

Needham Housing Plan

PUBLIC EDUCATION AND LISTENING SESSION – JANUARY 27, 2022

What is Affordable Housing?

HUD definition – Spending no more than 30% of income on housing costs

Affordable housing (40B definition):

- Available to households earning at or below 80% of area median income
- Subsidized
- Deed restricted
- Affirmatively marketed

Community housing and workforce housing definitions

Photo: Charles River Landing



HUD Income Limits

INCOME LIMITS FOR THE BOSTON-CAMBRIDGE-QUINCY MA-NH METRO AREA, 2021

# in Household	30% AMI	50% AMI	80% AMI	100% AMI
1	\$28,2000	\$47,000	\$70,750	\$84,560
2	\$32,200	\$53,700	\$80,850	\$96,640
3	\$36,250	\$60,400	\$90,950	\$108,720
4	\$40,250	\$67,100	\$101,050	\$120,800
5	\$43,500	\$72,500	\$109,150	\$130,464
6	\$46,700	\$77,850	\$117,250	\$140,128
7	\$49,950	\$83,250	\$125,350	\$149,792
8	\$53,150	\$88,600	\$133,400	\$159,456

What housing does the state count as affordable in Needham?

Of the 11,047 year-round housing units, 1,410 or 12.7% are included in the Subsidized Housing Inventory (SHI). These units are often referred to as “A” affordable.

Up from 425 and 3.94% in 2006 and 841 and 7.6% in 2015.

2020 census figures will likely decrease the percentage modestly to 12.0%.

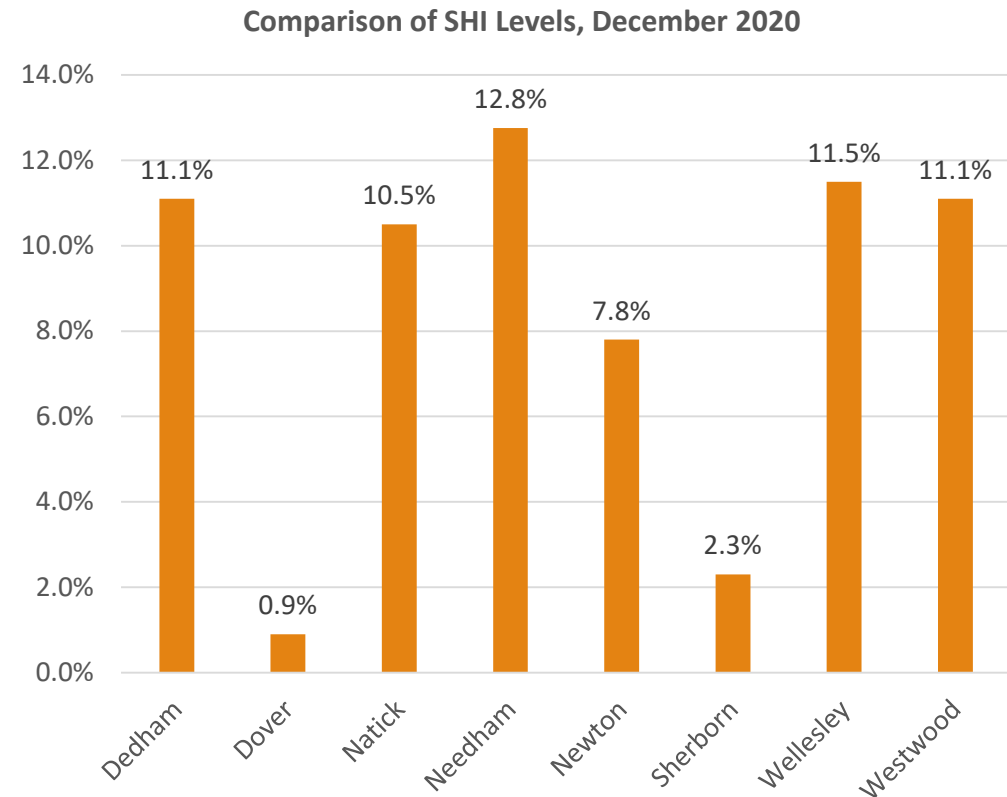
NHA manages 316 units.

SHI includes 17 ownership units or 1.2%.

All units in 40B rental projects count as part of the SHI.

SHI includes 668 market rental units or 47% as part of 40B projects compared to 742 actually affordable ones or 53%. New rentals helped diversify the housing stock.

40Bs require 25% of units be targeted to those with incomes at or below 80% AMI or 20% targeted at the 50% AMI level.



Demographic Information (2020 Census)

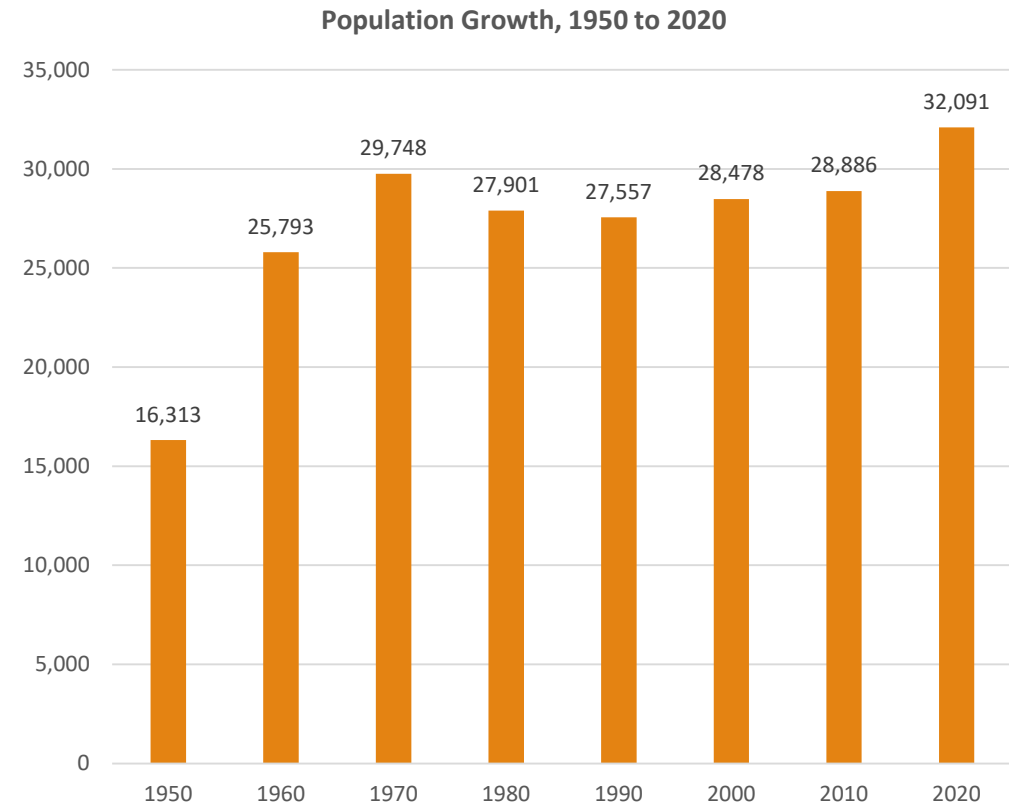
Population of 32,091 up from 28,886 in 2010, representing growth of 11.1%.

23,652 residents age 18+ or 74% of the population, up from 20,747 and 72% in 2010, representing growth of 14%.

The 8,439 residents under age 18 increased by 300 residents from 8,139 in 2010, representing growth of 3.7%.

Minority population increased from 5% in 2000, to 9% in 2010, and up to 15% in 2020.

Those claiming Hispanic or Latino heritage included 1,223 residents, representing 3.8% of the population.



Housing Growth (2020 Census)

Total of 11,891 housing units.

Increase of 769 units or 6.9% from 2010, about the same as statewide increase of 6.8%.

Higher population growth of 11.1% indicates an increase in household size.

98% of new single-family permitting between 2010 and 2020 involved teardown activity.

Housing growth largely affected by multi-family housing development:

- The Kendrick (photo)
- The Modera Needham
- Wingate
- Needham Place
- Greendale Village
- Other smaller 40B ownership projects (e.g., Webster Street Green, Suites of Needham, Craftsman Village)



Major Housing Cost Trends

Median single-family house value of \$1.3 million as of September 2021, up from \$1,170,000 as of the end of 2020. (Banker & Tradesman)

Market rents for Chapter 40B developments from \$2,600-\$4,200 for Charles River Landing and \$2,200-\$5,000 at The Kendrick. The one- and two-bedroom units at the Modera Needham are starting at \$3,200 and \$3,600, respectively.

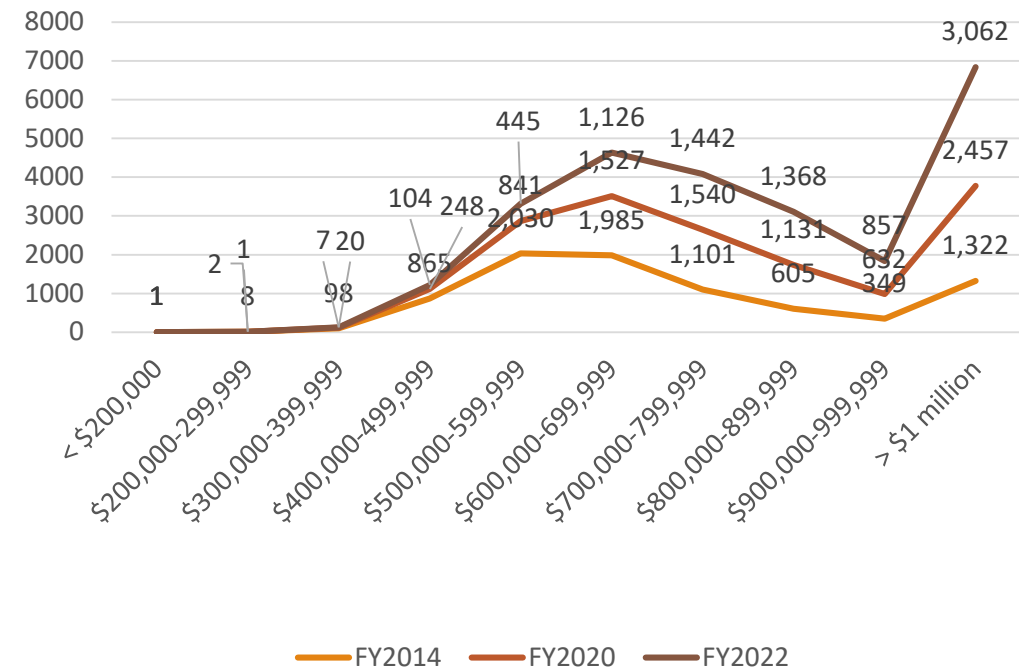
Two-bedroom units in older buildings are at least \$1,900 which would require an income of approximately \$84,000 while median income of renters was \$41,691.

24% of all households had cost burdens as they were spending more than 30% of income on housing costs.

11% had severe cost burdens, spending more than half of income on housing.

Increases to 60% and 38%, respectively, for those with incomes at or below 80% AMI.

Assessed Values of Single-family Homes
FY2014, 2020 and 2022



Affordability Gaps

Affordability gap of \$534,000 based on the difference between the median priced single-family home of \$1.3 million and what a median income earning household (\$165,547) could afford or \$766,000.

This is up from a gap of \$211,500 in 2014.

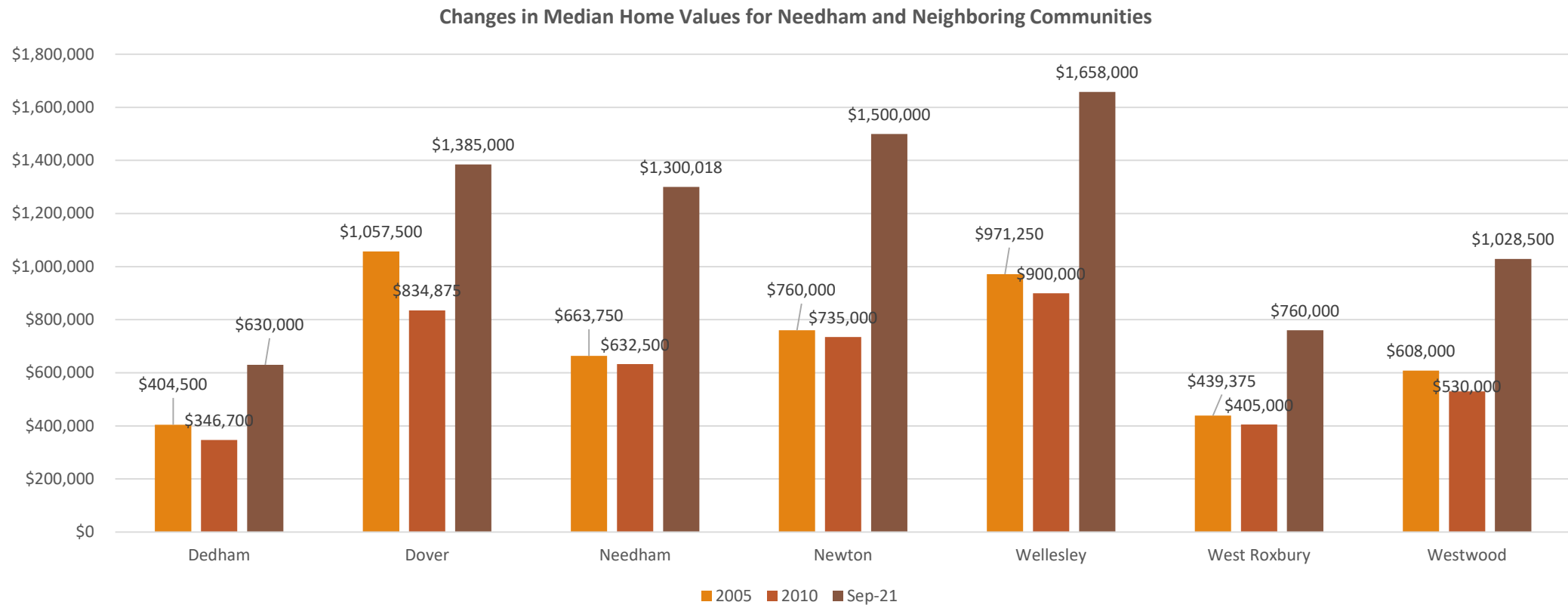
At the 80% AMI limit for a household of 3 (average household size is 2.79 persons, 2.99 for homeowners) the gap increases to \$928,500, the difference between \$1.3 million and \$371,500.

This is up from \$556,500 in 2014.

Photo: NHA's Captain Robert Cook Drive



Changes in Median House Prices



Needham Housing Plan

History of Zoning in Needham

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1925 Zoning By-law and Zoning Map

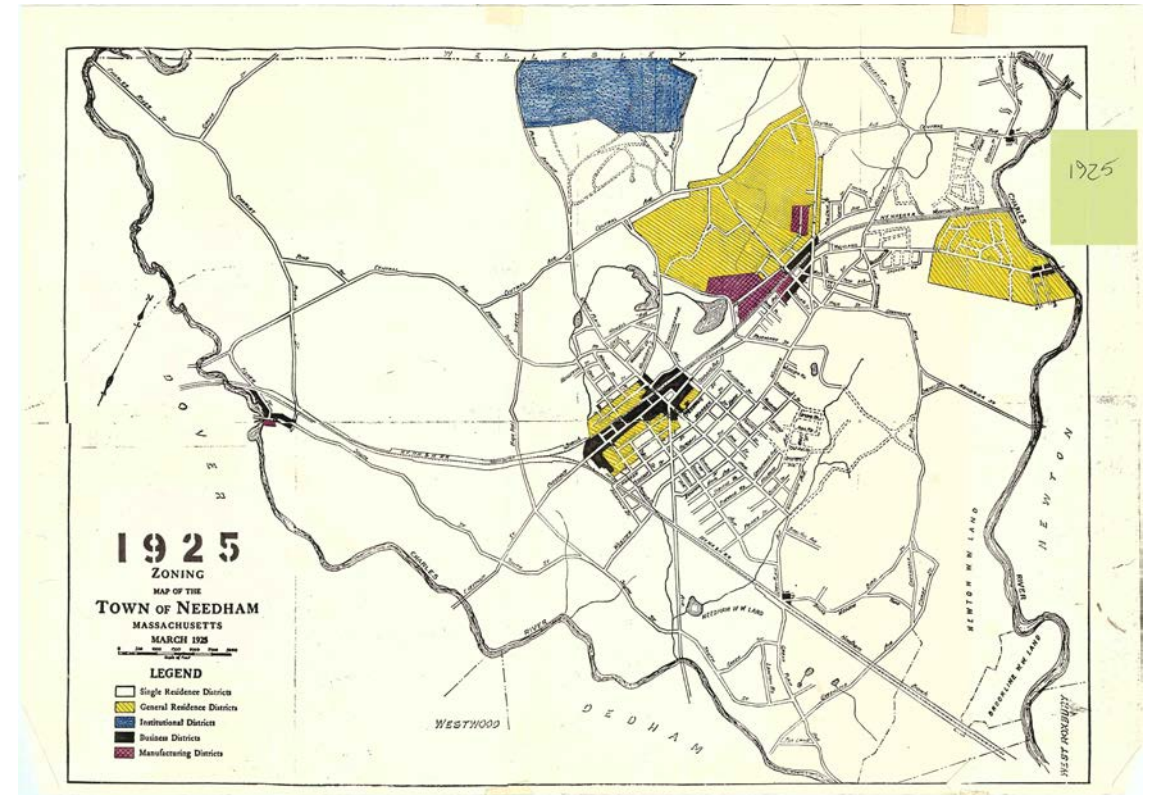
Single Residence (SR) District 7,000 sq. ft. Lots

A national movement for local zoning arose in 1921 when Secretary of Commerce Herbert Hoover formed a Committee on Zoning.

Most of Needham was zoned Single Residence, in 1925, but lot sizes were only 7,000 sq. ft.

The Select Board could grant special permits and waivers - powers that later were exercised by the Zoning Board of Appeals and the Planning Board.

The Select Board could permit one-family houses in existence in 1925 to be altered to accommodate two families – what we now call Accessory Dwelling Units.



General Residence (GR) Districts in 1925

The by-law provided for General Residence Districts in Needham Heights between Highland Avenue and Central Avenue (later made smaller) and for a few blocks near Needham Center.

An area off Highland Avenue toward the Charles River was also zoned GR, but as that area became zoned for business & industry, only a small remnant of the GR zone remains.

2-family homes could be built on 7,000 sq. ft. lots in the GR zone.

Hotels and boarding houses were allowed.

Business Districts in 1925

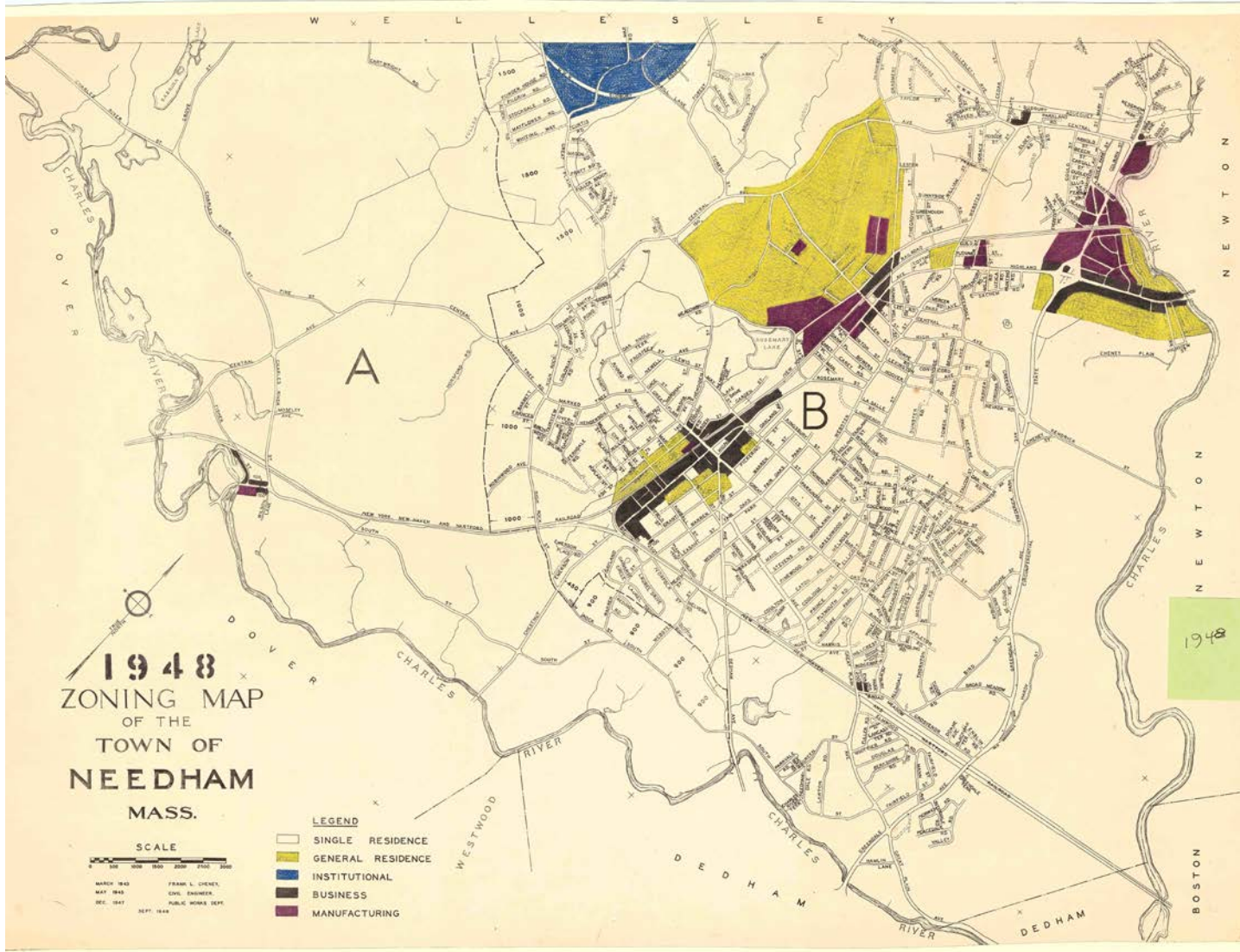
Business zones were concentrated in:

- Needham Center and along Chestnut Street
- Needham Heights
- small zone along Highland Avenue at the Newton Line.

Apartment buildings were allowed in all Business Districts.

There was no circumferential Route 128 in 1925; the eastern part of Town, now zoned for business and industry, was zoned SF and GR; a large area was held by Newton and Brookline for their water works.

Post-war Rezoning for Larger Lots - 1948



Route 128 construction was anticipated.

Single residential districts divided into A & B.

SR-A for westerly part of Town, requiring one-acre lots.

SR-B for easterly part of Town, boosting lot size from 7,000 sq. ft. to 10,000 sq. ft.

General Residence dimensional regulations amended to also require 10,000 sq. ft. lots.

The Zoning By-Law no longer allowed ADU's in SR districts, or hotels and boarding houses in GR district

Apartment Districts 60's – 80's (1984 Map)

In early 60's one apartment district was created on Greendale Avenue near the Dedham line (Charles Court East).

In the mid-70's two apartment districts were created: A-1 for Rosemary Lake Apartments and Rosemary Ridge Condominium, and A-2 for the North Hill continuing care retirement community.

In the early 80's, A-1 zoning was extended to two areas along Highland Avenue: Highland Terrace, a townhouse condominium, and Webster Green, two 3-story elevator buildings.

Mixed-use Overlay Districts Created 2009

Overlay Districts created for Needham Center area allow 3-story or 4-story mixed use, depending on location (Needham Center, Chestnut Street, Garden Street), e.g., 50 Dedham Avenue.

In the underlying business districts, 2 ½-story mixed-use housing had been already allowed since 1989, e.g., 1110 Great Plain Avenue, and is still allowed, e.g., 15 Oak Street.

In Avery Square/Needham Heights 2 ½-story mixed use housing is also allowed, e.g., 868 Highland Avenue.

Mixed-use buildings are also allowed in the very small Neighborhood Business overlay district at Central Avenue and Reservoir Street.

50 Dedham Avenue



Multi-family Housing in Business Districts

In 2016 an Overlay district was created off Highland Avenue extending to the Charles River/Newton boundary where multi-family buildings or mixed-use buildings are allowed up to a total of 250 units; no development has been proposed yet.

In 2021 Highway Commercial 1 zone was created for the Muzi-Channel 5 site, allowing (but not requiring) multi-family or mixed-use housing with an upper limit of 240 units; no proposal yet.

Stand-alone multi-family housing is also allowed in the Hillside Avenue Business district.

Many of our business and industrial districts prohibit multi-family housing.



400 Hunnewell Street

Age-restricted Multi-family Housing

Age-restricted multi-family housing was allowed in the 70's for North Hill; there is no requirement that a percentage of the units at North Hill must be “affordable.”

An Elder Services district was created for the Wingate Residences on Gould Street in 2010 to allow age-restricted independent-living units, with 10% of the units to be affordable.

The Avery Square Overlay District was created in 2020 for the Carter's building on Highland Avenue to allow age-restricted independent-living units, with 12 1/2% of the units to be affordable.

Wingate Residences



Stand-alone Multi-Family Housing Allowed by Special Permit

Zoning Districts	% Affordable
Highland Commercial 1	12 ½ %
Mixed Use-128 Overlay	12 ½ %
Elder Services (Wingate)	10 %
Avery Square Business	None
Hillside Avenue Business	None

Mixed-Use Development Allowed by SP

Zoning Districts	% Affordable
Neighborhood Business @ Panellas Market (Housing Upper 1 ½ Floors of 2 ½-story Building)	12 ½ %
Needham Center Business (Housing Upper 1 ½ Floors of 2 ½-story Building)	NONE
Needham Center Overlay A (Housing Upper 3 Floors of 4-story Building)	10%
Needham Center Overlay B (Housing Upper 2 Floors of 3-story Building)	10%
Garden Street Overlay (Housing Upper 2 Floors of 3-story Building)	10%
Chestnut Street Business (Housing Upper 1 ½ Floors of 2 ½-story Building)	NONE
Lower Chestnut Street Overlay (Housing Upper 3 Floors of 4-story Building) (By right if up to 5 units in Upper 1 ½-stories of 2 ½-story Building)	10%

Business Districts Prohibiting All Multi-Family Housing

Zoning District	Location
Industrial	Reservoir St Highland Ave/Arbor St Hillside Ave@Rosemary St/West St Crescent Rd (Off West St) Denmark La (Off Maple St)
Industrial-1	Gould St north of MBTA Row
Highland Commercial -128 (Allowed by SP in Mixed Use Overlay District NW Side)	Highland Ave from 128 to River
NE Business Center	128 to River SW of Highland Ave
Business	Highland Ave W Side N of May St

Multi-Family Housing or Mixed-Use Housing Allowed But No Affordable Units Required

Business Zoning Districts

Avery Square Business

Hillside Ave Business

Center Business (underlying Zone; required in Overlay)

Chestnut St Business (underlying Zone, required in Overlay)

Apartment Zoning Districts

Apartments A-1 – 5 Districts, e.g, Webster Green

Apartments A-2 – North Hill

Note: These Districts are fully developed

(Note – There is no Affordability Requirement for New Lots Created in Single-Family or General Residence Districts)

Next Steps

Complete a Housing Needs Assessment.

Hold a Community Housing Workshop on March 24th.

Conduct a community housing survey.

Prepare next sections of Housing Plan on strategies.

Hold another community meeting to present the draft Plan and obtain further input.

Finalize the draft Housing Plan.

Photo: High Rock Estates



We want to hear from you

2 major questions for tonight are:

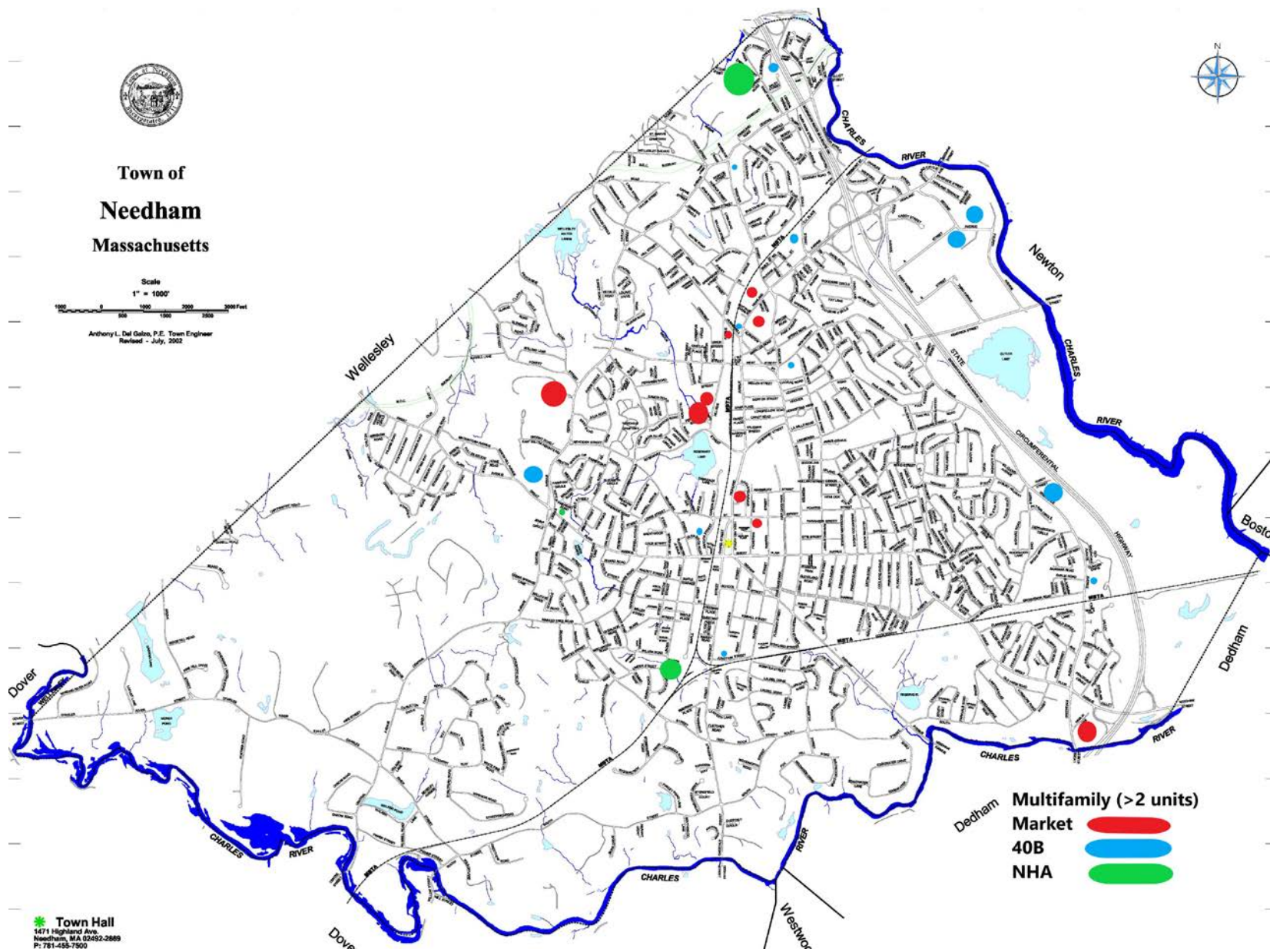
What are the greatest local housing needs?

How should the Town best address these needs?

Photo: Wingate Residences at Needham







Major Housing Occupancy Trends (2019 Census Estimates)

84% of units are owner-occupied/16% renter-occupied, a small change from 83% and 17% in 2010.

Single-family detached units increased from 8,073 to 8,640 units between 2010 and 2019 or by 7%, which is likely an overestimate.

Multi-family units of 5+ units increased from 1,145 to 1,447 units or by 26%, an underestimate.

About 80% of units are owner-occupied and in single-family detached dwellings.

Homeowner vacancy rate of 1.7%, rental at 8.9%. Likely closer to zero due to COVID-19.

COVID-19 precipitated an even greater imbalance of supply and demand, further driving up prices.

Distribution of Units by Type of Structure, 2019

