

Minutes
Council of Economic Advisors
Wednesday, April 13, 2023, 8:30 AM
Zoom Webinar ID: 880 4644 7208
Adopted June 15, 2023

Members Present: Adam Block, Tina Burgos, Bill Day, Lise Elcock, Jeremy Halpern, Robert Hentschel, Heidi Frail, Dan Goodman, Adam Meixner, Rick Putprush, Matt Talcoff, Michael Wilcox

Others Present: Amy Haelsen, Economic Development Manager

Introduction and Roll Call – Mr. Block, Chair, opened the meeting at 8:30 a.m. He announced that this meeting of the Council of Economic Advisors was being held remotely, consistent with current state regulations, and was being recorded.

Minutes of the February 8, 2023 Meeting – Mr. Putprush moved to adopt the minutes of the February 8, 2023 meeting. Ms. Frail seconded the motion. The motion was unanimously approved.

I. Housing Plan Overview

Ms. Frail provided an overview of the Department of Housing and Economic Development (DHCD)'s multifamily housing regulations as part of the MBTA Communities Act which was passed in 2020. She explained that the objective was to attempt to help solve the housing crisis in Massachusetts and that it requires changes to zoning within MBTA communities to allow for multi-family properties by right. She added that there are no housing production requirements. Currently the housing plan, developed by the Housing Working Group, has been submitted to the state and approved for interim compliance. The zoning changes will need to be approved at a future Town Meeting so that the Town is in compliance with the December 2024 state deadline. Ms. Frail shared the following information via a slide deck during the meeting:

Chapter 358 of the Acts of 2020

- Requires each MBTA community to have “a zoning ordinance or by-law that provides for at least one district of reasonable size in which multi-family housing is permitted as of right.”
- The housing cannot have age-restrictions and must be suitable for families with children.
- The zoning must allow for at least 15 units per acre.
- The district must be within 0.5 miles from a commuter rail station, subway station, ferry terminal or bus station.
- Non-compliant communities will be ineligible to receive state funds from the Housing Choice Initiative, the Local Capital Projects Fund, and the MassWorks infrastructure program.
- The Mass. Department of Housing and Community Development (DHCD) is responsible for establishing guidelines for implementation and determining if communities are compliant.

DHCD Guidelines: As of Right

- Multi-family housing must be allowed “as of right” under local zoning.
- Multi-family is defined as “a building with 3 or more residential dwelling units or 2 or more buildings on the same lot with more than 1 residential dwelling unit in each building.”
- Requiring special permits for multi-family housing is prohibited.

- Site plan review is allowed to review certain items including zoning compliance, convenience and safety of pedestrian and vehicular movement within the site and on adjacent streets, impacts on the Town's resources including water supply and sewage collection, public safety concerns, and architectural design.

DHCD Guideline: Suitability for Families

Multi-family zoning districts must be suitable for families with children.

- Zoning cannot place age restrictions on the units.
- Zoning cannot limit or restrict the size of the units, number of bedrooms, size of the bedrooms, or the number of occupants.

DHCD Guidelines: Minimum Gross Density

Districts must average 15 units per acre density.

- A community can establish sub-districts with varying densities, as long as the density across the multi-family zoning district averages 15 units per acre.
- Density measurement includes land occupied by public rights-of-way and any recreational, civic, commercial, and other non-residential uses.
- When determining compliance, DHCD will not count certain "excluded" land in the denominator for the density calculation, such as rivers, lakes, wetlands, and privately-owned land for "education of institutional uses such as a hospital...utility, museum, or private school, college or university."

DHCD Guidelines: Reasonable Size

Municipalities must have a multi-family zoning district of "reasonable size" meeting two thresholds: (1) minimum unit capacity and (2) minimum land area.

1) Minimum multi-family unit capacity

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, that the zoning must allow for as of right:

- Rapid transit community = 25%
- Commuter rail community = 15%*
- Adjacent community = 10%
- Adjacent small town = 5%
- *Note: Needham is considered a commuter rail community. The town has 11,891 housing units. Needham's minimum unit capacity of 15% is 1,784 units.

2) Minimum land area

- The multi-family zoning district for commuter rail communities must be 50 acres, or 1.5% of the total developable land in town, whichever is less.

- At least 25 acres of the district must be contiguous.
- No portion of the district can be fewer than 5 contiguous acres.
- The district should be of a neighborhood scale, not a single development site on which the municipality is willing to permit a particular project.

For Needham, the minimum land area required is 50 acres. However, since Needham's zoning must also allow for an average of 15 units/acre (minimum gross density) and 1,784 units overall (minimum unit capacity), it is anticipated that a multi-family zoning district in Needham would need approximately 100 - 120 acres to be compliant.

DHCD Guidelines: Location of Districts

- The amount of developable land near transit determines the portion of the zoning district must be located within ½ mile of transit.
- Needham has 1,223 acres of developable land within ½ mile of a commuter rail station, so 90% of our multi-family zoning district must also be within ½ mile of a commuter rail station.
- This 90% requirement applies to acreage (minimum land area) and to unit capacity. Needham's multi-family zoning district must include at least 45 acres and the ability to build 1,606 units within ½ mile of a commuter rail station.

DHCD Guidelines: Affordability

- There are no affordability requirements. Communities may choose to require that a certain % of housing units built meet specific affordability standards by adopting inclusionary zoning.
- A community can require 10% of units be affordable with income limits set at 80% AMI (Area Median Income) or above.
- A community can require more than 10% of units (up to a max of 20%) be affordable with income limits below 80% AMI if the community demonstrates that a reasonable variety of multi-family housing types can be feasibly developed at the higher percentage and lower affordability levels.
- A community can require up to 25% of units be affordable if they have adopted an approved 40R "smart growth" district. Needham does not have any 40R districts at this time.

DHCD Guidelines: Other

- There are no housing production requirements. Compliance is based on updating local zoning.
- Multi-family zoning districts may already be built-out. A community doesn't "count" existing units towards their unit capacity. Instead, the community would determine how many multi-family units the zoning district would allow by right on that parcel if it were undeveloped.
- Municipalities do not have to increase the capacity of existing water and wastewater infrastructure. Communities are encouraged to consider infrastructure when planning their multi-family zoning district, but DHCD will not factor it in when determining compliance.
- The zoning district can allow for mixed-use development but cannot require it. Mixed use projects may be allowed as of right or by special permit, as long as multi-family housing is separately allowed as of right.
- The zoning district can include energy efficiency standards for multi-family housing but they cannot be higher than the standards required of other uses (e.g. commercial, industrial, etc.).

DHCD Guidelines: Compliance

- Non-compliant municipalities will be ineligible for specific state funding programs:

MassWorks: This is a competitive State grant program that offers the largest and most flexible source of capital funds for municipal infrastructure projects. Grants support projects that spur housing production, new jobs, or private development and range from \$500,000 to \$5 million. The Town received a \$1.675M grant for 1st Avenue and anticipates applying to this program in the future.

Housing Choice Initiative: Needham was designated as a Housing Choice Community in 2022, giving the Town access to additional grant funds for planning and zoning initiatives and public infrastructure construction projects. Grant opportunities range from \$25,000 - \$250,000. Needham received a 5-year designation until 2027.

Local Capital Projects Fund: This fund supports subsidies from the State to local housing authorities. In FY22, the Needham Housing Authority received \$260,000 from MA Capital Formula Funding (which is supported in part by this fund) and has commitments for this annual subsidy anticipated at similar amounts through 2026.

- In addition, the DHCD regulations speak to the broad authority of state agencies to consider a community's compliance in other discretionary funding decisions.

In March 2023, the Attorney General's Office issued an advisory stating:

- Communities cannot opt out of the requirement by foregoing the funding programs.
- Communities that fail to comply may be subject to civil enforcement action.
- Non-compliant communities may also risk liability under federal and state fair housing laws.

Timeline

- January 31, 2023: Deadline to remain in interim compliance for 2023. Communities must submit a proposed action plan, including a timeline for any planning studies, community outreach activities, or other actions to create a compliant district. Needham met this deadline.
- The Planning Board and Select Board will run an engagement process for the Needham community to shape a multi-family zoning district proposal, to be presented to Town Meeting for a vote. Needham's Housing Plan includes recommended zoning changes that provide a starting point for these community workshops.
- December 31, 2024: Zoning district must be adopted by commuter rail communities.

Mr. Block stated that any development greater than 10,000 square feet in Needham requires a major site plan review special permit by the Planning Board and inquired if a multi-family development of this size with the new DHCD zoning would still have a site review or would it be allowed by right. He noted that this is something that should be shared with the Housing Working Group. Mr. Putprush inquired if there is any opportunity to change the zoning requirement of 18 units per acre as the height limitations are restrictive in his opinion. Ms. Frail responded that there are specific areas designated within the plan that would allow for greater height. Mr. Hentschel commented that residential setbacks should also be examined when making recommendations to zoning changes to ensure they are not too onerous. Ms. Frail shared that recommendations made in the initial housing plan will be thoroughly reviewed at public

hearings and that having the zoning changes allow for commercially viable projects is important. Mr. Block suggested that the CEA provide feedback on these concerns.

4. Needham Parking Study

Ms. Haelsen provided an overview on the parking study the Town has been working on with Stantec, the consultant which was contracted for this purpose. The two study areas include the Needham Center business district and the Needham Heights Business district. The objective of the study was to better understand the inventory and usage of both public and private parking in these areas. She added that this data will be used as the Select Board revisits plans for phase two of the Downtown Streetscape Project in the near future. The study began last November with parking counts as continued with an analysis of use and followed by community engagement efforts which included a parking survey which yielded over 1,000 responses, an open house event in January and focus groups held with businesses in both Needham Center and Needham Heights. Stantec presented their recommendations to the Select Board at their March 14th meeting. The Select Board is looking for the CEA's guidance on which of the thirteen recommendations should be prioritized for implementation. She asked CEA members to watch the recording of Stantec's presentation to the Select Board and come prepared to discuss the recommendations at the May CEA meeting.

5. Planning and Community Development Update

Ms. Haelsen provided an update on behalf of the Planning and Community Development Department on any new permits issued. The developer of 557 Highland Avenue has not yet filed for their building permit following the issuance of their special permit from the Planning Board in December 2022. The owner of 100 West Street, the former Carter Mills Building in Avery Square, is still working on adjustments to the plans for that site and will come back to the Planning Board. Boston Children's Hospital on First Street has begun construction of their new 224,000 square foot ambulatory center with a project completion date of late 2025.

Ms. Haelsen reported that a new personal training business will be opening at 1502 Highland Avenue in Needham Center once they receive a special permit from the Planning Board for this use. The former Servante Café on Great Plain Avenue is now home to Sweet Boba, a new eatery. They are seeking approval for six interior seats from the Planning Board. Sira Naturals is looking to expand their hours beyond appointment only and will be seeking a change to their special permit from the Planning Board.

6. Economic Development Manager Report

Ms. Haelsen provided a brief update on the Arts and Cultural Plan being conducted with technical assistance from MAPC. The yearlong effort kicked off last October and will wrap up this fall. An Arts and Cultural Survey is currently being conducted with the Needham community and she asked CEA members to participate. The consultants from MAPC will visit a future CEA meeting this spring to provide an overview and update of the plan. Ms. Haelsen added that she is also working with Via Strategies to conduct a Local Transportation Study for the Town focused on evaluating the existing local transportation options in Needham, identifying gaps in service, and making recommendations for new services or changes to existing services. This study entails gathering input from residents, businesses and stakeholders on what types of local transportation options they'd like to see in Needham. This study will wrap up by the end of June.

7. Adjournment Roll Call

The meeting was adjourned at 10:02 am