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Barney Heath
Director

MEMORANDUM

DATE: June 9, 2017
MEETING DATE: June 19, 2017
TO: City Council
FROM: Barney Heath, Director of Planning and Development
James Freas, Deputy Director of Planning and Development
Neil Cronin, Senior Planner
CC: Petitioner

PETITION #95-17 & #96-17

NW corner of Washington and Walnut Streets

Request for a change of zone to Mixed Use 4 and for special permits to construct a mixed-use development consisting of three buildings with heights up to 60 feet and 5-stories incorporating 160 residential units, approximately 43,860 square feet of commercial space and 344 parking spaces.

At its public hearing on Tuesday, May 30th, the Land Use Committee (the "Committee") asked staff to review the fiscal impact analysis for Washington Place (the "Project") regarding the estimated number of school aged children expected to reside on site. Specifically, the Committee asked staff to review the numbers and methodology employed by a resident which revealed a larger number of school aged children than estimated by the petitioner's consultant.

Petitioner's Methodology

The petitioner retained John Connery, of Connery Associates, to conduct a fiscal impact analysis, which included generating an estimate of the number of school aged children expected to reside at the project. Mr. Connery submitted an initial report on June 1, 2016 which estimated the number of school aged children to reside at the project to be 24 with a net fiscal benefit of \$206,163. **(Attachment A)**. This figure was based on Mr. Connery's professional experience, including the number and type of units. This initial figure was based on 171 units, with 15% (23 units) deed restricted to households earning between 50% and 80% of Area Median Income (AMI), and no 3-bedroom units.

Mr. Connery provided a revised fiscal analysis on January 25, 2017 which included the revisions to the project. Specifically, the project was reduced from 171 to 160, but included six 3-bedroom units, and included 10% of the total units (16 units) to be deed restricted to households earning between 80% and 120% of AMI. Taking these changes into consideration, Mr. Connery estimated the number of school aged children to be 26 with a net fiscal benefit of \$160,989 (**Attachment B**).

Resident's Methodology

At the May 30th public hearing, a Newton resident raised concern that the number of school aged children was underestimated because neither analysis included "plus" rooms as bedrooms. Plus rooms are additional rooms provided in a unit that are intended to be used as offices, dens, etc. The resident stated that the fiscal analysis prepared for the Austin Street development counted these plus rooms as bedrooms and stated that Washington Place should treat the plus rooms the same. Washington Place has 23 one-bedroom plus units and three 2-bedroom plus units. Therefore, taking this updated unit mix into account, the resident believes the project will produce a minimum of 33 school aged children. The petitioner states that these plus rooms are not intended to be used as bedrooms because they are approximately half the size of an average bedroom in the project, do not have closets, and may not have natural light.

In addition, the resident noted that the ratios for the three bedroom units used by Mr. Connery in both reports to determine the number of children are lower than the ratios used by Newton Public Schools. In turn, Mr. Connery provided a memorandum outlining his reasoning for the ratios in his analyses; nonetheless, Mr. Connery updated the ratios to those used by Newton Public Schools in the Annual Enrollment Analysis Reports. As a result, Mr. Connery notes the estimated number of school aged children increases to 31 which results in a revised net fiscal benefit of \$87,608 (**Attachment C**).

Summary

The Planning Department has reviewed the fiscal impact analyses for both the Austin Street and Riverside developments. Neither report states that plus rooms should be treated as bedrooms. Additionally, the fiscal impact analysis associated with the Riverside development was peer reviewed, and the peer reviewer did not state that plus units should be treated as bedrooms to estimate the number of school aged children.

ATTACHMENTS:

- Attachment A:** Fiscal Impact Analysis, Washington Place, dated June 1, 2016
- Attachment B:** Memorandum from John Connery to the Land Use Committee, dated January 25, 2017
- Attachment C:** Letter from John Connery to the Land Use Committee, dated June 7, 2017