

# Newton's Local Preference Policy Analysis and Recommendations

ZAP Meeting  
July 26, 2021

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The City of Newton  
Planning & Development Department

# A Year of Discussion & Analysis

- **Newton Housing Partnership July 2020 Vote**
  - Voted to adopt 0% local preference policy for Riverside to “send a strong message that Newton will not perpetuate policies that keep non-white people out of our City.”
- **WestMetro HOME Consortium’s FY21-25 Analysis of Impediments to Fair Housing Report**
  - Obligation of each consortium community to take affirmative action to ensure that people of color, and other protected classes, have equal access to housing in that community
- **Fair Housing Committee Analysis of Lottery Results**
- **Barrett Planning Group’s Analysis and Report**

# What is Local Preference?

- Authorized by the State through Chapter 40B
- Newton's policy lives in the Inclusionary Zoning ordinance
- Allows for up to 70% "local preference" in a project\*
  - Current residents
  - Municipal employees
  - Employees of local businesses
  - Households with children attending Newton schools
- **Example: 20 affordable units in a project:**
  - 14 affordable units designated as "local preference units" (0.7 X 20):
    - Offered first to those who qualify as local preference applicants
  - 6 affordable units designated as "general pool" units:
    - Offered to all applicants, including local preference and non-local preference applicants

# The Barrett Report

- **Newton's racial makeup, households (2019 ACS data)**
  - 83% White
  - 12.4% Asian
  - 2.4% Black or African American
  - 1.3% "Other"
  - 1% Two or more races
- **Lottery results from three recent rental developments**
  - TRIO / Washington Place
  - 28 Austin Street
  - Hancock Estates
- **71 affordable units (61 leased) - 1,157 total applications**

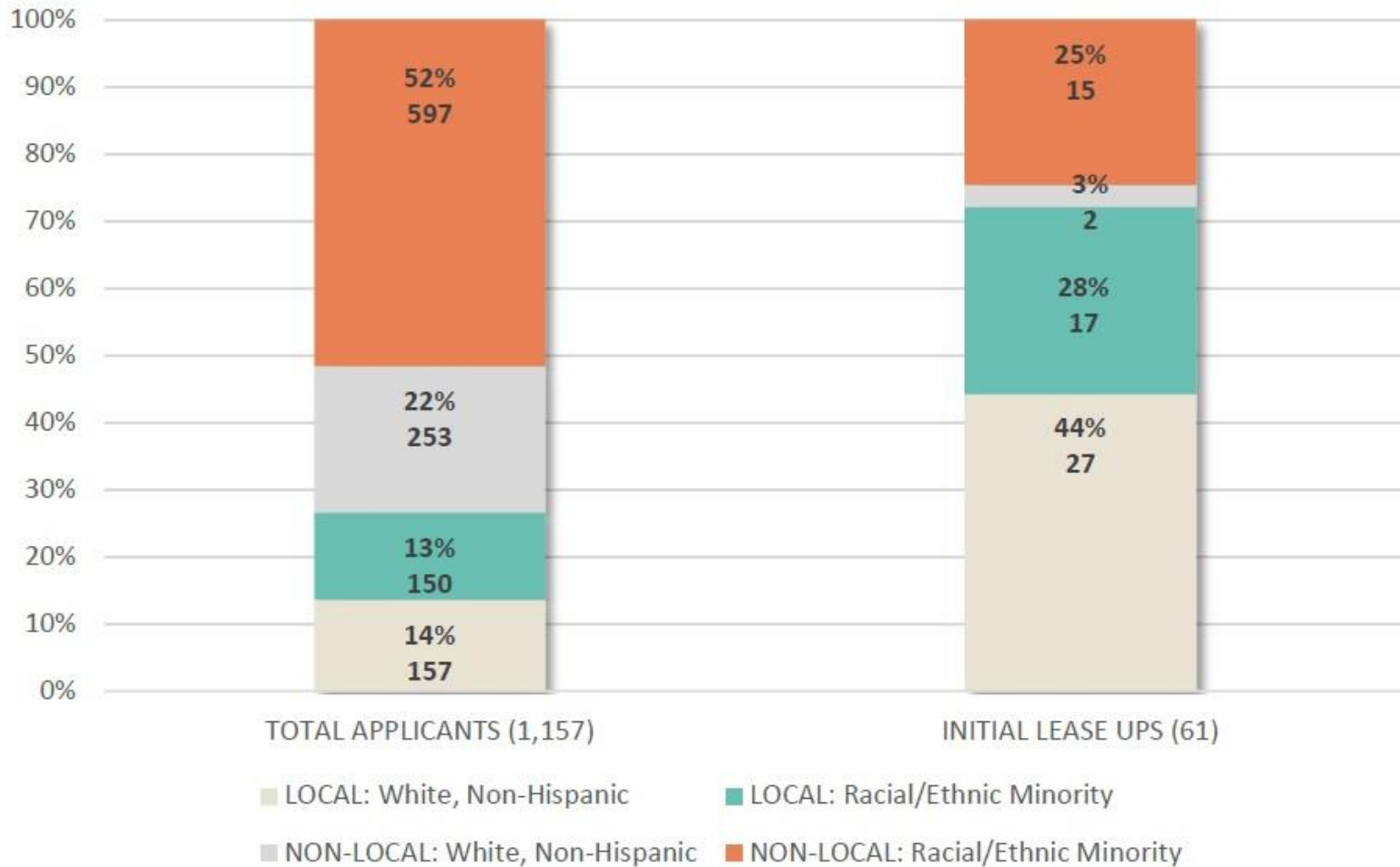
Applicants	Initial Lease-Ups
27% Local Preference	72% Local Preference
73% Non-local Preference	28% Non-local Preference

# The Barrett Report

Local Preference Applicant Pool	LP Tenants (44/61)	Non-local Preference Applicant Pool	Non-LP Tenants (17/61)	General Applicant Pool	General Pool Tenants
51% White	61% White	30% White	12% White	35% White	47.5% White
49% Minority	39% Minority	70% Minority	88% Minority	65% Minority	52.5% Minority

# The Barrett Report

## Applicants and Initial Lease-Ups Across All Case Studies



# The Barrett Report

## ❖ Accessible Affordable Units

- 9 accessible affordable units across 3 projects that were analyzed
- Only 4 were initially lease to tenants with disabilities
- Further study needed to understand these results
- Pricing of these units may still be too high for people with disabilities

# The Barrett Report

## ➤ Key Findings

- The community that benefits the most from Newton's local preference policy is **White, non-Hispanic local households**
- Selection rates were higher for White applicants in each of the researched developments than for minority applicants overall
- When split into local preference and non-local preference households, selection rates among local preference households were higher for White applicants than minority applicants;
- ... and among non-local preference households, selection rates were higher for minority applicants (specifically highest for Asian households in each case)
- The effect of local preference on households requiring accessibility features in their units is unclear and requires further study



# Recommendations for Reducing Local Preference Requirement

- The identified correlation between Newton's 70% local preference policy and the percentage of minorities, particularly Black and African American applicants, that sign leases for these affordable units, as compared to their White, local-preference counterparts, sheds light on the **need to enact a change to the long-standing requirement.**
- The Newton Housing Partnership agrees – a lower percentage requirement is necessary. The partnership will continue to discuss a recommendation to lower the percentage to 35% or lower.

**70%**  **35% or lower**

# Recommendations for Reducing Local Preference Requirement

- The need for further study into the effects of local preference and the lottery system altogether on people with disabilities is also a critical next step
- A reduction in the local preference policy should still require that **at least one accessible affordable unit** be designated as a Local Preference Unit
- Local preference is **not the only tool** that should be explored / amended to reduce the discrepancy in racial outcomes of the lottery processes, i.e. credit history, landlord references, pricing of affordable units

# July 26 ZAP Mtg.

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Questions / Comments?

Thank you!