensions of existing structures would be governed by the same regulatory provisions afforded new construction with a couple of exceptions that would require a special permit.

Town Meeting approved the articles in May 2017.

Recommendations: This Housing Plan recommends that the Town consider further regulatory changes to discourage the teardown of more modest homes and replacement by much larger new homes that many residents consider do not fit into neighborhoods. Such considerations could include further amendments of the dimensional thresholds for lot coverage, FAR, setbacks and height restrictions for new homes.

In addition, the Town might revisit the zoning requirements of neighboring towns to ensure that Needham is not experiencing greater demolition of older homes than surrounding areas due to more relaxed zoning standards. Zoning should minimize the impact of too large homes being built on small lots to maintain the character of neighborhoods as well as to avoid incentivizing the demolition of older homes simply because developers can make huge profits by replacing them with much larger new homes.

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

Recommended zoning changes should be addressed within an understanding of homeowner concerns regarding their ability to maximize the sale price of their home as such property is frequently their largest asset. However, initial demolition reviews, if required, can likely be completed quickly so that homes that cannot or should not be saved can be conveyed relatively swiftly. The Town should consider working with local real estate brokers and lenders to find ways to streamline the sales of older homes that should be made available to middle-income residents so that homeowners can maximize the value of their home just as easily as selling it to a contractor.

As was the case with the Large House Review Study Committee noted above, the Planning Board might consider appointing a Working Group to analyze the impacts of the 2017 zoning changes, review additional options, and potentially recommend additional zoning changes. This work might incorporate the following related suggestions that were raised as part of this planning process:

- *A Tree Removal Bylaw*
  A group of staff and a couple of members of the Planning Board met in 2018 to analyze the feasibility of adopting a Tree Removal bylaw. This work included a review of such bylaws in other communities, meetings with a tree arborist, and the preparation of a draft bylaw for review that

was largely informed by Wellesley's zoning provisions. The Select Board reviewed the draft bylaw, but other competing issues put work on the Tree Removal Bylaw on hold. It makes sense for the Working Group mentioned above, and ultimately the Select Board and Planning Board, to review the previous draft bylaw and consider next steps towards refining and adopting it.

- *A Demolition Delay Bylaw*
  Needham currently has a demolition delay bylaw (Section 2.11.5 of the General Bylaws) involving delays of six months for buildings that the Historic Commission determines are historically-significant. Demolition delay bylaws represent a preservation tool that have been adopted in over 150 cities and towns in Massachusetts.[43] Such zoning offers the community a window of opportunity to find an alternative to the demolition of significant buildings. The delay is typically 6, 12 or 18 months. Most of the demolition delay bylaws and ordinances in Massachusetts are based on the age of the building, such as buildings that are older than 50 years or 75 years. Conducting a regional survey of demolition restrictions in other communities that involve homes over 50 years old would be a good starting point for revisiting Needham's provisions with some consideration for a longer period of delay and additional criteria for considering historic significance.

- *An Additional Historic District(s)*
  Consideration should be given to working with the Town's Historical Commission to explore additional opportunities for the establishment of Historic Districts to save homes or manage renovations to historic homes in town.[44] Needham currently has one designated Historic District, referred to as the Needham Town Hall Historic District, that includes the area on Great Plain Avenue between Highland Avenue and Chapel Street. The district encompasses Needham Town Hall, a Georgian Revival structure built in 1902 and designed by Winslow & Bigelow, as well as the grassy public park in front of it, which was established in 1884.

  Local Historic Districts offer one of the best methods of protecting historic buildings and structures from demolition and inappropriate alterations. In a local historic district, certain changes to exterior architectural features visible from a public way are reviewed by a locally appointed Historic District Commission. This includes additions, demolitions and major alterations. Most of the communities in the Metro West area of Boston have such districts.

It should be noted that such efforts described above involve considerable amounts of time from both staff and volunteers serving on the Committee over a significant period.

[43] Examples of Towns with demolition delays of 12 months included Watertown, Winchester, Wellesley, North Andover, Scituate, Lexington, Concord, Lincoln, Bedford, Belmont, Andover and Arlington for example. Such bylaws with 18-month delays included Medfield, Chatham and Acton with Milton adopting a 24-month delay.

[44] The Needham Historical Commission was created to ensure the preservation, protection, and development of the historical assets that are the visible evidence of the Town of Needham's history. The Commission conducts research to identify places of historic or archeological value and seeks to coordinate the activities of unofficial bodies organized for similar purposes. The Commission communicates with the Select Board about recommendations as to the whether an asset should be certified as an historical or archeological landmark. The functions of the Historical Commission include:

- Assisting residents in obtaining historical information about the town
- Reviewing proposed demolition projects in accordance with the demolition delay by-law (2.11.5)
- Working with the Town in the evaluation of the future use of historic buildings

Strategies for Further Study/Future Consideration

This planning process surfaced other regulatory approaches for promoting greater housing affordability and diversity in Needham, including the following which were identified as requiring further study and consideration:

- **Consider allowing two-family homes by-right in single-family zones** (SRA and SRB) in the context of considerations for limiting teardowns and potential other conditions. Two-family dwellings help address the "missing middle" issue of available housing, units that can be easily incorporated into neighborhoods that fall between the single-family home and apartment buildings. The owner-occupied, two-family house, that includes a rental unit, deserves particular support as it is an exceptionally affordable form of housing, providing owners with a stream of rental income that is calculated as part of mortgage underwriting criteria (lenders generally consider about 75% of projected rental proceeds in mortgage calculations) and thus makes the home more affordable. The rental unit also helps further diversity the housing stock. Two-family dwellings are currently allowed by-right in the General Business District. It should be noted that communities such as Amherst, Erving, Great Barrington, Groton, and Greenfield have approved by-right zoning for two-family dwellings across all residential zoning districts or town-wide.

  Lead Entity: Planning Board
  Timeframe: Longer Term
  Requires Town Meeting Approval: Yes (Simple Majority)
  Level of Complexity: High

- **Evaluate the feasibility of mixed-use development with affordable housing on the municipal parking lot in Needham Center** that abuts the MBTA station platform. Anything else to say on this?

  Lead Entity: Planning Board
  Timeframe: Longer Term
  Requires Town Meeting Approval: Yes (Simple Majority)
  Level of Complexity: High

- **Explore options to establish a Chapter 40R "Smart Growth" Overlay District(s)** in Needham. The key components of 40R include:

  - Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations.
  - Allows "as-of-right" residential development of minimum allowable densities.
  - Provides that 20% of the units be affordable although most bylaws require at least 25% of the units be affordable in rental developments to enable all units to be counted as part of the SHI.
  - Allows mixed-use and infill development.
  - Provides two types of payments to municipalities (incentive payments based on the number of projected housing units) and density bonus payments of $3,000 for each residential unit issued a building permit).
  - Encourages open space and protects historic districts.

Lead Entity: Planning Board
Timeframe: Longer Term
Requires Town Meeting Approval: Yes (Simple Majority)
Level of Complexity: High

Should we move this up to a near-term strategy given the new Climate Action Plan Committee?

- **Promote greater energy efficiencies in housing**. This strategy could be explored as part of the work by the recently-appointed Town Climate Action Plan Committee. Actions that ease zoning and permitting requirements to incentivize energy-efficient and environmentally-sustainable housing development should be considered including as of right zoning for solar installations for example.

  Similarly, the Town should explore potential regulatory changes requiring affordable housing to be built at a zero, or nearly net zero, energy standard under certain conditions. While such requirements will significantly add to construction costs, they will also substantially reduce operating costs, an important consideration not only with respect to the climate change issue but to keeping housing more affordable over time. Martha's Vineyard Island Housing Trust has successfully integrated these energy-efficient measures into their housing developments and have good models for review.

Lead Entity: Planning Board
Timeframe: Longer Term
Requires Town Meeting Approval: Yes
Level of Complexity: High

B. Housing Development and Preservation Strategies

The following actions were informed by the Plan's Guiding Principles (Section II.C), Priority Housing Needs (Section III.C.7), input from community outreach efforts, and the deliberations of the Housing Plan Working Group, particularly the work of the Housing Development and Preservation Subgroup:

1. Support Needham Housing Authority's (NHA) Preservation and Redevelopment Initiative (PRI)

Lead Entity: Select Board with support from the Community Preservation Committee
Timeframe: Near Term
Requires Town Meeting Approval: Yes
Level of Complexity: High

Background: The Needham Housing Authority (NHA) and Town of Needham have engaged in long-standing discussions regarding plans to upgrade NHA's aging and antiquated properties. The Town recognizes the great importance of NHA units to the community, providing deeply affordable housing to some of Needham's most vulnerable residents as well as some first-time homebuyer opportunities at High Rock Homes. In addition to the 316 units owned and managed by NHA, it also provides 120 Section 8 Housing Choice Vouchers and maintains a group home that serves eight individuals with special needs. NHA is the largest provider of low-income affordable housing in the Town of Needham.

Over the years, NHA has pursued a number of initiatives to upgrade its properties including:

- In 2007 and 2008, NHA replaced 20 small single-family homes with duplexes at its High Rock Homes development, creating half the units for first-time homebuyers at a range of incomes (e.g., at 80% AMI and 110% AMI) and the other half as rentals for those earning at or below 60% AMI. This redevelopment project was deemed a significant success by all parties involved.

- In 2010, NHA received $50,000 in Community Preservation funding from the Town to explore the feasibility of redeveloping its Linden/Chambers development. This work included the preparation of a Housing Needs Assessment, a financial feasibility analysis, and an "existing conditions" plan to assess site problems. This work provided general indications that such a redevelopment effort with an expanded number of units was potentially feasible, but also identified significant constraints due to bordering wetlands.

- During the harsh winter of 2015, the Seabeds Way complex experienced substantial damage because of defects in the building's membrane due to the way they were originally constructed. NHA repaired the defects at a cost of $1.8 million. Three sources of funds were used: insurance proceeds, two HUD emergency grants, and funds from NHA management reserves.

- Because the Captain Robert Cook complex, adjacent to Seabeds Way, was built about the same time and by the same contractor, NHA engaged an engineering firm to assess whether the Cook buildings had similar construction defects. The assessment confirmed that the defects existed and projected that the cost of repairs was close to $1.1 million.

This Plan recognizes the importance of producing housing opportunities across a wide range of incomes, acknowledging NHA's essential role in supporting a substantial portion of units for the lowest income and most vulnerable residents in the community.

- For many years, NHA Commissioners and staff have discussed problems with its existing developments due to antiquated and inaccessible design issues and potential construction deficiencies. The Commissioners held several offsite retreats to focus on the challenges of financing and modernizing and/or redeveloping properties. NHA sent a representative to a Massachusetts Housing Partnership Annual Housing Institute Workshop, assessing current strategies for modernization and/or redevelopment. It also made site visits to other successful Housing Authority redevelopment projects in the Commonwealth. The NHA has also met several times with DHCD, MHP and HUD on this subject.

While the NHA Board of Commissioners considers that its primary mission is to effectively and efficiently manage its existing housing developments and be an excellent landlord, it has also sought solutions for improving its existing developments and creating new affordable housing via the following activities:

- In the Fall of 2017, the NHA commissioned the development of a Facilities Master Plan (FMP) by consultants. After extensive analysis and community input, the final product was approved in February 2019. The FMP identified opportunities for modernization and redevelopment of NHA's existing properties and presented high level strategies for funding this work. A copy of the FMP can be downloaded via this link: http://www.needhamhousing.org/facilitiesmasterplan.html.

- As a result of the FMP recommendations, the Board of Commissioners voted to further pursue the possibility of a HUD Rental Assistance Demonstration (RAD) conversion of its Federal properties and to proactively pursue using the recently resurrected and refunded Section 202 Program to improve State properties.

- In April 2021, NHA issued a Request for Proposals (RFP) to hire a consultant to review Capital Needs Assessments for each of NHA's properties and to recommend a development and financing strategy with potential sources of funds (e.g., RAD, Section 202, Section 18, Low Income Housing Tax Credits, CDBG, HOME) based on the needs of each property. This work was meant to not only enable NHA to undertake substantial property improvements and potential new development, but to also reposition the agency operationally and financially.

  Through this RFP process, NHA selected the Cambridge Housing Authority (CHA) as its consultant given its extensive track record in upgrading its own properties through refinancing and repositioning efforts as well as its consultant work with other housing authorities in the area on similar projects. Table V-1 provides preliminary estimates of the number of units and costs related to this work as part of what it is calling its Preservation and Redevelopment Initiative (PRI).

  NHA is vigorously moving forward with the Preservation & Redevelopment Initiative (PRI), recently approving three new work orders with the Cambridge Housing Authority and an updated PRI pre-development budget totaling about $4.2 million that will focus will on the following major components through 2025:

  1. Seabeds/Cook — Modernizing/renovating/preserving the 76 deeply affordable units
  2. Linden/Chambers —
     - Gaining approvals of a Linden/Chambers Master Redevelopment Plan; and
     - Raising the funding and proceeding with a Linden/Chambers Phase 1 construction project to redevelop 32 old studio units on the north side of the property into approximately twice as many new one- bedroom units.

Table V-1: Summary of NHA Preservation and Redevelopment Initiative (PRI) Estimates

Project*	Project Type*	BEFORE # of Units*	AFTER # of Units*	TOTAL EST. COST*	Potential Funding Sources*	
					Non-Needham*	Needham (CPA)*
1. Seabeds/Cook	Modernize/ Preserve	46 Sr./30 Family	46 Sr./30 Family	$16.5m	$16.18m	$0.32m
2. High Rock I	Redevelop	30 Family	60 Family	$22.7m	$21.95m	$0.75m
3. High Rock II	Redevelop	30 Family	60 Family	$23.0m	$22.25m	$0.75m
4. Linden/Chambers	Redevelop	152 Sr.	152 Sr.	$47.2m	$45.20m	$2.00m
5. Seabeds/Cook	New	-	61 Sr.	$21.2m	$20.25m	$0.95m
[Units not Involved]		*[8 Disabled/40 fam.]*	*[8 Disabled/40 Fam.]*			
	TOTALS	**206 Sr./130 Family 336 units**	**267 Sr./190 Family 457 units**	**$130.6m**	**$125.83m**	**$4.77m**
			+ 36%			

- NHA also issued another Request for Proposals (RFP) in August 2022 for Architecture/Engineering Designer Services to redevelop Linden/Chambers and expects to approve the winning A/E designer services firm in mid-October 2022.

Recommendations: The Town will continue to support the NHA including its Preservation and Redevelopment Initiative (PRI) that will enable NHA to make essential improvements to its property inventory while also potentially yielding buildable lot areas for additional deeply affordable or more diverse income affordable housing. In support of these efforts, the Town should consider creating a Working Group to help with project coordination and advocacy of the following measures:

- Ensure that NHA efforts include the creation of a formal process for soliciting input from existing residents over and above the Town's existing process for gaining community and citizen input. Such tenant input is a major component of the Preservation and Redevelopment Initiative and has been occurring since the beginning of the process. Significant tenant participation is also required by state and federal regulations.
- Ensure that any housing created through PRI is affordable to people with incomes at or below 60% AMI to the greatest extent feasible. While the NHA prefers an income target of at or below 50% AMI, their consultants have informed them that they may have to include 60% AMI, 80% AMI or even market rate units to make the financing work.
- Promote redevelopment activities within the existing senior/disabled public housing properties that result in the creation of new housing units for seniors and younger people with disabilities at an equal proportion to the current ratio at the existing property to the greatest extent feasible. For example, of the current total of 152 housing units at Linden/Chambers, including 13% (or 20 units) for younger people with disabilities, if an additional 32 units were added to the property through redevelopment, 13% of these 32 units (or 4 units) would be designated for younger people with disabilities, while the remaining 83% (or 28 units) would be designated for older adults.
- Support the development of the 61 planned units of new housing to be created in the future on the Seabeds/Captain Robert Cook site with the following considerations:
    - Designate the housing as age-restricted for older adults whenever there is a demonstrated need for housing for older adults.
    - Leverage federal/state/local resources to ensure that the housing is affordable to older adults with incomes at or below 60% AMI.
    - Leverage expertise of existing housing development agencies that have worked closely with housing authorities to redevelop public housing, building a partnership with an experienced developer. Such partnerships are a common approach to redevelopment projects. For example, Harborlight Community Partners Inc. (a nonprofit housing development agency) and the Ipswich Housing Authority have entered into a joint venture agreement to substantially rehabilitate a 94-unit public housing property.
- Encourage close collaborations with community agencies that provide services to older adults to create formal partnerships resulting in service-enriched housing; this recommendation also applies to the redevelopment of the Linden/Chambers properties. Examples of models of housing-service partnerships for older adults include:
    - Harborlight House in Beverly (Harborlight Community Partners and Element Care PACE)
    - JJ Carrol in Brighton (2Life Communities and Element Care PACE)
    - Clarence Durkin Housing in Fitchburg (Fitchburg Housing Authority, Summit PACE and Aging Services of North Central MA)
    - Jack Satter House in Revere (Hebrew Senior Life)
    - St Thereses in Everett (The Neighborhood Developers, Mystic Valley Elder Services, and Neighborhood PACE)

- Work in lockstep with the NHA to ensure capacity concerns are addressed in advance of any development activities.
- Support project permitting either through rezoning[45] or the application of the Local Initiative Program (LIP), also known as the "Friendly 40B" Program, which is an effective permitting tool.
- Reduce or waive permit fees (see strategy IV.B.7).
- Provide CPA funding to not only help make any redevelopment work financially feasible, but to also demonstrate to funding sources that the Town is committed and invested in the project.

NHA has also identified the following state and local actions that would enable them to more cost-effectively and efficiently move forward on their PRI activities:

- Support and champion the passage of the Public Housing Redevelopment Bill (H. 1417) which contains four important changes to Chapter 121B that will facilitate public housing redevelopment throughout the Commonwealth.
    - While waiting for passage of H. 1417, support and champion a Needham Home Rule Petition which would allow the NHA to publicly procure the L-C construction manager/general contractor without the use of filed-sub bids (while leaving in place prevailing wage requirements.) This would decrease NHA's construction costs by an estimated 25%.
    - While waiting for the passage of H. 1417, clarify that existing Payment in Lieu of Taxes (PILOT) provisions can be continued if Linden-Chambers were to be redeveloped through the federal Low Income Housing Tax Credit (LIHTC) program.
- Establish a new Low Income Tax Credit Program (LIHTC) Preference — Given the current multiyear waitlist for LIHTC awards, this set-aside for preferential access would enable LHA's to "go to the head of the line" for public housing preservation and production projects.
- Support and champion the passage of the proposed Transfer Tax Bill (H. 1377 & S. 868), which would allow Needham to add a property transfer tax to support affordable housing and also seek a provision allowing funds be allocated to LHAs (i.e., in addition to the Town Affordable Housing Trust Fund) for the redevelopment and production of new deeply-affordable units.
- Support higher annual state spending limits for existing affordable housing initiatives and programs.
- Sponsor changes to the Community Preservation Act that would (1) increase the allowable match from 3% to 3.6% (Needham currently has a 2% surcharge); (2) increase the amount dedicated to affordable housing from 10% to 50%; and (3) permit the use of CPA funds to underwrite the operating costs of deeply affordable of units.
- Promote an initiative for DHCD to allow the use of some Moving to Work Section 8 Housing Choice Vouchers as part of a state public housing redevelopment projects that are creating additional units.
- Sponsor and champion a bill to enable an Insurance Risk Pool for the Linden-Chambers development. When Linden-Chambers is redeveloped, NHA will lose its eligibility for the current state public housing insurance risk pool, significantly increasing costs.

[45] Potential zoning relief might include (1) Linden-Chambers redevelopment; (2) possible greater density High Rock Homes redevelopment; and/or (3) designating Needham Junction as the locus of the new Needham "MBTA Communities" overlay district (so it would encompass Linden-Chambers and High Rock.)

2. Continue Local Programs that Address Health and Safety Issues

Lead Entity: Affordable Housing Trust
Timeframe: Near Term
Requires Town Meeting Approval: Yes
Level of Complexity: Low

Background: The Town of Needham, through its Affordable Housing Trust, has been operating the **Small Repair Grant Program** since 2019 which provides limited financial assistance to income-eligible senior and disabled households to help repair and rehabilitate existing owner-occupied housing units in Needham. The purpose of the Program is not only to help fund needed home repairs, but to also help owners live more safely in their homes. The confidential application and grant process is designed to be simple. The process requires an application, estimate(s) for the proposed work, and copies of required documents including recent Federal tax returns or other verifiable documentation of income.

Grants, currently up to $5,000, are awarded twice per year. These grants are provided on an unsecured basis as there is no repayment required unless the grant recipient does not comply with the Grant Agreement or sells or transfers the home within one year. Applications are evaluated and prioritized based on program funding, health and safety considerations, and the financial need of the applicant.

Applicants must meet the following eligibility requirements:

- The property is located in Needham, is owned by the applicant, is the primary residence of the applicant, and the applicant intends to remain in the home for at least the next 12 months.
- At least one household member is age 60 or older or disabled.
- Household income is not higher than 80% AMI. Also, 2% of the difference between the home's assessed value and any mortgage or other outstanding liens is added to income to determine eligibility.
- The property assessment is below the Town of Needham average assessed valued for a single-family home.
- The applicant agrees to sign the Grant Agreement and to notify the Needham Affordable Housing Trust prior to selling or listing the home for sale.
- There is a cap of no more than $7,000 over the lifetime of the Program for a household at a given property address. A one-year waiting period is required from the date the last payment was issued before an applicant may re-apply to the Program.

Town Meeting has approved three allocations from its General Budget of $50,000 each, which have thus far involved 30 participants with another funding round planned for November 2022. Because of the age and general vulnerability of participants during COVID-19, most of the improvements have tended towards exterior repairs as well as home modifications for safety purposes.

Through the Needham Department of Public Health (DPH) and the Center at the Heights (CATH), the Town of Needham also offered the **Safety at Home Program** to help Needham's older adults age in place and continue to live independently. Through the Program, the Town conducted home assessments (performed by a Social Worker or a Public Health Nurse) for Needham residents age 60 or older. Home assessments included a thorough assessment of home hazards, especially regarding potential trips and

falls, as well as a discussion of other fall risk factors such as exercise and nutrition. Education and recommendations were provided throughout the visit, and free supplies (such as night lights, pill boxes, etc.) were distributed. Referrals were made as needed, and participants were encouraged to attend the evidence-based fall prevention class, Matter of Balance, offered for free at Needham's Center at the Heights. All participants received a follow-up call to monitor the actions that were taken and to provide additional resources as needed.

The Program supported 35 participants during 2017 based on a $20,000 Healthy Aging Grant but ceased operations at the end of the grant period in January 2018.

Recommendations: The Town should continue to monitor the progress of the Small Repair Grant Program and make modifications to requirements as appropriate to ensure the Program remains responsive to community needs. The Needham Affordable Housing Trust should request additional funding when necessary to maintain operations.

In regard to the Safety at Home Program, while operations were discontinued, the Town should consider reintroducing the Program, working with both the Department of Public Health and Center at the Heights to rework Program benefits, requirements, and operations as deemed appropriate. If additional grant funding is unavailable, the Town might consider reaching out for private donations and/or providing some funding from another source such as the General Budget.

Recommendations through this planning process also included the need to promote assisted living options as well as other home maintenance programs. It should be noted that assisted living units are typically among the most expensive housing units in any community and, because of the integration of services, they are hard to make affordable and include on the SHI.

3. Strategically Invest and Leverage Local Resources

Lead Entity: Select Board and Community Preservation Committee
Timeframe: Near Term
Requires Town Meeting Approval: Yes
Level of Complexity: Medium

Background: Needham is fortunate to have important local resources to support housing initiatives including Community Preservation Funds, HOME Funds, Affordable Housing Trust Funds (limited at this time), some potential property, as well as potential American Rescue Plan Act (ARPA) funding. Such funding has been instrumental in supporting the Needham Housing Authority and a group home for disabled adults on South Street for example. Unlike many other communities, Needham has thus far not had a project that relied on subsidies from the state such as Low Income Housing Tax Credits, Housing Stabilization Fund, HOME funding, Housing Innovations Fund, Project-based Section 8 subsidies, etc. that help finance rental developments targeted to households with incomes at or below 60% AMI, with some in the less than 50% and 30% AMI ranges as well. The community's greatest housing need involves these lower income households based on their very high level of cost burdens.

As the Town moves forward in the implementation of this Housing Plan, more resources will be required to address housing needs, further diversifying the housing stock. Additionally, due to widening affordability gaps, greater amounts of subsidy will be required to fill the gaps between total development costs and the prices that qualifying renters or first-time homebuyers can afford. Consequently, it will be

imperative for the Town to strategically invest its limited resources to leverage other public and private sources of funding to the greatest extent possible.

Recommendations: The Housing Trust will continue to explore resources, both financial and technical, to promote new projects and programs. For example, in order to effectively redevelop NHA properties through its Preservation and Redevelopment Initiative (PRI), a mix of available state and federal financing programs will have to be tapped. Other developments that include below market rate units will also require subsidies, often multiple layers of subsidies. Additionally, this Housing Plan recommends a 22% commitment of Community Preservation Act (CPA) funds for the creation and retention of affordable housing in Needham. **Of upmost importance, new partnerships with developers that have the expertise to produce affordable housing will be essential to meeting housing goals.**

It is important to note that almost all state subsidy programs are directed to rentals, and thus there is only very limited ability to leverage local funding in the case of homeownership units.

Appendix 3 includes a list of subsidy programs that have been effective in supporting housing development, technical assistance, and home improvement financing. Examples of programs that have been instrumental in financing affordable rental housing and may be helpful in the implementation of this Housing Plan include but are not limited to the following:

- *Low Income Housing Tax Credits*

The Low Income Housing Tax Credit Program was created in 1986 by the Federal Government to offer tax credits to investors in housing development projects that include some low-income units. The tax credit program is often the centerpiece program in any affordable rental project because it brings in valuable equity funds. Tax credits are either for 4% or 9% of the development or rehab costs for each affordable unit for a ten-year period. The 4% credits have a present value of 30% of the development costs, except for the costs of land, and the 9% credit have a present value equal to 70% of the costs of developing the affordable units, with the exception of land. Both the 4% and 9% credits can be sold to investors for close to their present values.

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private investors, such as banks or corporations, purchase the tax credits for about 80 cents on the dollar, and their money serves as equity in a project, reducing the amount of the debt service and consequently the rents. The program mandates that at least 20% of the units must be made affordable to households earning within 50% of median income or 40% of the units must be affordable to households earning up to 60% of median income. Those projects that receive the 9% tax credits must produce much higher percentages of affordable units. Tax Credits work best for projects of a reasonable size, ideally at least 35 to 40 units, and because there is such demand for them, applicants are often faced with submitting applications for multiple funding rounds.

The Massachusetts Legislature has enacted a comparable state tax credit program, modeled after the federal tax credit program. The One Stop Application is also used to apply for this source of funding.

- *HOME Investment Partnership Program*

HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

- Produce rental housing;
- Provide rehabilitation loans and grants, including lead paint removal and accessibility modifications, for rental and owner-occupied properties;
- Offer tenant-based rental assistance (two-year subsidies); and/or
- Assist first-time homeowners.

Because Needham is not an entitlement community, meaning that it is not automatically entitled to receive HOME funding based on HUD's funding formula, the Town has joined a consortium of other smaller towns and cities, the West Metro HOME Consortium, to receive funding by a federal formula on an annual basis.

The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income, the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income. In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

- *Housing Innovations Fund (HIF)*
  The state also administers the Housing Innovations Fund (HIF) that provides a 5% deferred loan to non-profit organizations for no more than $500,000 per project or up to 30% of the costs associated with developing alternative forms of housing including limited equity coops, mutual housing, single-room occupancy housing, special needs housing, transitional housing, domestic violence shelters and congregate housing. At least 25% of the units must be reserved for households earning at or below 80% AMI and another 25% for those with incomes at or below 50% AMI. HIF can also be used with other state subsidy programs including HOME, Housing Stabilization Fund, and Low Income Housing Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) administers this program. Applicants are required to complete the One-Stop Application.

- *Community Based Housing Program*
  The Community Based Housing Program provides loans to non-profit agencies for the development or redevelopment of integrated housing for people with disabilities in institutions or nursing facilities or at risk of institutionalization. The Program provides permanent, deferred payment loans for a term of 30 years, and CBH funds may cover up to 50% of a unit's Total Development Costs up to a maximum of $750,000 per project.

- *Community Scale Housing Initiative (CSHI)*
  The state has developed a small-scale production program to address community needs for smaller-scale housing that responds to local housing needs and density requirements. These projects, because of their small size, are not a good fit for the Low Income Housing Tax Credit program. Generally, projects that can leverage some debt by having a few higher income units and a gap filler like the Community Preservation Act funding (CPA) are in the best position to utilize such a program. This initiative might be a good fit for Needham and includes the following eligibility criteria:
  - Community must have a population not to exceed 200,000.

- Program sponsors can be both non-profit and for-profit entities with a demonstrated ability to undertake the project.
- The proposed project must include at least five rental units but no more than 20 rental units.
- Project must involve new construction or adaptive reuse.
- A minimum of 20% of the units must be affordable but it is anticipated that most proposed projects will have a minimum of 50% affordable units.
- The host community must provide a financial commitment in support of the project.
- The CSHI subsidy may not exceed $200,000 per unit unless the developer intends to seek DHCD project-based rental assistance in which case the subsidy may not exceed $150,000 per unit.
- The total development cost per unit may not exceed $350,000.
- Projects will receive no more funding than is necessary to make the project feasible.
- Projects must be financially feasible without state or federal Low Income Housing Tax Credits. Projects are expected to close and proceed to construction within 12 months of the date of the award letter.

A model for consideration is the Herring Brook Hill project in Norwell. In 2015, the Town of Norwell proposed to use the property of the former police station at 40 River Street to create affordable senior housing in support of the community's aging population and veterans. This project not only involved a transfer of Town-owned land but also a major local commitment of $1.3 million in CPA funding. Other funding sources included $2.6 million of private debt and state financing through the state's Community Scale Housing Initiative (CSHI).

Through a Request for Proposals (RFP) process, the Town selected Metro West Collaborative Development, a mission-driven, non-profit community development corporation, as developer and partner with the Town. The project includes a total of 18 units for those age 60 or older based on the unit distribution summarized below. The project has been completed, however, experienced some challenges in filling the two-bedroom units.

Herring Brook Hill Unit Distribution			
Type of Unit	**# Units**	**# Bedrooms**	**Maximum Rent****
80% AMI	10*	1	$1,425
100% AMI	4	1	$1,675
100% AMI	4	2	$2,000
* Four of these units will have access to Project Based Rental Assistance ** Projected rents at time of occupancy			

4. Promote Housing for Special Needs Populations

Lead Entity: Select Board
Timeframe: Medium Term
Requires Town Meeting Approval: Yes
Level of Complexity: High

Background: The Housing Needs Assessment, a major component of this Housing Plan, identified special needs housing with barrier-free units and supportive services as a local priority housing need. It

documented an estimated 2,262 residents, or 7.4% of all civilian, noninstitutionalized residents, as having a disability according to 2020 census estimates.[46] Given this level of disabilities as well as the aging of the population, the Needs Assessment indicated that greater emphasis should be placed on housing that is linked to appropriate supportive services and promotes increased conformance with universal design guidelines for handicapped accessibility, adaptability and "visitability". Beyond recognizing the increasing needs of older adults, this planning process attracted input from parents who find it difficult to secure suitable housing for their children with disabilities when they turn 22.

The Cape Cod Village (CCV) project in Orleans provides a safe and caring home environment for 15 income-eligible (up to 80% AMI) adults with autism at a site in downtown Orleans. The project involved a comprehensive permit and includes two duplex homes with four residences on each side as well as a common building. There is 24-hour staff support. The project had a $5,225,000 development budget that included $950,000 in CPA donations from Brewster, Chatham, Eastham, Provincetown, Truro, and Wellfleet in addition to Orleans.

Needham's Subsidized Housing Inventory (SHI) includes six special needs housing facilities that altogether total 26 affordable housing units as well as another 84 units in group homes for state Department of Developmental Services (DDS) clients scattered throughout town. A notable Needham project involved the development of a group home on South Street. Working with the Charles River Association for Retarded Citizens, also known as the Charles River Center, the Town committed $220,000 in CPA funding and $280,000 in HOME funds to create a home for five severely disabled residents. This facility resembles the large single-family houses in the area, and received no opposition from neighbors.

Recommendations: As included in the Guiding Principles and Priority Housing Needs that are part of this Housing Plan, the Town is committed to making and maintaining Needham as an inclusive and supportive community for adults with disabilities, its seniors, and other vulnerable subgroups. In order to ensure that Needham's special needs residents have opportunities to secure not only affordable but also accessible housing, the Town should explore the following recommended actions:

- Review and encourage a variety of housing models that can meet the needs of Needham's adults with disabilities and Needham's seniors. Examples include Specialized Housing Inc. in Brookline, Forward at the Rock in Dennis, and South Middlesex Opportunity Council (SMOC) housing.
- Explore opportunities for housing models or zoning changes that were recommended by Needham's Special Education Parent Advisory Council (SEPAC).
- Encourage and support creative solutions for creating affordable and accessible housing from property owners and developers.
- Remove barriers and recommend incentives, including funding, with the goal of establishing additional independent living situations for low-to-moderate fixed-income seniors and adults with disabilities.

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

- Sponsor a meeting with agencies that create housing for adults with disabilities to learn more about different model development options, potentially including a panel presentation from special needs developers and service providers.
- Consider zoning which would enable more inclusionary home building for disabled groups and seniors near the Town Center and Heights.

5. Restructure the Stephen Palmer Building

Lead Entity: Select Board
Timeframe: Medium Term
Requires Town Meeting Approval: Yes
Level of Complexity: High

Background: In 1977, the Town entered into a 50-year lease arrangement with a management company, Crowninshield, Inc., for the former Stephen Palmer School at 83 Pickering Street. In 2003, the Select Board established a special Committee to explore the redevelopment of the property that had been renovated in the 1980's into 28 apartments. The terms of the lease required 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 problematic unit configurations and the absence of an elevator. Moreover, affordability was not defined in the lease, however, rents have remained well below market. Even at the time, the Town recognized that the situation was not beneficial to either the management company, because it could not charge sufficient rents to properly maintain the building, or the Town. Therefore, the Committee worked with the management company for a period of time to develop a plan for redeveloping the property. Progress, however, was hindered by the complexity of changing the existing lease agreement as well as the needs of the Senior Center, which was located in the building at the time, to expand.

It was anticipated that a renovated and expanded building could provide up to 50 units of affordable or mixed-income elderly housing. This housing could be developed through the rehabilitation of the existing building and the possible construction of an addition on the parking lot side overlooking Green's Field. This project represented a priority strategy for the Town of Needham given the potential of accomplishing multiple community 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 was increasingly showing signs of age and neglect.

The Town-appointed special Committee was once again reinvigorated in a further effort to find a feasible solution to the redevelopment of the property in hopes of having a development plan in place by 2007. While it was determined to move the Senior Center to another location, little progress was made on further development plans.

Part of the lease arrangements between the Town of Needham and Crowninshield Management was for the Town to be involved in approving tenant sub-leases and conducting an annual review of the rent rolls. The adoption of a new Town Charter in 2005 effectively assigned the Town's role in the tenant selection process to the Town Manager who subsequently provided Crowninshield with a blanket approval on the sub-leases as long as vacancies were filled by over-55 Needham residents. The Town Manager retained approval for any sub-leases involving those who were under age 55 or lived outside of Needham. The Town Manager subsequently delegated this responsibility to the Town's Community Housing Specialist

who annually reviews the rent rolls and obtains information on the waitlist, also making referrals of potential occupants. As of April 2022, rents ranged from a low of $796 to a high of $1,400 with average rents in the $1,000 to $1,200 range, well below market prices.

Recommendations: As the lease will expire in a few years, on May 2027, it is time for the Town to revisit its options for redeveloping the Stephen Palmer Building. As in the past, the Select Board should consider appointing a special Committee or Working Group to examine the property's potential for maximizing its reuse for affordable and/or moderate-rate housing when the lease expires, making sure to respond to the needs of existing tenants. The Permanent Public Building Committee and Department of Public Works would also be instrumental in supporting this project that would likely also involve design and engineering consultants. The assessment of redevelopment options would include the following major components:

- Determine building infrastructure and improvement needs as well as projected costs and design options.
- Assess site infrastructure capacity and ability to support additional density (e.g., additional housing units) including a building addition.
- Determine the feasibility of designating Stephen Palmer as affordable housing (e.g., eligible for SHI) while not requiring existing residents to relocate.
- Identify financing options.
- Consider the pros and cons of bringing on a development consultant for Town development versus conveying the property to a developer through a transfer of title or long-term lease via a Request for Proposals (RFP) process. The latter would avoid the extra costs associated with public projects.

It should be noted that the conversion of these units to those that would be eligible for inclusion in the Subsidized Housing Inventory (SHI), while not impossible, would be challenging. The Town would have to work closely with DHCD to prepare an Affirmative Fair Housing Marketing Plan which would be implemented as units turnover, as eligibility for the SHI is not allowed for occupied units. Consequently, conversion to state-defined affordable units could only occur on an incremental basis. These units would be counted as Local Action Units (LAUs) processed through the state Local Initiative Program (LIP). Other affordability requirements would also have to be met including the execution of a Regulatory Agreement and affirmative marketing, thus without the ability to give preference to local residents and workers.

6. Prepare an Inventory of Potential Public and Privately-owned Development Opportunities

Lead Entity: Needham Affordable Housing Trust
Timeframe: Medium Term
Requires Town Meeting Approval: No
Level of Complexity: Medium

Background: Recurring input throughout the planning process involved the identification of specific sites in which housing development might be suitable, including property that is owned by the Town of Needham as well as some potential privately-owned properties. This is not a new issue in Needham, and prior efforts have been made to identify an inventory of such properties.

For example, the Select Board 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 another use.

The Working Group was comprised of representatives of the Select Board, 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 statue 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 could not 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:

- *Parcel 8 (Stephen Palmer Building on Pickering Street)*. This parcel should continue to be used for housing, and the Working Group endorsed the efforts of the Select Board to expand the amount of housing the building can accommodate and ensure affordability of some of the units. (This remains a key strategy in this Housing Plan. See strategy IV.B.5 for details.)
- *Parcels 4 (the unimproved lot at the corner of Bancroft and Brookline Streets) and 6.* Parcel 4 was developed as an affordable single-family home by Habitat for Humanity although it was not eligible for inclusion on the SHI. Parcel 6 presently houses the Department of Public Works Water Pumping Station.
- *Parcel 13 (Emery Grover Building).* This property is being renovated for use by the Needham Public Schools.
- *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. Status?
- *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 require a 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 provides 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.

The following additional parcels were identified as bearing some future consideration for some amount of affordable housing:

- *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 believed 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. Any updated status?
- *Parcel 1 (undeveloped parcel at the corner of Dedham Avenue and South Street).* Developed as the Town's Public Services Administration Building at 500 Dedham Avenue.
- *Parcels 37,49 and 156 (Nehoiden Park).* Large portions 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 is has no further use for them. Further studies in regard to wetland delineation are necessary before a final determination can be made. Any updated status?
- *Parcel at Broadmeadow Road and Great Plain Road.* This parcel is approximately an acre in size and is located along the commuter rail line 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. Any updated status?

Any conveyance of Town-owned property would involve a Request for Proposals (RFP) process that specifies the Town's terms and conditions for the development project.

This analysis occurred two decades ago, and some identified properties are no longer available, as noted above, while others on the list may still be worthy of consideration. Additionally, some properties that were not identified at the time might now be more conducive to housing development.

Given that Needham is largely built out with few vacant developable properties available, there is general consensus that most new housing creation will involve the redevelopment of existing properties, particularly near transit. There are, however, specific privately-owned properties where new housing development has previously been proposed including the Hartney Greymont property off of Chestnut Street as well as potential cluster development on a property on Foster Street that is planned to combine housing development and open space preservation. The federal government will also be disposing of its property at East Militia Heights that currently includes a small neighborhood of single-family homes. Development of the Hillcrest Gardens property at 888 Great Plain Avenue is also a potential possibility in the Town Center.

Recommendations: The Select Board might consider appointing another Working Group of representatives from various Town boards and committees to revisit the feasibility of properties that were identified for potential housing development in the past and to determine the suitability and availability for developing affordable housing on additional publicly-owned property. Similarly, this Working Group could also be tasked with identifying privately-owned parcels that hold some development potential. One recommendation has been to create a property inventory similar to that created by the City of Newton — see page 85+ of https://www.newtonma.gov/home/showpublisheddocument/41602/637418380094000000. Another recommendation was for the inventory to be summarized on a simpler spreadsheet similar to what was

produced in the past. Criteria for inclusion in the inventory could include size, ownership, access to services and transportation, proximity to schools, presence of wetlands or environmental constraints, etc.

7. Consider Waiving Permit Fees for Affordable Housing (further study?)

Lead Entity: Select Board
Timeframe: Medium Term
Requires Town Meeting Approval: ?
Level of Complexity: Low

Background: As noted in the 2007 Affordable Housing Plan, 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. Such waivers represent a signal to funding agencies of a Town's commitment to a project and thus have been considered by such agencies in making funding decisions. While fees are not extravagantly costly, they nevertheless help reduce project costs. Building permit fees on a residential development of three or more units involve a rate of $10.00 per one thousand ($1,000.00 of the estimated construction cost) with a minimum flat rate for up to $20,000.00, for example. Mechanical permits and other fees can add to this amount. The fees for a Chapter 40B comprehensive permit are $2,000.00 plus $100.00 per unit.

Recommendations: The Town should consider waiving permit fees on any development that includes affordable units or as an additional incentive for projects that it determines are directed to below market units in accordance with the Guiding Principles and Priority Housing Needs identified in this Housing Plan.

Housing Development and Preservation Strategies for Further Study/Future Consideration

- **Make enhanced homebuyer assistance available** through local funding to increase affordability of ONE Mortgage Program loans. The Massachusetts Housing Partnership Fund, in coordination with the state's Department of Housing and Community Development, administers the ONE Mortgage Program which replaced the highly successful Soft Second Loan Program that operated between 1991 and 2013 and helped over 17,000 families purchase their first home. The ONE Mortgage Program is a new simplified version of the Soft Second Program providing low, fixed-rate financing and a state-backed reserve that relieves homebuyers from the costs associated with private mortgage insurance.

  Some participating lenders and communities offer grants to support closing costs and down payments (good models are available such as the program offered by Wellfleet) and slightly reduced interest rates on the first mortgage which Needham might consider, working closely with local lenders. Due to eligibility requirements, with maximum purchase price and homebuyer requirements, such a strategy is likely to work only for the purchase of deed-restricted affordable units, which are limited. It is also worth noting, the MassHousing has introduced a program to provide down payments and closing costs assistance of up to $30,000 through partner lenders.[47]

- [47] While state financing has largely focused on multi-family rental development, particularly for families, the state now offers an expanded program to assist first-time homebuyers with their down payments under the following conditions:
  - Increased assistance of up to 5% of the purchase price or $15,000, whichever is less.

Lead Entity: Select Board/Community Preservation Committee
Timeframe: Longer Term
Requires Town Meeting Approval: Yes
Level of Complexity: Medium

- **Make CPA funds available for entities to acquire property for group homes that serve people with disabilities.** If this was determined to be a priority, the Town could allocate a specific amount of CPA funding to support such a project, issuing a Request for Proposals (RFP) for entities to come forward with specific proposals. It should be noted, because of the high costs of property, it is likely that any subsidy would be considerable and make the leverage of other funding sources necessary (see strategy IV.B.3). Funds would also have to be secured for ongoing services including 24-hour staff support.

Lead Entity: Select Board/Community Preservation Committee
Timeframe: Longer Term
Requires Town Meeting Approval: Yes
Level of Complexity: High

- **Support state legislation or consider a Home Rule petition for transfer tax or impact fees on high-value home sales** to help capitalize the Affordable Housing Trust Fund. For example, in an effort to provide some disincentive for transferring property and to secure funding for more affordable housing development, Nantucket was successful in obtaining state legislative approval for a transfer tax fee as part of House Bill 4201. This bill requires that the seller pay ½% of the sales price to the Town of Nantucket or its designee with some exceptions. The fees are deposited in the Affordable Housing Trust Fund.

  A proposed bill, Senate Bill 868, would enable Massachusetts cities and towns to also impose a fee on certain real estate transfers for use in supporting affordable housing. This bill has been winding its way through the state legislature and would involve a transfer fee of no less than 0.5% and up to 2% on the purchase price of property. The city or town would have the authority to designate whether the fee will be paid by the buyer, the seller, or how it would be allocated between the two. The fee itself was to be paid to the city or town, or its designee. If this bill passes, Needham would have another resource for supporting its affordable housing efforts, and potentially, the fee would serve as a deterrent to some sales.

Lead Entity: Select Board
Timeframe: Longer Term
Requires Town Meeting Approval: Yes

  - More property types are eligible for assistance including single-family homes, condominiums and 2-, 3-, and 4-family properties.
  - Higher income limits of up to 135% of the area median income (AMI) in Boston and the Commonwealth's 26 Gateway Cities and up to 100% AMI in other communities, including Needham.
  - The assistance is in the form of a 15-year, fixed rate loan at 2%. (Example: $15,000 down payment assistance loan = 180 payments of $96.53; 2.011% APR)
  - Repayment of the down payment assistance is due upon the sale or refinance of the property prior to the end of the 15-year term and otherwise forgiven.

Level of Complexity: High

- **Consider further tax reductions for qualifying seniors with high cost burdens**. Needham currently provides the following options to reduce or defer property tax payments for qualifying residents:

    - *Senior Corps Program*
      Needham's Council on Aging (COA) offers residents who are 60 years of age or older and/or are disabled to contribute up to 100 hours each year at $14.26 per hour to "work off" a portion of their real estate taxes, become more involved in local government, and support the delivery of local services. The COA appropriately matches qualifying applicants to jobs in municipal departments and schools. Applicants must meet income eligibility requirements including having a maximum income of $62,000 for a single individual and $93,000 for two persons. The program operates from July 1st through May 1st of each year and applicants must reapply annually.
    - *Property Tax Deferral Program* (getting updated info from Assessing on the following programs.)
      Needham's Assessor's Office administers the Property Tax Deferral Program that enables qualifying homeowners to postpone the payment of property taxes until the house is sold or transferred. The maximum deferral is half of the value of the home and every person that has a legal or beneficial interest in the property must provide written approval for the deferral. Each year participants enter into an agreement with the Town to defer all or part of the tax bill. The agreement is similar to a loan with a specified interest rate set at 4% for Fiscal Year 2015. This interest rate increases to 16% upon the demise of the owner or a change in ownership.
        - Eligibility requirements include the following:
        - The owner and/or spouse must be 65 years of age or older.
        - Maximum income of $51,000 for married or single applicants (there is no asset restriction).
        - Must have primarily resided in Massachusetts for the past 10 years as of July 1, 2014.
        - Must have owned and occupied a home in Massachusetts for the past 5 years as of July 1, 2014.
        - Participants may also use any tax exemption for which they are qualified and then defer any portion of the remaining amount.
        - Participants have the option to also defer water and sewer bills.
    - *Tax Exemption Programs*
      The Town of Needham allows a number of property tax exemptions to qualifying homeowners with different requirements based on the owner's age, disability status and other qualifications. For example, a homeowner who is at least 65 years of age and married with an income of no more than $30,000 and maximum assets of $55,000 could expect a tax exemption of between $500 and $1,000 annually. Those age 70 or older may receive a tax exemption from $175 to $350 if their financial assets are less than $40,000. Veterans also qualify for exemptions based on the type and extent of their service-related disability including an exemption of between $1,500 and $3,000 for those living in specially adapted housing. Another example is that a legally blind owner can expect an exemption of between $500 and $1,000 without any income or asset requirements.

- *Property Tax Assistance Fund*
  Elderly and disabled residents can apply for additional property tax relief through the Property Tax Assistance Fund that is funded by residents and local businesses. The Fund has supported 421 separate donations over the years with an average grant of $433.
- *CPA Surcharge Exemptions*
  Qualifying residents can also apply to receive an exemption of the CPA surcharge if they qualify as low- or moderate-income homeowners.

While these programs are helpful, given the number of lower income seniors who are spending more than half of their income on housing costs,[48] it may be useful for the Town to reconsider some eligibility requirements and benefits to further reduce cost burdens on seniors and help them remain in their homes and community. Perhaps if the Affordable Housing Trust becomes further capitalized, it can meaningfully supplement the Property Tax Assistance Fund to more significantly reduce tax burdens.

Lead Entity: Select Board
Timeframe: Longer Term
Requires Town Meeting Approval: Yes
Level of Complexity: Medium

C. Capacity Building Strategies

It will be important for the Town of Needham to continue to build its capacity to promote affordable housing activities. This capacity includes gaining access to greater resources – financial and technical – as well as building local political support, developing local and regional partnerships with public and private developers and service providers, and augmenting local organizations and systems that will support new housing production and preservation efforts.

This Plan builds on the following organizational structure and resources for the implementation of strategies and continued oversight of housing initiatives in Needham:

- *Needham Affordable Housing Trust*
  The Needham Affordable Housing Trust was created in 2017 under Massachusetts General Laws Chapter 44, Section 55C, which simplified the process of establishing dedicated housing funds for supporting affordable housing activities. The law provides guidelines on what trusts can do and allows communities to collect funds for housing, segregate them out of the general budget into an Affordable Housing Trust Fund, and use these funds without going back to Town Meeting for approval. It also enables Trusts to own and manage real estate, not just receive and disburse funds. As a municipal entity, Trusts are still subject to Chapter 30B procurement rules.

  The purpose of the Affordable Housing Trust is "to provide for the preservation and creation of affordable housing in the Town of Needham for the benefit of low- and moderate-income households". The Town had been receiving fees related to the monitoring of affordable housing

[48] HUD data indicates that there were 715 homeowners over age 62 who had incomes at or below 80% AMI, and of these, 489 or 68.4% had cost burdens including 319 or 44.6% with severe cost burdens as they were spending more than half of their incomes on housing costs.

units, which had previously gone into the general fund as opposed to revolving back in support of specific housing initiatives. The Housing Trust has provided the means to reserve these funds for housing purposes, which could be supplemented by additional resources to further capitalize the Fund.

The Needham Affordable Housing Trust is composed of all members of the Select Board and one appointed at-large member from the community. In addition to managing the Fund, the Affordable Housing Trust has sponsored the Small Repair Grant Program that provides small grants to qualifying homeowners for health and safety improvements as well as a temporary Emergency Rental Assistance Program that provided funding to help tenants who had lost income due to COVID-19 pay their rent. The Affordable Housing Trust typically meets twice annually, and also deliberates on housing issues as they arise.

- *Needham Housing Authority*
  The Needham Housing Authority (NHA) was established during a special meeting of the Needham Board of Selectmen in May of 1948 under the provisions of Massachusetts General Laws, Chapter 121B, as amended by Chapter 574 of the Acts of 1946 and by Chapter 200 of the Acts of 1948. NHA's mission is to provide decent, safe and affordable housing for low- to moderate-income families and individuals and to offer programs and resources to improve the quality of life for residents, program participants and the broader Needham community while respecting the rights and privacy of all. NHA owns and manages 316 units of deeply affordable housing, largely for those with incomes at or below 50% AMI, paying no more than 30% of their income on rent.

- *Needham Community Preservation Committee*
  Needham approved the Community Preservation Act (CPA) in November 2004, which has been a very important resource for supporting affordable housing efforts.[49] Over the years the Town has committed about $3 million of its CPA funds on housing initiatives including:

  - $120,000 in recent funding to support an Emergency Rental Assistance Program.
  - $860,500 for four grants to the Needham Housing Authority, three for the High Rock Estates project and another for a feasibility study for redeveloping NHA property.
  - Another $150,000 grant to NHA for development consulting services which enabled NHA to bring on the services of the Cambridge Housing Authority to help it determine how best to refinance much needed property improvements and potential new units.
  - At its 2022 Annual Town Meeting, almost another $1,467,000 was approved to fund predevelopment costs for the Linden-Chambers housing project and a property survey for the High Rock Estates site to better position NHA to receive funds from outside sources as part of its Preservation and Redevelopment Initiative (PRI). At this Town Meeting, the Community Preservation Committee approved a set-aside of 20% of the Town's estimated CPA revenue for housing, up from a minimum of 10%.
  - $370,000 for the Charles River Center (formerly the Charles River ARC) for four grants including three grants for existing group homes and another for a new group residence for five people with significant physical and cognitive disabilities.
  - $25,000 for a housing consultant to prepare Chapter 40B guidelines and additional funding towards a portion of the part-time Housing Specialist position over three years.

[49] CPA approval was based on a 2% surcharge of residents' property taxes with exemptions for the first $100,000 of property value as well as for low- and moderate-income households.

This Housing Plan stresses the importance of being alert to new government funding and property that can help leverage local resources to address identified local needs and production goals.

Most of the CPA housing reserve funds have been set-aside to support the NHA's Preservation and Redevelopment Initiative (PRI) (see strategy IV.B.1). Have requested the amount?

- *WestMetro HOME Consortium*

The Town also joined the Metro West HOME Consortium in 2008, which has enabled it to secure HOME Program funding to address local affordable housing needs. Funding has fluctuated over the years from an allocation of $57,521 in fiscal year 2009, to $67,387 by 2011, down to $36,149 in 2013, and then as low as $27,455 and $27,750 in 2020 and 2021, respectively. The Town spent $280,000 in HOME funds for the Charles River Center's group residence at 1285 South Street in addition to annual operating/administrative funds. Funding also supported two units at High Rock Homes.

- *Local and Regional Advocates and Resources*

Needham is fortunate to have local organizations that have the interest and capacity to serve as local advocates and resources for efforts related to promoting greater housing affordability and diversity. Such organizations include, but are not limited to the following:

  - Center at the Heights
  - Charles River Center
  - Equal Justice Needham (EJN)
  - League of Women Voters (LWV)
  - Metropolitan Area Planning Council (MAPC)
  - Metro West Collaborative Development (Metro West CD)
  - Needham Diversity Initiative (NDI)
  - Needham Historical Commission
  - Needham Special Education Advisory Council (SEPAC)
  - Needham United to Advance Racial Injustice (NUARI)
  - Representative Garlick and Senator Russo's Offices

Because affordable housing policies, regulations, programs and projects rely on local approvals, building local support for new affordable housing initiatives is also essential. Moreover, new funding streams as well as efforts to make local entities more efficient and effective, such as the Affordable Housing Trust, can better promote housing services and production. Moreover, frequent concerns raised during the planning process involved the need to understand and measure the impacts that any action in this Housing Plan would have on local infrastructure, services, student enrollments, and resulting costs. While the following strategies do not directly create new affordable units, they help build local capacity to do so:

1. Continue to Provide Community Outreach and Education on Housing

Lead Entity: Sponsoring Entities of Housing Initiatives
Timeframe: Near Term and Ongoing
Requires Town Meeting Approval: No
Level of Complexity: Low

Background: As noted above, this planning process has involved a comprehensive community education and public relations effort to provide important information on basic housing issues and current conditions. For example, such information included the need for greater housing diversity as 84% of Needham's housing stock is owner-occupied and 83% are single-family homes. It was also conveyed that the affordable units listed on the Subsidized Housing Inventory (SHI), while up to 11.86%, is based on Chapter 40B rules that allow the inclusion of market-rate rental units in projects along with the dedicated affordable units, thus acknowledging that the current SHI count of truly affordable housing units is really 6.24% of Needham housing units. This is below the required 10% 40B target goal. This planning process also emphasized the need for more housing options to meet identified local needs, as detailed in Section III.C.7, including the needs of local workers who are priced out of the housing market, young people and families looking for starter residences (e.g., single-family homes, condominiums, apartments etc.), people with disabilities, and downsizing empty nesters.

Recommendations: While a major component of the planning process has been an inclusive and robust community outreach and education process, such activities should remain a priority in the years ahead. Additional opportunities to engage the community in discussions related to affordable housing and to present information on the issue are needed to continue to dispel misinformation and help galvanize local support, political and financial, for new affordable housing production. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on resident concerns and suggestions.

Each sponsor of a housing initiative should make concerted efforts to work with the Town's Public Information Officer to ensure that residents have ample information on these efforts and opportunities for input. The Town will continue to use its informative website, local cable access television, special articles, community events, and other community meetings to provide information on affordable housing issues and new initiatives. More information should be provided on sustainable/universal design standards, fair housing, and youth inclusion efforts for example.

Another consideration for bolstering community outreach efforts is the Municipal Engagement Initiative (MEI) that is sponsored by Citizens Housing and Planning Association (CHAPA). (see strategy IV.C.4).

2. Monitor Targeted Housing Goals and Subsidized Housing Inventory (SHI)

Lead Entity: Needham Affordable Housing Trust
Timeframe: Near Term and Ongoing
Requires Town Meeting Approval: No
Level of Complexity: Low

Background: This Housing Plan provides targeted Housing Goals (see Section III.C.7) that can be tracked over the next five, ten and twenty years, documenting housing production across housing types. The effects of regulatory reform will take some time to be realized, but ultimately the Town will experience the development of greater housing diversity to address the wide range of local needs.

Recommendations: The Affordable Housing Trust should take the lead on an annual monitoring of this progress with staff support from the Department of Planning and Community Development. This report should be included in the Town's Annual Report.

Moreover, it is important to ensure that all affordable housing units that are part of the Town's Subsidized Housing Inventory (SHI) comply with affordability requirements for as long a period of time as possible. The Town, through its Department of Planning and Community Development, has prepared a database on all affordable housing projects/units in order to better monitor and maintain the affordability of SHI units.[50] The Department will continue to update and maintain this database to effectively monitor the affordability of not only existing SHI units but to also ensure that any new affordable units meet all requirements and are added to the SHI when eligible.

3. Identify Impacts of Housing Proposals

Lead Entity: Sponsoring Entity and Select Board for non-project specific issues
Timeframe: Near term for New Initiatives/Medium term for More Proactive Studies
Requires Town Meeting Approval: No
Level of Complexity: High

Background: As new development and rezoning have been proposed in the past, the Town of Needham has made important efforts to assess the impacts on existing resources. Such impacts can include those related to traffic access and congestion, school enrollments, fire and police department services, taxes, etc. In many cases, the Town, largely through the Planning and Community Development Department, has brought in consultants to undertake specific transportation, engineering, and fiscal impacts analyses. Public hearings on these proposed initiatives have also involved input from residents, particularly those who reside in close proximity to the proposed project or zoning proposal. These analyses and public participation have helped identify potential problems as well as mitigation measures.

Impacts from housing initiatives will range significantly based on a number of factors including location, number of units, and type of unit as there will be very limited impact from a new Accessory Dwelling Unit but considerably more from a larger development that is not age-restricted such as workforce housing. As the Town needs a wide range of housing types to address the wide range of local needs, community impacts will necessarily occur as a result of the implementation of this Housing Plan.

Recommendations: Such impact analyses need to occur on a project-by-project basis, however, comments received as part of this planning process have recommended greater proactive instead of reactive studies to guide new development including:

- Update the School Master Plan to study the impacts of recent housing developments and consider those of proposed rezoning initiatives. This work should also consider needs related to new school construction, including renovations and additions. An updated report on projected changes in school enrollment is due in the fall of 2022. It is worth noting that actual school enrollments have thus far been lower than the projections of school children for the

[50] The Town, through the Affordable Housing Trust, serves as Monitoring Agent to directly monitor affordability requirements on an annual basis for the older Chapter 40B homeownership projects (e.g., Junction Place, Garden Street/Browne-Whitney, High Cliff Estates) as well as units that were required as affordable as part of zoning provisions (e.g., Needham Place, Wingate Residences) and the affordable unit at Hamilton Highlands. Other monitoring work includes the HOME Program funded group home for developmentally disabled adults at 1285 South Street and support for the Needham Housing Authority's High Rock Homes condos (for refinancing or resales).

larger Chapter 40B rental developments. It is further noteworthy that the most recent enrollment figures showed a higher than anticipated increase in kindergarten students.

- Examine capacity issues along the entire commercial corridor, focusing on Great Plain Avenue and Highland Avenue, and analyze potential impacts related to zoning for an additional 1,784 housing units through compliance with MBTA Communities Guidelines.
- Use results from the parking study that was conducted by the WestMetro HOME Consortium and Metropolitan Area Planning Council (MAPC) to advise changes in parking requirements for housing development. The Town is also working with a consultant to undertake a parking study for the Town Center and Chestnut Street Business District that will inform potential changes to existing parking requirements, and might at some time be expanded to other areas of the community.
- Study public realm (streetscape) improvements and transit alternatives that may be needed to handle traffic that may result from new development while addressing the special needs of seniors and disabled.

Additionally, while not directly related to housing and somewhat outside the purview of this Housing Plan, the following strategies have been recommended to better improve the quality of life for Needham residents and complement new housing development:

- Preserve existing parks and conservation land throughout town and ensure the long-term accessibility to the public for recreational purposes.
- Require new development to consider the importance of creating new public and private open spaces in all new and renovation projects, where feasible. Consideration should be given to how open spaces can connect to, or expand on, the adjacent open spaces and public realm of the immediate surrounding neighborhood context.
- Require the installation or improvement of sidewalks, bike paths, or pedestrian trails to access the nearest park or open space in locations where on-site provision of open space is not feasible.
- Consider providing additional Town (& corporate?) funded internal transportation options to reduce car usage, connect to existing transit, and assist in the mobility of residents, seniors and the disabled within Needham's core areas and along the Highland Avenue/Chestnut Street commercial corridor.

4. Boost Local and Regional Support and Collaboration for Housing

Lead Entity: Needham Affordable Housing Trust
Timeframe: Medium Term
Requires Town Meeting Approval: No
Level of Complexity: Low

Background: A major component of this planning process has been a robust community outreach and education effort to bring in numerous and diverse voices from the community to inform the content of the Housing Plan. Nevertheless, the Working Group is aware that more ongoing community input is required to not only obtain political support for approvals but to also build partnerships and coalitions with entities that can provide guidance and support in ensuring effective and efficient implementation of recommended actions.

Recommendations: While the Needham Affordable Housing Trust is the likely entity to pursue such alliances, it was suggested that the Housing Trust revisit its mission and better define its roles and responsibilities vis a vis the implementation of this Housing Plan.

The following recommendations have also been offered for consideration to broaden Town relationships with other housing stakeholders including realtors, lenders, developers, property owners, service providers, and advocates:

- Work with realtors, lenders, and others to explore ways of helping buyers purchase existing smaller homes and save them from demolition.

- Help build a coalition among all the advocacy groups in town to find out how housing impacts their goals and discuss how they can be helpful in implementing actions as part of this Housing Plan. This coalition could be comprised of diversity or faith-based entities as well as other community interest or civic groups. Because housing is such a formidable community issue, it effects the missions of many local organizations and constituencies.

  Another consideration for coalition building is the Municipal Engagement Initiative (MEI) that is sponsored by Citizens Housing and Planning Association (CHAPA). Under this program, CHAPA will partner with the Town to build coalitions that work together to address housing production challenges and bolster new development. In other communities, this program has been effective in bringing together local and regional stakeholders representing businesses, civic groups, houses of worship, and other active constituencies in supporting local housing priorities.

  Equal Justice Needham's housing group sponsored an initial coalition meeting, and the Town could provide support for additional efforts to convene such entities, perhaps on an annual basis as part of an annual housing summit for housing stakeholders and residents alike. Ongoing communication could also be facilitated through this coalition building.

- Improve communications/collaboration within Town government boards and committees to be more proactive in addressing affordable housing needs, opportunities, and challenges as well as related impacts on infrastructure, Town services, the budget, and school system. This could be facilitated through participation in CHAPA's Municipal Engagement Initiative.

- In order to bolster local support for this Housing Plan, it has been suggested that the Affordable Housing Trust consider a formal vote on an expanded housing mission statement that supports a diversity of housing opportunities in Town. The purpose of the Affordable Housing Trust, as included in the Declaration of Trust, is to provide for the preservation and creation of affordable housing for low- and moderate-income households. Given this Housing Plan's expanded vision of creating housing opportunities to address a wide range of housing needs, not just limited to affordable housing targeted to those with incomes at or below 80% AMI, the Affordable Housing Trust might provide another declaration related to this broader community goal. As part of these deliberations, the Affordable Housing Trust might discuss its specific roles and responsibilities within the context of the Guiding Principles, Priority Housing Needs, and recommended actions as part of this Housing Plan. The Housing Trust might also recommend to the Select Board that it consider another recommendation from this planning process of appointing affordable housing advocates to more Town boards and committees.

- Sponsor a gathering with developers, property owners, and housing entities to obtain feedback on development constraints and what the Town might do to better encourage the development of affordable and moderate-rate housing in town. It has been recommended that the Town look specifically at the Chestnut Street area between the Town Center and the Junction train station for potential sites for such housing, however, input on development opportunities in other areas would also be welcomed. It may be useful for the Town to host a forum with these entities to gather feedback about reasons why they would or would not be interested in working with the Town to create new affordable housing.

It should be noted that rental developments that access subsidized financing, such as Low Income Housing Tax Credits, require a certain size of at least 30 units, but preferably 40 or more to be feasible. Developers of such housing will therefore be looking for sites that will accommodate such density.

Some of this outreach represents a continuation of efforts to work with developers and property owners to promote greater housing diversity and affordability. It has been the Town's experience that the major obstacles to developing affordable housing has been site control and density. For example, the Town has been working with Metro West Collaborative Development (Metro West CD), which is the Community Housing Development Organization (CHDO) for the West Metro HOME Consortium with special set-asides of federal funding, to identify development opportunities. Thus far, it has been outbid by private entities and the density needed to target units to lower income households using subsidy program such as Low Income Housing Tax Credits have generated neighborhood concerns about density.

The Town has also assembled owners of properties in the Town Center and along Chestnut Street to determine the major barriers to new development. The issues of site assemblage, parking, and the reluctance of owners to embark on any development outside their comfort zones were identified as major contributing factors.

In addition to continuing discussions with Metro West CD, the Town might also reach out to the following organizations that have proven track records with producing affordable or mixed-income housing, mostly involving sizable multi-family rental development:

- PennRose
- The Community Builders
- Caritas Communities
- B'nai B'rith Housing
- Rogerson Communities
- Beacon Communities
- 2Life Communities
- Hebrew Senior Life
- Newton Community Development Foundation
- Winn Development
- Maloney Properties
- Preservation of Affordable Housing (POAH)
- Archdiocese's Planning Office for Urban Affairs (POUA)

Besides enhanced local collaboration, feedback during the planning process also emphasized the regional nature of the housing crisis and need to explore opportunities to work across our boundaries to promote greater housing diversity and affordability. The MBTA Communities Guidelines represent a state initiative to promote such housing for all MBTA communities in the region that will hopefully result in an expanded housing supply near transit where greater density is more appropriate. Other opportunities to engage regionally on the housing crisis include the Town's continued participation as part of the WestMetro HOME Consortium and the Metropolitan Area Planning Council's (MAPC) Inner Core Subregion meetings. Other potential regional approaches include providing CPA funding for projects located in a nearby community where Needham residents will likely benefit, such as the Cape Cod Village project in Orleans described under strategy IV.B.4.

Capacity Building Strategies for Further Study/Future Consideration

- **Conduct a racial impact study** to determine whether Needham's existing residential zoning has a disproportionate impact on Black, Indigenous and People of Color (BIPOC) and other groups protected under the Federal Fair Housing Act (FFHA). It is likely that the Town would hire a consultant to conduct such a study, working with the Select Board and NUARI.

  Lead Entity: Select Board with support from NUARI
  Timeframe: Longer Term
  Requires Town Meeting Approval: Yes for funding
  Level of Complexity: High

- **Reduce or eliminate local preference** in affordable housing lotteries. State Guidelines indicate that the Town must obtain approval from DHCD when requesting local preference for those who live and/or in Needham, or have children attending local schools as part of the lottery process and initial occupancy. The Town must provide documentation to DHCD on the local need to provide housing for residents to obtain this approval. The Town has obtained the highest level of local preference, at 70%, for each of the Chapter 40B rental developments. It has been suggested during this planning process that such local preference might negatively affect applicants of color given Needham's relatively limited racial diversity.

  Lead Entity: Select Board/Affordable Housing Trust
  Timeframe: Longer Term
  Requires Town Meeting Approval: No
  Level of Complexity: Low

Appendix 1
Housing and Zoning Analysis

The Town of Needham has approximately 11,800 total housing units with a median single-family house price of $1.3 million in September 2021 ($862,500 for condominiums), up from $1,065,000 (+22.1%) and $805,000 (+7.1%), respectively, as of the end of 2019. Housing prices are not only high and rising, but further evidence of tightening market conditions is reflected in vacancy rates at about 1% and little or no affordability remaining in the private unsubsidized housing stock. These conditions have been exacerbated by substantial teardown activity, involving the demolition of more modest homes with much larger and expensive ones, further driving up housing prices and eroding housing affordability. The loss of income that many have suffered as a result of Covid-19 is exerting further pressures on existing residents, many who are struggling to afford to remain in their homes and community.

Under MGL Chapter 40B, if less than 10% of a municipality's housing stock is affordable, developers can override local zoning if the project includes deed-restricted affordable units and meets other state requirements.[51] Despite intensifying market pressures, Needham has made considerable progress in promoting greater housing diversity over the years with 1,410 state-approved affordable units included on the Subsidized Housing Inventory (SHI), representing 12.76% of its housing stock.[52] An additional nine affordable units will be included in the SHI as a result of rezoning requirements for the Carter Mill development that will bring the total number of SHI units to 1,419 and a 12.8% level of affordability. Consequently, Needham is well beyond the 10% state affordability threshold under MGL Chapter 40B. Nevertheless, the Town recognizes that there still remains a pressing need for greater housing diversity and affordability in the community.

This report reviews the progress that has been made in the past to address housing needs and examines challenges to further advance local community housing goals.

I. Housing Production Accomplishments

The affordable units that are part of Needham's ***Subsidized Housing Inventory, that now exceeds the 10% affordability goal under Chapter 40B,*** include the following:

Rental Housing

- The Needham Housing Authority owns and manages 316 units of subsidized housing including 198 one-bedroom units for seniors and disabled individuals of any age and 110 units for families and veterans. The Authority also maintains two staffed apartments that serve eight individuals with special needs.

[51] 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.

[52] To be counted as affordable under Chapter 40B, housing must be dedicated to long-term occupancy of income-eligible households (those earning at or below 80% of area median income) through resale or rental restrictions. Units must also be affirmatively marketed and subsidized or approved through a subsidizing agency. All units in Chapter 40B rental developments count as part of the Subsidized Housing Inventory as opposed to only the actual affordable units in homeownership projects.

- Another 67 affordable units of age-restricted housing were developed by private sponsors.
- Charles River Landing, with 350 units including 88 affordable units, was developed under the state's Local Initiative Program (LIP), sometimes referred to as the "friendly 40B" process as the municipality supports the project in the early stages of development.[53]
- Another LIP process was used for 390 rental units with 98 affordable ones as part of The Kendrick development.
- The Modera Needham project, also a Chapter 40B development, produced 136 rental units on Greendale Avenue that includes 34 affordable units.
- An additional 16 units were added to the Town's SHI as part of a Chapter 40B rental development at 1180 Great Plain Avenue. Four of these units are expected to be affordable. An abutter appealed the ZBA decision in December 2019, and the project is still awaiting the resolution of litigation.
- An affordable unit was developed under the Needham Center Overlay District that requires 10% of units built within the area be affordable. This unit is part of a mixed-use development that includes nine market units and two commercial businesses. (See Appendix 4 for a map of this area.
- A total of seven affordable units were also created under local zoning as part of an Elder Services Overlay District. These units were part of two phases in developing housing for those 55 years of age or older. See Appendix 4 for a map of this area.
- The Town has a total of 84 units in group homes for persons with developmental disabilities and another 26 units in facilities for persons with special needs that were sponsored by non-profit organizations.
- It should be noted that 2019 census estimates indicate that out of a total 1,754 rental units, 830 had rents of less than $1,500 which would have been affordable to those households earning less than $68,000, assuming tenants were not spending more than 30% of their income on housing costs, the traditional threshold of affordability, and have utility bills that average $200 a month. The census estimates identify another 367 units with rents in the $1,500 to $2,000 range that would have been affordable to those with incomes between $68,000 and $88,000 based on the same assumptions. Many of these rentals are subsidized as the Town has 737 rentals on its Subsidized Housing Inventory (SHI) that are rented at affordable levels prescribed by the state. Additionally, the census estimates indicate that 99 renter households did not pay rent.
- The Town succeeded in having a market unit converted to an affordable one at the Hamilton Highlands development (formerly Webster Green). This occurred when the owners were making considerable capital improvements, including expanding the number of units, causing rent levels to climb above what some long-term tenants could afford. The affordable unit is not eligible for inclusion on the SHI, however, because it is reserved for existing qualifying tenants.

Homeownership Units

- Needham has a total of 17 affordable homeownership units that were permitted under Chapter 40B and are scattered in seven separate developments.
- The Needham Housing Authority converted 20 single-family homes that were rentals to 40 duplex units, half of which were sold as part of the High Rock Estates condominium development.
- The Town also conveyed a municipally owned lot on Bancroft Street to Habitat for Humanity which built an affordable single-family home.

[53] Chapter 40B guidelines allow all units in a 40B rental development to be counted as part of the SHI.

A detailed report on these SHI units is included as Appendix 1.

The Town has also focused on ensuring that SHI units are preserved as affordable and remain part of the SHI for as long a period of time as possible. To this end, the Town created a Community Housing Specialist position, that, in addition to other job responsibilities, conducts annual monitoring of a number of affordable housing units, including some older 40B ownership units and more recent units that were required to be affordable through inclusionary zoning. The Housing Specialist is also in contact with the monitoring agents for other affordable units to ensure continued compliance with all monitoring and affordability requirements.

While not counted as part of the Town's Subsidized Housing Inventory, the Needham Housing Authority administers 120 Section 8 vouchers, which are federally funded through the U.S Department of Housing and Urban Development (HUD). These rental vouchers are provided to qualifying households renting units in the private housing market, filling the gap between an established market rent – the Fair Market Rent (FMR) – and a portion of the household's income. Based on the high cost of housing in Needham, the Housing Authority has been able to apply up to 110% of the FMR levels for its maximum rent. Applicants must also have incomes within 50% of area median income, $60,400 for a family of three based on 2021 HUD income levels. Additionally, 75% of the vouchers must be used by households with incomes at or below 30% AMI.

The Town has also launched a number of ***special housing programs*** to help residents afford to remain in the community including:

- The *Small Repair Grant Program* provides limited financial assistance to income-eligible senior and disabled households to help make health and safety improvements to their homes. Grants of up to $5,000 are provided on an unsecured basis; there is no repayment required unless the grant recipient does not comply with the Grant Agreement or sells or transfers the home within one year. At least one member of the household must be 60 years of age or older or have a disability. All participants must have incomes of no more than 80% of Area Median Income. The Program is administered by the Needham Affordable Housing Trust.
- The *Emergency Rental Assistance Program* was approved by Special Town Meeting in October 2020 to provide financial assistance to help renters who lost income due to Covid-19 remain in their homes. With an allocation of $120,000 of Community Preservation funding and another $50,000 from the Massachusetts Covid-19 Relief Fund, secured for Needham by the Foundation for MetroWest, the Program covered 50% of rent up to $1,500 per month for up to six months. To qualify, applicants must reside in a private rental unit, including affordable Chapter 40B units, and have incomes no more than 80% of Area Median Income (AMI). The Town selected the regional non-profit organization, Metro West Collaborative Development, to administer the program.
- The *Safety at Home Program*, through the Needham Center for the Heights, helps Needham residents age 60 and older continue to live independently in their homes by providing a free home assessment of safety issues, connections to local resources, and free home goods to improve safety.
- The Town adopted zoning to allow *Accessory Dwelling Units (ADUs)* to be created for occupancy by family members or caregivers to enable qualifying homeowners to age in place.

II. Planning and Regulatory Accomplishments

The Town has enacted the following zoning provisions over the years to better promote housing diversity and affordability:

- Almost half of the Town's land area is zoned for 10,000 square foot (or just under ¼ of an acre) lots, an allowable lot size relatively rare in the Route 128 suburbs where lots sizes are considerably higher.
- Two-family dwellings are allowed by-right in limited areas of town (the General Residence District). See map in Appendix 4.
- Apartments or multi-family units are allowed by Special Permit on the second floor of buildings in the Town's commercial areas, as well as the half story above the second floor in the Needham Center Overlay District. Zoning was also amended to promote underground parking in the Center Overlay District by exempting the floor area of the parking garage in the calculations for determining the maximum floor area ratio, allowing more square footage to be dedicated to housing. Zoning also allowed building height up to 3+1 with three stories of residential above first floor commercial space in the Town Center.
- Mixed residential/business use has been accommodated to some degree in other areas besides the Town Center, including Avery Square, the Hillside Avenue Business District, the Garden Street District, and Lower Chestnut Street area.
- Boarding houses (SROs) are allowed by Special Permit in the Central Business District and industrial districts.
- The Town's Apartment Districts, although limited and primarily built out, allow multi-family development by-right without the need for a Special Permit, requiring only Site Plan Approval, and thus involve a much faster and less onerous permitting process.
- Several forms of residential development flexibility are provided: Flexible Development (Section 4.2.4 of the Zoning Bylaw), Planned Residential Development (4.2.5), Residential Compound (4.2.6), and Dimensional Reductions (4.2.7) to encourage "smarter" development that promotes the clustering of units while preserving some open space and other natural features of the property.
- The Town's Subdivision Regulations are straightforward, without any unusually demanding provisions.
- The Town has not imposed barriers such as growth timing, phasing controls, or punitive health or wetlands restrictions as has been done elsewhere.
- The Town's split tax classification results in a residential tax rate that is about half that paid by businesses. The Town also offers tax exemption, work-off, and deferral programs to qualifying owners.
- Building, sewer, and other development fees have in the past been waived for some affordable developments with non-profit sponsors.
- Town officials make good-faith efforts to work with applicants to facilitate timely progress through the regulatory system, rather than using it as a "hurdle."

More recent planning and regulatory changes to better promote affordable housing have included:

- ***Overlay Districts***
  Notable among zoning changes has been the introduction of Overlay Districts that promote smart growth development, affordable housing, mixed-use development, and other urban amenities in several commercial areas of town including Needham Center, the Lower Chestnut and Garden

Street areas, and Mixed Use Overlay District (MUOD) in the Highland Avenue/Route 128 area. Needham also established an Elder Services District off of Gould Street to serve the community's increasingly aging population. Most of these Districts require the integration of affordable housing equivalent to one unit for properties of less than ten units and 10% of all units for those with ten or more units. The more recent MUOD, Highland Avenue/128 and Neighborhood Business District/128 zoning increased the affordability requirement to 12.5%.

- ***Project-based Rezoning***
  Needham has demonstrated a willingness to rezone property to accommodate affordability efforts. For example, the Needham Housing Authority's High Rock Estates development precipitated zoning changes to allow the conversion of small single-family bungalows to duplex units, some of which were redeveloped as affordable rentals and others as condominiums. More recently, the Town approved new zoning for The Residences at Carter Mill that involved the redevelopment of the Avery Crossing assisted living units with 72 Independent Apartments (nine of which will be affordable), 55 Assisted Living Apartments, and 28 Memory Care Apartments.

- ***Neighborhood Business District Changes***
  Zoning was changed in the Neighborhood Business District to allow mixed-uses in districts where a portion of the area is located within 150 feet of the boundary of Route 128. Provisions also require that 12.5% of the units created be affordable with the added option of allowing payment in-lieu of units to be paid into the Needham Affordable Housing Trust in support of other affordable housing initiatives. [54]

- ***Local 40B Guidelines***
  The Town adopted Local Chapter 40B Guidelines in 2012 to advise the Zoning Board of Appeals and other Town boards and departments with a role in the development review process on local housing priorities and the review process for comprehensive permits. Now that the Town has surpassed the 10% affordability goal under Chapter 40B and is no longer susceptible to 40B projects it deems do not address local needs and priorities, the Town is revisiting the Guidelines and discussing changes to better reflect current Town preferences for locations, income targets, design, density, etc. for new affordable housing development.

- ***Needham Affordable Housing Trust***
  Town Meeting approved the Needham Affordable Housing Trust at its 2017 Annual Meeting to provide for the preservation and creation of affordable housing for low- and moderate-income residents.

  The state enacted the Municipal Affordable Housing Trust Fund Act on June 7, 2005,[55] which simplified the process of establishing housing funds that are dedicated to subsidizing affordable housing. The law provides guidelines on what trusts can do and allows communities to collect funds for housing, segregate them out of the general budget into an affordable housing trust fund,

[54] The cash payment would be equal to the most current Total Development Costs for the MA Department of Housing and Community Development's Qualified Allocation Plan as part of its Low Income Housing Tax Credit Program for the areas described as within Metro Boston/Suburban Area. These figures are also adjusted for the type of project and number of units. No fees have been collected to date.
[55] MGL Chapter 44, Section 55C.

and use these funds without going back to Town Meeting for approval. It also enables trusts to own and manage real estate. The law further requires that local housing trusts be governed by at least a five-member board of trustees, appointed by the Select Board. In the case of Needham, members of the Housing Trust include the Select Board, the Town Manager, and an appointed at-large member.

Since the Housing Trust's establishment, it has met twice a year to discuss a wide range of housing issues and has sponsored the Small Repair Grant Program and advocated for the Emergency Rental Assistance Program. Funding in the Housing Trust remains limited to date, largely capitalized by monitoring and resale fees. The monitoring fees are paid annually by the property owners and by the seller when affordable homeownership units turn over. The Housing Trust is entrusted with ensuring compliance with state affordability requirements.

- ***Accessory Dwelling Units (ADUs)***
  The 2019 Special Town Meeting approved the bylaw to permit the creation of accessory dwelling units (ADUs) by Special Permit of the Board of Appeals. The bylaw limits the units to single-family homes that are occupied "by the Owner; Family members related to the Owner by blood, adoption or marriage (spouse, parent, sibling, child, or a spouse of such persons); and Caregivers of Family members who look after an elderly, chronically ill or disabled Owner who needs assistance with activities of daily living or a Family member who needs such assistance, subject to specified standards and procedures."[56] The bylaw also defined the ADU as "an apartment in a single-family detached dwelling that is a second, self-contained dwelling unit and a complete, separate housekeeping unit containing provisions for living, sleeping, cooking and eating. The ADU must be subordinate in size to the principal dwelling unit on a lot, and constructed to maintain the appearance and essential character of the single-family dwelling."[57]

  Other provisions limited the ADU to no more than 850 square feet with one bedroom, located in a primary structure and not an accessory structure, and with exterior entrances and access ways that do not detract from the single-family appearance of the dwelling, among other conditions. While the bylaw limited occupancy to family members or caregivers, it does promote greater housing diversity in the community by allowing small apartments in existing dwellings, enables extended family members to live together, and also provides opportunities for live-in support for people with disabilities. A total of eight ADUs have been permitted as of March 2022.

More details on zoning are summarized in Appendix 2.

III. Housing Challenges

The challenges to producing affordable housing in the Boston region have been repeatedly identified in published reports over the years with strikingly consistent observations. 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. Needham's location as an inner suburb of Boston with good highway and commuter rail access as well as recognized schools have boosted the demand for housing and thus driven up prices.

[56] Section 3.15 of the Needham Zoning By-law.
[57] Ibid.

Particularly challenging are the following housing production constraints:

- ***Limited Developable Property***
  As an older established community, Needham has less land available for development than many other communities in the region, and the remaining property has become increasingly valuable and difficult to develop.

  New development will rely primarily on redevelopment opportunities, particularly those in areas where some greater density and access to public transit are possible. It will be important for the Town to continue to guide future development to these appropriate locations, promoting higher densities in some areas while minimizing the effects on the natural environment and preserving open space corridors and recreational opportunities in others.

- ***High Level of Teardown Activity***
  Driven by the high value of land in Needham, the demolition of older, smaller, and less expensive houses has become the principal source of lots for the construction of new single-family homes thus "recycling" land rather than consuming vacant land. These "teardowns" of relatively small dwellings have typically been replaced by substantially larger ones, leaving the number of dwelling units unchanged but increasing their value significantly. This demolition/replacement activity has eliminated many of the smaller more affordable private market units that were developed years ago as starter housing and has been the driving force pushing sales prices over $1 million.

- ***Regulatory Barriers***
  While significant progress has been made to reforming zoning, there still remains room for regulatory improvements to better direct development to appropriate locations based on "smart growth" principles and adequate incentives for incorporating public benefits, including affordable housing. As previously mentioned, 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 through redevelopment of already developed sites, rezoning by Town Meeting, or, in the past, a Chapter 40B override of applicable zoning. The Overlay Districts mentioned above have reduced these barriers somewhat in certain areas.

- ***Limited 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 challenging to obtain necessary funding for programs and development projects and must be strategic in leveraging limited local resources. Because of substantial and growing affordability gaps, affordable housing initiatives are likely to require layers of public and private investment.

  Needham approved the Community Preservation Act (CPA) in November 2004, which has been a very important resource for supporting affordable housing efforts. Over the years the Town has committed about $1.6 million of its CPA funds on housing initiatives including:

  - $120,000 in recent funding to support an Emergency Rental Assistance Program

- $860,500 for four grants to the Needham Housing Authority, three for the High Rock Estates project and another for a feasibility study for redeveloping NHA property.
- Another $150,000 grant to NHA for development consulting services which enabled NHA to bring on the services of the Cambridge Housing Authority to help it determine how best to refinance much needed property improvements.
- $370,000 for the Charles River Center (formerly the Charles River ARC) for four grants including three grants for existing group homes and another for a new group residence for five people with significant physical and cognitive disabilities.
- $25,000 for a housing consultant to prepare Chapter 40B guidelines and additional funding towards a portion of the part-time Housing Specialist position over three years.

Most of the CPA reserve funds have been set-aside to support a future NHA project to redevelop existing public housing. It should be noted that while a minimum of 10% of the Town's annual CPA funding must be reserved for community housing, communities can dedicate a higher percentage of CPA funds for housing. The balance in the CPA Community Housing reserve as of December 31, 2020 is $2,459,763

The Town also joined the Metro West HOME Consortium in 2008, which has enabled it to secure HOME Program funding to address local affordable housing needs. Funding has fluctuated over the years from an allocation of $57,521 in fiscal year 2009, to $67,387 by 2011, down to $36,149 in 2013, and then as low as $27,455 and $27,750 in 2020 and 2021, respectively. The Town has spent $280,000 in HOME funds for the Charles River Center's group residence at 1285 South Street in addition to annual operating/administrative funds.

- ***Community Perceptions***
  Residents in most communities are concerned about the impacts that any new development will have on local services and the quality of life. Some residents may have negative impressions of affordable housing in general or question whether it is even needed in the community. Local opposition to new affordable developments has become more the norm than the exception.

  On the other hand, national events like the Black Lives Matter movement and the current pandemic have been catalytic in promoting greater community interest and discussion regarding housing issues, including the need for more affordable housing in the community.

- ***Infrastructure Constraints***
  As a general matter, the Town's infrastructure is likely sufficient to accommodate proposed incremental growth related to affordable housing development. An exception is potential public education costs, particularly if school enrollments warrant construction of additional facilities. A high percentage of the Town's tax levy already is used directly or indirectly for school operations and services, existing schools are at or over capacity, and land for new facilities is at a premium.

  There are a number of areas of town that are not served by Town sewer services, most in the outskirts near the Wellesley and Dover lines and comprising not more than 10% of all Needham's properties. Most of these areas are part of the Town's water protection zone. There are also several pockets where gravity issues constrain the extension of such services. A number of environmental concerns have arisen in these areas as some septic systems have failed and needed

replacement to protect local water sources. The Town is aggressively encouraging the extension and connection to municipal sewer lines where possible.

Zoning Analysis Spreadsheet

Description of the File

This file lists all non-single-family zones in Needham as of Jan 2021, and the restrictions and conditions associated with building multi-family housing and mixed-use developments (i.e., developments that include multi-family housing with other uses such as retail stores or commercial offices).

This file lists where Affordable Housing is required as a percentage of multi-family housing units in a building or development and highlights districts where multi-family or mixed-use housing is allowed or allowable by special permit with no Affordable Housing requirement. This file also serves as an overview of existing (non-Needham Housing Authority) multi-family housing more generally in Needham. In this file, Needham is divided into three zoning maps running from North to South.

Glossary of Terms

Inclusionary zoning

Refers to municipal zoning bylaws and ordinances that require a given share of new construction to be affordable by households below a certain income (usually 80% of median income of the metropolitan area), referred to as Affordable Housing.

The term Inclusionary Zoning indicates that these bylaws and ordinances seek to provide Affordable Housing Units that the market would otherwise not produce under current zoning in the absence of Inclusionary Zoning provisions.

Overlay District

An Overlay District is a type of land use zoning district that "lies" on top of the underlying zoning district. An Overlay District could cover more than one underlying zoning district; also, there could be more than one Overlay District covering a single underlying zoning district.

Acronyms Used

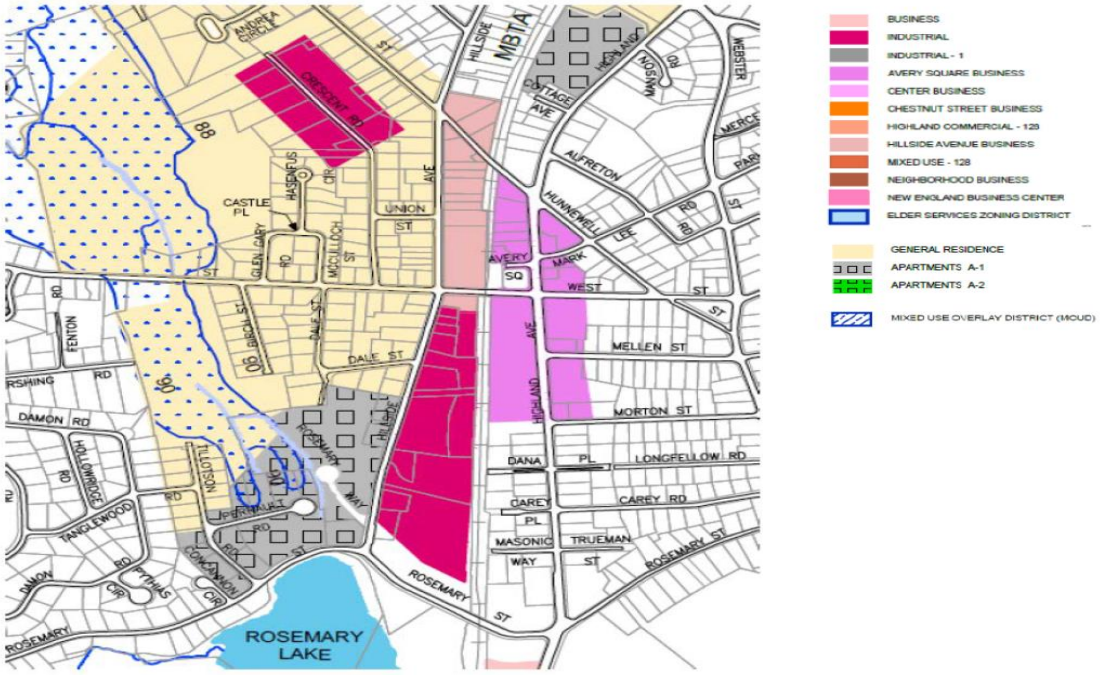
CCRC: Continuing Care Retirement Community
FAR: Floor area ratio (ratio of floor area to lot area)
AHU: Affordable Housing Unit
DU: Dwelling Unit
MUOD: Mixed Use Overlay District

MAP #	ZONING DISTRICT	IS MULTI-FAMILY ALLOWED	IS MIXED-USE BUILDING ALLOWED (Restrictions specified)	LOCATION LIMITATIONS w/in BUILDING	DIMENSIONAL LIMITATIONS	AFFORDABILITY REQUIREMENT	EXISTING DEVELOPMENT(S)
1	Industrial - 1	N					
1	Industrial	N					
1	Highland Commercial - 128	N (but see MUOD on W-side)					
1	Mixed Use - 128	N (but see MUOD)					
1	Mixed Use Overlay District (MUOD)	SP (4-250 DU'S; 40-70% 1BR)	SP 4-250 DU'S; 40-70% 1BR	for M-U, DU's only on upper stories	84' height (54' w/in 350' of river); FAR 3.0	12 1/2% AHU	none
1	Neighborhood Business - 128	N	SP	only on upper floor(s) above NR use	35' height; 2 1/2 stories; FAR 0.5	6+ units/12 1/2% (or $$ to AH Trust)	none
1	New England Business Center	N					
1	Elder Services	Y		must be within a CCRC & 55+ age	40' height; 3 stories; FAR 1.0	10 units/1 AHU; 11+ units/10% AHU	Wingate

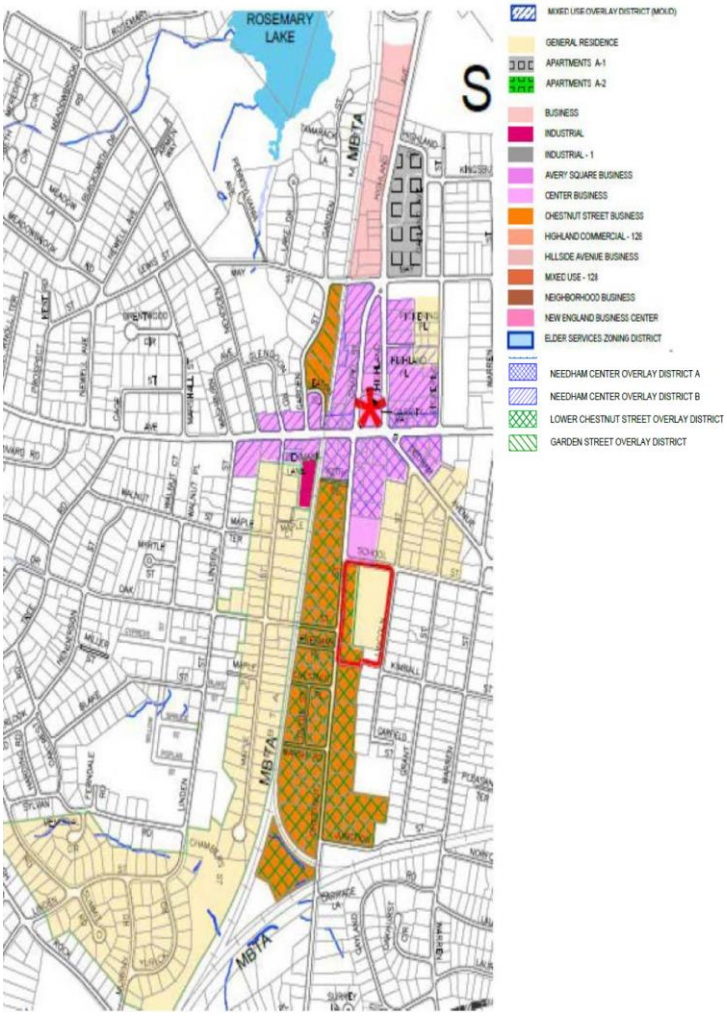




MAP #	ZONING DISTRICT	IS MULTI-FAMILY ALLOWED	IS MIXED-USE BUILDING ALLOWED (Restrictions specified)	LOCATION LIMITATIONS w/in BUILDING	DIMENSIONAL LIMITATIONS	AFFORDABILITY REQUIREMENT	EXISTING DEVELOPMENT(S)
2	Apartments A-1	Y			40' height; 3 stories; FAR 0.5; 18 DU/acre	none	Webster Green, Rosemary Ridge, Rosemary Lake Apts (Charlesgate East off map)
off map	Apartments A-2	Y			40' height; 3 stories; FAR 0.3; 8 DU/acre	none	North Hill (off map)
2	Avery Square Business	SP			35' height; 2 1/2 stories; FAR 0.7; 18 DU/acre	none	2 examples on Highland Avenue in Heights
2	Avery Square Overlay	N	SP	in building w Assisted Living/Memory Units; 55+	44' height; 4 stories w 4th story set back	10+ units/12 1/2	Carters (to be renovated & enlarged)
2	Hillside Avenue Business	SP			35' height; 2 1/2 stories; FAR 0.7	none	Townhouses @ corner of Hillside & Hunnewell, apartment building on Hillside/Hunnewell



MAP #	ZONING DISTRICT	IS MULTI-FAMILY ALLOWED	IS MIXED-USE BUILDING ALLOWED (Restrictions specified)	LOCATION LIMITATIONS w/in BUILDING	DIMENSIONAL LIMITATIONS	AFFORDABILITY REQUIREMENT	EXISTING DEVELOPMENT(S)
	3 Business	N					
	3 Center Business	N	SP	only on 2nd story and 3rd 1/2 story	35' height; 2 1/2 stories; FAR 0.7; 18 DU/acre	none	Corner of GPA & Maple St. across from Mobil
	3 Needham Center Overlay A	N	Y 1-5 DU's; SP 6+ DU's	for 1-5 upper floor(s); 6+ upper or side/rear	by SP, 48' height & 4 stories & 2.0 or 3.0 FAR	6-10 units/1 AHU; 11+ units/10% AHU	Dedham Ave across from UU Church
	3 Needham Center Overlay B	N	Y 1-5 DU's; SP 6+ DU's	for 1-5 upper floor(s); 6+ upper or side/rear	by SP, 37' height & 3 stories & 2.0 or 3.0 FAR	6-10 units/1 AHU; 11+ units/10% AHU	none
	3 Garden Street Overlay	N	Y 1-5 DU's; SP 6+ DU's	for M-U, 1-5 upper floor(s); 6+ upper or side/rear	by SP,37' height & 3 stories & FAR 1.0 -MF & 1.2 -M-U	6-10 units/1 AHU; 11+ units/10% AHU	none
	3 Chestnut St. Business	N	SP	only on 2nd story and 3rd 1/2 story	35' height; 2 1/2 stories; FAR 0.7	none	Oak Street @ RR X
	3 Lower Chestnut St. Overlay	N	Y 1-5 DU's; SP 6+ DU's	for 1-5 upper floor(s); 6+ upper or side/rear	by SP, 48' height & 4 stories & 1/5 or 2.0 FAR	6-10 units/1 AHU; 11+ units/10% AHU	none
	3 Apartments A-1	Y			40' height; 3 stories; FAR 0.5; 18 DU's/acre	none	The Highlands
	3 Industrial	N					Denmark Lane



MAP #	ZONING DISTRICT	MULTI-FAMILY	MIXED-USE BUILDING	LOCATION LIMITATIONS w/in BUILDING	DIMENSIONAL LIMITATIONS	AFFORDABILITY REQUIREMENT	DEVELOPMENT(S)
1, 2, 3	General Residence	N (Y for 2-family only)				none	many 2-families
1, 2, 3	Industrial	N					
1	Industrial - 1	N					
1	Highway Commercial 1	sp (4.240 DU's; 40-70%-1BR	SP if M-F Mixed-USE	None	56' Height (70' by SP;35/42' w/in 200' off Highland/ Gould	6+units/12 1/2% AHU	None
1	Highland Commercial - 128	N (but see MUOD on W-side)					
1	Mixed Use - 128	N (but see MUOD)					
1	Mixed Use Overlay District (MUOD)	SP (4-250 DU'S; 40-70% 1BR)	SP 4-250 DU'S; 40-70% 1BR	for M-U, DU's only on upper stories	84' height (54' w/in 350' of river); FAR 3.0	12 1/2% AHU	none
1	Neighborhood Business - 128	N	SP	only on upper floor(s) above NR use	35' height; 2 1/2 stories; FAR 0.5	6+ units/12 1/2%AHU (or $$ to AH Trust)	none
1	New England Business Center	N					
1	Elder Services	Y		must be within a CCRC & 55+ age	40' height; 3 stories; FAR 1.0	10 units/1 AHU; 11+ units/10% AHU	Wingate
2	Apartments A-1	Y			40' height; 3 stories; FAR 0.5; 18 DU/acre	none	Webster Green, Rosemary Ridge, Rosemary Lake Apts, The Highlands,
off map	Apartments A-2	Y			40' height; 3 stories; FAR 0.3; 8 DU/acre	none	North Hill
2	Avery Square Business	SP			35' height; 2 1/2 stories; FAR 0.7; 18 DU/acre	none	2 examples on Highland Avenue in Heights
2	Avery Square Overlay	N	SP	in building w Assisted Living/Memory Units; 55+	44' height; 4 stories w 4th story set back	10+ units/12 1/2% AHU	Carters (to be rebuilt)
2	Hillside Avenue Business	SP			35' height; 2 1/2 stories; FAR 0.7	none	Townhouses @ corner of Hillside & Hunnewell, apartment building on
3	Business	N					
3	Center Business	N	SP	only on 2nd story and 3rd 1/2 story	35' height; 2 1/2 stories; FAR 0.7; 18 DU/acre	none	Corner of GPA & Maple St. across from
3	Needham Center Overlay A	N	Y 1-5 DU's; SP 6+ DU's	for 1-5 upper floor(s); 6+ upper or side/rear	by SP, 48' height & 4 stories & 2.0 or 3.0 FAR	6-10 units/1 AHU; 11+ units/10% AHU	Dedham Ave across from UU Church
3	Needham Center Overlay B	N	Y 1-5 DU's; SP 6+ DU's	for 1-5 upper floor(s); 6+ upper or side/rear	by SP, 37' height & 3 stories & 2.0 or 3.0 FAR	6-10 units/1 AHU; 11+ units/10% AHU	none
3	Garden Street Overlay	N	Y 1-5 DU's; SP 6+ DU's	for M-U, 1-5 upper floor(s); 6+ upper or side/rear	by SP, 37' height & 3 stories & FAR 1.0 - MF & 1.2 - M-U	6-10 units/1 AHU; 11+ units/10% AHU	none
3	Chestnut St. Business	N	SP	only on 2nd story and 3rd 1/2 story	35' height; 2 1/2 stories; FAR 0.7	none	Oak Street @ RR X
3	Lower Chestnut St. Overlay	N	Y 1-5 DU's; SP 6+ DU's	for 1-5 upper floor(s); 6+ upper or side/rear	by SP, 48' height & 4 stories & 1/5 or 2.0 FAR	6-10 units/1 AHU; 11+ units/10% AHU	none

Appendix 2
Glossary of Housing Terms

Accessory Dwelling Units (ADUs)
An Accessory Dwelling Unit (ADU) refers to a habitable living unit added to, created within, or detached from a primary single-family dwelling, which together constitute a single interest in real estate. These units are often commonly referred to as accessory or in=law apartments.

Affordable Housing
In general, affordable housing is available to low- or moderate-income households with incomes at or below 80% of area median income (AMI) at a cost of no more than 30% of household income. Affordable housing includes subsidized housing units that are regulated, means-tested, and eligible for inclusion in the Subsidized Housing Inventory (SHI). There are also units that may be moderately-priced and do not qualify for the SHI that are available on the open market and referred to as Market Affordable Housing.

Area Median Income (AMI)
The estimated median income, adjusted for family size, by metropolitan area (or county in nonmetropolitan areas) that is adjusted by HUD annually and used as the basis of eligibility for most housing assistance programs. Sometimes referred to as "MFI" or median family income.

As-of-right or By-right Development
As-of-right or by-right development involves a use that is permitted in a zoning district and is therefore not subject to special review and approval by a local government.

Chapter 40B
The state's comprehensive permit law, enacted in 1969, established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing. Developers can appeal to the state if their application is denied or approved with conditions that render it uneconomic, and the state can overturn the local decision if it finds it unreasonable in light of the need for affordable housing.

Chapter 40R/40S
State legislation that provides cash incentives to municipalities that adopt smart growth overlay districts that also increase housing production, including affordable housing (see Appendix 4 for details).

Chapter 44B
The Community Preservation Act Enabling Legislation that allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds' fees.

Cluster Development
A site planning technique that concentrates buildings in specific areas on the site to allow the remaining land to be used for other uses, most typically open space preservation. Some provisions allow density bonuses for certain conditions of development, including affordable housing.

Comprehensive Permit
Expedited permitting process for developers building affordable housing under Chapter 40B "anti-snob zoning" law. A comprehensive permit, rather than multiple individual permits from various local boards, is issued by the local zoning boards of appeals to qualifying developers (see Appendix 4 for details).

Conservation Development
A project that conserves open space, protects site features and provides flexibility in the siting of structures, services and infrastructure.

Department of Housing and Community Development (DHCD)
DHCD is the state's lead agency for housing and community development programs and policy. It oversees state-funded public housing, administers rental assistance programs, provides funds for municipal assistance, and funds a variety of programs to stimulate the development of affordable housing.

Density
With respect to housing, density means the number of units per any defined area of land. The greater the density, the greater the potential economies of scale and typically reduced individual units costs.

Design Guidelines
A set of discretionary standards, including design and performance criteria, developed as a public policy to guide the planning and land development.

Easements
The right to use property for specific purposes or to gain access to another property.

Energy Star
A voluntary labeling program of the US Environmental Protection Agency (EPA) and the US Department of Energy that identifies energy efficient products.

Enhanced Single Room Occupancy (ESRO)
A single person room with a private bath and/or kitchen rather than shared facilities.

Expedited Permitting
The state's Chapter 43D Program allows a community to gain state incentives for projects meeting certain criteria and permitted within a 180-day regulatory process.

Fair Housing Act
Federal legislation, first enacted in 1968, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status. There is also a Massachusetts Fair Housing Act, which extends the prohibition against discrimination to sexual orientation, marital status, ancestry, veteran status, children, and age. The state law also prohibits

discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

Form-based Zoning
Zoning regulations that define desired building and site characteristics but do not strictly regulate the uses.

Green Building
A term used to describe buildings that have been designed or retrofitted to reduce energy consumption.

Inclusionary Zoning
Inclusionary zoning is a zoning ordinance or bylaw that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing.

Infill Development
Infill development is the practice of building on vacant or undeveloped parcels in dense areas, especially urban and inner suburban neighborhoods. Such development promotes compact development, which in turn allows undeveloped land to remain open and green.

Jobs/Housing Balance
A measure of the harmony between available jobs and housing in a specific area.

LEED
Leadership in Energy and Environmental Design (LEED) is a voluntary standard for developing high performance, sustainable buildings that significantly reduce energy consumption. There are various standards, including silver, gold and platinum, which are awarded to particular properties through a certification process.

Local Initiative Program (LIP)
LIP is a state program under which communities may use local resources and DHCD technical assistance to develop affordable housing that is eligible for inclusion on the state Subsidized Housing Inventory (SHI). LIP is not a financing program, but the DHCD technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. At least 25% of the units must be set-aside as affordable to households earning less than 80% of area median income (see Appendix 4 for more details).

MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)
MassHousing is a quasi-public agency created in 1966 to help finance affordable housing programs. MassHousing sells both tax-exempt and taxable bonds to finance its many single-family and multi-family programs.

Metropolitan Statistical Area (MSA)
The term, MSA, is also used for CMSAs (consolidated metropolitan statistical areas) and PMSAs (primary metropolitan statistical areas) that are geographic units used for defining urban areas that are based largely on commuting patterns. The federal Office of Management and Budget defines these areas for statistical purposes only, but many federal agencies use them for programmatic purposes, including allocating federal funds and determining program eligibility. HUD uses MSAs as its basis for setting income guidelines and fair market rents.

Mixed-Income Housing Development
Mixed-income development includes housing for various income levels.

Mixed-Use Development
Mixed-use projects combine different types of development such as residential, commercial, office, industrial and institutional into one project.

Multi-family Housing
Multi-family housing or development could be considered structure with more than a single unit although generally refers to those with three or more units.

Overlay Zoning
A zoning district, applied over one or more other districts that contains additional provisions for special features or conditions, such as historic buildings, affordable housing, or wetlands.

Planned Development
A district or project designed to provide an alternative to the conventional suburban development standards that promote a number of important public policy benefits, often including a variety of housing, including affordable housing, and creative site design alternatives.

Public Housing Agency (PHA)
A public entity that operates housing programs: includes state housing agencies (including DHCD), housing finance agencies and local housing authorities. This is a HUD definition that is used to describe the entities that are permitted to receive funds or administer a wide range of HUD programs including public housing and Section 8 rental assistance.

Regional Non-profit Housing Organizations
Regional non-profit housing organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with DHCD. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8 vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities.

Regional Planning Agencies (RPAs)
These are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. With the exception of the Cape Cod and Nantucket Commissions, however, which are land use regulatory agencies as well as planning agencies, the RPAs serve in an advisory capacity only. The Metropolitan Area Planning Council (MAPC) serves as Needham's Regional Planning Agency.

Request for Proposals (RFP)
A process for soliciting applications for funding when funds are awarded competitively or soliciting proposals from developers as an alternative to lowest-bidder competitive bidding.

Section 8
Refers to the major federal (HUD) program – actually a collection of programs – providing rental assistance to low-income households to help them pay for housing. Participating tenants pay 30% of their income (some pay more) for housing (rent and basic utilities) and the federal subsidy pays the balance of the rent. The Program is now officially called the Housing Choice Voucher Program.

Single Room Occupancy (SRO)
A single room occupancy (more commonly SRO, sometimes called single resident occupancy) is a multiple tenant building that houses one or two people in individual rooms (sometimes two rooms, or two rooms with a bathroom or half bathroom), or to the single room dwelling itself. SRO tenants typically share bathrooms and /or kitchens, while some SRO rooms may include kitchenettes, bathrooms, or half-baths. Although many are former hotels, SROs are primarily rented as permanent residences.

Smart Growth
The term used to refer to a rapidly growing and widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development – or sprawl – smart growth principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and improved jobs/housing balance.

Subsidy
Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times, multiple subsidies from various funding sources are required, often referred to as the "layering" of subsidies, to make a project feasible. In the state's Local Initiative Program (LIP), DHCD's technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, "internal subsidies" refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to "cross subsidize" the affordable ones.

Subsidized Housing Inventory (SHI)
This is the official list of units, by municipality, that count toward a community's 10% goal as prescribed by Chapter 40B comprehensive permit law.

Sustainability
Development that includes a balanced set of integrated principles such as social equity, environmental respect, and economic viability, which preserves a high quality of life for current occupants and future generations.

Transfer of Development Rights (TDR)
A program that coordinates the relocation of development from environmentally sensitive areas that should be preserved as open space to areas that can accommodate higher densities.

Transit Oriented Development (TOD)
Development that occurs within walking distance of public transportation, usually bus or trains, to reduce the reliance on the automobile and typically accommodate mixed uses and higher densities.

U.S. Department of Housing and Urban Development (HUD)
The primary federal agency for regulating housing, including fair housing and housing finance. It is also the major federal funding source for affordable housing programs.

Appendix 3
Summary of Housing Regulations and Resources

I. Summary of Key Housing Regulations

A. Local Initiative Program (LIP) Guidelines

The Local Initiative Program (LIP) is a technical assistance subsidy program to facilitate Chapter 40B developments and locally produced affordable units. The general requirements of LIP include ensuring that projects are consistent with sustainable or smart growth development principles as well as local housing needs. LIP recognizes that there is a critical need for all types of housing but encourages family and special needs housing in particular. Age-restricted housing (over 55) is allowed but the locality must demonstrate actual need and marketability. DHCD has the discretion to withhold approval of age-restricted housing if other such housing units within the community remain unbuilt or unsold or if the age-restricted units are unresponsive to the need for family housing within the context of other recent local housing efforts.

There are two types of LIP projects, those using the comprehensive permit process, the so-called "friendly" 40B's, and Local Action Units (LAUs), units where affordability is a result of some local action such as inclusionary zoning, Community Preservation funding, other regulatory requirements, etc.

Specific LIP requirements include the following by category:

Income and Assets

- Must be affordable to those earning at or below 80% of area median income adjusted by family size and annually by HUD. Applicants for affordable units must meet the program income limits in effect at the time they apply for the unit and must continue to meet income limits in effect when they actually purchase a unit.
- For homeownership units, the household may not have owned a home within the past three years except for age-restricted "over 55" housing.
- For homeownership projects, assets may not be greater than $75,000 except for age-restricted housing where the net equity from the ownership of a previous house cannot be more than $200,000.
- Income and asset limits determine eligibility for lottery participation.

Allowable Sales Prices and Rents[58]

- Rents are calculated at what is affordable to a household earning 80% of area median income adjusted for family size, assuming they pay no more than 30% of their income on housing. Housing costs include rent and payments for heat, hot water, cooking fuel, and electric. If there is no municipal trash collection a trash removal allowance should be included. If utilities are separately metered and paid by the tenant, the LIP rent is reduced based on the area's utility allowance. Indicate on the DHCD application whether the proposed rent has been determined with the use of utility allowances for some or all utilities.
- Sales prices of LIP units are set so a household earning 70% of area median income would have to pay no more than 30% of their income for housing. Housing costs include mortgage principal and

[58] DHCD has an electronic mechanism for calculating maximum sales prices on its website at www.mass.gov/dhcd.

interest on a 30-year fixed term mortgage at 95% of purchase price, property taxes, condo fees[59], private mortgage insurance (if putting less than 20% of purchase price down), and hazard insurance.

- The initial maximum sales price or rent is calculated as affordable to a household with a number of household members equal to the number of bedrooms plus one (for example a two-bedroom unit would be priced based on what a three-person household could afford).

Allowable Financing and Costs

- Allowable development costs include the "as is" value of the property based on existing zoning at the time of application for a project eligibility letter (initial application to DHCD). Carrying costs (i.e., property taxes, property insurance, interest payments on acquisitions financing, etc.) can be no more than 20% of the "as is" market value unless the carrying period exceeds 24 months. Reasonable carrying costs must be verified by the submission of documentation not within the exclusive control of the applicant.
- Appraisals are required except for small projects of 20 units or less at the request of the City Council/Board of Selectmen where the applicant for the LIP comprehensive permit submits satisfactory evidence of value.
- Profits are limited to no more than 20% of total allowable development costs in homeownership projects.
- In regard to rental developments, payment of fees and profits are limited to no more than 10% of total development costs net of profits and fees and any working capital or reserves intended for property operations. Beginning upon initial occupancy and then proceeding on an annual basis, annual dividend distributions will be limited to no more than 10% of the owner's equity in the project. Owner's equity is the difference between the appraised as-built value and the sum of any public equity and secured debt on the property.
- For LIP comprehensive permit projects, DHCD requires all developers to post a bond (or a letter of credit) with the municipality to guarantee the developer's obligations to provide a satisfactory cost certification upon completion of construction and to have any excess profits, beyond what is allowed, revert back to the municipality. The bond is discharged after DHCD has determined that the developer has appropriately complied with the profit limitations.
- No third-party mortgages are allowed for homeownership units.

Marketing and Outreach (refer to state Affirmative Fair Housing Marketing Plan guidelines dated June 25, 2008.)

- Marketing and outreach, including lottery administration in adherence with all Fair Housing laws.
- LIP requires that the lottery draw and rank households by size.
- If there are proportionately less minority applicants in the community preference pool than the proportion in the region, a preliminary lottery must be held to boost, if possible, the proportion of minority applicants to this regional level.
- A maximum of 70% of the units may be local preference units for those who have a connection to the community as defined under state guidelines (Section C: Local Preference section of the Affirmative Fair Housing Marketing Plan Guidelines (dated June 25, 2008).

[59] DHCD will review condo fee estimates and approve a maximum condo fee as part of the calculation of maximum sales price. The percentage interests assigned to the condo must conform to the approved condo fees and require a lower percentage interest assigned to the affordable units as opposed to the market rate ones. DHCD must review the Schedule of Beneficial Interests in the Master Deed to confirm that LIP units have been assigned percentage interests that correspond to the condo fees.

- The Marketing Plan must affirmatively provide outreach to area minority communities to notify them about availability of the unit(s).
- Marketing materials must be available/application process open for a period of at least 60 days.
- Marketing should begin about six (6) months before occupancy.
- Lottery must be held unless there are no more qualified applicants than units available.

Regulatory Requirements

- The affordable units design, type, size, etc. must be the same as the market units and dispersed throughout the development.
- Units developed through LIP as affordable must be undistinguishable from market units as viewed from the exterior (unless the project has a DHCD-approved alternative development plan that is only granted under exceptional circumstances) and contain complete living facilities.
- For over 55 projects, only one household member must be 55 or older.
- Household size relationship to unit size is based on "households" = number of bedrooms plus one – i.e., a four-person household in a three-bedroom unit (important also for calculating purchase prices of the affordable units for which LIP has a formula as noted above).
- Must have deed restrictions in effect in perpetuity unless the applicant or municipality can justify a shorter term to DHCD.
- All affordable units for families must have at least two or more bedrooms and meet state sanitary codes and these minimum requirements –

1 bedroom – 700 square feet/1 bath
2 bedrooms – 900 square feet/1 bath
3 bedrooms – 1,200 square feet/ 1 ½ baths
4 bedrooms – 1,400 square feet/2 baths

- Appraisals may take into account the probability of obtaining a variance, special permit or other zoning relief but must exclude any value relating to the possible issuance of a comprehensive permit.

The process that is required for using LIP for 40B developments – "friendly" comprehensive permit projects – is largely developer driven. It is based on the understanding that the developer and Town are working together on a project that meets community needs. Minimum requirements include:

1. Written support of the municipality's chief elected official, and the local housing partnership, trust or other designated local housing entity. The chief executive officer is in fact required to submit the application to DHCD.
2. At least 25% of the units must be affordable and occupied by households earning at or below 80% of area median income or at least 20% of units restricted to households at or below 50% of area median income.
3. Affordability restrictions must be in effect in perpetuity, to be monitored by DHCD through a recorded regulatory agreement.
4. Project sponsors must prepare and execute an Affirmative Fair Housing Marketing Plan that must be approved by DHCD.
5. Developer's profits are restricted per Chapter 40B requirements.

The process that is required for using LIP for 40B developments – "friendly" comprehensive permit projects – is as follows:

1. Application process
   - Developer meets with Town
   - Developer and Town agree to proposal
   - Town chief elected officer submits application to DHCD with developer's input

2. DHCD review involves the consideration of:
   - Sustainable development criteria (redevelop first, concentrate development, be fair, restore and enhance the environment, conserve natural resources, expand housing opportunities, provide transportation choice, increase job opportunities, foster sustainable businesses, and plan regionally),
   - Number and type of units,
   - Pricing of units to be affordable to households earning no more than 70% of area median income,
   - Affirmative marketing plan,
   - Financing, and
   - Site visit.

3. DHCD issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.

4. Zoning Board of Appeals holds hearing
   - Developer and Town sign regulatory agreement to guarantee production of affordable units that includes the price of units and deed restriction in the case of homeownership and limits on rent increases if a rental project. The deed restriction limits the profit upon resale and requires that the units be sold to another buyer meeting affordability criteria.
   - Developer forms a limited dividend corporation that limits profits.
   - The developer and Town sign a regulatory agreement.

5. Marketing
   - An Affirmative Fair Housing Marketing Plan must provide outreach to area minority communities to notify them about availability of the unit(s).
   - Local preference is limited to a maximum of 70% of the affordable units.
   - Marketing materials must be available/application process open for a period of at least 60 days.
   - Lottery must be held.

6. DHCD approval must include
   - Marketing plan, lottery application, and lottery explanatory materials
   - Regulatory agreement (DHCD is a signatory)
   - Deed rider (Use standard LIP document)
   - Purchase arrangements for each buyer including signed mortgage commitment, signed purchase and sale agreement and contact information of purchaser's closing attorney.

As mentioned above, in addition to being used for "friendly" 40B projects, LIP can be used for counting those affordable units as part of a Town's Subsidized Housing Inventory that are created as a result of

some local action. Following occupancy of the units, a Local Action Units application must be submitted to DHCD for the units to be counted as affordable. This application is on DHCD's web site.

The contact person at DHCD is Rieko Hayashi of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: rieko.hayashi@state.ma.us.

B. Chapter 40B Comprehensive Permit Law

The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20-23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state, particularly outside of cities. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for "comprehensive permits" submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units. Only one application is submitted to the ZBA instead of separate permit applications that are typically required by a number of local departments as part of the normal development process. Here the ZBA takes the lead and consults with the other relevant departments (e.g., building department, planning department, highway department, fire department, sanitation department, etc.) on a single application. The Conservation Commission retains jurisdiction under the Wetlands Protection Act and Department of Environmental Protection, the Building Inspector applies the state building code, and the Board of Health enforces Title V.

For a development to qualify under Chapter 40B, it must meet all of the following requirements:

- Must be part of a "subsidized" development built by a public agency, non-profit organization, or limited dividend corporation.
- At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels income levels defined each year by the U.S. Department of Housing and Urban Development.
- Restrictions must run for minimum of 30 years or longer for new construction or for a minimum of 15 years or longer for rehabilitation. Alternatively, the project can provide 20% of the units to households below 50% of area median income. Now new homeownership must have deed restrictions that extend in perpetuity.
- Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
- Project sponsors must meet affirmative marketing requirements.

According to Chapter 40B regulations, the ZBA decision to deny or place conditions on a comprehensive permit project cannot be appealed by the developer if any of the following conditions are met[60]:

- The community has met the statutory minimum by having at least 10% of its year-round housing stock affordable as defined by Chapter 40B, at least 1.5% of the community's land area includes affordable housing as defined again by 40B, or annual affordable housing construction is on at least 0.3% of the community's land area.
- The community has made "recent progress" adding SHI eligible housing units during the prior 12 months equal at least to 2% of its year-round housing.

[60] Section 56.03 of the new Chapter 40B regulations.

- The community has a one- or two-year exemption under Housing Production.
- The application is for a "large project" that equals at least 6% of all housing units in a community with less than 2,500 housing units.
- A "related application" for the site was filed, pending or withdrawn within 12 months of the application.

If a municipality does not meet any of the above thresholds, it is susceptible to appeals by comprehensive permit applicants of the ZBA's decision to the state's Housing Appeals Committee (HAC). This makes the Town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.[61] Recently approved regulations add a new requirement that ZBA's provide early written notice (within 15 days of the opening of the local hearing) to the application and to DHCD if they intend to deny or condition the permit based on the grounds listed above that make the application appeal proof, providing documentation for its position. Under these circumstances, municipalities can count projects with approved comprehensive permits that are under legal approval, but not by the ZBA, at the time.

Applicants wishing to appeal the ZBA decision based on appeal-proof grounds must notify the ZBA and DHCD in writing within 15 days of receipt of the ZBA notice. If the applicant appeals, DHCD will review materials from the ZBA and applicant and issue a decision within 30days of receipt of the appeal (failure to issue a decision is a construction approval of the ZBA's position). Either the ZBA or application can appeal DHCD's decision by filing an interlocutory appeal with the Housing appeals Committee (HAC) within 20 days of receiving DHCD's decision. If a ZBA fails to follow this procedure, it waives its right to deny a permit on these "appeal-proof" grounds.

Chapter 40B also addresses when a community can count a unit as eligible for inclusion in the SHI including:

- *40R*
  Units receiving Plan Approval under 40R now count when the permit or approval is filed with the municipal clerk provided that no appeals are filed by the board or when the last appeal is fully resolved, similar to a Comprehensive Permit project.

- *Certificate of Occupancy*
  Units added to the SHI on the basis of receiving building permits become temporarily ineligible if the C of O is not issued with 18 months.

- *Large Phased Projects*
  If the comprehensive permit approval or zoning approval allows a project to be built in phases and each phase includes at least 150 units and average time between the start of each phase is

[61] 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.

15 months or less, then the entire project remains eligible for the SHI as long as the phasing schedule set forth in the permit approval continues to be met.

- *Projects with Expired Use Restrictions*
  Units become ineligible for inclusion in the SHI upon expiration or termination of the initial use restriction unless a subsequent use restriction is imposed.

- *Biennial Municipal Reporting*
  Municipalities are responsible for providing the information on units that should be included in the SHI through a statement certified by the chief executive officer.

Municipalities may be allowed to set-aside up to 70% of the affordable units available in a 40B development for those who have a connection to the community as defined within the parameters of fair housing laws and Section III.C of the Comprehensive Permit Guidelines including residents, employees of the Town of Needham (including the school district) or employees of businesses located in the town. If the municipality wishes to implement a local selection preference, it must do the following:

- Demonstrate in a required Affirmative Fair Housing Marketing Plan the need for the local preference (waiting lists for subsidized developments who may be likely to apply for the project for example).
- Justify the extent of the local preference (the percentage of units to be set-aside for local preference) through documented local need in the context of the size of the community, the size of the project and regional need. The percentage cannot exceed 70% of the total affordable units.
- Demonstrate that the local preference will not have a disparate impact on protected classes and would not be discriminatory.
- Provide the project developer with this documentation within three (3) months of final issuance of the comprehensive permit. Failure to comply with this requirement will be deemed to demonstrate that there is no need for local preference and such preference will not be approved as part of the Affirmative Fair Housing Marketing Plan or use restriction.
- Obtain approval from the subsidizing agency, such as DHCD in the case of Local Action Units (LAUs), for the local preference as part of the Affirmative Fair Housing Marketing Plan. This approval must be secured prior to including such language in any zoning mechanism. A comprehensive permit can only contain requirements or conditions relating to local preference to the extent permitted by applicable law and this Affirmative Fair Housing Marketing Plan policy.

While there are ongoing discussions regarding how the state should count the affordable units for the purpose of determining whether a community has met the 10% goal, in a rental project if the subsidy applies to the entire project, all units are counted towards the state standard. For homeownership projects, only the units made affordable to those households earning within 80% of median income can be attributed to the affordable housing inventory.

There are up to three stages in the 40B process – the project eligibility stage, the application stage, and at times the appeals stage. First, the applicant must apply for eligibility of a proposed 40B project/site from a subsidizing agency. Under Chapter 40B, subsidized housing is not limited exclusively to housing receiving direct public subsidies but also applies to privately-financed projects receiving technical assistance from the State through its Local Initiative Program (LIP) or through MassHousing (Housing Starts Program), Federal Home Loan Bank Board (New England Fund), MassDevelopment, and Massachusetts Housing

Partnership Fund. The subsidizing agency then forwards the application to the local City Council/Board of Selectmen for a 30-day comment period. The City Council/Board of Selectmen solicits comments from Town officials and other boards and based on their review the subsidizing agency typically issues a project eligibility letter. Alternatively, a developer may approach the City Council/Board of Selectmen for their endorsement of the project, and they can make a joint application to DHCD for certification under the Local Initiative Program (for more information see description in Section I.E below).

A subsidizing agency must also consider the following items when determining site eligibility:

- Information provided by the municipality or other parties regarding municipal actions previously taken to meet affordable housing needs, including inclusionary zoning, multi-family districts and 40R overlay zones.
- Whether the conceptual design is appropriate for the site including building massing, topography, environmental resources, and integration into existing development patterns.
- That the land valuation, as included in the pro forma, is consistent with DHCD guidelines regarding cost examination and limitations on profits and distribution.
- Requires that LIP site approval applications be submitted by the municipality's chief executive officer.
- Specifies that members of local boards can attend the site visit conducted during DHCD's 30-day review period.
- Requires that the subsidizing agency provide a copy of its determination of eligibility to DHCD, the chief executive officer of the municipality, the ZBA and the applicant.

If there are substantial changes to a project before the ZBA issues its decision, the subsidizing agency can defer the re-determination of site/project eligibility until the ZBA issues its decision unless the chief executive officer of the municipality or applicant request otherwise. New 40B regulations provide greater detail on this re-determination process. Additionally, challenges to project eligibility determinations can only be made on the grounds that there has been a substantial change to the project that affects project eligibility requirements and leaves resolution of the challenge to the subsidizing agency.

The next stage in the comprehensive permit process is the application phase including pre-hearing activities such as adopting rules before the application is submitted, setting a reasonable filing fee, providing for technical "peer review" fees, establishing a process for selecting technical consultants, and setting forth minimum application submission requirements. Failure to open a public hearing within 30 days of filing an application can result in constructive approval. The public hearing is the most critical part of the whole application process. Here is the chance for the Zoning Board of Appeals' consultants to analyze existing site conditions, advise the ZBA on the capacity of the site to handle the proposed type of development, and to recommend alternative development designs. Here is where the ZBA gets the advice of experts on unfamiliar matters – called peer review. Consistency of the project with local needs is the central principal in the review process.

Another important component of the public hearing process is the project economic analysis that determines whether conditions imposed and waivers denied would render the project "uneconomic". The burden of proof is on the applicant, who must prove that it is impossible to proceed and still realize a reasonable return, which cannot be more than 20%. Another part of the public hearing process is the engineering review. The ZBA directs its consultants to analyze the consistency of the project with local bylaws and regulations and to examine the feasibility of alternative designs.

Chapter 40B regulations related to the hearing process include:

- The hearing must be terminated within 180 days of the filing of a complete application unless the applicant consents to extend.
- Allows communities already considering three (3) or more comprehensive permit applications to stay a hearing on additional applications if the total units under consideration meet the definition of a large project (larger of 300 units or 2% of housing in communities with 7,500 housing units as of the latest Census, 250 units in communities with 5,001 to 7,499 total units, 200 units in communities with 2,500 to 5,000 units, and 150 units or 10% of housing in communities with less than 2,500 units).
- Local boards can adopt local rules for the conduct of their hearings, but they must obtain an opinion from DHCD that their rules are consistent with Chapter 40B.
- Local boards cannot impose "unreasonable or unnecessary" time or cost burdens on an applicant and bans requiring an applicant to pay legal fees for general representation of the ZBA or other boards. The new requirements go into the basis of the fees in more detail, but as a general rule the ZBA may not assess any fee greater than the amount that might be appropriated from town or city funds to review a project of a similar type and scale.
- An applicant can appeal the selection of a consultant within 20 days of the selection on the grounds that the consultant has a conflict of interest or lack minimum required qualifications.
- Specify and limit the circumstances under which ZBA's can review pro formas.
- Zoning waivers are only required under "as of right" requirements, not from special permit requirements.
- Forbids ZBA's from imposing conditions that deviate from the project eligibility requirements or that would require the project to provide more affordable units that the minimum threshold required by DHCD guidelines.
- States that ZBA's cannot delay or deny an application because a state or federal approval has not been obtained.
- Adds new language regarding what constitutes an uneconomic condition including requiring applicants to pay for off-site public infrastructure or improvements if they involve pre-existing conditions, are not usually imposed on unsubsidized housing or are disproportionate to the impacts of the proposed development or requiring a reduction in the number of units other than on a basis of legitimate local concerns (health, safety, environment, design, etc.). Also states that a condition shall not be considered uneconomic if it would remove or modify a proposed nonresidential element of a project that is not allowed by-right.

After the public hearing is closed, the ZBA must set-aside at least two sessions for deliberations within 40 days of the close of the hearing. These deliberations can result in either approval, approval with conditions, or denial.

Subsidizing agencies are required to issue final project eligibility approvals following approval of the comprehensive permit reconfirming project eligibility, including financial feasibility, and approving the proposed use restriction and finding that the applicant has committed to complying with cost examination requirements. New Chapter 40B regulations set forth the basic parameters for ensuring that profit limitations are enforced, while leaving the definition of "reasonable return" to the subsidizing agency in accordance with DHCD guidelines. The applicant or subsequent developer must submit a detailed financial statement, prepared by a certified public accountant, to the subsidizing agency in a form and upon a schedule determined by the DHCD guidelines.

If the process heads into the third stage – the appeals process – the burden is on the ZBA to demonstrate that the denial is consistent with local needs, meaning the public health and safety and environmental concerns outweigh the regional need for housing. If a local ZBA denies the permit, a state Housing Appeals Committee (HAC) can overrule the local decision if less than 10% of the locality's year-round housing stock has been subsidized for households earning less than 80% of median income, if the locality cannot demonstrate health and safety reasons for the denial that cannot be mitigated, or if the community has not met housing production goals based on an approved plan or other statutory minima listed above. The HAC has upheld the developer in the vast majority of the cases, but in most instances promotes negotiation and compromise between the developer and locality. In its 30-year history, only a handful of denials have been upheld on appeal. The HAC cannot issue a permit, but may only order the ZBA to issue one. Also, any aggrieved person, except the applicant, may appeal to the Superior Court or Land Court, but even for abutters, establishing "standing" in court is an uphill battle. Appeals from approvals are often filed to force a delay in commencing a project, but the appeal must demonstrate "legal error" in the decision of the ZBA or HAC.

C. Chapter 40R/40S

In 2004, the State Legislature approved a new zoning tool for communities in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. 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".[62]

The statute defines 40R as "a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions."[63] The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows "as-of-right" residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides two types of payments to municipalities; and
- Encourages open space and protects historic districts.

[62] 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.
[63] Massachusetts General Law, Chapter 40R, Section 11.

The incentives prescribed by the Task Force and passed by the Legislature include an incentive payment upon the passage of the Overlay District based on the number of projected housing units as follows:

Incentive Payments

Incentive Units	Payments
Up to 20	$10,000
21-100	$75,000
101-200	$200,000
210-500	$350,000
501 or more	$600,000

There are also density bonus payments of $3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings, 12 units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of less than 10,000 residents are eligible for a waiver of these density requirements, however significant hardship must be demonstrated. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would enact the Zoning Districts, would be "able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood."[64]

The principal benefits of 40R include:

- Expands a community's planning efforts;
- Allows communities to address housing needs;
- Allows communities to direct growth;
- Can help communities meet production goals and 10% threshold under Chapter 40B;
- Can help identify preferred locations for 40B developments; and
- State incentive payments.

The formal steps involved in creating Overlay Districts are as follows:

- The City/Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
- The City/Town applies to DHCD prior to adopting the new zoning;
- DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
- The City/Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;
- The City/Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
- DHCD issues a letter of approval, which indicates the number of incentive units and the amount of payment.

The state also enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R that they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing.

[64] "A Housing Strategy for Smart Growth and Economic Development: Executive Summary," p. 4.

This funding was initially included as part of 40R but was eliminated during the final stages of approval. In effect, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development.

D. MassWorks Infrastructure Program

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support economic development and job creation. The Program represents an administrative consolidation of six former grant programs:

- Public Works Economic Development (PWED)
- Community Development Action Grant (CDAG)
- Growth Districts Initiative (GDI) Grant Program
- Massachusetts Opportunity Relocation and Expansion Program (MORE)
- Small Town Rural Assistance Program (STRAP)
- Transit Oriented Development (TOD) Program

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support:

- Economic development and job creation and retention
- Housing development at density of at least 4 units to the acre (both market and affordable units)
- Transportation improvements to enhancing safety in small, rural communities

The MassWorks Infrastructure Program is administered by the Executive Office of Housing and Economic Development, in cooperation with the Department of Transportation and Executive Office for Administration & Finance.

II. SUMMARY OF HOUSING RESOURCES

Those programs that may be most appropriate to development activity in Needham are described below.[65]

A. Technical Assistance

1. Community Planning Grant Program

The state has introduced the Community Planning Grant Program that offers grant funding for a variety of activities related to land use including development. Activities may include the development of a Master Plan, Housing Production Plan, zoning review and updates, Urban Renewal Plans, Downtown Plans, Parking Management Plans, Feasibility Studies, or other Strategic Plans. Grants will likely be in the $25,000 to $75,000 range. Communities apply for this funding through the Community One Stop for Growth Application.

2. Peer-to-Peer Technical Assistance

This state program utilizes the expertise and experience of local officials from one community to provide assistance to officials in another comparable community to share skills and knowledge on short-term

[65] Program information was gathered through agency brochures, agency program guidelines and application materials as well as the following resources: Verrilli, Ann. Housing Guidebook for Massachusetts, Produced by the Citizen's Housing and Planning Association, June 1999.

problem solving or technical assistance projects related to community development and capacity building. Funding is provided through the Community Development Block Grant Program and is limited to grants of no more than $1,000, providing up to 30 hours of technical assistance.

Applications are accepted on a continuous basis, but funding is limited. To apply, a municipality must provide DHCD with a brief written description of the problem or issue, the technical assistance needed and documentation of a vote of the Board of Selectmen or letter from the Town Administrator supporting the request for a peer. Communities may propose a local official from another community to serve as the peer or ask DHCD for a referral. If DHCD approves the request and once the peer is recruited, DHCD will enter into a contract for services with the municipality. When the work is completed to the municipality's satisfaction, the Town must prepare a final report, submit it to DHCD, and request reimbursement for the peer.

3. MHP Intensive Community Support Team

The Massachusetts Housing Partnership Fund is a quasi-public agency that offers a wide range of technical and financial resources to support affordable housing. The Intensive Community Support Team provides sustained, in-depth assistance to support the development of affordable housing. Focusing on housing production, the Team helps local advocates move a project from the conceptual phase through construction, bringing expertise and shared lessons from other parts of the state. The team can also provide guidance on project finance. Those communities, which are interested in this initiative, should contact the MHP Fund directly for more information.

4. MHP Chapter 40B Technical Assistance Program

Working with DHCD, MHP launched this program in 1999 to provide technical assistance to those communities needing assistance in reviewing comprehensive permit applications. The Program offers up to $10,000 in third-party technical assistance to enable communities to hire consultants to help them review Chapter 40B applications. Those communities that are interested in this initiative should contact the MHP Fund directly for more information.

MHP recently announced new guidelines to help cities and towns review housing development proposals under Chapter 40B including:

- State housing agencies will now appraise and establish the land value of 40B sites before issuing project eligibility letters.
- State will put standards in place for determining when permit conditions make a 40B development "uneconomic".
- There will be set guidelines on determining related-party transactions, i.e., when a developer may also have a role as contractor or realtor.
- Advice on how to identify the most important issues early and communicate them to the developer, how informal work sessions can be effective, and how to make decisions that are unlikely to be overturned in court.

B. Housing Development

While comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones, communities are finding that they also require public subsidies to cover the costs of affordable or mixed-income residential development and

need to access a range of programs through the state and federal government and other financial institutions to accomplish their objectives and meet affordable housing goals. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income tenants can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

The state requires applicants to submit a One Stop Application for most of its housing subsidy programs in an effort to standardize the application process across agencies and programs. A Notice of Funding Availability (NOFA) is issued by the state usually twice annually for its rental programs and homeownership initiatives. Using the One Stop Application, applicants can apply to several programs simultaneously to support the funding needs of a particular project.

1. HOME Program

HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

- Produce rental housing;
- Provide rehabilitation loans and grants, including lead paint removal and accessibility modifications, for rental and owner-occupied properties;
- Offer tenant-based rental assistance (two-year subsidies); and/or
- Assist first-time homeowners.

The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income, the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income. In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

Because Needham is not an entitlement community, meaning that it is not automatically entitled to receive HOME funding based on HUD's funding formula, the Town has joined a consortium of other smaller towns and cities, the West Metro HOME Consortium, to receive funding by a federal formula on an annual basis.

The HOME Rental Program is targeted to the acquisition and rehabilitation of multi-family distressed properties or new construction of multi-family rental housing from five to fifty units. Once again, the maximum subsidy per project is $750,000 and the maximum subsidy per unit in localities that receive HOME or CDBG funds directly from HUD is $50,000 (these communities should also include a commitment of local funds in the project). Subsidies are in the form of deferred loans at 0% interest for 30 years. State HOME funding cannot be combined with another state subsidy program with several exceptions including the Low Income Housing Tax Credits, HIF and the Soft Second Program.

2. Community Development Block Grant Program (CDBG)

In addition to funding for the Peer-to-Peer Program mentioned in the above section, there are other housing resources supported by federal CDBG funds that are distributed by formula to Massachusetts.

The **Massachusetts Small Cities Program** that has a set-aside of Community Development Block Grant (CDBG) funds to support a range of eligible activities including housing development. However, at least 70% of the money must provide benefits to households earning within 80% of median income. This money is for those nonentitlement localities that do not receive CDBG funds directly from HUD. Funds are awarded on a competitive basis through Notices of Funding Availability with specific due dates or through applications reviewed on a rolling basis throughout the year, depending on the specific program. This funding supports a variety of specific programs.

There are other programs funded through the Community Development Block Grant Small Cities Program for both homeownership and rental projects. A number of the special initiatives are directed to communities with high "statistical community-wide needs," however, the **Community Development Fund II** is targeted to communities with lower needs scores that have not received CDBG funds in recent years. This may be the best source of CDBG funding for Needham. Funding is also awarded competitively through an annual Notice of Funding Availability. DHCD also has a **Reserve Fund** for CDBG-eligible projects that did not receive funding from other CDBG funded programs or for innovative projects.

3. Housing Stabilization Fund (HSF)

The state's Housing Stabilization Fund (HSF) was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities and community development corporations with the ability to subcontract to other entities. The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project is $750,000 and the maximum per unit is $65,000 for communities that do not receive HOME or CDBG funds directly from HUD, and $50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

4. Low Income Housing Tax Credit Program

The Low Income Housing Tax Credit Program was created in 1986 by the Federal Government to offer tax credits to investors in housing development projects that include some low-income units. The tax credit program is often the centerpiece program in any affordable rental project because it brings in valuable equity funds. Tax credits are either for 4% or 9% of the development or rehab costs for each affordable unit for a ten-year period. The 4% credits have a present value of 30% of the development costs, except for the costs of land, and the 9% credit have a present value equal to 70% of the costs of developing the affordable units, with the exception of land. Both the 4% and 9% credits can be sold to investors for close to their present values.

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private investors, such as banks or corporations, purchase the tax credits for about 80 cents on the dollar, and their money serves as equity in a project, reducing the amount of the debt service and consequently the

rents. The program mandates that at least 20% of the units must be made affordable to households earning within 50% of median income or 40% of the units must be affordable to households earning up to 60% of median income. Those projects that receive the 9% tax credits must produce much higher percentages of affordable units.

The Massachusetts Legislature has enacted a comparable state tax credit program, modeled after the federal tax credit program. The One Stop Application is also used to apply for this source of funding.

5. Affordable Housing Trust Fund

The Affordable Housing Trust Fund (AHTF) was established by an act of the State Legislature and is codified under Chapter 121-D of the Massachusetts General Laws. The AHTF operates out of DHCD and is administered by MassHousing with guidance provided by an Advisory Committee of housing advocates. The purpose of the fund is to support the creation/preservation of housing that is affordable to people with incomes that do not exceed 110% of the area median income. The AHTF can be used to support the acquisition, development and/or preservation of affordable housing units. AHTF assistance can include:

- Deferred payment loans, low/no-interest amortizing loans.
- Down payment and closing cost assistance for first-time homebuyers.
- Credit enhancements and mortgage insurance guarantees.
- Matching funds for municipalities that sponsor affordable housing projects.
- Matching funds for employer-based housing and capital grants for public housing.

Funds can be used to build or renovate new affordable housing, preserve the affordability of subsidized expiring use housing, and renovate public housing. While the fund has the flexibility of serving households with incomes up to 110%, preferences for funding will be directed to projects involving the production of new affordable units for families earning below 80% of median income. The program also includes a set-aside for projects that serve homeless households or those earning below 30% of median income. Once again, the One Stop Application is used to apply for funding, typically through the availability of two funding rounds per year.

6. Housing Innovations Fund (HIF)

The state also administers the Housing Innovations Fund (HIF) that was created by a 1987 bond bill and expanded under two subsequent bond bills to provide a 5% deferred loan to non-profit organizations for no more than $500,000 per project or up to 30% of the costs associated with developing alternative forms of housing including limited equity coops, mutual housing, single-room occupancy housing, special needs housing, transitional housing, domestic violence shelters and congregate housing. At least 25% of the units must be reserved for households earning less than 80% of median income and another 25% for those earning within 50% of area median income. HIF can also be used with other state subsidy programs including HOME, HSF and Low Income Housing Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) administers this program. Applicants are required to complete the One-Stop Application.

7. Federal Home Loan Bank Board's Affordable Housing Program (AHP)

Another potential source of funding for both homeownership and rental projects is the Federal Home Loan Bank Board's Affordable Housing Program (AHP) that provides subsidies to projects targeted to households earning between 50% and 80% of median income, with up to $300,000 available per project. This funding is directed to filling existing financial gaps in low- and moderate-income affordable housing projects. There are typically two competitive funding rounds per year for this program.

8. MHP Permanent Rental Financing Program

The state also provides several financing programs for rental projects through the Massachusetts Housing Partnership Fund. The Permanent Rental Financing Program provides long-term, fixed-rate permanent financing for rental projects of five or more units from $100,000 loans to amounts of $2 million. At least 20% of the units must be affordable to households earning less than 50% of median income or at least 40% of the units must be affordable to households earning less than 60% of median income or at least 50% of the units must be affordable to households earning less than 80% of median income. MHP also administers the Permanent Plus Program targeted to multi-family housing or SRO properties with five or more units where at least 20% of the units are affordable to households earning less than 50% of median income. The program combines MHP's permanent financing with a 0% deferred loan of up to $40,000 per affordable unit up to a maximum of $500,000 per project. No other subsidy funds are allowed in this program. The Bridge Financing Program offers bridge loans of up to eight years ranging from $250,000 to $5 million to projects involving Low Income Housing Tax Credits. Applicants should contact MHP directly to obtain additional information on the program and how to apply.

9. OneSource Program

The Massachusetts Housing Investment Corporation (MHIC) is a private, non-profit corporation that since 1991 has provided financing for affordable housing developments and equity for projects that involve the federal Low Income Housing Tax Credit Program. MHIC raises money from area banks to fund its loan pool and invest in the tax credits. In order to qualify for MHIC's OneSource financing, the project must include a significant number of affordable units, such that 20% to 25% of the units are affordable to households earning within 80% of median income. Interest rates are typically one point over prime and there is a 1% commitment fee. MHIC loans range from $250,000 to several million, with a minimum project size of six units. Financing can be used for both rental and homeownership projects, for rehab and new construction, also covering acquisition costs with quick turn-around times for applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC's construction financing with MHP's permanent take-out through the OneSource Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with producing affordable housing.

10. Section 8 Housing Choice Rental Assistance

An important low-income housing resource is the Section 8 Program that provides rental assistance to help low- and moderate-income households pay their rent. In addition to the federal Section 8 Program, the state also provides rental subsidies through the Massachusetts Rental Voucher Program (MRVP) as well as three smaller programs directed to those with special needs and veterans. These rental subsidy programs are administered by the state or through local housing authorities and regional non-profit housing organizations. Rent subsidies take two basic forms – either granted directly to tenants or committed to specific projects through special Project-based rental assistance. Most programs require households to pay a minimum percentage of their adjusted income (typically 30%) for housing (rent and utilities) with the government paying the difference between the household's contribution and the actual rent.

11. Massachusetts Preservation Projects Fund

The Massachusetts Preservation Projects Fund (MPPF) is a state-funded 50% reimbursable matching grant program that supports the preservation of properties, landscapes, and sites (cultural resources) listed in the State Register of Historic Places. Applicants must be municipality or non-profit organization. Funds can be available for pre-development including feasibility studies, historic structure reports and certain

archaeological investigations of up to $30,000. Funding can also be used for construction activities including stabilization, protection, rehabilitation, and restoration or the acquisition of a state-registered property that are imminently threatened with inappropriate alteration or destruction. Funding for development and acquisition projects range from $7,500 to $100,000. Work completed prior to the grant award, routine maintenance items, mechanical system upgrades, renovation of non-historic spaces, moving an historic building, construction of additions or architectural/engineering fees are not eligible for funding or use as the matching share. A unique feature of the program allows applicants to request up to 75% of construction costs if there is a commitment to establish a historic property maintenance fund by setting aside an additional 25% over their matching share in a restricted endowment fund. A round of funding was recently held, but future rounds are not authorized at this time.

12. District Improvement Financing Program (DIF)

The District Improvement Financing Program (DIF) is administered by the state's Office of Business Development to enable municipalities to finance public works and infrastructure by pledging future incremental taxes resulting from growth within a designated area to service financing obligations. This Program, in combination with others, can be helpful in developing or redeveloping target areas of a community, including the promotion of mixed-uses and smart growth. Municipalities submit a standard application and follow a prescribed application process directed by the Office of Business Development in coordination with the Economic Assistance Coordinating Council.

*13. U**rban Center Housing Tax Increment Financing Zone (UCH-TIF)***

The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is a relatively new state initiative designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the "increment") of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans from other local, state and federal development programs. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Department of Housing and Community Development may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to DHCD for approval.

14. Community Based Housing Program

The Community Based Housing Program provides loans to nonprofit agencies for the development or redevelopment of integrated housing for people with disabilities in institutions or nursing facilities or at risk of institutionalization. The Program provides permanent, deferred payment loans for a term of 30 years, and CBH funds may cover up to 50% of a CHA unit's Total Development Costs up to a maximum of $750,000 per project.

15. Compact Neighborhoods Program

DHCD recently announced "Compact Neighborhoods" that provides additional incentives to municipalities that adopt zoning districts for working families of all incomes as well as smart growth development. Similar to 40R, the program requires new zoning that must:

- Allow a minimum number of "future zoned units" in the Compact Neighborhood, which is generally 1% of the year-round housing in the community;

- Allow one or more densities as-of-right in the zone of at least eight (8) units per acre on developable land for multi-family housing and at least four (4) units per acre for single-family use;
- Provide not less than 10% of units be affordable within projects of more than 12 units; and
- Not impose any restrictions to age or other occupancy limitations within the Compact Neighborhood zone although projects within the zone may be targeted to the elderly, persons with disabilities, etc.

Financial assistance through the Priority Development Fund is available to communities that are adopting Compact Neighborhoods zoning, giving priority to the creation of mixed-use development beyond the bounds of a single project. The state also promotes projects that meet the definition of smart growth under 40R, encourage housing that is priced to meet the needs of households across a broad range of incomes and needs.

The process for implementing a Compact Neighborhoods Zone includes:

- Identify an "as-of-right" base or overlay district (the Compact Neighborhood);
- Request and receive a Letter of Eligibility from DHCD; and
- Adopt the Compact Neighborhood Zoning.

16. DHCD Project-Based Homeownership Program

DHCD funds a Project-Based Homeownership Program with two (2) funding categories:

- *Areas of Opportunity*
  Funds are being awarded for new construction of family housing projects for first-time homebuyers in neighborhoods or communities that provide access to opportunities that include but are not limited to jobs, transportation, education, and public amenities. The minimum project size is ten (10 units) for up to $500,000 in funding for a single project and no more than $75,000 per affordable unit. The maximum total development cost for affordable units is $300,000 and the maximum developer overhead and fee is 15% of total development costs. Localities must provide matching funds at least equal to the amount of the DHCD subsidy request.

- *Gateway Cities*
  A limited amount of funding will be made available to Gateway Cities or other smaller communities with well-defined Neighborhood Redevelopment Plans for the acquisition and rehabilitation or new construction of single-family or duplex units or triple-deckers (rehab only). The development of single sites is preferred but scattered-site projects are permissible. The minimum project size is six (6 units) for up to $500,000 in funding for a single project and no more than $75,000 per affordable unit. The maximum total development cost for affordable units is $250,000 and the maximum developer overhead and fee is 15% of total development costs. Localities must provide matching funds at least equal to one-half the amount of the DHCD subsidy request.

Sponsors/developers must have hard letters of interest from construction lenders and mortgage loan originators, follow prescribed design/scope guidelines, submit sound market data at the time of pre-application, and have zoning approvals in place. Interested sponsors/developers must submit a pre-application for funding and following its review, DHCD review will invite certain sponsor/developers to submit full applications.

17. National Housing Trust Fund (NHTF)

The state has allocated $3.4 million in Housing Trust Funds and 100 Massachusetts Rental Vouchers to help create supportive housing for vulnerable populations including homeless families and individuals, unaccompanied homeless youth, frail seniors with service needs, and individuals in recovery from substance abuse. This program is intended to provide supplemental support to the federal National Housing Trust Fund, a newly authorized affordable housing program.

18. Community Scale Housing Initiatives (CSHI)

The state has introduced a new program to address the need for smaller scale affordable housing projects that are sized to fit well within the host community. The new initiative will provide funding for these projects based on the following eligibility criteria:

- Community must have a population not to exceed 200,000
- Program sponsors can be both non-profit and for-profit entities with a demonstrated ability to undertake the project
- The proposed project must include at least five rental units but no more than 20 rental units
- Project must involve new construction or adaptive reuse
- A minimum of 20% of the units must be affordable but it is anticipated that most proposed projects will have a minimum of 50% affordable units
- The host community must provide a financial commitment in support of the project
- The CSHI subsidy may not exceed $200,000 per unit unless the developer intends to seek DHCD project-based rental assistance in which case the subsidy may not exceed $150,000 per CSHI unit
- The total development cost per unit may not exceed $350,000
- Projects will receive no more than is necessary to make the project feasible
- Projects must be financially feasible without state or federal low income housing tax credits
- Projects are expected to close and proceed to construction within 12 months of the date of the award letter

The 40 River Street project was awarded funding under this program.

19. Starter Home Program

State legislation was recently enacted to implement a Starter Home Program as part of the Governor's Economic Development Bill. This was accomplished by modifying the existing Smart Growth Zoning and Housing Production law of Chapter 40R to include $25 million in new funding over five years for cities and towns that create new starter home zoning districts. The new districts will be a minimum of three acres, restrict primary dwelling size to 1,850 square feet of heated living area, require that 50% of the primary dwelling units contain three bedrooms, allow a minimum of four units per acre by-right, and provide 20% affordability up to 100% AMI.

20. Workforce Housing Fund

The state is investing in a Workforce Housing Fund to provide rental housing for those households earning 61% to 120% AMI. In his announcement, Governor Baker said, "Making more affordable housing options available to working Massachusetts families deterred by rising rent expenses is essential to economic growth and development in communities throughout the Commonwealth. These working middle-income families are the foundation of our economy and talented workforce, and the creation of this $100 million fund by MassHousing will advance opportunities for them to thrive and prosper."

The Workforce Housing Initiative was created to do the following:

- Target individuals and families with incomes of 61% to 120% of Area Median Income (AMI)
- Provide up to $100,000 of subsidy per workforce housing unit to create 1,000 new units of workforce housing statewide
- Leverage strategic opportunities to use state-owned land
- Complement, does not replace, traditional MassHousing development financing
- Ensure workforce housing units are deed restricted as affordable for at least 30 years

Eligible projects include:

- Preference is for new units; existing projects where unrestricted units become restricted will be considered
- Workforce housing units are intended for working age household and may not be not be elderly restricted or occupied by full-time students
- 20% of units at the development must be affordable for households earning at or below 80% of AMI

21. Housing Choice Initiative

The state has stated its commitment to producing 135,000 new housing units statewide by 2025 or by about 17,000 units per year, an ambitious task. To help accomplish this, it has created the Housing Choice Initiative that has three basic components that includes Capital Grant Funding. Communities that qualify for designation under this Initiative can receive exclusive admission to new Housing Choice Capital Grants as well as priority access to existing grant and capital funding programs such as MassWorks, Complete Streets, MassDOT projects, and LAND and PARC grants.

To obtain this designation, the community must submit an application that documents the increase in the total year-round housing stock from the 2010 census and the cumulative net increase in year-round units of at least 5% or 500+ units in the last five years or 3% and 300+ units when best practices have been applied to promote housing (e.g., zoning for multi-family housing, Chapter 40R, ADUs, cluster zoning, etc.). Designation lasts for two years.

C. Homebuyer Financing and Counseling

1. ONE Mortgage Program

The Massachusetts Housing Partnership Fund, in coordination with the state's Department of Housing and Community Development, administers the ONE Mortgage Program which replaced the highly successful Soft Second Loan Program that operated between 1991 and 2013 and helped over 17,000 families purchase their first home. The ONE Mortgage Program is a new simplified version of the Soft Second Program providing low, fixed-rate financing and a state-backed reserve that relieves homebuyers from the costs associated with private mortgage insurance. Additionally, some participating lenders and communities offer grants to support closing costs and down payments and slightly reduced interest rates on the first mortgage.

2. Homebuyer Counseling

There are a number of programs, including the Soft Second Loan Program and MassHousing's Home Improvement Loan Program, as well as Chapter 40B homeownership projects, that require purchasers to attend homebuyer workshops sponsored by organizations that are approved by the state, Citizens Housing and Planning Association (CHAPA) and/or HUD as a condition of occupancy. These sessions provide first-time homebuyers with a wide range of important information on homeownership finance

and requirements. The organization that offers these workshops in closest proximity to Needham is Metro West Collaborative Development.

3. Self-Help Housing.

Self-Help programs involve sweat-equity by the homebuyer and volunteer labor of others to reduce construction costs. Some communities have donated building lots to Habitat for Humanity to construct affordable single housing units. Under the Habitat for Humanity program, homebuyers contribute between 300 and 500 hours of sweat equity while working with volunteers from the community to construct the home. The homeowner finances the home with a 20-year loan at 0% interest. As funds are paid back to Habitat for Humanity, they are used to fund future projects.

D. Home Improvement Financing

1. MassHousing Home Improvement Loan Program (HLP)

The MHFA Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of $10,000 up to a maximum of $50,000. Loan terms range from five to 20 years based on the amount of the loan and the borrower's income and debt. MassHousing services the loans. Income limits are $92,000 for households of one or two persons and $104,000 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

2. Get the Lead Out Program

MassHousing's Get the Lead Out Program has been offering financing for lead paint removal on excellent terms. Based on uncertain future legislative appropriations, some changes in program requirements were made to insure that eligible homeowners with lead poisoned children would have funding available for a longer period. All income eligible families who are under court order to delead or who have a child under case management with the Commonwealth's Lead Paint Prevention Program, will continue to receive 0% deferred loans. Owners wanting to delead their homes for preventive purposes must qualify for an amortizing loan with a 3% interest rate if earning within 80% of area median income, 5% interest if earning over 80% AMI and up to the program maximum. Applicants must contact a local rehabilitation agency to apply for the loan.

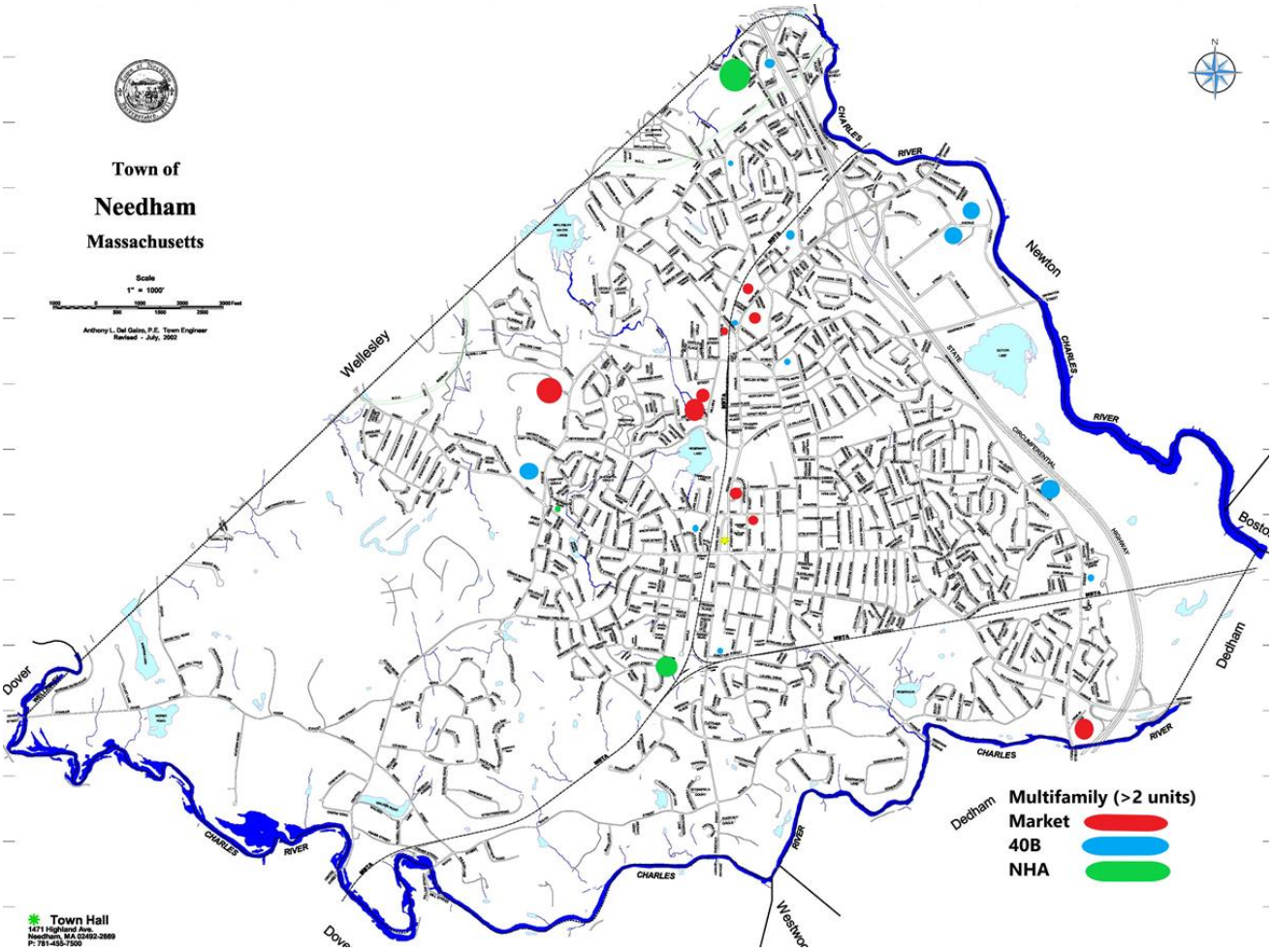
3. Septic Repair Program

Through a partnership with the Massachusetts Department of Environmental Protection and Revenue, MassHousing offers loans to repair or replace failed or inadequate septic systems for qualifying applicants. The interest rates vary according to the borrower's income with 0% loans available to one and two-person households earning up to $23,000 and three or more person households earning up to $26,000 annually. There are 3% loans available for those one or two person households earning up to $46,000 and three or more persons earning up to $52,000. Additionally, one to four-family dwellings and condominiums are eligible for loan amounts of up to $25,000 and can be repaid in as little as three years or over a longer period of up to 20 years. To apply for a loan, applicants must contact a participating lender.

4. Home Modification Program

This state-funded program provides financial and technical assistance to those who require modifications to their homes to make them handicapped accessible. The area's regional non-profit organization, South Shore Housing Development Corporation, administers these funds for the state.

Appendix 4
Map of Multi-family Housing Units



NEEDHAM HOUSING PLAN: Implementation Roadmap - Summary of Recommended Strategies

Draft date: 9/23/22

	Initiative	HPWG/Subgroup	Lead Entity	Partners and Advocates	Town Meeting	Level of Complexity	Prerequisites/Resources Needed	Timeframe
IV.A	**Zoning Strategies**							
1	**Adopt town-wide inclusionary zoning.** Consider options for strengthening Needham's inclusionary zoning bylaw, requiring all new housing or mixed-use developments of 6 or more units to provide 12.5% affordable units (some now have 10% or no requirement and 10% limit applied to MBTA Communities multi-family districts unless already in place). Consider implementing a proportionate affordable housing fee payment to the AHTF for projects with fewer than 6 units.	Zoning	PB	SB PB Housing Trust	Yes	Medium	Zoning amendments Zoning Map amendments Bldg Comm Public education	Near term
2	**Broaden requirements for ADUs** to remove family member/caretaker restrictions and allow occupancy of ADUs as rental property with at least 6-month minimum lease, keeping 850 sq.ft./1-bedroom limits for ADUs. Consider allowing attached ADUs by right and detached ADUs by special permit.	Zoning	PB ZBA	SB AHT H	Yes	Medium	Zoning amendments Zoning Map amendments? Bldg Comm Public education	Near term
3	**Comply with MBTA Communities Guidelines** under new state law G.L.c. 40A and 3A (MBTA Communities Law) by creating zoning districts within 1/2 mile of transit stations with by-right permitting. Districts must include a 25 ac min contiguous site area, total minimum land area of 50 acres with minimum average density of 15 units per acre, and minimum multi-family unit count related to the Town's (11,890) total housing units; 15% commuter rail [1,784 units]). See related draft proposals on zoning changes numbered 4, and 5 below.	Zoning	PB	SB EJN NDI NUARI	Yes	High	Zoning amendments Zoning Map amendments Staff capacity/Consultant Public education	Near term
	Consider adjusting required parking ratios for mixed-use and multi-family projects within overlay districts (and apartment developments) that are within 1/2 mile of transit stations.	Zoning	PB ZBA	SB EJN	Yes	High	Zoning amendments Bldg Comm Public education	Near term
	Rezone targeted zoning districts, or parts of zoning districts, within 1/2 mile of transit, including Industrial, Business and Hillside Business to allow multi-family dwellings by right with dimensional regulations same as Apartment A-1 (18 units/acre). Extend A-1 zoning to nearby SRB areas even if not readily developable (e.g., a church site).B15	Zoning	PB	SB E17	Yes	High	Zoning amendments Zoning Map amendments Staff capacity Public education	Near term
4	**Consider options for promoting development in appropriate locations** such as Needham's Center Business, Chestnut Street Business, Lower Chestnut Street Overlay, Avery Square Business and Avery Square Overlay districts by adjusting dimensional and parking limits and adding modest density increases to make them more economically viable for development with potential inclusion in MBTA Communities districts. Also consider such zoning changes to improve development opportunities for mixed-use and multi-family housing along m+B3ajor corridors (Chestnut, Highland, Great Plain) and incorporate density bonuses for increased affordability or more moderate-income units. Consider incentives for consolidating parcels to promote larger developable sites for mixed-use and multi-family projects. Consider options for incentivizing higher-density, smaller unit, multi-family housing choices as part of zoning reforms in other districts (not related to MBTA Communities Law requirements).	Zoning	PB	SB EJN NDI NUARI	Yes	High	Zoning amendments Zoning Map amendments Public education	Medium term

5	**Consider options to address teardown activity** including amending the dimensional thresholds for coverage, FAR and setbacks and the feasibility of Needham implementing a Tree Removal by-law and revisiting the Town's demolition delay and Historic District concepts requirements.	Zoning and Development/Preservation	PB	SB Historical Commission EJN	Yes	High	New by-laws for Demolition Delay & Tree Removal Zoning amendments for refining dimensional controls Bldg Comm Public education	Medim term
	Further Study/Zoning							
	Consider allowing two-family homes by-right in single-family zones (SRA and SRB) and how to implement; whether as local re-zoning near transit or more uniformly across districts (more egalitarian and less site specific). Consider options for limiting teardowns.	Further Study/Zoning	PB	SB E21	Yes	High	Zoning amendments Zoning Map amendments Public education	Longer term
	Evaluate the feasibility of mixed-use development with affordable housing on the municipal parking lot in Needham Center that abuts the MBTA station platform or the MBTA/municipal parking lot at Hersey Station.	Further Study/Zoning	PB	SB MBTA Development community	Yes	High	Planning Real property disposition process Rezoning	Longer term
	Explore options to establish a Chapter 40R "Smart Growth" Overlay District(s) in Needham.	Further Study/Zoning	PB	SB AHT	Yes	High	Zoning amendments Zoning Map amendments Public education Likely support with financing	Longer Term
	Promote greater energy efficient housing. Ease zoning and permitting requirements to incentivize energy-efficient and environmentally-sustainable housing development. Review and create regulatory changes that require building affordable housing to a zero, or nearly net zero, energy standard under certain conditions.	Further Study/Zoning and Development and Preservation	SB PB	Climate Action Committee Green Needham NHA EJN	Yes	High	Zoning amendments Bldg Comm Public education	Longer term
IV.B	**Housing Development and Preservation Strategies**							
1	**Support the NHA Preservation and Redevelopment Initiative (PRI)** to upgrade ALL public housing conditions starting with the PRI effort which is underway. Consider opportunities with NHA properties where modernization / renovation projects produce more efficient, higher density buildings that might yield buildable lot areas for additional deeply affordable, or more diverse income affordable housing, possibly through a NHA / developer partnership agreement. Create a working group to support these efforts.	Development and Preservation	SB CPC	NHA AHT EJN	Yes	High	Public education Advocacy Funding Potential rezoning	Near term
2	**Continue local programs that address health and safey issues** such as those offered by the Small Repair Grant Program and Council on Aging's Safety at Home Program. Also promote assisted living options as well as other home maintenance programs.	Development and Preservation	AHT		Yes	Medium	Public education Funding	Near term
3	**Strategically invest and leverage local resources.** Continue to advocate for 22% commitment of Community Preservation Act (CPA) funds for the creation and retention of affordable housing in Needham.Invest ARPA, CPA, and other funds in capital improvements at properties owned by the Needham Housing Authority (NHA).	Development and Preservation	SB CPC		No unless funding involved	Medium	Public education Funding	Medium term
4	**Promote housing for special needs populations.** Integrate handicapped accessibility and supportive services into new development. Review and encourage a variety of housing models that can meet the needs of Needham's adults with disabilities and seniors. Explore opportunities for housing models or zoning changes in Needham's Special Education Parents Advisory Council (SEPAC) recommendations.	Development and Preservation	SB PB	SEPAC CRC (Charles River Center)	No	Medium	Public education Funding	Medium term

5	**Restructure the Stephen Palmer Building**. Assign a working group to examine the potential for the Stephen Palmer building to maximize its reuse for affordable or moderate rate housing when the lease has expired, making sure to respond to the needs of existing tenants.	Development and Preservation	SB		Yes if to adopt recommend ations	High	The hiring of consultants Funding Coordination of Town Departments Public education	Medium term
6	**Prepare an inventory of potential public and privately-owned development opportunities**. Revisit the inventory of Town-owned property and identify those parcels (former schools, public use etc.) that could potentially still be used to build more housing (including those that might need regulatory / zoning changes or LIP to make housing possible), and identify partners who might be interested in developing them. Conveyance of property will require an RFP. Also identify privately, owned sites / buildings suitable for for multi-family housing, potentially as Apartment A-1 zoning with its designated dimensional requirements or LIP.	Development and Preservation	SB PB	AHT NHA PPBC EJN	No	Medium	Coordination of Town Departments	Near term
7	**Consider waiving application fees for affordable housing projects.**	Development and Preservation	SB	NHA EJN	No?	Low	Involvement of Building Department, Planning Dept. and Assessing to determine feasibility	Medium term
	Further Study/Development and Preservation							
	Make enhanced homebuyer assistance available, e.g., local funding to increase affordability of MHP ONE Mortgage loans. (Note: likely to work only for purchase of restricted affordable units which are limited.)	Further Study/Development and Preservation	SB CPC		Yes	Medium	Funding and administrative support	Longer term
	Make CPA funds available for entities to acquire property for group homes that serve people with disabilities.	Further Study/Development and Preservation	SB CPC	NHA AHTF EJN SEPAC CRC (Charles River Center)	Yes	HIgh	Public education Funding	Longer term
	Support state legislation or consider a Home Rule petition for transfer tax or impact fees on high-value home sales to fund the Affordable Housing Trust Fund and help promote project feasibility. (Note state legislation has been proposed.)	Further Study/Development and Preservation	SB	NHA AHT EJN	Yes	Medium		Longer term
	Consider further tax reductions for qualifying seniors.	Further Study/Development and Preservation	SB	Council on Aging Assessing	Yes	Medium	Public education Calculations regarding projected tax losses	Longer term
IV.C	**Capacity Building Strategies**							
1	**Continue to provide community outreach and education on housing.**	Capacity Building	Sponsoring entities of housing initiatives		No	Low	Public education	Near term
2	**Monitor targeted housing goals and Subsidized Housing Inventory (SHI).**	Capacity Building	AHT		No	Low	Public education	Near term
3	**Identify impacts of housing proposals** on Town resources that may result from housing initiatvies. Includes update of School Master Plan to study impact of recent housing developments and consider impact of proposed rezoning initiatives; consider need for school building renovations or additions.	Capacity Building	SB Town Mgr Town Engineer DPW	SB PB	No	Medium	Funding for studies/planning	
4	**Boost local and regional support and collaboration for housing.**	Capacity Building	AHT	HOME Consortium MAPC Congressional representatives CHAPA	No	Low	Public education Convening of special meetings Municipal Engagement Initiative funding	Medium term

Further Study/Capacity Building

	Conduct a racial impact study to determine whether Needham's existing residential zoning has a disproportionate impact on Black, Indigenous and People of Color (BIPOC) and other groups protected under the Federal Fair Housing Act (FFHA).	Further Study/Capacity Building	SB NUARI	Consultant	Yes for funding	High	Funding Racial impact assessment tool Political leadership	Medium term
	Reduce or eliminate local preference in affordable housing lotteries. Current local preference is 70% for Needham residents and people working in Needham.	Further Study/Capacity Building	SB AHT PB NUARI	Housing Coalition	No	Low	Public education	Longer term

Abbreviations:

SB = Select Board

PB = Planning Board

ZBA = Zoning Board of Appeals

AHT = Affordable Housing Trust

CPC = Community Preservation Committee

NHA = Needham Housing Authority

DPW = Department of Public Works

NUARI = Needham United Against Racial Injustice

PPBC = Permanent Public Building Committee

EJN = Equal Justice Needham

NDI = Needham Diversity Initiative

SEPAC = Special Education Parents Advisory Council

HC = Historical Commission

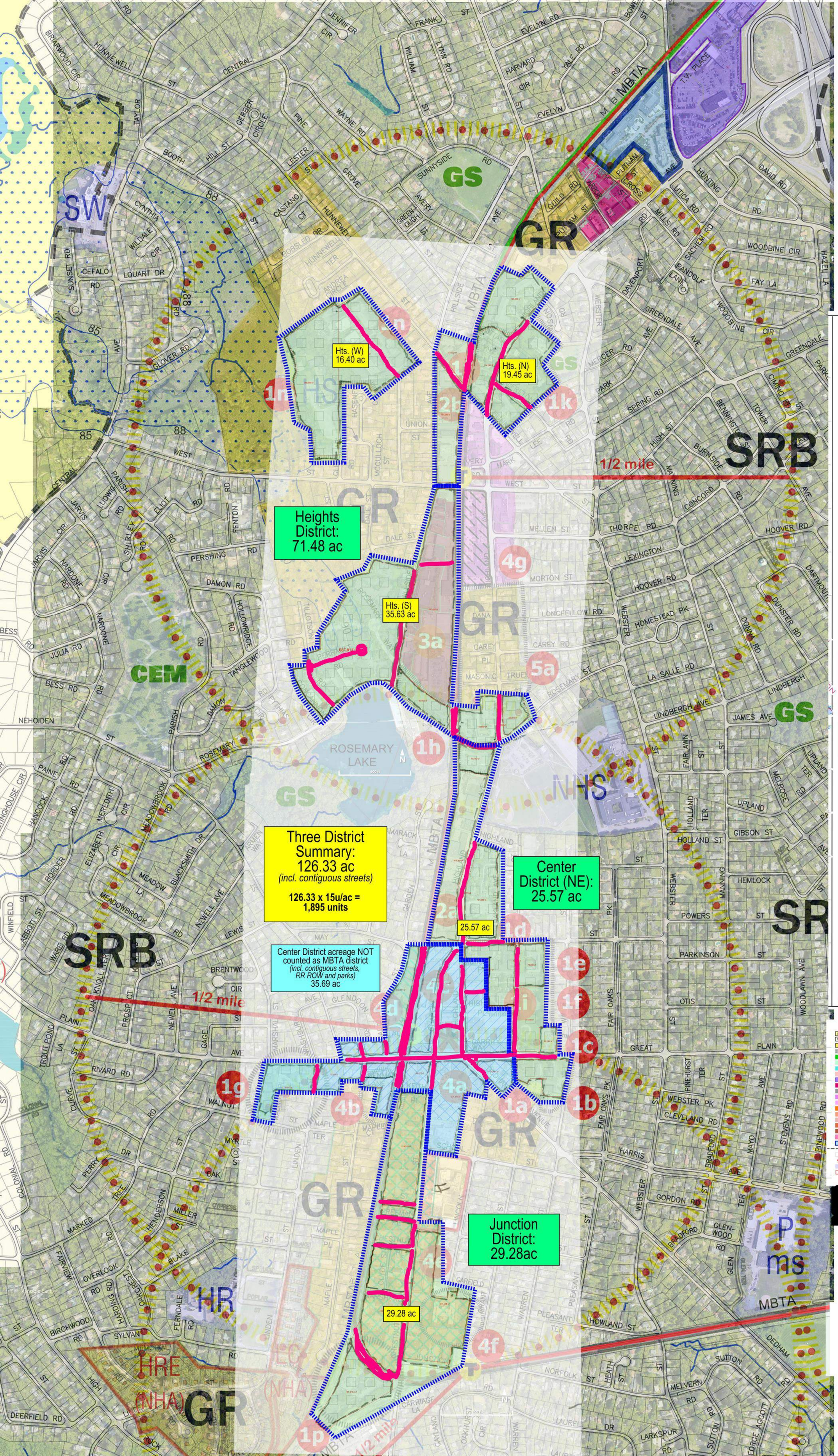
CRC = Charles River Center

Timeframe:

Near term = Begin implementation within 2 years of Plan completion — within 4 years?

Medium term = Begin implementation in years 3 to 5 after Plan completion — within 5-9 years?

Longer term = Implementation after 5 years of Plan completion — 10 years +?



SUMMARY OF ZONING CONSIDERATIONS:

Proposed Zoning Changes:

1. Implement **Apartment 1** zoning in SRB, GR or Industrial districts or in locations of non-conforming existing MF or other non-SF uses. Use Apt. A-1 dimensional limits - these meet (slightly exceed) the MF density required by MBTA.

   Apartment A-1 – rezone parcels within ½ mile of Needham Center transit station, now zoned SRB:

   1a. 888 Great Plain Avenue (former nursery/garden center);
   1b. Baptist and Christian Science Church parcels on Great Plain Avenue, near corner of Warren Street;
   1c. YMCA site on Great Plain Avenue next to Greene's Field;
   1d. St. Joseph School strip along May Street;
   1e. Stephen Palmer former school leased by Town for multi-family housing;
   1f. Greene's Field playground/playfield abutting Stephen Palmer;
   1g. Congregational Church on Great Plain Avenue including former rest home parcel;
   1h. Extend existing Apt. A-1 along Rosemary Street up to Highland Avenue to include library, Christ Episcopal and Sudbury farms, to create a contiguous Apt. A-1 parcel of approximately 25 acres;

   Apartment A-1 – rezone parcels within ½ mile of Needham Center Transit station, now zoned GR

   1i. Lots on Pickering Place together with a portion of St. Joseph School parcel;

   Apartment A-1 – rezone parcels within ½ mile of Needham Heights transit station, now zoned SRB:

   1j. From Hamilton Highlands (Apt. A-1) along Highland Avenue to Hunnewell Street;
   1k. Avery Park Condominium and farther East and South to include Avery Field;

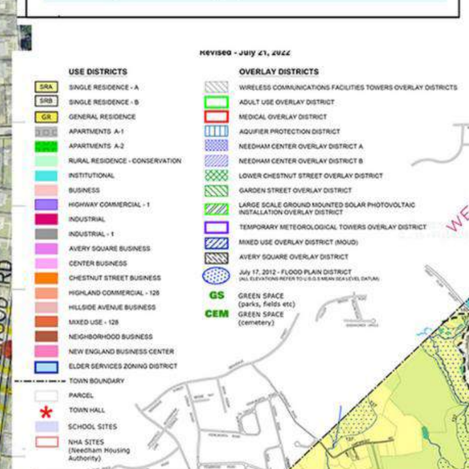
   Apartment A-1 – rezone parcels within ½ mile of Needham Heights transit station, now zoned GR:

   1m. Convert Hillside School and the rear portion of 5 lots that abut the Hillside School property to Apt. A-1;
   1n. Convert Industrial district along Crescent Road to be Apt. A-1 to allow MF housing and be a consolidated district with the Hillside School also converted to Apt. A-1. Exisiting uses to remain as non-conforming uses;

   Apartment A-1 – rezone parcels within ½ mile of Needham Junction transit station, now zoned Chestnut Street Business, Lower Chestnut Street Overlay District and SRB:

   1p. Rezone the Hartney Greymont site to be Apt. A–1 to allow MF without mixed-use stipulation.

2. Amend current **Business, Hillside Avenue Business,** and **Neighborhood Business** districts within 1/2 mile of transit, including 59 bus route, to allow MF by-right and use Apt. A-1 dimensional limits - these meet (slightly exceed) the MF density required by MBTA. Allow mixed-use option by Special Permit if not allowed by-right.
   2a. Business District along Highland Avenue from May Street northerly to Sudbury Farms;
   2b. Hillside Avenue Business Increase dimensional regulations for MF housing to same as Apt. A-1 district & by-right;
   2c. Neighborhood District along Reservoir and Central area along 128;
   2d. Neighborhood District along Great Plain near the Hersey MBTA station.
3. Amend current **Industrial** disticts within 1/2 mile of transit to allow MF and use Apt. A-1 dimensional limits - these meet (slightly exceed) the MF density required by MBTA.
   3a. Add Multi-family housing to the uses allowed by right in Industrial Districts.
4. Amend current **Center Business** and **Chestnut Street Business Districts** and **Avery Square** and **Lower Chestnut Street Overlay Districts** within 1/2 mile of transit to allow MF by-right, not special permit, and adjust (increase) current height and story limits (see zoning report). Changes to limits are targeted to the context within their district.
   4a. Needham Center and Overlay District A;
   4b. Needham Center and Overlay District B: extend to include Denmark Lane;
   4c. Increase height limits in Overlay District B to 48' & 4 stories with 4th floor setback;
   4d. Needham Center and Garden Street Overlay District;
   4e. Chestnut Street Business and Lower Chestnut Overlay District;
   4f. Extend Chestnut Street Business district and Lower Chestnut Overlay district to include SNF property on Lincoln Street;
   4g. Avery Square Business District – increase height from 35' to 38'.
5. Expand **General Residence** over **SRB** area along the Highland Street corridor to allow 2-family and SF conversions to 2-family.
   5a. Highland Avenue from Rosemary Street to Avery Square Business District.
6. Rezone designated residential areas currently zoned **SRA to SRB.** These specific SRA areas are adjacent to SRB and currently have parcel sizes that are closer to SRB 10,000 SF lots. This would allow for the use of dimensional controls for setbacks and coverages that are more appropriate for these smaller lots.



District outline of contiguous parcels

Streets included with contiguous parcels

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TOWN OF NEEDHAM MASSACHUSETTS ZONING MAP

NEEDHAM PLANNING BOARD

Adam Block, Chairperson
Jeanne S. McKnight, Vice Chairperson
Paul S. Alpert, Member
Natasha Espada, Member
Artie Crocker, Member

Lee Newman - Director of Planning & Community Development
Thomas A. Ryder, P.E.- Town Engineer
Revised - July 21, 2022

USE DISTRICTS

- SRA SINGLE RESIDENCE - A
- SRB SINGLE RESIDENCE - B
- GR GENERAL RESIDENCE
- APARTMENTS A-1
- APARTMENTS A-2
- RURAL RESIDENCE - CONSERVATION
- INSTITUTIONAL
- BUSINESS
- HIGHWAY COMMERCIAL - 1
- INDUSTRIAL
- INDUSTRIAL - 1
- AVERY SQUARE BUSINESS
- CENTER BUSINESS
- CHESTNUT STREET BUSINESS
- HIGHLAND COMMERCIAL - 128
- HILLSIDE AVENUE BUSINESS
- MIXED USE - 128
- NEIGHBORHOOD BUSINESS
- NEW ENGLAND BUSINESS CENTER
- ELDER SERVICES ZONING DISTRICT
- TOWN BOUNDARY
- PARCEL
- TOWN HALL
- SCHOOL SITES
- NHA SITES (Needham Housing Authority)

OVERLAY DISTRICTS

- WIRELESS COMMUNICATIONS FACILITIES TOWERS OVERLAY DISTRICTS
- ADULT USE OVERLAY DISTRICT
- MEDICAL OVERLAY DISTRICT
- AQUIFIER PROTECTION DISTRICT
- NEEDHAM CENTER OVERLAY DISTRICT A
- NEEDHAM CENTER OVERLAY DISTRICT B
- LOWER CHESTNUT STREET OVERLAY DISTRICT
- GARDEN STREET OVERLAY DISTRICT
- LARGE SCALE GROUND MOUNTED SOLAR PHOTOVOLTAIC INSTALLATION OVERLAY DISTRICT
- TEMPORARY METEOROLOGICAL TOWERS OVERLAY DISTRICT
- MIXED USE OVERLAY DISTRICT (MOUD)
- AVERY SQUARE OVERLAY DISTRICT
- July 17, 2012 - FLOOD PLAIN DISTRICT (ALL ELEVATIONS REFER TO U.S.G.S MEAN SEA LEVEL DATUM)
- GS GREEN SPACE (parks, fields etc)
- CEM GREEN SPACE (cemetery)

NHA Needham Housing Authority properties:

- CC Captain Cook
- SBW Seabeds Way
- LC Linden Chambers
- HRE High Rock Estates
- MH Mathews House

Town of Needham
Housing Plan Working Group 2021
draft issued 08.01.2022

SET 1

SCALE 1" = 1100'
1/2 mile
0 550 1100 1650 2200 2750 3300

Town map: Proposed zoning changes

ZONING DISTRICT		AREA (M)	AREA (SqFt)	PERCENT
SRB	*Single Residence B*	14,015,127	150,857,574	43.15%
SRA	*Single Residence A*	12,033,961	129,532,480	37.05%
RR-C	*Rural Residence - Conservation*	3,302,028	35,542,733	10.17%
IP	*Industrial Park*	800,103	8,612,233	2.46%
GR	*General Residence*	660,148	7,105,774	2.03%
I	*Industrial*	300,487	3,234,417	0.93%
INS	*Institutional*	298,395	3,211,895	0.92%
A2	*Apartment 2*	256,632	2,762,361	0.79%
I1	*Industrial - 1*	159,919	1,721,358	0.49%
A1	*Apartment 1*	155,615	1,675,026	0.48%
B-CH ST	*Chestnut Street Business*	142,166	1,530,263	0.44%
B-CTR	*Center Business*	113,068	1,217,049	0.35%
B	*Business*	99,053	1,066,200	0.30%
B-AV SQ	*Avery Sq. Business*	56,566	608,871	0.17%
NB	*Neighborhood Business*	55,444	596,793	0.17%
B-H AV	*Hillside Ave. Business*	30,994	333,616	0.10%
	Total	*32,479,706*	*349,608,641*	*100.00%*

SUMMARY OF ZONING CONSIDERATIONS:

Proposed Zoning Changes:

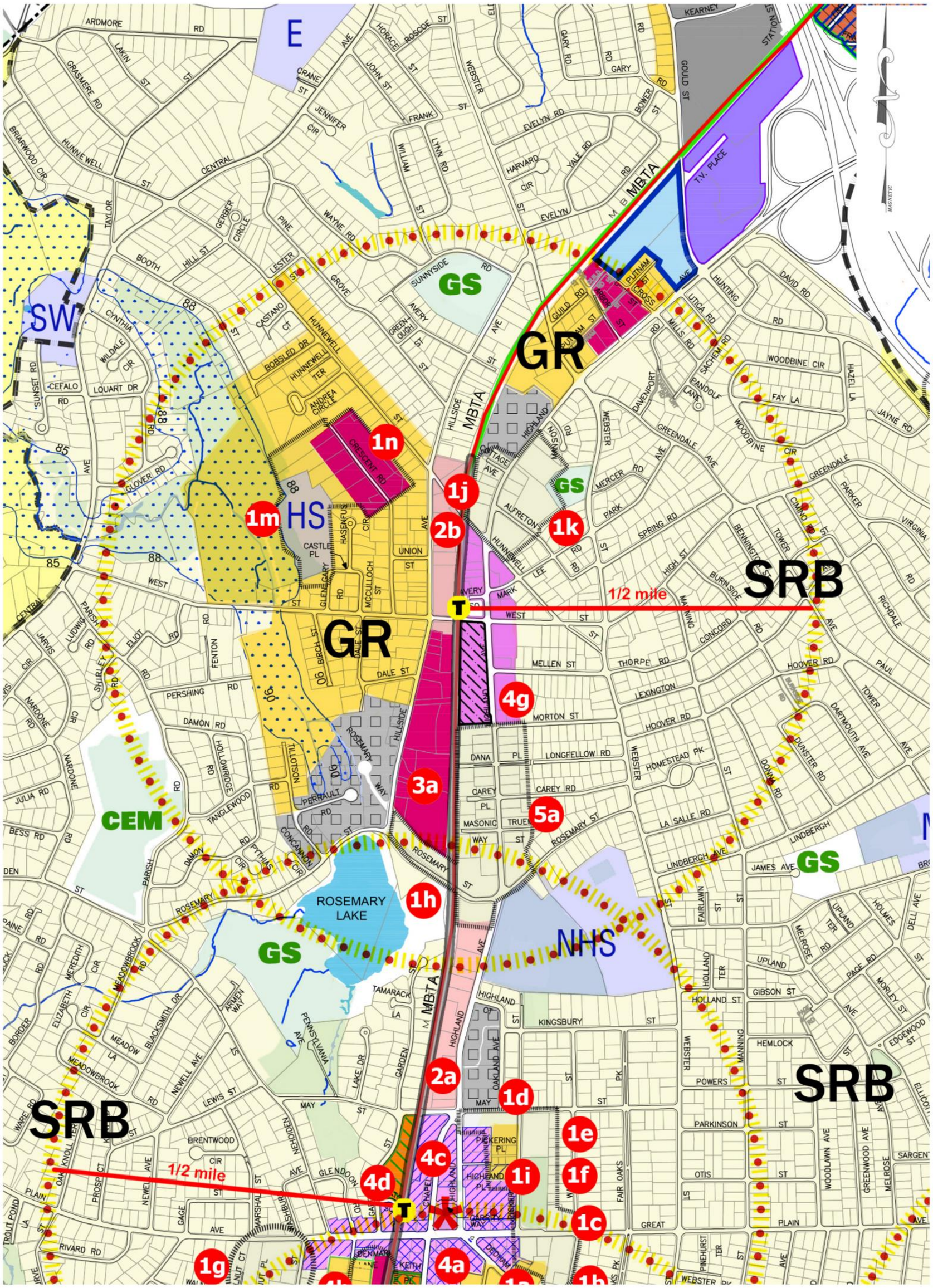
1. Implement **Apartment 1** zoning in **SRB**, **GR** or **Industrial** Districts or in locations of non-conforming existing MF or other non-SF uses. Use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.
   Apartment A-1 – rezone parcels within ½ mile of Needham Center transit station, now zoned SRB:
   - **1a.** 888 Great Plain Avenue (former nursery/garden center);
   - **1b.** Baptist and Christian Science Church parcels on Great Plain Avenue, near corner of Warren Street;
   - **1c.** YMCA site on Great Plain Avenue next to Greene's Field;
   - **1d.** St. Joseph School strip along May Street;
   - **1e.** Stephen Palmer former school leased by Town for multi-family housing;
   - **1f.** Greene's Field playground/playfield abutting Stephen Palmer;
   - **1g.** Congregational Church on Great Plain Avenue including former rest home parcel;
   - **1h.** Extend existing Apt. A-1 along Rosemary Street adjacent to Industrial District and up to and across Highland Avenue to include library, Christ Episcopal and a part of Sudbury Farms, to create a contiguous Apt. A-1 parcel of approximately 25 ac;

   Apartment A-1 – rezone parcels within ½ mile of Needham Center Transit station, now zoned GR
   - **1i.** Lots on Pickering Place together with a portion of St. Joseph School parcel;

   Apartment A-1 – rezone parcels within ½ mile of Needham Heights transit station, now zoned SRB:
   - **1j.** From Hamilton Highlands (Apt. A-1) along Highland Avenue to Hunnewell Street;
   - **1k.** Avery Park Condominium and further East and South to include Avery Field;

   Apartment A-1 – rezone parcels within ½ mile of Needham Heights transit station, now zoned GR:
   - **1m.** Convert Hillside School and the rear portion of 5 lots that abut the Hillside School property to Apt. A-1;
   - **1n.** Convert Industrial district along Crescent Road to be Apt. A-1 to allow MF housing and be a consolidated district with the Hillside School also converted to Apt. A-1. Exisiting uses to remain as non-conforming uses;

   Apartment A-1 – rezone parcels within ½ mile of Needham Junction transit station, now zoned Chestnut Street Business, Lower Chestnut Street Overlay District and SRB:
   - **1p.** Rezone Hartney Greymont site (now partly Chestnut Street Business / Overlay and SRB) to be Apt. A–1 to allow MF without mixed-use stipulation.
2. Amend current **Business, Hillside Avenue Business,** and **Neighborhood Business** Districts within 1/2 mile of transit, including 59 bus route, to allow MF by-right and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts. Allow mixed-use option by Special Permit if not allowed by-right.
   - **2a.** Business District along Highland Avenue from May Street northerly to Sudbury Farms;
   - **2b.** Hillside Avenue Business with dimensional regulations for MF housing same as Apt. A-1 district and by-right;
   - **2c.** Neighborhood District along Reservoir and Central area along 128;
   - **2d.** Neighborhood District along Great Plain near the Hersey MBTA station.
3. Amend current **Industrial** Disticts within 1/2 mile of transit to allow MF and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.
   - **3a.** Add MF housing to the uses allowed by right in the Industrial District between Hillside Avenue and the MBTA right-of-way.
4. Amend current **Center Business** District and its **Overlays** and **Chestnut Street** and **Avery Square Business** Districts and **Avery Square** and **Lower Chestnut Street Overlay** Districts within 1/2 mile of transit to allow MF and mixed-use MF by-right, not special permit, and adjust (increase) current height and story limits. Changes to limits to be appropriate to their adjacent context.
   - **4a.** Needham Center and Overlay District A;
   - **4b.** Needham Center and Overlay District B: extend to include Denmark Lane;
   - **4c.** Increase height limits in Overlay District B to 48' & 4 stories with 4th floor setback;
   - **4d.** Needham Center and Garden Street Overlay District;
   - **4e.** Chestnut Street Business and Lower Chestnut Overlay District;
   - **4f.** Extend Chestnut Street Business district and Lower Chestnut Overlay district to include SNF property on Lincoln Street;
   - **4g.** Avery Square Business and Overlay District – increase height from 35' to 38'.
5. Expand **General Residence** over **SRB** area along the Highland Street corridor to allow 2-family and SF conversions to 2-family.
   - **5a.** Highland Avenue from Rosemary Street to Avery Square Business District.
6. Rezone designated residential areas **6a**, **6b**, **6c** and **6d** currently zoned **SRA** to **SRB.** These specific SRA areas are adjacent to SRB areas and currently have parcel sizes that are closer to SRB 10,000 SF lots. This would allow for the use of dimensional controls for setbacks and coverages more appropriate for these smaller lots.



USE DISTRICTS

- SRA — SINGLE RESIDENCE - A
- SRB — SINGLE RESIDENCE - B
- GR — GENERAL RESIDENCE
- APARTMENTS A-1
- APARTMENTS A-2
- RURAL RESIDENCE - CONSERVATION
- INSTITUTIONAL
- BUSINESS
- HIGHWAY COMMERCIAL - 1
- INDUSTRIAL
- INDUSTRIAL - 1
- AVERY SQUARE BUSINESS
- CENTER BUSINESS
- CHESTNUT STREET BUSINESS
- HIGHLAND COMMERCIAL - 128
- HILLSIDE AVENUE BUSINESS
- MIXED USE - 128
- NEIGHBORHOOD BUSINESS
- NEW ENGLAND BUSINESS CENTER
- ELDER SERVICES ZONING DISTRICT
- TOWN BOUNDARY
- PARCEL
- TOWN HALL
- SCHOOL SITES
- NHA SITES (Needham Housing Authority)
- GS — GREEN SPACE (parks, fields etc)
- CEM — GREEN SPACE (cemetery)

OVERLAY DISTRICTS

- WIRELESS COMMUNICATIONS FACILITIES TOWERS OVERLAY DISTRICTS
- ADULT USE OVERLAY DISTRICT
- MEDICAL OVERLAY DISTRICT
- AQUIFIER PROTECTION DISTRICT
- NEEDHAM CENTER OVERLAY DISTRICT A
- NEEDHAM CENTER OVERLAY DISTRICT B
- LOWER CHESTNUT STREET OVERLAY DISTRICT
- GARDEN STREET OVERLAY DISTRICT
- LARGE SCALE GROUND MOUNTED SOLAR PHOTOVOLTAIC INSTALLATION OVERLAY DISTRICT
- TEMPORARY METEOROLOGICAL TOWERS OVERLAY DISTRICT
- MIXED USE OVERLAY DISTRICT (MOUD)
- AVERY SQUARE OVERLAY DISTRICT
- July 17, 2012 - FLOOD PLAIN DISTRICT (ALL ELEVATIONS REFER TO U.S.G.S MEAN SEA LEVEL DATUM)

1/2 mile

SCALE 0 550 1100 1650 2200 2750 3300

Z1: The Heights (proposed)

SUMMARY OF ZONING CONSIDERATIONS:

Proposed Zoning Changes:

1. Implement **Apartment 1** zoning in **SRB**, **GR** or **Industrial** Districts or in locations of non-conforming existing MF or other non-SF uses. Use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

Apartment A-1 – ***rezone parcels within ½ mile of Needham Center transit station, now zoned SRB:***

- **1a.** 888 Great Plain Avenue (former nursery/garden center);
- **1b.** Baptist and Christian Science Church parcels on Great Plain Avenue, near corner of Warren Street;
- **1c.** YMCA site on Great Plain Avenue next to Greene's Field;
- **1d.** St. Joseph School strip along May Street;
- **1e.** Stephen Palmer former school leased by Town for multi-family housing;
- **1f.** Greene's Field playground/playfield abutting Stephen Palmer;
- **1g.** Congregational Church on Great Plain Avenue including former rest home parcel;
- **1h.** Extend existing Apt. A-1 along Rosemary Street adjacent to Industrial District and up to and across Highland Avenue to include library, Christ Episcopal and a part of Sudbury Farms, to create a contiguous Apt. A-1 parcel of approximately 25 ac;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Center Transit station, now zoned GR***

- **1i.** Lots on Pickering Place together with a portion of St. Joseph School parcel;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned SRB:***

- **1j.** From Hamilton Highlands (Apt. A-1) along Highland Avenue to Hunnewell Street;
- **1k.** Avery Park Condominium and further East and South to include Avery Field;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned GR:***

- **1m.** Convert Hillside School and the rear portion of 5 lots that abut the Hillside School property to Apt. A-1;
- **1n.** Convert Industrial district along Crescent Road to be Apt. A-1 to allow MF housing and be a consolidated district with the Hillside School also converted to Apt. A-1. Exisiting uses to remain as non-conforming uses;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Junction transit station, now zoned Chestnut Street Business, Lower Chestnut Street Overlay District and SRB:***

- **1p.** Rezone Hartney Greymont site (now partly Chestnut Street Business / Overlay and SRB) to be Apt. A–1 to allow MF without mixed-use stipulation.

2. Amend current **Business, Hillside Avenue Business,** and **Neighborhood Business** Districts within 1/2 mile of transit, including 59 bus route, to allow MF by-right and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts. Allow mixed-use option by Special Permit if not allowed by-right.

- **2a.** Business District along Highland Avenue from May Street northerly to Sudbury Farms;
- **2b.** Hillside Avenue Business with dimensional regulations for MF housing same as Apt. A-1 district and by-right;
- **2c.** Neighborhood District along Reservoir and Central area along 128;
- **2d.** Neighborhood District along Great Plain near the Hersey MBTA station.

3. Amend current **Industrial** Disticts within 1/2 mile of transit to allow MF and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

- **3a.** Add MF housing to the uses allowed by right in the Industrial District between Hillside Avenue and the MBTA right-of-way.

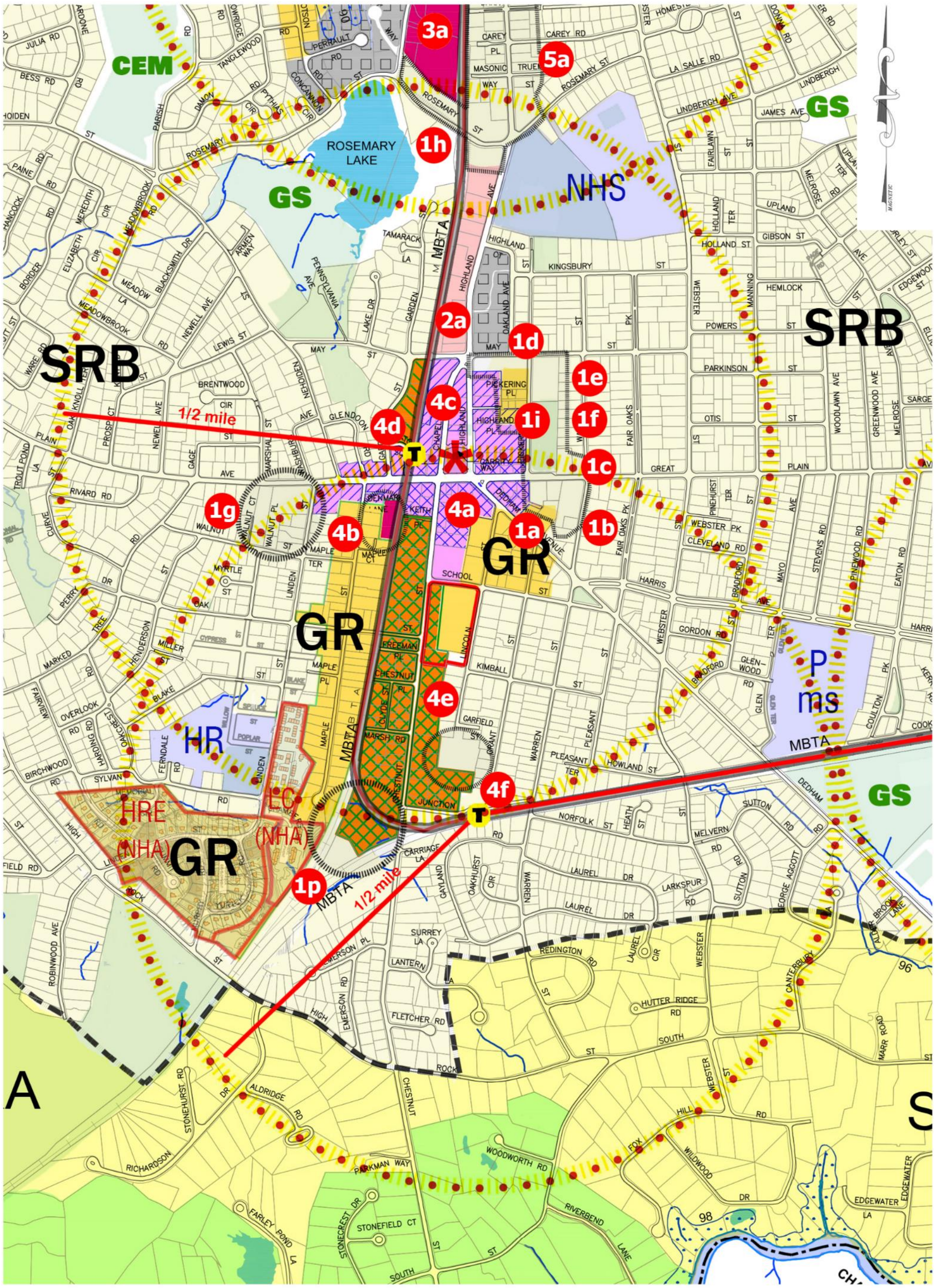
4. Amend current **Center Business** District and its **Overlays** and **Chestnut Street** and **Avery Square Business** Districts and **Avery Square** and **Lower Chestnut Street Overlay** Districts within 1/2 mile of transit to allow MF and mixed-use MF by-right, not special permit, and adjust (increase) current height and story limits. Changes to limits to be appropriate to their adjacent context.

- **4a.** Needham Center and Overlay District A;
- **4b.** Needham Center and Overlay District B: extend to include Denmark Lane;
- **4c.** Increase height limits in Overlay District B to 48' & 4 stories with 4th floor setback;
- **4d.** Needham Center and Garden Street Overlay District;
- **4e.** Chestnut Street Business and Lower Chestnut Overlay District;
- **4f.** Extend Chestnut Street Business district and Lower Chestnut Overlay district to include SNF property on Lincoln Street;
- **4g.** Avery Square Business and Overlay District – increase height from 35' to 38'.

5. Expand **General Residence** over **SRB** area along the Highland Street corridor to allow 2-family and SF conversions to 2-family.

- **5a.** Highland Avenue from Rosemary Street to Avery Square Business District.

6. Rezone designated residential areas **6a**, **6b**, **6c** and **6d** currently zoned **SRA** to **SRB.** These specific SRA areas are adjacent to SRB areas and currently have parcel sizes that are closer to SRB 10,000 SF lots. This would allow for the use of dimensional controls for setbacks and coverages more appropriate for these smaller lots.



Z2: Town Center (proposed)

SUMMARY OF ZONING CONSIDERATIONS:

Proposed Zoning Changes:

1. Implement **Apartment 1** zoning in **SRB**, **GR** or **Industrial** Districts or in locations of non-conforming existing MF or other non-SF uses. Use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

Apartment A-1 – rezone parcels within ½ mile of Needham Center transit station, now zoned SRB:

- **1a.** 888 Great Plain Avenue (former nursery/garden center);
- **1b.** Baptist and Christian Science Church parcels on Great Plain Avenue, near corner of Warren Street;
- **1c.** YMCA site on Great Plain Avenue next to Greene's Field;
- **1d.** St. Joseph School strip along May Street;
- **1e.** Stephen Palmer former school leased by Town for multi-family housing;
- **1f.** Greene's Field playground/playfield abutting Stephen Palmer;
- **1g.** Congregational Church on Great Plain Avenue including former rest home parcel;
- **1h.** Extend existing Apt. A-1 along Rosemary Street adjacent to Industrial District and up to and across Highland Avenue to include library, Christ Episcopal and a part of Sudbury Farms, to create a contiguous Apt. A-1 parcel of approximately 25 ac;

Apartment A-1 – rezone parcels within ½ mile of Needham Center Transit station, now zoned GR

- **1i.** Lots on Pickering Place together with a portion of St. Joseph School parcel;

Apartment A-1 – rezone parcels within ½ mile of Needham Heights transit station, now zoned SRB:

- **1j.** From Hamilton Highlands (Apt. A-1) along Highland Avenue to Hunnewell Street;
- **1k.** Avery Park Condominium and further East and South to include Avery Field;

Apartment A-1 – rezone parcels within ½ mile of Needham Heights transit station, now zoned GR:

- **1m.** Convert Hillside School and the rear portion of 5 lots that abut the Hillside School property to Apt. A-1;
- **1n.** Convert Industrial district along Crescent Road to be Apt. A-1 to allow MF housing and be a consolidated district with the Hillside School also converted to Apt. A-1. Exisiting uses to remain as non-conforming uses;

Apartment A-1 – rezone parcels within ½ mile of Needham Junction transit station, now zoned Chestnut Street Business, Lower Chestnut Street Overlay District and SRB:

- **1p.** Rezone Hartney Greymont site (now partly Chestnut Street Business / Overlay and SRB) to be Apt. A–1 to allow MF without mixed-use stipulation.

2. Amend current **Business, Hillside Avenue Business,** and **Neighborhood Business** Districts within 1/2 mile of transit, including 59 bus route, to allow MF by-right and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts. Allow mixed-use option by Special Permit if not allowed by-right.

- **2a.** Business District along Highland Avenue from May Street northerly to Sudbury Farms;
- **2b.** Hillside Avenue Business with dimensional regulations for MF housing same as Apt. A-1 district and by-right;
- **2c.** Neighborhood District along Reservoir and Central area along 128;
- **2d.** Neighborhood District along Great Plain near the Hersey MBTA station.

3. Amend current **Industrial** Disticts within 1/2 mile of transit to allow MF and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

- **3a.** Add MF housing to the uses allowed by right in the Industrial District between Hillside Avenue and the MBTA right-of-way.

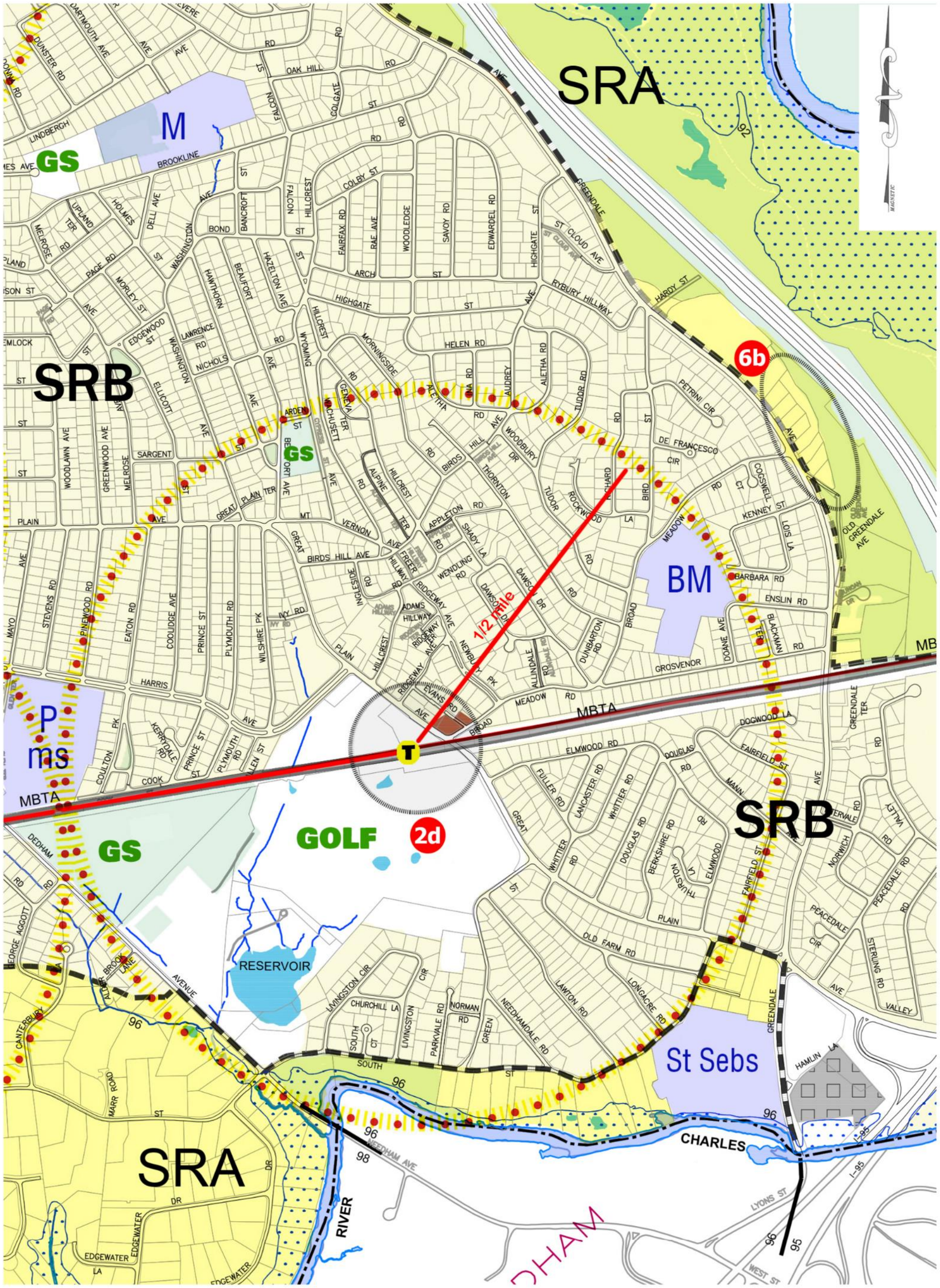
4. Amend current **Center Business** District and its **Overlays** and **Chestnut Street** and **Avery Square Business** Districts and **Avery Square** and **Lower Chestnut Street Overlay** Districts within 1/2 mile of transit to allow MF and mixed-use MF by-right, not special permit, and adjust (increase) current height and story limits. Changes to limits to be appropriate to their adjacent context.

- **4a.** Needham Center and Overlay District A;
- **4b.** Needham Center and Overlay District B: extend to include Denmark Lane;
- **4c.** Increase height limits in Overlay District B to 48' & 4 stories with 4th floor setback;
- **4d.** Needham Center and Garden Street Overlay District;
- **4e.** Chestnut Street Business and Lower Chestnut Overlay District;
- **4f.** Extend Chestnut Street Business district and Lower Chestnut Overlay district to include SNF property on Lincoln Street;
- **4g.** Avery Square Business and Overlay District – increase height from 35' to 38'.

5. Expand **General Residence** over **SRB** area along the Highland Street corridor to allow 2-family and SF conversions to 2-family.

- **5a.** Highland Avenue from Rosemary Street to Avery Square Business District.

6. Rezone designated residential areas **6a**, **6b**, **6c** and **6d** currently zoned **SRA** to **SRB.** These specific SRA areas are adjacent to SRB areas and currently have parcel sizes that are closer to SRB 10,000 SF lots. This would allow for the use of dimensional controls for setbacks and coverages more appropriate for these smaller lots.



USE DISTRICTS

- SRA — SINGLE RESIDENCE - A
- SRB — SINGLE RESIDENCE - B
- GR — GENERAL RESIDENCE
- APARTMENTS A-1
- APARTMENTS A-2
- RURAL RESIDENCE - CONSERVATION
- INSTITUTIONAL
- BUSINESS
- HIGHWAY COMMERCIAL - 1
- INDUSTRIAL
- INDUSTRIAL - 1
- AVERY SQUARE BUSINESS
- CENTER BUSINESS
- CHESTNUT STREET BUSINESS
- HIGHLAND COMMERCIAL - 128
- HILLSIDE AVENUE BUSINESS
- MIXED USE - 128
- NEIGHBORHOOD BUSINESS
- NEW ENGLAND BUSINESS CENTER
- ELDER SERVICES ZONING DISTRICT
- TOWN BOUNDARY
- PARCEL
- TOWN HALL
- SCHOOL SITES
- NHA SITES (Needham Housing Authority)
- GS — GREEN SPACE (parks, fields etc)
- CEM — GREEN SPACE (cemetery)

OVERLAY DISTRICTS

- WIRELESS COMMUNICATIONS FACILITIES TOWERS OVERLAY DISTRICTS
- ADULT USE OVERLAY DISTRICT
- MEDICAL OVERLAY DISTRICT
- AQUIFIER PROTECTION DISTRICT
- NEEDHAM CENTER OVERLAY DISTRICT A
- NEEDHAM CENTER OVERLAY DISTRICT B
- LOWER CHESTNUT STREET OVERLAY DISTRICT
- GARDEN STREET OVERLAY DISTRICT
- LARGE SCALE GROUND MOUNTED SOLAR PHOTOVOLTAIC INSTALLATION OVERLAY DISTRICT
- TEMPORARY METEOROLOGICAL TOWERS OVERLAY DISTRICT
- MIXED USE OVERLAY DISTRICT (MOUD)
- AVERY SQUARE OVERLAY DISTRICT
- July 17, 2012 - FLOOD PLAIN DISTRICT (ALL ELEVATIONS REFER TO U.S.G.S MEAN SEA LEVEL DATUM)

SCALE 0 550 1100 1650 2200 2750 3300

Z3: Hersey (proposed)

SUMMARY OF ZONING CONSIDERATIONS:

Proposed Zoning Changes:

1. Implement **Apartment 1** zoning in **SRB**, **GR** or **Industrial** Districts or in locations of non-conforming existing MF or other non-SF uses. Use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

Apartment A-1 – ***rezone parcels within ½ mile of Needham Center transit station, now zoned SRB:***

- **1a.** 888 Great Plain Avenue (former nursery/garden center);
- **1b.** Baptist and Christian Science Church parcels on Great Plain Avenue, near corner of Warren Street;
- **1c.** YMCA site on Great Plain Avenue next to Greene's Field;
- **1d.** St. Joseph School strip along May Street;
- **1e.** Stephen Palmer former school leased by Town for multi-family housing;
- **1f.** Greene's Field playground/playfield abutting Stephen Palmer;
- **1g.** Congregational Church on Great Plain Avenue including former rest home parcel;
- **1h.** Extend existing Apt. A-1 along Rosemary Street adjacent to Industrial District and up to and across Highland Avenue to include library, Christ Episcopal and a part of Sudbury Farms, to create a contiguous Apt. A-1 parcel of approximately 25 ac;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Center Transit station, now zoned GR***

- **1i.** Lots on Pickering Place together with a portion of St. Joseph School parcel;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned SRB:***

- **1j.** From Hamilton Highlands (Apt. A-1) along Highland Avenue to Hunnewell Street;
- **1k.** Avery Park Condominium and further East and South to include Avery Field;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned GR:***

- **1m.** Convert Hillside School and the rear portion of 5 lots that abut the Hillside School property to Apt. A-1;
- **1n.** Convert Industrial district along Crescent Road to be Apt. A-1 to allow MF housing and be a consolidated district with the Hillside School also converted to Apt. A-1. Exisiting uses to remain as non-conforming uses;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Junction transit station, now zoned Chestnut Street Business, Lower Chestnut Street Overlay District and SRB:***

- **1p.** Rezone Hartney Greymont site (now partly Chestnut Street Business / Overlay and SRB) to be Apt. A–1 to allow MF without mixed-use stipulation.

2. Amend current **Business, Hillside Avenue Business,** and **Neighborhood Business** Districts within 1/2 mile of transit, including 59 bus route, to allow MF by-right and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts. Allow mixed-use option by Special Permit if not allowed by-right.

- **2a.** Business District along Highland Avenue from May Street northerly to Sudbury Farms;
- **2b.** Hillside Avenue Business with dimensional regulations for MF housing same as Apt. A-1 district and by-right;
- **2c.** Neighborhood District along Reservoir and Central area along 128;
- **2d.** Neighborhood District along Great Plain near the Hersey MBTA station.

3. Amend current **Industrial** Disticts within 1/2 mile of transit to allow MF and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

- **3a.** Add MF housing to the uses allowed by right in the Industrial District between Hillside Avenue and the MBTA right-of-way.

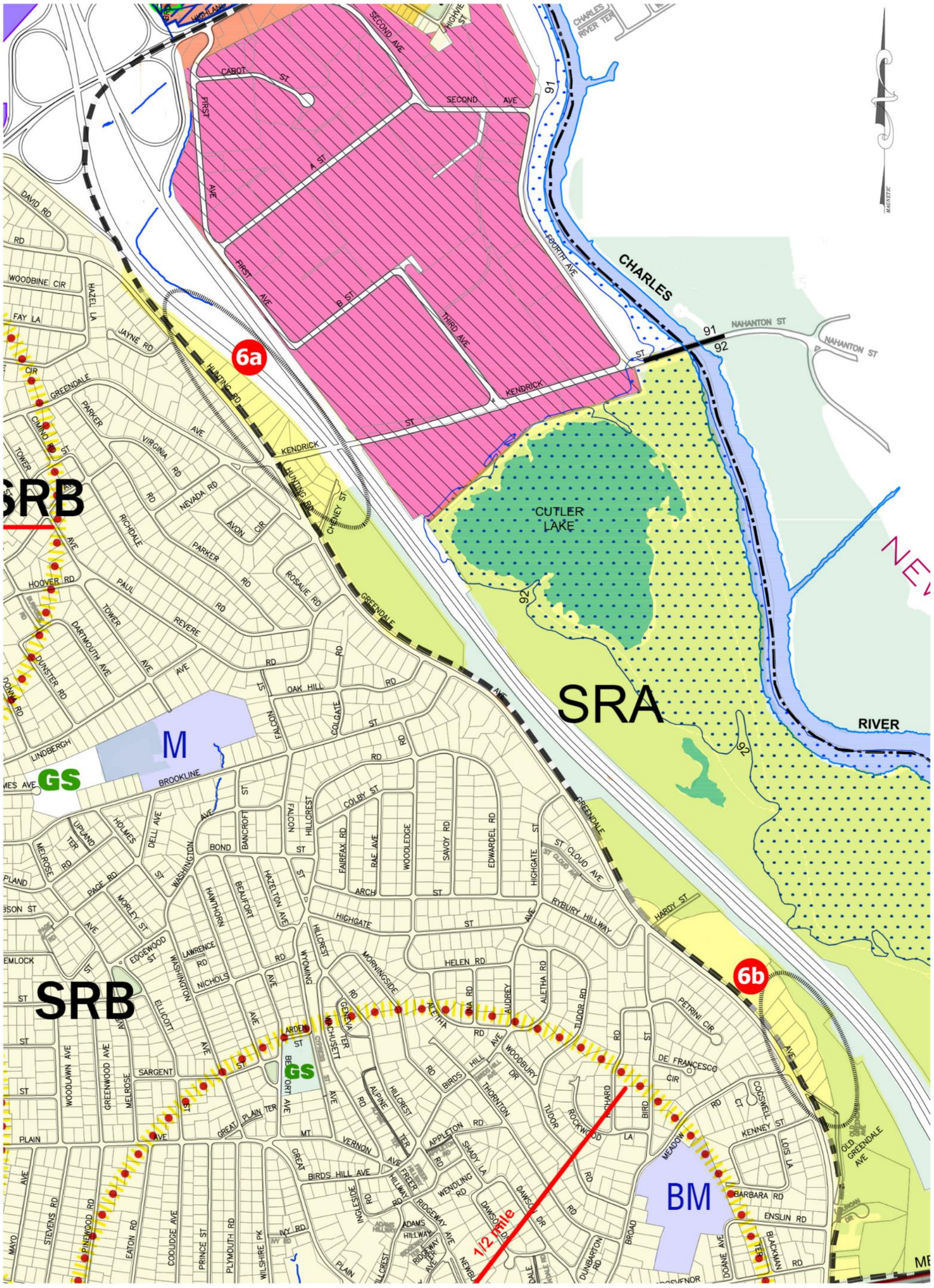
4. Amend current **Center Business** District and its **Overlays** and **Chestnut Street** and **Avery Square Business** Districts and **Avery Square** and **Lower Chestnut Street Overlay** Districts within 1/2 mile of transit to allow MF and mixed-use MF by-right, not special permit, and adjust (increase) current height and story limits. Changes to limits to be appropriate to their adjacent context.

- **4a.** Needham Center and Overlay District A;
- **4b.** Needham Center and Overlay District B: extend to include Denmark Lane;
- **4c.** Increase height limits in Overlay District B to 48' & 4 stories with 4th floor setback;
- **4d.** Needham Center and Garden Street Overlay District;
- **4e.** Chestnut Street Business and Lower Chestnut Overlay District;
- **4f.** Extend Chestnut Street Business district and Lower Chestnut Overlay district to include SNF property on Lincoln Street;
- **4g.** Avery Square Business and Overlay District – increase height from 35' to 38'.

5. Expand **General Residence** over **SRB** area along the Highland Street corridor to allow 2-family and SF conversions to 2-family.

- **5a.** Highland Avenue from Rosemary Street to Avery Square Business District.

6. Rezone designated residential areas **6a**, **6b**, **6c** and **6d** currently zoned **SRA** to **SRB.** These specific SRA areas are adjacent to SRB areas and currently have parcel sizes that are closer to SRB 10,000 SF lots. This would allow for the use of dimensional controls for setbacks and coverages more appropriate for these smaller lots.



Z4: East SRA (proposed)

SCALE

SUMMARY OF ZONING CONSIDERATIONS:

Proposed Zoning Changes:

1. Implement **Apartment 1** zoning in **SRB**, **GR** or **Industrial** Districts or in locations of non-conforming existing MF or other non-SF uses. Use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

Apartment A-1 – ***rezone parcels within ½ mile of Needham Center transit station, now zoned SRB:***

- **1a.** 888 Great Plain Avenue (former nursery/garden center);
- **1b.** Baptist and Christian Science Church parcels on Great Plain Avenue, near corner of Warren Street;
- **1c.** YMCA site on Great Plain Avenue next to Greene's Field;
- **1d.** St. Joseph School strip along May Street;
- **1e.** Stephen Palmer former school leased by Town for multi-family housing;
- **1f.** Greene's Field playground/playfield abutting Stephen Palmer;
- **1g.** Congregational Church on Great Plain Avenue including former rest home parcel;
- **1h.** Extend existing Apt. A-1 along Rosemary Street adjacent to Industrial District and up to and across Highland Avenue to include library, Christ Episcopal and a part of Sudbury Farms, to create a contiguous Apt. A-1 parcel of approximately 25 ac;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Center Transit station, now zoned GR***

- **1i.** Lots on Pickering Place together with a portion of St. Joseph School parcel;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned SRB:***

- **1j.** From Hamilton Highlands (Apt. A-1) along Highland Avenue to Hunnewell Street;
- **1k.** Avery Park Condominium and further East and South to include Avery Field;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned GR:***

- **1m.** Convert Hillside School and the rear portion of 5 lots that abut the Hillside School property to Apt. A-1;
- **1n.** Convert Industrial district along Crescent Road to be Apt. A-1 to allow MF housing and be a consolidated district with the Hillside School also converted to Apt. A-1. Exisiting uses to remain as non-conforming uses;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Junction transit station, now zoned Chestnut Street Business, Lower Chestnut Street Overlay District and SRB:***

- **1p.** Rezone Hartney Greymont site (now partly Chestnut Street Business / Overlay and SRB) to be Apt. A–1 to allow MF without mixed-use stipulation.

2. Amend current **Business, Hillside Avenue Business,** and **Neighborhood Business** Districts within 1/2 mile of transit, including 59 bus route, to allow MF by-right and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts. Allow mixed-use option by Special Permit if not allowed by-right.

- **2a.** Business District along Highland Avenue from May Street northerly to Sudbury Farms;
- **2b.** Hillside Avenue Business with dimensional regulations for MF housing same as Apt. A-1 district and by-right;
- **2c.** Neighborhood District along Reservoir and Central area along 128;
- **2d.** Neighborhood District along Great Plain near the Hersey MBTA station.

3. Amend current **Industrial** Disticts within 1/2 mile of transit to allow MF and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

- **3a.** Add MF housing to the uses allowed by right in the Industrial District between Hillside Avenue and the MBTA right-of-way.

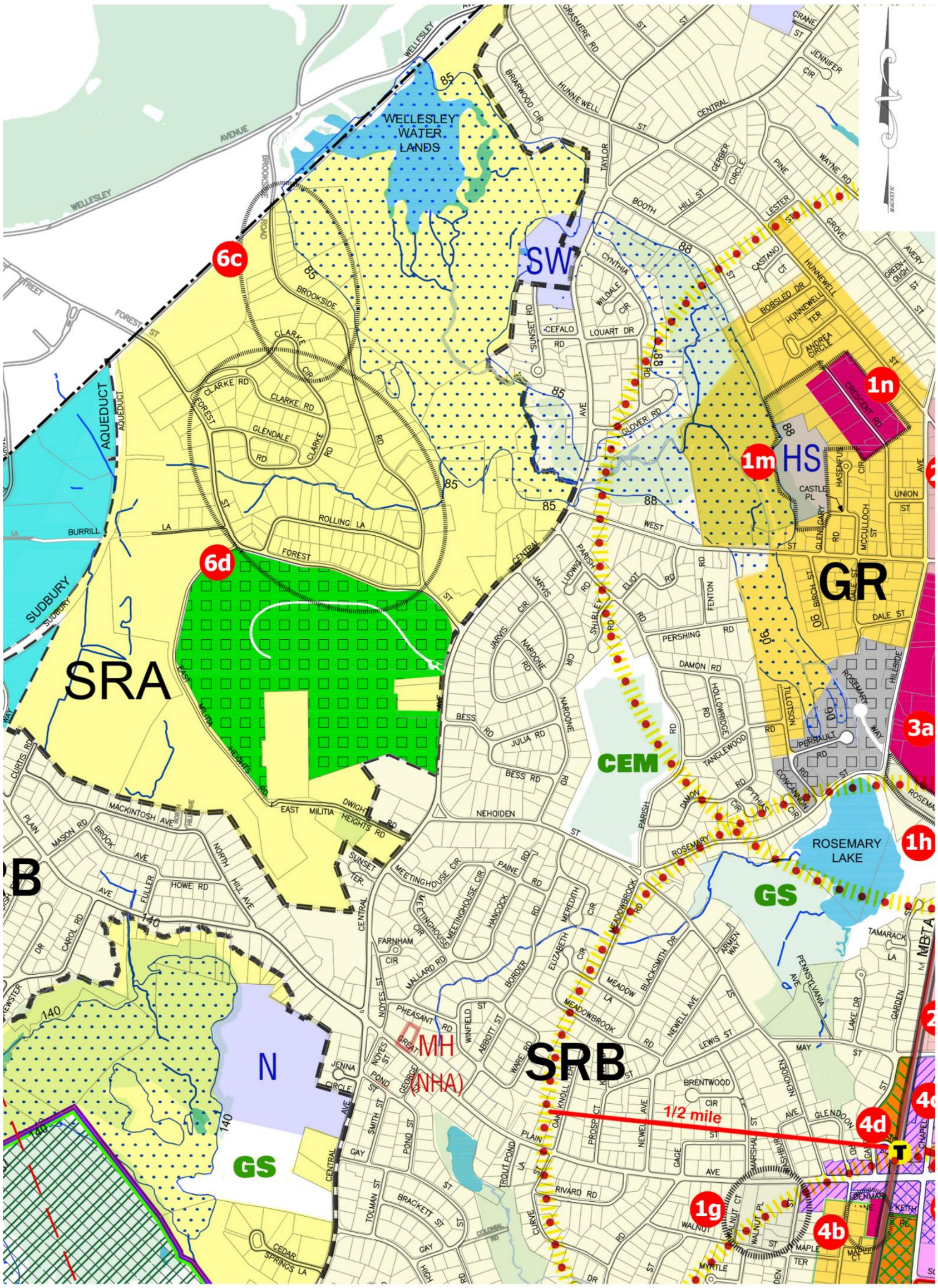
4. Amend current **Center Business** District and its **Overlays** and **Chestnut Street** and **Avery Square Business** Districts and **Avery Square** and **Lower Chestnut Street Overlay** Districts within 1/2 mile of transit to allow MF and mixed-use MF by-right, not special permit, and adjust (increase) current height and story limits. Changes to limits to be appropriate to their adjacent context.

- **4a.** Needham Center and Overlay District A;
- **4b.** Needham Center and Overlay District B: extend to include Denmark Lane;
- **4c.** Increase height limits in Overlay District B to 48' & 4 stories with 4th floor setback;
- **4d.** Needham Center and Garden Street Overlay District;
- **4e.** Chestnut Street Business and Lower Chestnut Overlay District;
- **4f.** Extend Chestnut Street Business district and Lower Chestnut Overlay district to include SNF property on Lincoln Street;
- **4g.** Avery Square Business and Overlay District – increase height from 35' to 38'.

5. Expand **General Residence** over **SRB** area along the Highland Street corridor to allow 2-family and SF conversions to 2-family.

- **5a.** Highland Avenue from Rosemary Street to Avery Square Business District.

6. Rezone designated residential areas **6a**, **6b**, **6c** and **6d** currently zoned **SRA** to **SRB.** These specific SRA areas are adjacent to SRB areas and currently have parcel sizes that are closer to SRB 10,000 SF lots. This would allow for the use of dimensional controls for setbacks and coverages more appropriate for these smaller lots.



Z5: West SRA (proposed)

SUMMARY OF ZONING CONSIDERATIONS:

Proposed Zoning Changes:

1. Implement **Apartment 1** zoning in **SRB**, **GR** or **Industrial** Districts or in locations of non-conforming existing MF or other non-SF uses. Use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

Apartment A-1 – rezone parcels within ½ mile of Needham Center transit station, now zoned SRB:

- **1a.** 888 Great Plain Avenue (former nursery/garden center);
- **1b.** Baptist and Christian Science Church parcels on Great Plain Avenue, near corner of Warren Street;
- **1c.** YMCA site on Great Plain Avenue next to Greene's Field;
- **1d.** St. Joseph School strip along May Street;
- **1e.** Stephen Palmer former school leased by Town for multi-family housing;
- **1f.** Greene's Field playground/playfield abutting Stephen Palmer;
- **1g.** Congregational Church on Great Plain Avenue including former rest home parcel;
- **1h.** Extend existing Apt. A-1 along Rosemary Street adjacent to Industrial District and up to and across Highland Avenue to include library, Christ Episcopal and a part of Sudbury Farms, to create a contiguous Apt. A-1 parcel of approximately 25 ac;

Apartment A-1 – rezone parcels within ½ mile of Needham Center Transit station, now zoned GR

- **1i.** Lots on Pickering Place together with a portion of St. Joseph School parcel;

Apartment A-1 – rezone parcels within ½ mile of Needham Heights transit station, now zoned SRB:

- **1j.** From Hamilton Highlands (Apt. A-1) along Highland Avenue to Hunnewell Street;
- **1k.** Avery Park Condominium and further East and South to include Avery Field;

Apartment A-1 – rezone parcels within ½ mile of Needham Heights transit station, now zoned GR:

- **1m.** Convert Hillside School and the rear portion of 5 lots that abut the Hillside School property to Apt. A-1;
- **1n.** Convert Industrial district along Crescent Road to be Apt. A-1 to allow MF housing and be a consolidated district with the Hillside School also converted to Apt. A-1. Exisiting uses to remain as non-conforming uses;

Apartment A-1 – rezone parcels within ½ mile of Needham Junction transit station, now zoned Chestnut Street Business, Lower Chestnut Street Overlay District and SRB:

- **1p.** Rezone Hartney Greymont site (now partly Chestnut Street Business / Overlay and SRB) to be Apt. A–1 to allow MF without mixed-use stipulation.

2. Amend current **Business, Hillside Avenue Business,** and **Neighborhood Business** Districts within 1/2 mile of transit, including 59 bus route, to allow MF by-right and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts. Allow mixed-use option by Special Permit if not allowed by-right.

- **2a.** Business District along Highland Avenue from May Street northerly to Sudbury Farms;
- **2b.** Hillside Avenue Business with dimensional regulations for MF housing same as Apt. A-1 district and by-right;
- **2c.** Neighborhood District along Reservoir and Central area along 128;
- **2d.** Neighborhood District along Great Plain near the Hersey MBTA station.

3. Amend current **Industrial** Disticts within 1/2 mile of transit to allow MF and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

- **3a.** Add MF housing to the uses allowed by right in the Industrial District between Hillside Avenue and the MBTA right-of-way.

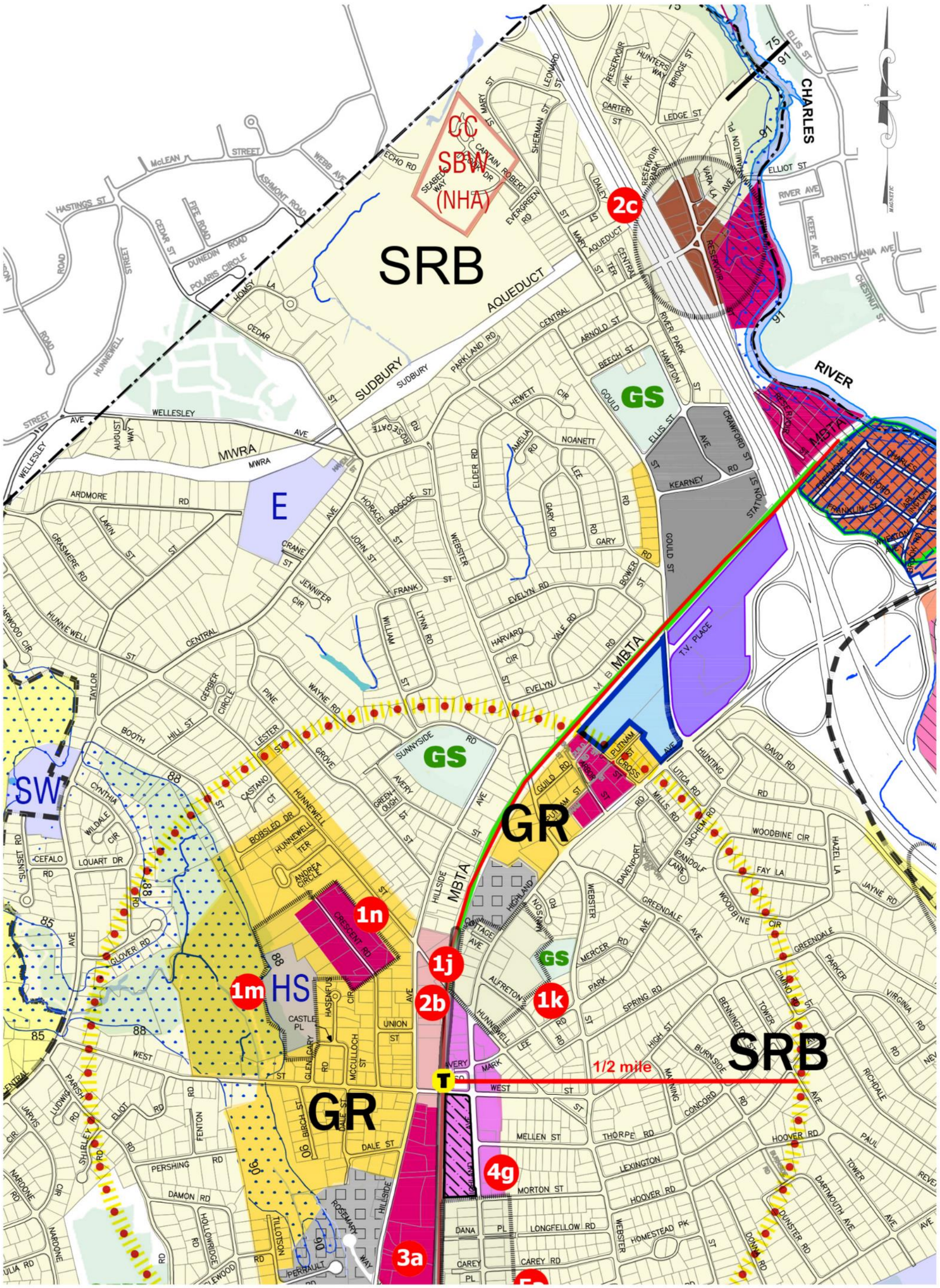
4. Amend current **Center Business** District and its **Overlays** and **Chestnut Street** and **Avery Square Business** Districts and **Avery Square** and **Lower Chestnut Street Overlay** Districts within 1/2 mile of transit to allow MF and mixed-use MF by-right, not special permit, and adjust (increase) current height and story limits. Changes to limits to be appropriate to their adjacent context.

- **4a.** Needham Center and Overlay District A;
- **4b.** Needham Center and Overlay District B: extend to include Denmark Lane;
- **4c.** Increase height limits in Overlay District B to 48' & 4 stories with 4th floor setback;
- **4d.** Needham Center and Garden Street Overlay District;
- **4e.** Chestnut Street Business and Lower Chestnut Overlay District;
- **4f.** Extend Chestnut Street Business district and Lower Chestnut Overlay district to include SNF property on Lincoln Street;
- **4g.** Avery Square Business and Overlay District – increase height from 35' to 38'.

5. Expand **General Residence** over **SRB** area along the Highland Street corridor to allow 2-family and SF conversions to 2-family.

- **5a.** Highland Avenue from Rosemary Street to Avery Square Business District.

6. Rezone designated residential areas **6a**, **6b**, **6c** and **6d** currently zoned **SRA** to **SRB.** These specific SRA areas are adjacent to SRB areas and currently have parcel sizes that are closer to SRB 10,000 SF lots. This would allow for the use of dimensional controls for setbacks and coverages more appropriate for these smaller lots.



USE DISTRICTS

- SRA — SINGLE RESIDENCE - A
- SRB — SINGLE RESIDENCE - B
- GR — GENERAL RESIDENCE
- APARTMENTS A-1
- APARTMENTS A-2
- RURAL RESIDENCE - CONSERVATION
- INSTITUTIONAL
- BUSINESS
- HIGHWAY COMMERCIAL - 1
- INDUSTRIAL
- INDUSTRIAL - 1
- AVERY SQUARE BUSINESS
- CENTER BUSINESS
- CHESTNUT STREET BUSINESS
- HIGHLAND COMMERCIAL - 128
- HILLSIDE AVENUE BUSINESS
- MIXED USE - 128
- NEIGHBORHOOD BUSINESS
- NEW ENGLAND BUSINESS CENTER
- ELDER SERVICES ZONING DISTRICT
- TOWN BOUNDARY
- PARCEL
- TOWN HALL
- SCHOOL SITES
- NHA SITES (Needham Housing Authority)
- GS — GREEN SPACE (parks, fields etc)
- CEM — GREEN SPACE (cemetery)

OVERLAY DISTRICTS

- WIRELESS COMMUNICATIONS FACILITIES TOWERS OVERLAY DISTRICTS
- ADULT USE OVERLAY DISTRICT
- MEDICAL OVERLAY DISTRICT
- AQUIFIER PROTECTION DISTRICT
- NEEDHAM CENTER OVERLAY DISTRICT A
- NEEDHAM CENTER OVERLAY DISTRICT B
- LOWER CHESTNUT STREET OVERLAY DISTRICT
- GARDEN STREET OVERLAY DISTRICT
- LARGE SCALE GROUND MOUNTED SOLAR PHOTOVOLTAIC INSTALLATION OVERLAY DISTRICT
- TEMPORARY METEOROLOGICAL TOWERS OVERLAY DISTRICT
- MIXED USE OVERLAY DISTRICT (MOUD)
- AVERY SQUARE OVERLAY DISTRICT
- July 17, 2012 - FLOOD PLAIN DISTRICT (ALL ELEVATIONS REFER TO U.S.G.S MEAN SEA LEVEL DATUM)

1/2 mile

SCALE 0 550 1100 1650 2200 2750 3300

Z6: Reservoir (proposed)

SUMMARY OF ZONING CONSIDERATIONS:

Proposed Zoning Changes:

1. Implement **Apartment 1** zoning in **SRB**, **GR** or **Industrial** Districts or in locations of non-conforming existing MF or other non-SF uses. Use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

Apartment A-1 – ***rezone parcels within ½ mile of Needham Center transit station, now zoned SRB:***

- **1a.** 888 Great Plain Avenue (former nursery/garden center);
- **1b.** Baptist and Christian Science Church parcels on Great Plain Avenue, near corner of Warren Street;
- **1c.** YMCA site on Great Plain Avenue next to Greene's Field;
- **1d.** St. Joseph School strip along May Street;
- **1e.** Stephen Palmer former school leased by Town for multi-family housing;
- **1f.** Greene's Field playground/playfield abutting Stephen Palmer;
- **1g.** Congregational Church on Great Plain Avenue including former rest home parcel;
- **1h.** Extend existing Apt. A-1 along Rosemary Street adjacent to Industrial District and up to and across Highland Avenue to include library, Christ Episcopal and a part of Sudbury Farms, to create a contiguous Apt. A-1 parcel of approximately 25 ac;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Center Transit station, now zoned GR***

- **1i.** Lots on Pickering Place together with a portion of St. Joseph School parcel;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned SRB:***

- **1j.** From Hamilton Highlands (Apt. A-1) along Highland Avenue to Hunnewell Street;
- **1k.** Avery Park Condominium and further East and South to include Avery Field;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned GR:***

- **1m.** Convert Hillside School and the rear portion of 5 lots that abut the Hillside School property to Apt. A-1;
- **1n.** Convert Industrial district along Crescent Road to be Apt. A-1 to allow MF housing and be a consolidated district with the Hillside School also converted to Apt. A-1. Exisiting uses to remain as non-conforming uses;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Junction transit station, now zoned Chestnut Street Business, Lower Chestnut Street Overlay District and SRB:***

- **1p.** Rezone Hartney Greymont site (now partly Chestnut Street Business / Overlay and SRB) to be Apt. A–1 to allow MF without mixed-use stipulation.

2. Amend current **Business, Hillside Avenue Business,** and **Neighborhood Business** Districts within 1/2 mile of transit, including 59 bus route, to allow MF by-right and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts. Allow mixed-use option by Special Permit if not allowed by-right.

- **2a.** Business District along Highland Avenue from May Street northerly to Sudbury Farms;
- **2b.** Hillside Avenue Business with dimensional regulations for MF housing same as Apt. A-1 district and by-right;
- **2c.** Neighborhood District along Reservoir and Central area along 128;
- **2d.** Neighborhood District along Great Plain near the Hersey MBTA station.

3. Amend current **Industrial** Disticts within 1/2 mile of transit to allow MF and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

- **3a.** Add MF housing to the uses allowed by right in the Industrial District between Hillside Avenue and the MBTA right-of-way.

4. Amend current **Center Business** District and its **Overlays** and **Chestnut Street** and **Avery Square Business** Districts and **Avery Square** and **Lower Chestnut Street Overlay** Districts within 1/2 mile of transit to allow MF and mixed-use MF by-right, not special permit, and adjust (increase) current height and story limits. Changes to limits to be appropriate to their adjacent context.

- **4a.** Needham Center and Overlay District A;
- **4b.** Needham Center and Overlay District B: extend to include Denmark Lane;
- **4c.** Increase height limits in Overlay District B to 48' & 4 stories with 4th floor setback;
- **4d.** Needham Center and Garden Street Overlay District;
- **4e.** Chestnut Street Business and Lower Chestnut Overlay District;
- **4f.** Extend Chestnut Street Business district and Lower Chestnut Overlay district to include SNF property on Lincoln Street;
- **4g.** Avery Square Business and Overlay District – increase height from 35' to 38'.

5. Expand **General Residence** over **SRB** area along the Highland Street corridor to allow 2-family and SF conversions to 2-family.

- **5a.** Highland Avenue from Rosemary Street to Avery Square Business District.

6. Rezone designated residential areas **6a**, **6b**, **6c** and **6d** currently zoned **SRA** to **SRB.** These specific SRA areas are adjacent to SRB areas and currently have parcel sizes that are closer to SRB 10,000 SF lots. This would allow for the use of dimensional controls for setbacks and coverages more appropriate for these smaller lots.

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TOWN OF NEEDHAM MASSACHUSETTS ZONING MAP

NEEDHAM PLANNING BOARD

Adam Block, Chairperson
Jeanne S. McKnight, Vice Chairperson
Paul S. Alpert, Member
Natasha Espada, Member
Artie Crocker, Member

Lee Newman - Director of Planning & Community Development
Thomas A. Ryder, P.E.- Town Engineer
Revised - July 21, 2022

USE DISTRICTS

- SRA SINGLE RESIDENCE - A
- SRB SINGLE RESIDENCE - B
- GR GENERAL RESIDENCE
- APARTMENTS A-1
- APARTMENTS A-2
- RURAL RESIDENCE - CONSERVATION
- INSTITUTIONAL
- BUSINESS
- HIGHWAY COMMERCIAL - 1
- INDUSTRIAL
- INDUSTRIAL - 1
- AVERY SQUARE BUSINESS
- CENTER BUSINESS
- CHESTNUT STREET BUSINESS
- HIGHLAND COMMERCIAL - 128
- HILLSIDE AVENUE BUSINESS
- MIXED USE - 128
- NEIGHBORHOOD BUSINESS
- NEW ENGLAND BUSINESS CENTER
- ELDER SERVICES ZONING DISTRICT
- TOWN BOUNDARY
- PARCEL
- TOWN HALL
- SCHOOL SITES
- NHA SITES (Needham Housing Authority)

OVERLAY DISTRICTS

- WIRELESS COMMUNICATIONS FACILITIES TOWERS OVERLAY DISTRICTS
- ADULT USE OVERLAY DISTRICT
- MEDICAL OVERLAY DISTRICT
- AQUIFIER PROTECTION DISTRICT
- NEEDHAM CENTER OVERLAY DISTRICT A
- NEEDHAM CENTER OVERLAY DISTRICT B
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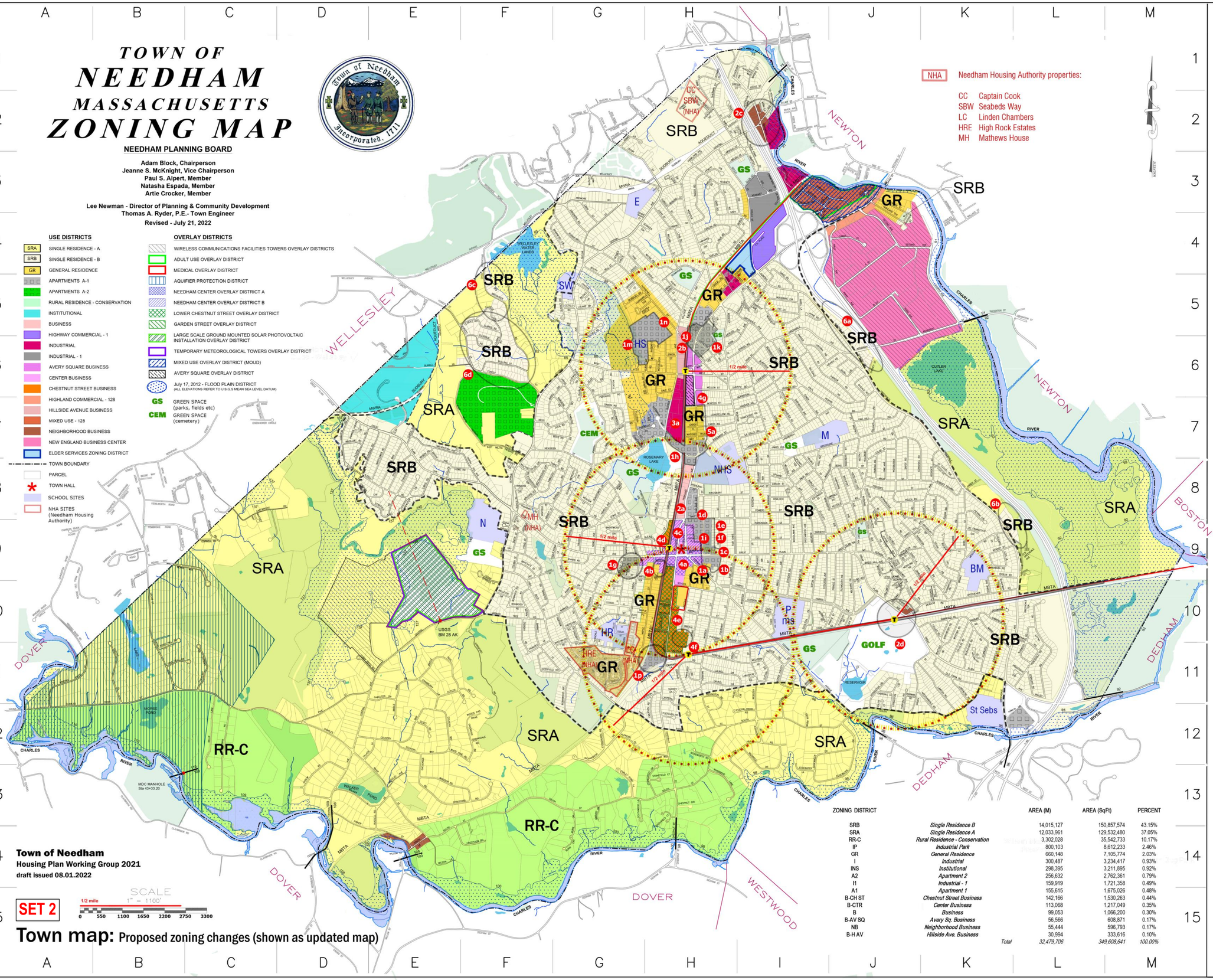
- MIXED USE OVERLAY DISTRICT (MOUD)
- AVERY SQUARE OVERLAY DISTRICT
- July 17, 2012 - FLOOD PLAIN DISTRICT (ALL ELEVATIONS REFER TO U.S.G.S MEAN SEA LEVEL DATUM)
- GS GREEN SPACE (parks, fields etc)
- CEM GREEN SPACE (cemetery)

NHA Needham Housing Authority properties:

- CC Captain Cook
- SBW Seabeds Way
- LC Linden Chambers
- HRE High Rock Estates
- MH Mathews House


SRB
SRA
GR
RR-C
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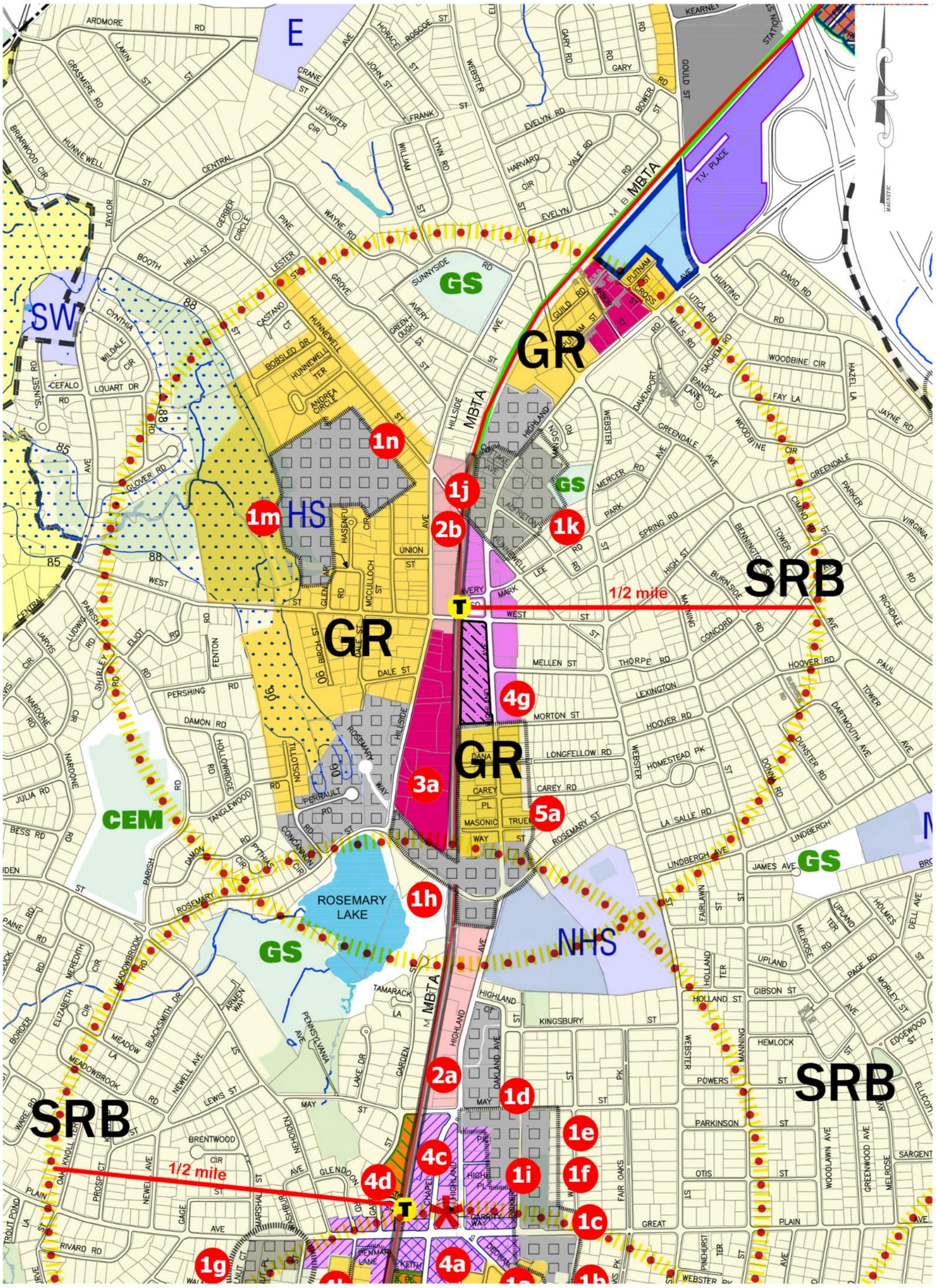

USE DISTRICTS

- SRA — SINGLE RESIDENCE - A
- SRB — SINGLE RESIDENCE - B
- GR — GENERAL RESIDENCE
- APARTMENTS A-1
- APARTMENTS A-2
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- INSTITUTIONAL
- BUSINESS
- HIGHWAY COMMERCIAL - 1
- INDUSTRIAL
- INDUSTRIAL - 1
- AVERY SQUARE BUSINESS
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- AVERY SQUARE OVERLAY DISTRICT
- July 17, 2012 - FLOOD PLAIN DISTRICT (ALL ELEVATIONS REFER TO U.S.G.S MEAN SEA LEVEL DATUM)

Z1: The Heights (proposed map)

SUMMARY OF ZONING CONSIDERATIONS:

Proposed Zoning Changes:

1. Implement **Apartment 1** zoning in **SRB**, **GR** or **Industrial** Districts or in locations of non-conforming existing MF or other non-SF uses. Use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

Apartment A-1 – ***rezone parcels within ½ mile of Needham Center transit station, now zoned SRB:***

- **1a.** 888 Great Plain Avenue (former nursery/garden center);
- **1b.** Baptist and Christian Science Church parcels on Great Plain Avenue, near corner of Warren Street;
- **1c.** YMCA site on Great Plain Avenue next to Greene's Field;
- **1d.** St. Joseph School strip along May Street;
- **1e.** Stephen Palmer former school leased by Town for multi-family housing;
- **1f.** Greene's Field playground/playfield abutting Stephen Palmer;
- **1g.** Congregational Church on Great Plain Avenue including former rest home parcel;
- **1h.** Extend existing Apt. A-1 along Rosemary Street adjacent to Industrial District and up to and across Highland Avenue to include library, Christ Episcopal and a part of Sudbury Farms, to create a contiguous Apt. A-1 parcel of approximately 25 ac;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Center Transit station, now zoned GR***

- **1i.** Lots on Pickering Place together with a portion of St. Joseph School parcel;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned SRB:***

- **1j.** From Hamilton Highlands (Apt. A-1) along Highland Avenue to Hunnewell Street;
- **1k.** Avery Park Condominium and further East and South to include Avery Field;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned GR:***

- **1m.** Convert Hillside School and the rear portion of 5 lots that abut the Hillside School property to Apt. A-1;
- **1n.** Convert Industrial district along Crescent Road to be Apt. A-1 to allow MF housing and be a consolidated district with the Hillside School also converted to Apt. A-1. Exisiting uses to remain as non-conforming uses;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Junction transit station, now zoned Chestnut Street Business, Lower Chestnut Street Overlay District and SRB:***

- **1p.** Rezone Hartney Greymont site (now partly Chestnut Street Business / Overlay and SRB) to be Apt. A–1 to allow MF without mixed-use stipulation.

2. Amend current **Business, Hillside Avenue Business,** and **Neighborhood Business** Districts within 1/2 mile of transit, including 59 bus route, to allow MF by-right and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts. Allow mixed-use option by Special Permit if not allowed by-right.

- **2a.** Business District along Highland Avenue from May Street northerly to Sudbury Farms;
- **2b.** Hillside Avenue Business with dimensional regulations for MF housing same as Apt. A-1 district and by-right;
- **2c.** Neighborhood District along Reservoir and Central area along 128;
- **2d.** Neighborhood District along Great Plain near the Hersey MBTA station.

3. Amend current **Industrial** Disticts within 1/2 mile of transit to allow MF and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

- **3a.** Add MF housing to the uses allowed by right in the Industrial District between Hillside Avenue and the MBTA right-of-way.

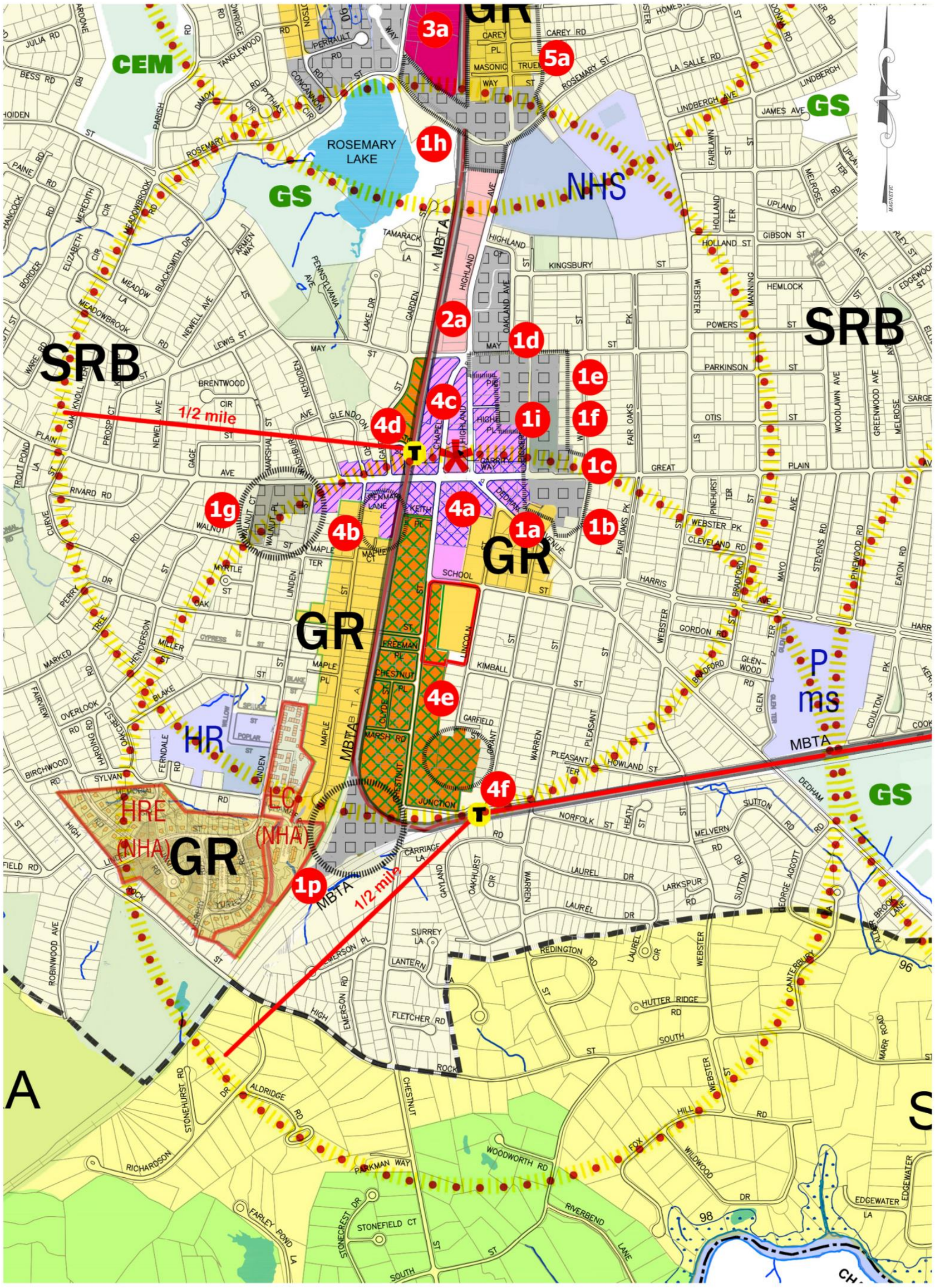
4. Amend current **Center Business** District and its **Overlays** and **Chestnut Street** and **Avery Square Business** Districts and **Avery Square** and **Lower Chestnut Street Overlay** Districts within 1/2 mile of transit to allow MF and mixed-use MF by-right, not special permit, and adjust (increase) current height and story limits. Changes to limits to be appropriate to their adjacent context.

- **4a.** Needham Center and Overlay District A;
- **4b.** Needham Center and Overlay District B: extend to include Denmark Lane;
- **4c.** Increase height limits in Overlay District B to 48' & 4 stories with 4th floor setback;
- **4d.** Needham Center and Garden Street Overlay District;
- **4e.** Chestnut Street Business and Lower Chestnut Overlay District;
- **4f.** Extend Chestnut Street Business district and Lower Chestnut Overlay district to include SNF property on Lincoln Street;
- **4g.** Avery Square Business and Overlay District – increase height from 35' to 38'.

5. Expand **General Residence** over **SRB** area along the Highland Street corridor to allow 2-family and SF conversions to 2-family.

- **5a.** Highland Avenue from Rosemary Street to Avery Square Business District.

6. Rezone designated residential areas **6a**, **6b**, **6c** and **6d** currently zoned **SRA** to **SRB.** These specific SRA areas are adjacent to SRB areas and currently have parcel sizes that are closer to SRB 10,000 SF lots. This would allow for the use of dimensional controls for setbacks and coverages more appropriate for these smaller lots.



Z2: Town Center (proposed map) SCALE

SUMMARY OF ZONING CONSIDERATIONS:

Proposed Zoning Changes:

1. Implement **Apartment 1** zoning in **SRB**, **GR** or **Industrial** Districts or in locations of non-conforming existing MF or other non-SF uses. Use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

   Apartment A-1 – ***rezone parcels within ½ mile of Needham Center transit station, now zoned SRB:***

   - **1a.** 888 Great Plain Avenue (former nursery/garden center);
   - **1b.** Baptist and Christian Science Church parcels on Great Plain Avenue, near corner of Warren Street;
   - **1c.** YMCA site on Great Plain Avenue next to Greene's Field;
   - **1d.** St. Joseph School strip along May Street;
   - **1e.** Stephen Palmer former school leased by Town for multi-family housing;
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   - **1g.** Congregational Church on Great Plain Avenue including former rest home parcel;
   - **1h.** Extend existing Apt. A-1 along Rosemary Street adjacent to Industrial District and up to and across Highland Avenue to include library, Christ Episcopal and a part of Sudbury Farms, to create a contiguous Apt. A-1 parcel of approximately 25 ac;

   Apartment A-1 – ***rezone parcels within ½ mile of Needham Center Transit station, now zoned GR***

   - **1i.** Lots on Pickering Place together with a portion of St. Joseph School parcel;

   Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned SRB:***

   - **1j.** From Hamilton Highlands (Apt. A-1) along Highland Avenue to Hunnewell Street;
   - **1k.** Avery Park Condominium and further East and South to include Avery Field;

   Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned GR:***

   - **1m.** Convert Hillside School and the rear portion of 5 lots that abut the Hillside School property to Apt. A-1;
   - **1n.** Convert Industrial district along Crescent Road to be Apt. A-1 to allow MF housing and be a consolidated district with the Hillside School also converted to Apt. A-1. Exisiting uses to remain as non-conforming uses;

   Apartment A-1 – ***rezone parcels within ½ mile of Needham Junction transit station, now zoned Chestnut Street Business, Lower Chestnut Street Overlay District and SRB:***

   - **1p.** Rezone Hartney Greymont site (now partly Chestnut Street Business / Overlay and SRB) to be Apt. A–1 to allow MF without mixed-use stipulation.

2. Amend current **Business, Hillside Avenue Business,** and **Neighborhood Business** Districts within 1/2 mile of transit, including 59 bus route, to allow MF by-right and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts. Allow mixed-use option by Special Permit if not allowed by-right.
   - **2a.** Business District along Highland Avenue from May Street northerly to Sudbury Farms;
   - **2b.** Hillside Avenue Business with dimensional regulations for MF housing same as Apt. A-1 district and by-right;
   - **2c.** Neighborhood District along Reservoir and Central area along 128;
   - **2d.** Neighborhood District along Great Plain near the Hersey MBTA station.
3. Amend current **Industrial** Disticts within 1/2 mile of transit to allow MF and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.
   - **3a.** Add MF housing to the uses allowed by right in the Industrial District between Hillside Avenue and the MBTA right-of-way.
4. Amend current **Center Business** District and its **Overlays** and **Chestnut Street** and **Avery Square Business** Districts and **Avery Square** and **Lower Chestnut Street Overlay** Districts within 1/2 mile of transit to allow MF and mixed-use MF by-right, not special permit, and adjust (increase) current height and story limits. Changes to limits to be appropriate to their adjacent context.
   - **4a.** Needham Center and Overlay District A;
   - **4b.** Needham Center and Overlay District B: extend to include Denmark Lane;
   - **4c.** Increase height limits in Overlay District B to 48' & 4 stories with 4th floor setback;
   - **4d.** Needham Center and Garden Street Overlay District;
   - **4e.** Chestnut Street Business and Lower Chestnut Overlay District;
   - **4f.** Extend Chestnut Street Business district and Lower Chestnut Overlay district to include SNF property on Lincoln Street;
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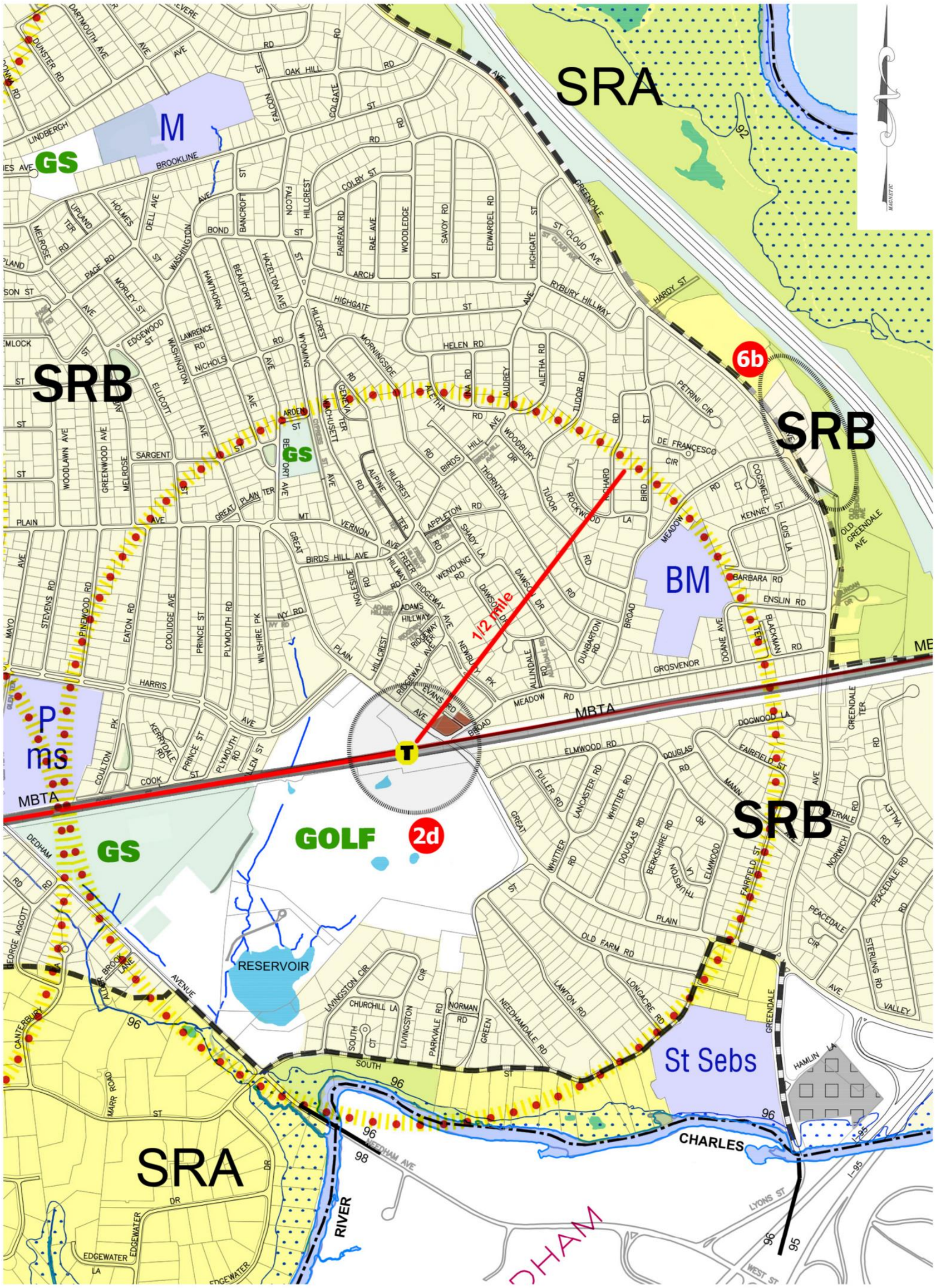
5. Expand **General Residence** over **SRB** area along the Highland Street corridor to allow 2-family and SF conversions to 2-family.
   - **5a.** Highland Avenue from Rosemary Street to Avery Square Business District.
6. Rezone designated residential areas **6a**, **6b**, **6c** and **6d** currently zoned **SRA** to **SRB.** These specific SRA areas are adjacent to SRB areas and currently have parcel sizes that are closer to SRB 10,000 SF lots. This would allow for the use of dimensional controls for setbacks and coverages more appropriate for these smaller lots.



SUMMARY OF ZONING CONSIDERATIONS:

Proposed Zoning Changes:

1. Implement **Apartment 1** zoning in **SRB**, **GR** or **Industrial** Districts or in locations of non-conforming existing MF or other non-SF uses. Use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

   Apartment A-1 – ***rezone parcels within ½ mile of Needham Center transit station, now zoned SRB:***

   - **1a.** 888 Great Plain Avenue (former nursery/garden center);
   - **1b.** Baptist and Christian Science Church parcels on Great Plain Avenue, near corner of Warren Street;
   - **1c.** YMCA site on Great Plain Avenue next to Greene's Field;
   - **1d.** St. Joseph School strip along May Street;
   - **1e.** Stephen Palmer former school leased by Town for multi-family housing;
   - **1f.** Greene's Field playground/playfield abutting Stephen Palmer;
   - **1g.** Congregational Church on Great Plain Avenue including former rest home parcel;
   - **1h.** Extend existing Apt. A-1 along Rosemary Street adjacent to Industrial District and up to and across Highland Avenue to include library, Christ Episcopal and a part of Sudbury Farms, to create a contiguous Apt. A-1 parcel of approximately 25 ac;

   Apartment A-1 – ***rezone parcels within ½ mile of Needham Center Transit station, now zoned GR***

   - **1i.** Lots on Pickering Place together with a portion of St. Joseph School parcel;

   Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned SRB:***

   - **1j.** From Hamilton Highlands (Apt. A-1) along Highland Avenue to Hunnewell Street;
   - **1k.** Avery Park Condominium and further East and South to include Avery Field;

   Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned GR:***

   - **1m.** Convert Hillside School and the rear portion of 5 lots that abut the Hillside School property to Apt. A-1;
   - **1n.** Convert Industrial district along Crescent Road to be Apt. A-1 to allow MF housing and be a consolidated district with the Hillside School also converted to Apt. A-1. Exisiting uses to remain as non-conforming uses;

   Apartment A-1 – ***rezone parcels within ½ mile of Needham Junction transit station, now zoned Chestnut Street Business, Lower Chestnut Street Overlay District and SRB:***

   - **1p.** Rezone Hartney Greymont site (now partly Chestnut Street Business / Overlay and SRB) to be Apt. A–1 to allow MF without mixed-use stipulation.

2. Amend current **Business, Hillside Avenue Business,** and **Neighborhood Business** Districts within 1/2 mile of transit, including 59 bus route, to allow MF by-right and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts. Allow mixed-use option by Special Permit if not allowed by-right.
   - **2a.** Business District along Highland Avenue from May Street northerly to Sudbury Farms;
   - **2b.** Hillside Avenue Business with dimensional regulations for MF housing same as Apt. A-1 district and by-right;
   - **2c.** Neighborhood District along Reservoir and Central area along 128;
   - **2d.** Neighborhood District along Great Plain near the Hersey MBTA station.
3. Amend current **Industrial** Disticts within 1/2 mile of transit to allow MF and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.
   - **3a.** Add MF housing to the uses allowed by right in the Industrial District between Hillside Avenue and the MBTA right-of-way.
4. Amend current **Center Business** District and its **Overlays** and **Chestnut Street** and **Avery Square Business** Districts and **Avery Square** and **Lower Chestnut Street Overlay** Districts within 1/2 mile of transit to allow MF and mixed-use MF by-right, not special permit, and adjust (increase) current height and story limits. Changes to limits to be appropriate to their adjacent context.
   - **4a.** Needham Center and Overlay District A;
   - **4b.** Needham Center and Overlay District B: extend to include Denmark Lane;
   - **4c.** Increase height limits in Overlay District B to 48' & 4 stories with 4th floor setback;
   - **4d.** Needham Center and Garden Street Overlay District;
   - **4e.** Chestnut Street Business and Lower Chestnut Overlay District;
   - **4f.** Extend Chestnut Street Business district and Lower Chestnut Overlay district to include SNF property on Lincoln Street;
   - **4g.** Avery Square Business and Overlay District – increase height from 35' to 38'.
5. Expand **General Residence** over **SRB** area along the Highland Street corridor to allow 2-family and SF conversions to 2-family.
   - **5a.** Highland Avenue from Rosemary Street to Avery Square Business District.
6. Rezone designated residential areas **6a**, **6b**, **6c** and **6d** currently zoned **SRA** to **SRB.** These specific SRA areas are adjacent to SRB areas and currently have parcel sizes that are closer to SRB 10,000 SF lots. This would allow for the use of dimensional controls for setbacks and coverages more appropriate for these smaller lots.

USE DISTRICTS

- SRA – SINGLE RESIDENCE - A
- SRB – SINGLE RESIDENCE - B
- GR – GENERAL RESIDENCE
- APARTMENTS A-1
- APARTMENTS A-2
- RURAL RESIDENCE - CONSERVATION
- INSTITUTIONAL
- BUSINESS
- HIGHWAY COMMERCIAL - 1
- INDUSTRIAL
- INDUSTRIAL - 1
- AVERY SQUARE BUSINESS
- CENTER BUSINESS
- CHESTNUT STREET BUSINESS
- HIGHLAND COMMERCIAL - 128
- HILLSIDE AVENUE BUSINESS
- MIXED USE - 128
- NEIGHBORHOOD BUSINESS
- NEW ENGLAND BUSINESS CENTER
- ELDER SERVICES ZONING DISTRICT
- TOWN BOUNDARY
- PARCEL
- TOWN HALL
- SCHOOL SITES
- NHA SITES (Needham Housing Authority)
- GS – GREEN SPACE (parks, fields etc)
- CEM – GREEN SPACE (cemetery)

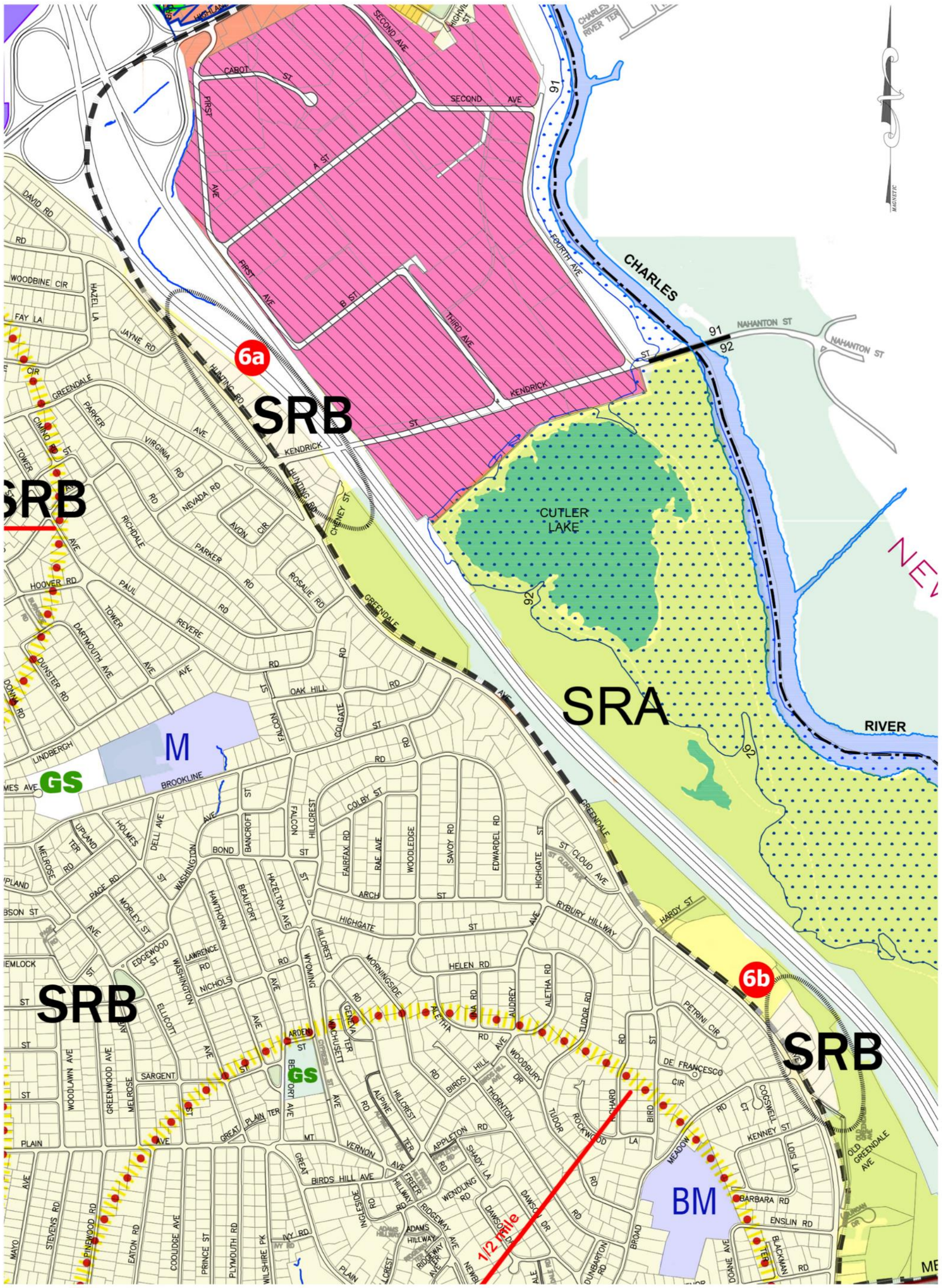
OVERLAY DISTRICTS

- WIRELESS COMMUNICATIONS FACILITIES TOWERS OVERLAY DISTRICTS
- ADULT USE OVERLAY DISTRICT
- MEDICAL OVERLAY DISTRICT
- AQUIFIER PROTECTION DISTRICT
- NEEDHAM CENTER OVERLAY DISTRICT A
- NEEDHAM CENTER OVERLAY DISTRICT B
- LOWER CHESTNUT STREET OVERLAY DISTRICT
- GARDEN STREET OVERLAY DISTRICT
- LARGE SCALE GROUND MOUNTED SOLAR PHOTOVOLTAIC INSTALLATION OVERLAY DISTRICT
- TEMPORARY METEOROLOGICAL TOWERS OVERLAY DISTRICT
- MIXED USE OVERLAY DISTRICT (MOUD)
- AVERY SQUARE OVERLAY DISTRICT
- July 17, 2012 - FLOOD PLAIN DISTRICT (ALL ELEVATIONS REFER TO U.S.G.S MEAN SEA LEVEL DATUM)

1/2 mile

SCALE 0 550 1100 1650 2200 2750 3300

Z3: Hersey (proposed map)



USE DISTRICTS

- SRA SINGLE RESIDENCE - A
- SRB SINGLE RESIDENCE - B
- GR GENERAL RESIDENCE
- APARTMENTS A-1
- APARTMENTS A-2
- RURAL RESIDENCE - CONSERVATION
- INSTITUTIONAL
- BUSINESS
- HIGHWAY COMMERCIAL - 1
- INDUSTRIAL
- INDUSTRIAL - 1
- AVERY SQUARE BUSINESS
- CENTER BUSINESS
- CHESTNUT STREET BUSINESS
- HIGHLAND COMMERCIAL - 128
- HILLSIDE AVENUE BUSINESS
- MIXED USE - 128
- NEIGHBORHOOD BUSINESS
- NEW ENGLAND BUSINESS CENTER
- ELDER SERVICES ZONING DISTRICT
- TOWN BOUNDARY
- PARCEL
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- SCHOOL SITES
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OVERLAY DISTRICTS

- WIRELESS COMMUNICATIONS FACILITIES TOWERS OVERLAY DISTRICTS
- ADULT USE OVERLAY DISTRICT
- MEDICAL OVERLAY DISTRICT
- AQUIFIER PROTECTION DISTRICT
- NEEDHAM CENTER OVERLAY DISTRICT A
- NEEDHAM CENTER OVERLAY DISTRICT B
- LOWER CHESTNUT STREET OVERLAY DISTRICT
- GARDEN STREET OVERLAY DISTRICT
- LARGE SCALE GROUND MOUNTED SOLAR PHOTOVOLTAIC INSTALLATION OVERLAY DISTRICT
- TEMPORARY METEOROLOGICAL TOWERS OVERLAY DISTRICT
- MIXED USE OVERLAY DISTRICT (MOUD)
- AVERY SQUARE OVERLAY DISTRICT
- July 17, 2012 - FLOOD PLAIN DISTRICT (ALL ELEVATIONS REFER TO U.S.G.S MEAN SEA LEVEL DATUM)

1/2 mile

SCALE 0 550 1100 1650 2200 2750 3300

Z4: East SRA (proposed map)

SUMMARY OF ZONING CONSIDERATIONS:

Proposed Zoning Changes:

1. Implement **Apartment 1** zoning in **SRB**, **GR** or **Industrial** Districts or in locations of non-conforming existing MF or other non-SF uses. Use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

Apartment A-1 – ***rezone parcels within ½ mile of Needham Center transit station, now zoned SRB:***

- **1a.** 888 Great Plain Avenue (former nursery/garden center);
- **1b.** Baptist and Christian Science Church parcels on Great Plain Avenue, near corner of Warren Street;
- **1c.** YMCA site on Great Plain Avenue next to Greene's Field;
- **1d.** St. Joseph School strip along May Street;
- **1e.** Stephen Palmer former school leased by Town for multi-family housing;
- **1f.** Greene's Field playground/playfield abutting Stephen Palmer;
- **1g.** Congregational Church on Great Plain Avenue including former rest home parcel;
- **1h.** Extend existing Apt. A-1 along Rosemary Street adjacent to Industrial District and up to and across Highland Avenue to include library, Christ Episcopal and a part of Sudbury Farms, to create a contiguous Apt. A-1 parcel of approximately 25 ac;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Center Transit station, now zoned GR***

- **1i.** Lots on Pickering Place together with a portion of St. Joseph School parcel;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned SRB:***

- **1j.** From Hamilton Highlands (Apt. A-1) along Highland Avenue to Hunnewell Street;
- **1k.** Avery Park Condominium and further East and South to include Avery Field;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned GR:***

- **1m.** Convert Hillside School and the rear portion of 5 lots that abut the Hillside School property to Apt. A-1;
- **1n.** Convert Industrial district along Crescent Road to be Apt. A-1 to allow MF housing and be a consolidated district with the Hillside School also converted to Apt. A-1. Exisiting uses to remain as non-conforming uses;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Junction transit station, now zoned Chestnut Street Business, Lower Chestnut Street Overlay District and SRB:***

- **1p.** Rezone Hartney Greymont site (now partly Chestnut Street Business / Overlay and SRB) to be Apt. A–1 to allow MF without mixed-use stipulation.

2. Amend current **Business, Hillside Avenue Business,** and **Neighborhood Business** Districts within 1/2 mile of transit, including 59 bus route, to allow MF by-right and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts. Allow mixed-use option by Special Permit if not allowed by-right.

- **2a.** Business District along Highland Avenue from May Street northerly to Sudbury Farms;
- **2b.** Hillside Avenue Business with dimensional regulations for MF housing same as Apt. A-1 district and by-right;
- **2c.** Neighborhood District along Reservoir and Central area along 128;
- **2d.** Neighborhood District along Great Plain near the Hersey MBTA station.

3. Amend current **Industrial** Disticts within 1/2 mile of transit to allow MF and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

- **3a.** Add MF housing to the uses allowed by right in the Industrial District between Hillside Avenue and the MBTA right-of-way.

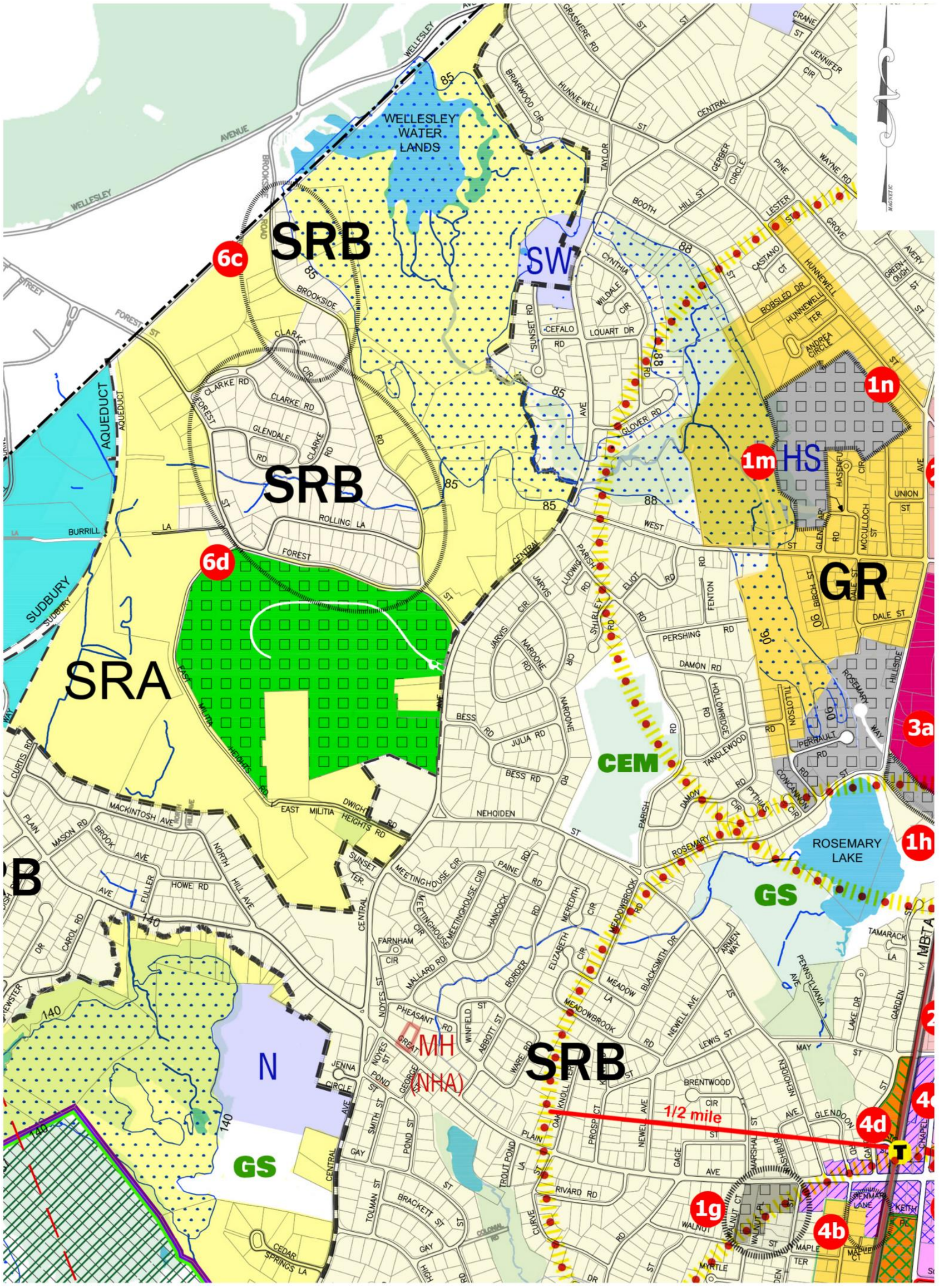
4. Amend current **Center Business** District and its **Overlays** and **Chestnut Street** and **Avery Square Business** Districts and **Avery Square** and **Lower Chestnut Street Overlay** Districts within 1/2 mile of transit to allow MF and mixed-use MF by-right, not special permit, and adjust (increase) current height and story limits. Changes to limits to be appropriate to their adjacent context.

- **4a.** Needham Center and Overlay District A;
- **4b.** Needham Center and Overlay District B: extend to include Denmark Lane;
- **4c.** Increase height limits in Overlay District B to 48' & 4 stories with 4th floor setback;
- **4d.** Needham Center and Garden Street Overlay District;
- **4e.** Chestnut Street Business and Lower Chestnut Overlay District;
- **4f.** Extend Chestnut Street Business district and Lower Chestnut Overlay district to include SNF property on Lincoln Street;
- **4g.** Avery Square Business and Overlay District – increase height from 35' to 38'.

5. Expand **General Residence** over **SRB** area along the Highland Street corridor to allow 2-family and SF conversions to 2-family.

- **5a.** Highland Avenue from Rosemary Street to Avery Square Business District.

6. Rezone designated residential areas **6a**, **6b**, **6c** and **6d** currently zoned **SRA** to **SRB.** These specific SRA areas are adjacent to SRB areas and currently have parcel sizes that are closer to SRB 10,000 SF lots. This would allow for the use of dimensional controls for setbacks and coverages more appropriate for these smaller lots.



USE DISTRICTS

- SRA — SINGLE RESIDENCE - A
- SRB — SINGLE RESIDENCE - B
- GR — GENERAL RESIDENCE
- APARTMENTS A-1
- APARTMENTS A-2
- RURAL RESIDENCE - CONSERVATION
- INSTITUTIONAL
- BUSINESS
- HIGHWAY COMMERCIAL - 1
- INDUSTRIAL
- INDUSTRIAL - 1
- AVERY SQUARE BUSINESS
- CENTER BUSINESS
- CHESTNUT STREET BUSINESS
- HIGHLAND COMMERCIAL - 128
- HILLSIDE AVENUE BUSINESS
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- GS — GREEN SPACE (parks, fields etc)
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OVERLAY DISTRICTS

- WIRELESS COMMUNICATIONS FACILITIES TOWERS OVERLAY DISTRICTS
- ADULT USE OVERLAY DISTRICT
- MEDICAL OVERLAY DISTRICT
- AQUIFIER PROTECTION DISTRICT
- NEEDHAM CENTER OVERLAY DISTRICT A
- NEEDHAM CENTER OVERLAY DISTRICT B
- LOWER CHESTNUT STREET OVERLAY DISTRICT
- GARDEN STREET OVERLAY DISTRICT
- LARGE SCALE GROUND MOUNTED SOLAR PHOTOVOLTAIC INSTALLATION OVERLAY DISTRICT
- TEMPORARY METEOROLOGICAL TOWERS OVERLAY DISTRICT
- MIXED USE OVERLAY DISTRICT (MOUD)
- AVERY SQUARE OVERLAY DISTRICT
- July 17, 2012 - FLOOD PLAIN DISTRICT (ALL ELEVATIONS REFER TO U.S.G.S MEAN SEA LEVEL DATUM)

Z5: West SRA (proposed map)

SCALE 0 550 1100 1650 2200 2750 3300 — 1/2 mile

SUMMARY OF ZONING CONSIDERATIONS:

Proposed Zoning Changes:

1. Implement **Apartment 1** zoning in **SRB**, **GR** or **Industrial** Districts or in locations of non-conforming existing MF or other non-SF uses. Use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

Apartment A-1 – ***rezone parcels within ½ mile of Needham Center transit station, now zoned SRB:***

- **1a.** 888 Great Plain Avenue (former nursery/garden center);
- **1b.** Baptist and Christian Science Church parcels on Great Plain Avenue, near corner of Warren Street;
- **1c.** YMCA site on Great Plain Avenue next to Greene's Field;
- **1d.** St. Joseph School strip along May Street;
- **1e.** Stephen Palmer former school leased by Town for multi-family housing;
- **1f.** Greene's Field playground/playfield abutting Stephen Palmer;
- **1g.** Congregational Church on Great Plain Avenue including former rest home parcel;
- **1h.** Extend existing Apt. A-1 along Rosemary Street adjacent to Industrial District and up to and across Highland Avenue to include library, Christ Episcopal and a part of Sudbury Farms, to create a contiguous Apt. A-1 parcel of approximately 25 ac;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Center Transit station, now zoned GR***

- **1i.** Lots on Pickering Place together with a portion of St. Joseph School parcel;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned SRB:***

- **1j.** From Hamilton Highlands (Apt. A-1) along Highland Avenue to Hunnewell Street;
- **1k.** Avery Park Condominium and further East and South to include Avery Field;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned GR:***

- **1m.** Convert Hillside School and the rear portion of 5 lots that abut the Hillside School property to Apt. A-1;
- **1n.** Convert Industrial district along Crescent Road to be Apt. A-1 to allow MF housing and be a consolidated district with the Hillside School also converted to Apt. A-1. Exisiting uses to remain as non-conforming uses;

Apartment A-1 – ***rezone parcels within ½ mile of Needham Junction transit station, now zoned Chestnut Street Business, Lower Chestnut Street Overlay District and SRB:***

- **1p.** Rezone Hartney Greymont site (now partly Chestnut Street Business / Overlay and SRB) to be Apt. A–1 to allow MF without mixed-use stipulation.

2. Amend current **Business, Hillside Avenue Business,** and **Neighborhood Business** Districts within 1/2 mile of transit, including 59 bus route, to allow MF by-right and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts. Allow mixed-use option by Special Permit if not allowed by-right.

- **2a.** Business District along Highland Avenue from May Street northerly to Sudbury Farms;
- **2b.** Hillside Avenue Business with dimensional regulations for MF housing same as Apt. A-1 district and by-right;
- **2c.** Neighborhood District along Reservoir and Central area along 128;
- **2d.** Neighborhood District along Great Plain near the Hersey MBTA station.

3. Amend current **Industrial** Disticts within 1/2 mile of transit to allow MF and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

- **3a.** Add MF housing to the uses allowed by right in the Industrial District between Hillside Avenue and the MBTA right-of-way.

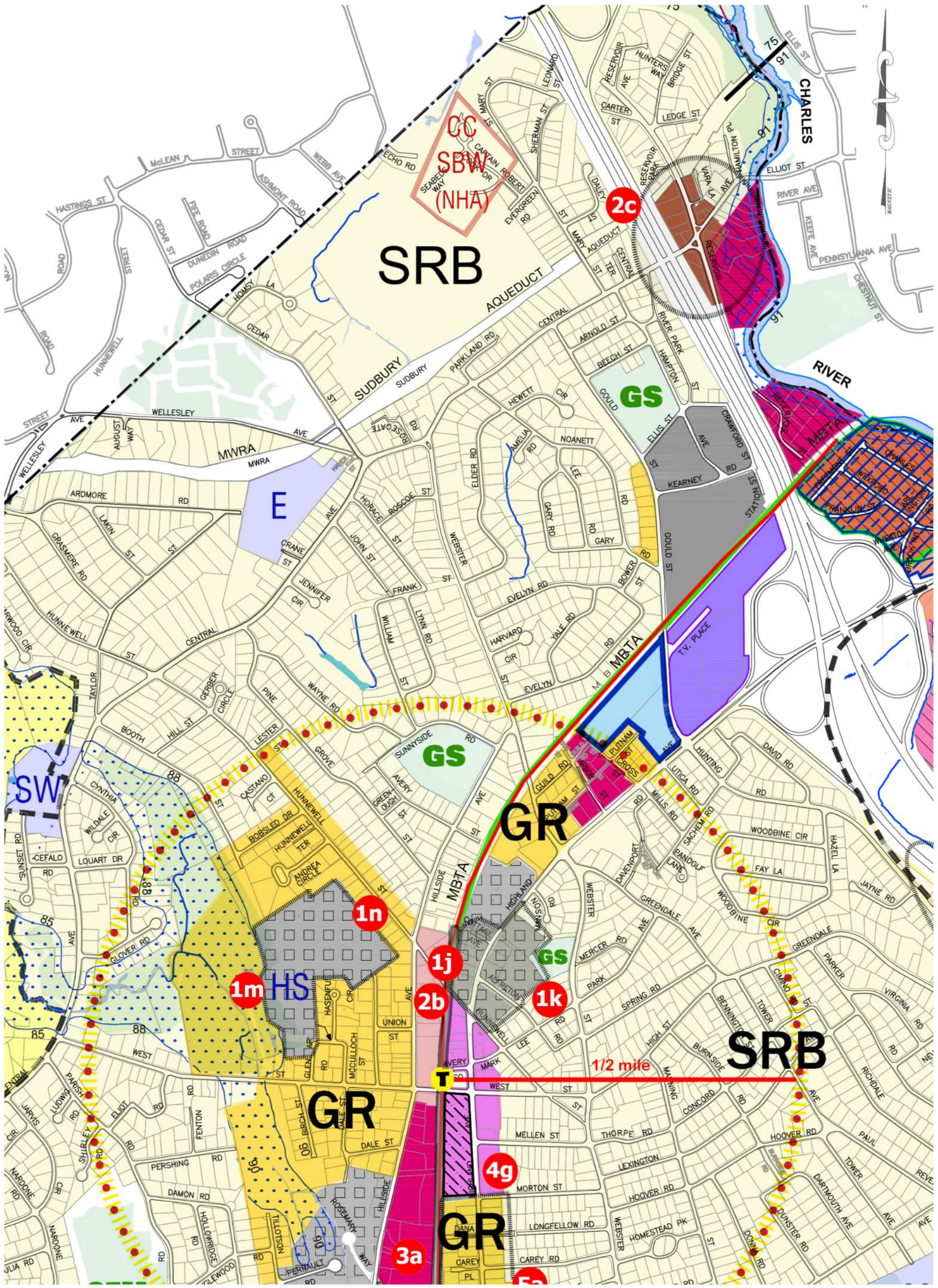
4. Amend current **Center Business** District and its **Overlays** and **Chestnut Street** and **Avery Square Business** Districts and **Avery Square** and **Lower Chestnut Street Overlay** Districts within 1/2 mile of transit to allow MF and mixed-use MF by-right, not special permit, and adjust (increase) current height and story limits. Changes to limits to be appropriate to their adjacent context.

- **4a.** Needham Center and Overlay District A;
- **4b.** Needham Center and Overlay District B: extend to include Denmark Lane;
- **4c.** Increase height limits in Overlay District B to 48' & 4 stories with 4th floor setback;
- **4d.** Needham Center and Garden Street Overlay District;
- **4e.** Chestnut Street Business and Lower Chestnut Overlay District;
- **4f.** Extend Chestnut Street Business district and Lower Chestnut Overlay district to include SNF property on Lincoln Street;
- **4g.** Avery Square Business and Overlay District – increase height from 35' to 38'.

5. Expand **General Residence** over **SRB** area along the Highland Street corridor to allow 2-family and SF conversions to 2-family.

- **5a.** Highland Avenue from Rosemary Street to Avery Square Business District.

6. Rezone designated residential areas **6a**, **6b**, **6c** and **6d** currently zoned **SRA** to **SRB.** These specific SRA areas are adjacent to SRB areas and currently have parcel sizes that are closer to SRB 10,000 SF lots. This would allow for the use of dimensional controls for setbacks and coverages more appropriate for these smaller lots.



Z6: Reservoir (proposed map)

SUMMARY OF ZONING CONSIDERATIONS:

Proposed Zoning Changes:

1. Implement **Apartment 1** zoning in **SRB**, **GR** or **Industrial** Districts or in locations of non-conforming existing MF or other non-SF uses. Use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.

   Apartment A-1 – ***rezone parcels within ½ mile of Needham Center transit station, now zoned SRB:***

   - **1a.** 888 Great Plain Avenue (former nursery/garden center);
   - **1b.** Baptist and Christian Science Church parcels on Great Plain Avenue, near corner of Warren Street;
   - **1c.** YMCA site on Great Plain Avenue next to Greene's Field;
   - **1d.** St. Joseph School strip along May Street;
   - **1e.** Stephen Palmer former school leased by Town for multi-family housing;
   - **1f.** Greene's Field playground/playfield abutting Stephen Palmer;
   - **1g.** Congregational Church on Great Plain Avenue including former rest home parcel;
   - **1h.** Extend existing Apt. A-1 along Rosemary Street adjacent to Industrial District and up to and across Highland Avenue to include library, Christ Episcopal and a part of Sudbury Farms, to create a contiguous Apt. A-1 parcel of approximately 25 ac;

   Apartment A-1 – ***rezone parcels within ½ mile of Needham Center Transit station, now zoned GR***

   - **1i.** Lots on Pickering Place together with a portion of St. Joseph School parcel;

   Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned SRB:***

   - **1j.** From Hamilton Highlands (Apt. A-1) along Highland Avenue to Hunnewell Street;
   - **1k.** Avery Park Condominium and further East and South to include Avery Field;

   Apartment A-1 – ***rezone parcels within ½ mile of Needham Heights transit station, now zoned GR:***

   - **1m.** Convert Hillside School and the rear portion of 5 lots that abut the Hillside School property to Apt. A-1;
   - **1n.** Convert Industrial district along Crescent Road to be Apt. A-1 to allow MF housing and be a consolidated district with the Hillside School also converted to Apt. A-1. Exisiting uses to remain as non-conforming uses;

   Apartment A-1 – ***rezone parcels within ½ mile of Needham Junction transit station, now zoned Chestnut Street Business, Lower Chestnut Street Overlay District and SRB:***

   - **1p.** Rezone Hartney Greymont site (now partly Chestnut Street Business / Overlay and SRB) to be Apt. A–1 to allow MF without mixed-use stipulation.

2. Amend current **Business, Hillside Avenue Business,** and **Neighborhood Business** Districts within 1/2 mile of transit, including 59 bus route, to allow MF by-right and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts. Allow mixed-use option by Special Permit if not allowed by-right.
   - **2a.** Business District along Highland Avenue from May Street northerly to Sudbury Farms;
   - **2b.** Hillside Avenue Business with dimensional regulations for MF housing same as Apt. A-1 district and by-right;
   - **2c.** Neighborhood District along Reservoir and Central area along 128;
   - **2d.** Neighborhood District along Great Plain near the Hersey MBTA station.
3. Amend current **Industrial** Disticts within 1/2 mile of transit to allow MF and use Apt. A-1 dimensional limits - coordinate limits during units/acre density analysis required for MBTA MF districts.
   - **3a.** Add MF housing to the uses allowed by right in the Industrial District between Hillside Avenue and the MBTA right-of-way.
4. Amend current **Center Business** District and its **Overlays** and **Chestnut Street** and **Avery Square Business** Districts and **Avery Square** and **Lower Chestnut Street Overlay** Districts within 1/2 mile of transit to allow MF and mixed-use MF by-right, not special permit, and adjust (increase) current height and story limits. Changes to limits to be appropriate to their adjacent context.
   - **4a.** Needham Center and Overlay District A;
   - **4b.** Needham Center and Overlay District B: extend to include Denmark Lane;
   - **4c.** Increase height limits in Overlay District B to 48' & 4 stories with 4th floor setback;
   - **4d.** Needham Center and Garden Street Overlay District;
   - **4e.** Chestnut Street Business and Lower Chestnut Overlay District;
   - **4f.** Extend Chestnut Street Business district and Lower Chestnut Overlay district to include SNF property on Lincoln Street;
   - **4g.** Avery Square Business and Overlay District – increase height from 35' to 38'.
5. Expand **General Residence** over **SRB** area along the Highland Street corridor to allow 2-family and SF conversions to 2-family.
   - **5a.** Highland Avenue from Rosemary Street to Avery Square Business District.
6. Rezone designated residential areas **6a**, **6b**, **6c** and **6d** currently zoned **SRA** to **SRB.** These specific SRA areas are adjacent to SRB areas and currently have parcel sizes that are closer to SRB 10,000 SF lots. This would allow for the use of dimensional controls for setbacks and coverages more appropriate for these smaller lots.