

CITY OF NEWTON
IN BOARD OF ALDERMEN
FINANCE COMMITTEE AGENDA

MONDAY, JULY 8, 2013

7 PM
Room 222

ITEMS TO BE DISCUSSED:

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

- #227-13 HIS HONOR THE MAYOR requesting authorization to enter into an Inter-Municipal Agreement with the Town of Wellesley detailing Wellesley's obligation to fund half of the construction contract costs associated with structural repairs to the jointly owned Wales Street Bridge. [06/10/13 @ 6:54 PM]

REFERRED TO ZONING & PLANNING AND FINANCE COMMITTEES

- #316-12(2) COMMUNITY PRESERVATION COMMITTEE recommending the
(#55-13) appropriation of four hundred seventy-five thousand dollars (\$475,000) to the Planning and Development Department to continue the Newton Homebuyer Assistance Program as described in the proposal amended in December 2012. [01/25/13 @ 12:33 PM]

ZONING & PLANNING APPROVED 6-0 ON 02/11/13

REFERRED TO PUBLIC SAFETY & TRANS AND FINANCE COMMITTEES

- #226-13 HIS HONOR THE MAYOR requesting authorization to transfer the sum of two hundred thousand dollars (\$200,000) from Fire/Rescue Salaries to a capital account for Fire Department Equipment. [06/10/13 @ 6:54 PM]
PS&T APPROVED 6-0 on 06/19/13

Appointment by President Lennon

- #213-13(2) ALDERMAN RUTHANNE FULLER appointed pursuant to the City of Newton Other Post-Employment Benefits Trust Agreement (OPEB) established in #209-10(4) as the Board of Aldermen representative to the OPEB Trust Fund for a term of office to expire June 30, 2015. [06-13-13 @ 5:03 PM]

ITEMS NOT TO BE DISCUSSED:

REFERRED TO LAND USE & FINANCE COMMITTEES

- #193-13 ALD. HESS-MAHAN proposed that the annual fee for an auto dealer license be increased from \$100 to \$200 per G.L. chapter 140 sec. 59.

The location of this meeting is handicap accessible, and reasonable accommodations will be provided to persons requiring assistance. If you have a special accommodation need, please contact the Newton ADA Coordinator Trisha Guditiz, 617-796-1156, via email at TGuditiz@newtonma.gov or via TDD/TTY at (617) 796-1089 at least two days in advance of the meeting date.

- #132-13 ALD. HESS-MAHAN & YATES proposing a Resolution to request that the Mayor adopt the provisions of Massachusetts General Laws Chapter 59 Section 5C, which provides for a local property tax exemption of up to 20% of the average assessed value of residential properties which are the principal residences of taxpayers. [03/13/13 2:29 PM]

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

- #41-13 ALD. CROSSLEY, FULLER AND SALVUCCI requesting a discussion with the administration to review how the city inventories, plans for, budgets and accounts for needed smaller capital expenditures (currently set at under \$75,000), which are excluded from the Capital Improvement Plan (CIP); how to make these non-CIP capital maintenance items visible, and how to integrate them with the overall planning, CIP, and budgeting processes. [01/14/13 @ 5:02 PM]
- #40-13(2) FINANCE COMMITTEE requesting an amendment to the City of Newton Ordinances to establish a fine for failure to comply with the sidewalk café ordinance. [02/28/13 @ 4:17PM]
- #15-13 FINANCIAL AUDIT ADVISORY COMMITTEE requesting review and acceptance of the revised City of Newton Investment Policy. [12/18/12 @ 9:31 AM]
- #14-13(2) HIS HONOR THE MAYOR requesting amendment of the Municipal Whistleblower Policy, which was approved by the Board of Aldermen on February 4, 2013, to provide a more consistent policy. [03/11/13 @ 5:43 PM]
- #12-13 ALD. YATES requesting that the City's Treasurer/Collector accept credit cards as a method of payment for municipal bills.

REFERRED TO PUBLIC SAFETY & TRANS. AND FINANCE COMMITTEES

- #428-12 ALD. CICCONE & FULLER requesting a discussion with the Executive Office and the Police Department regarding police staffing and overtime costs. [12/07/12 @ 1:34 PM]
- #412-12 HIS HONOR THE MAYOR requesting a discussion regarding updating the City's departmental fees and fines. [11/27/12 @ 12:45 PM]

REFERRED TO PUBLIC SAFETY/TRANSPORTATION & FINANCE COMMITTEES

- #281-12 HARRY SANDERS requesting creation of an ordinance to allow pawnbrokers in the City of Newton pursuant to G.L. c. 140 section 70 with potential for non-fixed location of business. Secured property storage would not entail retail walk-in; model would entail possible satellite locations enabling the possibility of integrating Newton students. [08-31-12 @ 12:25 PM]

REFERRED TO ZONING & PLANNING, LAND USE & FINANCE COMMITTEES

- #273-12 ALD. CROSSLEY & HESS-MAHAN requesting a restructuring and increase in fees for permits charged by the Inspectional Services Department and fees charged by the Planning Department and City Clerk to assure that fees are both

sufficient to fund related services provided and simple to administer. [09-10-12 @1:17 PM]

REFERRED TO FINANCE AND APPROPRIATE COMMITTEES

- #257-12 RECODIFICATION COMMITTEE recommending (1) review of the Fees, Civil Fines/Non-Criminal Disposition contained in Chapter 17 LICENSING AND PERMITS GENERALLY and Chapter 20 CIVIL FINES/NON-CRIMINAL DISPOSITION CIVIL FINES to ensure they are in accordance with what is being charged and (2) review of the acceptance of G.L. c. 40 §22F, accepted on July 9, 2001, which allows certain municipal boards and officers to fix reasonable fees for the issuance of certain licenses, permits, or certificates.

REFERRED TO PROG & SERV, PUB. FAC., ZAP, AND FINANCE COMMITTEES

- #256-12 ALD. HESS-MAHAN, SANGIOLO & SWISTON proposing and ordinance promoting economic development and the mobile food truck industry in the City of Newton. [08/06/12 @4:46 PM]

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #254-12 ALD. HESS-MAHAN, SANGIOLO, DANBERG, KALIS, CROSSLEY proposing an ordinance relating to plastic bag reduction that would add a fee to single-use plastic and paper bags that are not at least 40% post-consumer recycled content, at certain retail establishments in Newton. [07/18/12 @4:34 PM]
- #248-12 RECODIFICATION COMMITTEE recommending that **ARTICLE IV. PURCHASES AND CONTRACTS, Secs. 2-182 through 2-205**, be amended to make it consistent with state law.
- #247-12 RECODIFICATION COMMITTEE recommending that Chapter 18 MEMORIAL FUNDS AND TRUSTS be reviewed relative to the consequences and practices of special legislation passed by the General Court in 2007, Chapter 75 of the Acts of 2007, in which the City sought and was granted an exemption from G.L. Chapter 44 §54, which intent was to allow the City greater flexibility in terms of investments.

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #185-12 ALD. BAKER, BLAZAR, SANGIOLO, LINSKY, ALBRIGHT & DANBERG requesting that the Board of Aldermen adopt a RESOLUTION to His Honor the Mayor asking that, when the Mayor seeks future Board approval for bonding the cost of additional capital facilities or equipment for the schools, he include in that funding request, as well as in the city-wide Capital Improvement Plan, the estimated costs needed for funding the capital technology needs of the Newton Schools, including the appropriate portions of the estimated project costs of the School Committee's three-year district-wide technology plan not anticipated to be funded by the Information Technology Department budget; the anticipated technology grants from Boston College for the elementary schools; and/or estimated revenue from the E-rate Technology Reimbursement Program. [06/11/12 @ 11:23 PM]
PROG & SERV APPROVED 6-0 on 07/11/12

#102-12 HIS HONOR THE MAYOR requesting authorization to appropriate the sum of five hundred thousand dollars (\$500,000) from cable contract receipts for the purpose of constructing Phase I of III to connect all city facilities with high-speed fiber infrastructure for continued reliance on the IT network. [04-09-12 @ 3:40 PM]

#140-11 ALD. HESS-MAHAN requesting acceptance of MGL Chapter 59 §5c which allows communities to shift the tax burden away from homeowners who live in lower than average valued single and multi-family homes to owners of higher valued homes, second homes, and most apartment buildings. {04-15-11 @ 3:07 PM]

REFERRED TO LAND USE & FINANCE COMMITTEES

#276-10 ALD. FULLER, CROSSLEY, DANBERG, LINSKY requesting a review of guidelines for mitigation fund provisions to maximize the use of such funds on behalf of the city together with mechanisms by which the city can better track such funds to ensure they are used in a timely fashion.

REFERRED TO FINANCE AND PROGRAMS AND SERVICES COMMITTEES

#245-06 ALD. JOHNSON AND HESS-MAHAN requesting an amendment to the City Charter to require the Mayor annually to prepare and submit to the Board of Aldermen a long-term financial forecast of anticipated revenue, expenditures and the general financial condition of the City, including, but not limited to identification of any factors which will affect the financial condition of the City; projected revenue and expenditure trends; potential sources of new or expanded revenues; anticipated municipal needs likely to require major expenditures; and a strategic plan for meeting anticipated municipal needs, to include, but not be limited to, any long or short-term actions that may be taken to enhance the financial condition of the City.

Respectfully submitted,

Leonard J. Gentile, Chairman



SETTI D. WARREN
MAYOR

City of Newton, Massachusetts
Office of the Mayor

#227-13

Telephone
(617) 796-1100

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(617) 796-1113

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(617) 796-1089

E-mail
swarren@newtonma.gov

June 13, 2013

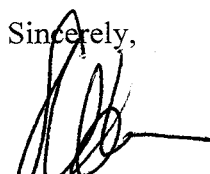
Honorable Board of Aldermen
Newton City Hall
1000 Commonwealth Avenue
Newton Centre, MA 02459

Ladies and Gentlemen:

I write to request that your Honorable Board docket for consideration a request to enter into an Inter-Municipal Agreement with the Town of Wellesley outlining Wellesley's obligation to pay Newton for half of the construction costs for repair to the Wales Street Bridge. The Town of Wellesley managed the design phase of the project, which is now complete. The City of Newton is taking the lead on the construction phase.

Thank you for your consideration of this matter.

Sincerely,



Setti D. Warren
Mayor

RECEIVED
Newton City Clerk
2013 JUN 10 PM 6:54
David A. Olson, CMC
Newton, MA 02459

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.newtonma.gov



DEDICATED TO COMMUNITY EXCELLENCE

City of Newton



DEPARTMENT OF PUBLIC WORKS

OFFICE OF THE COMMISSIONER

1000 Commonwealth Avenue

Newton Centre, MA 02459-1449

Setti D. Warren
Mayor

May 28, 2013

To: Mayor Setti D. Warren

From: David F. Turocy, Commissioner of Public Works

Via: Robert R. Rooney, Chief Operating Officer
Maureen Lemieux, Chief Financial Officer

Re: Request to enter into an Inter-Municipal Agreement
With the Town of Wellesley for the Wales Street Bridge

Attached is an Inter-Municipal Agreement between the City of Newton and the Town of Wellesley, prepared by our Law Department, outlining Wellesley's obligation to pay Newton for half of the construction costs for repair to the Wales Street Bridge.

The City of Newton and Town of Wellesley jointly own the Wales Street Bridge over the Charles River. This bridge was identified as deficient for vehicular safety due to insufficient parapet walls. The Town of Wellesley managed the design phase of the repair project, which is now complete. The City of Newton is taking the lead on the construction phase and structural repairs to the bridge are proposed to be performed by contractor this summer season.

Newton will make progress payments to the contractor monthly for work performed. Newton will invoice Wellesley monthly for 50% of the contractor's invoice. Wellesley will pay Newton within 30 days of receipt of invoice. Newton will pay for construction using Chapter 90 funds. Wellesley has certified that funds (of up to \$400,000) are available to fund this agreement.

This inter-municipal agreement requires Board of Aldermen approval. Please forward to the Board of Aldermen for their consideration.

Thank you.

cc: Lou Taverna, City Engineer
R. Waddick, Law Department
D. Wilkinson, Comptroller

TOWN OF WELLESLEY
WELLESLEY, MASSACHUSETTS 02481



20 MUNICIPAL WAY
781-235-7600
FAX 781-237-0047

DEPARTMENT OF PUBLIC WORKS
ENGINEERING DIVISION

June 13, 2013

Mr. Lou Taverna
City Engineer
Newton City Hall
1000 Commonwealth Avenue
Newton, MA 02459


RE: Wales Street Bridge Project

Dear Lou:

Returned herewith for signature by City of Newton Officials is the proposed Inter-municipal Agreement between the Town of Wellesley and City of Newton regarding the Wales Street Bridge Improvements Project. The Wales Street Bridge ownership and maintenance is shared equally between the Town of Wellesley and City of Newton. The Agreement outlines the provisions for accomplishing the Wales Street Bridge Improvements Project.

The Agreement has been reviewed and signed by the Appropriate Town of Wellesley Officials. Please return a fully executed copy of the Agreement for our files.

Sincerely,


Douglas R. Stewart, P.E.
Assistant Town Engineer

Enc: Agreement

cc: M. Pakstis
J. Curby
D. Hickey
H. Larsen

CITY OF NEWTON CONTRACT NO. L-5923

TOWN OF WELLESLEY CONTRACT NO. XXXXX

AGREEMENT BETWEEN THE TOWN OF WELLESLEY, MASSACHUSETTS AND

THE CITY OF NEWTON, MASSACHUSETTS

FOR

WALES STREET BRIDGE IMPROVEMENTS

This Agreement made this the 10th day of June 2013 pursuant to the provisions of GL Chapter 40, Section 4A, by and between the Town of Wellesley, Massachusetts, acting through its Executive Director of General Government with the approval of its Board of Selectmen and Town Meeting, hereinafter called the "Town," and the City of Newton, Massachusetts, acting by and through its Mayor hereunto duly authorized by Order of its Board of Aldermen, Order No. _____ and dated _____, but without personal liability to himself, hereinafter called the "City."

WITNESSETH:

Whereas, the Wales Street Bridge #N-12-006/W-13-002 (the "Bridge") is located over the Charles River at the Town/City line between Wellesley and Newton; and

Whereas, the Bridge links the City at Wales Street, to the Town at Walnut Street; and

Whereas, ownership and maintenance of the Bridge is shared equally between the City and the Town; and

Whereas, the Bridge is in need of rehabilitation; and

Whereas, the Town contracted with the BETA Group, Inc. for consulting engineering services for the investigation and design of repairs and rehabilitation of the Bridge, which work has been completed and paid for by the City and the Town; and

Whereas the City and the Town wish to provide for the repairs to the Bridge with the City being the lead community to award and supervise the contract for said repair;

Now therefore, for and in consideration of the promises, the mutual covenants herein recited and other good, valuable, and sufficient considerations, the parties hereto agree as follows:

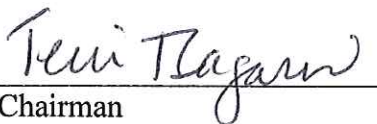
1. The City shall prepare and put out invitations for bids for the repairs to the Bridge in accordance with the plans and designs of BETA Group, Inc., receive and review said bids and award the Contract for the repairs to the Bridge to a Contractor, all in accordance with G. L. c30, §39M and all other applicable provisions of law.
2. The City shall make progress payments for material and services to the Contractor awarded the contract, pursuant to the terms of the Contract.
3. The City shall maintain, and make available to the Town if so requested, accurate and comprehensive records of services performed, costs incurred, reimbursements and contributions received, and periodic financial statements for the project.
4. The City shall invoice the Town for fifty (50%) percent of the amount approved for payment to the Contractor by the City.
5. The Town shall make every effort to pay invoices within thirty (30) days of receipt from the City; however, payment by the Town to the City shall be made no later than forty-five (45) days after receipt of invoices from the City. All invoices unpaid as of the end of the fiscal year shall be paid by the Town to the City within thirty (30) days after the end of the fiscal year. With any request for payment, the City shall provide a copy of the invoice(s) from Contractor showing the total amount(s) billed to the City.
6. Within seven (7) days of receipt of invoices from the City, the Town shall have the opportunity to inspect the work and object to payments for work not completed according to the contract documents, whereupon the City and Town shall confer to agree as to what should be paid. If they do not agree, BETA Group, Inc. will determine what portion of the disputed amount will be paid and the Town shall pay the City fifty (50%) percent of that amount and the City shall pay the Contractor one hundred (100%) percent of that amount. With respect to an unpaid portion of a disputed amount which is subsequently determined to be owed to the Contractor in accordance with the Contract, the Town shall pay the City fifty (50%) percent of such amount and the City shall pay the Contractor one hundred (100%) percent of such amount.
7. Any undisputed amounts unpaid by the Town after forty-five (45) days of receipt of invoices from the City are subject to interest at the same rate the City is required to pay for funds in order to make payments to the Contractor. The Town hereby agrees to pay any interest incurred by the City due to such late payment by the Town.
8. Notwithstanding the foregoing provisions, the Town's total obligation to pay the City hereunder shall not exceed the lesser of either fifty (50%) percent of the total amount invoiced to the City pursuant to the Contract, or \$400,000.00.
9. This Agreement shall be effective upon the action of the Board of Selectmen of the Town as authorized by the Town Meeting, and action by the Mayor of the City as authorized by the Board of Aldermen.

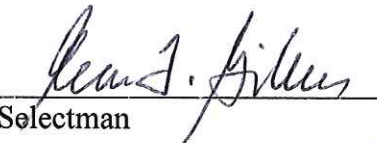
10. It is mutually agreed and understood that this Agreement shall remain in full force until completion of the services to be performed by the Contractor pursuant to the Contract or until such time as it may be amended or replaced by a new agreement, but in any event, not to exceed a total of three (3) years.


The two parties have caused their legal corporate signatures and seals to be hereunto affixed by their proper officers, thereunto duly organized on the day of the year first above written.


THE TOWN OF WELLESLEY


Executive Director of
General Government


Chairman


Selectman


Selectman

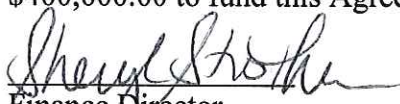

Selectman


Selectman


Approved as to legal form
and character:


Town Counsel


I hereby certify that there are funds available in account # Borrowing auth AT&T 2013 in an amount up to \$400,000.00 to fund this Agreement. Article 15


Finance Director
Town of Wellesley


THE CITY OF NEWTON


David F. Turocy,
Commissioner of Public Works

Approved as to legal form
and character:


City Solicitor

Contract Approved:


Setti D. Warren,
Mayor

CITY OF NEWTON

IN BOARD OF ALDERMEN

2013

ORDERED:

That, in accordance with the recommendation of the Public Facilities Committee through its Chairman Ald. Anthony J. Salvucci and the Finance Committee through its Chairman Ald. Leonard J. Gentile, His Honor the Mayor is hereby authorized to enter into an Inter-municipal Agreement with the Town of Wellesley to repair the jointly owned Wales Street Bridge.

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

Date: _____

Ald. Salvucci moved approval as amended to increase the transfer from Snow/Ice Budget Reserve to \$1 million, which carried unanimously.

#39-13 HIS HONOR THE MAYOR requesting authorization to increase the previously authorized expenditure (Budget Board Order #383-11(2)) by a sum of fifty-six thousand twenty-four dollars (\$56,024) from the FY12 Housing and Urban Development (HUD) Emergency Solutions Grant for homelessness prevention.
[01/16/13 @ 8:58 AM]

ACTION: **APPROVED 8-0**

NOTE: Community Development Manager Anne Marie Belrose explained that the City received grant funds from the United States Department of Housing and Urban Development to be used for homelessness prevention in Fiscal Year 2012 in two allocations. The first allocation was included in the budget board order for Fiscal Year 2012. The second unexpected allocation of \$56,024 was received in August of 2012 and was not included in the budget board order. In order for the City's Comptroller to release the second allocation for expenditure the Board of Aldermen must increase the previously authorized expenditure of the grant to include the \$56,024.

The Planning & Development Department will be responsible for meeting all of the federal guidelines and reporting requirements associated with the grant including all necessary paperwork. It will be holding the contracted service provider to all the standards of the grant requirements. The Committee members emphasized the importance of meeting all the financial reporting requirements, as inaccurate reporting impacts the City's external annual audit. With that, Ald. Ciccone moved approval of the authorization, which carried unanimously.

REFERRED TO ZONING & PLANNING AND FINANCE COMMITTEES

#316-12(2) COMMUNITY PRESERVATION COMMITTEE recommending the
(#55-13) appropriation of four hundred seventy-five thousand dollars (\$475,000) to the Planning and Development Department to continue the Newton Homebuyer Assistance Program as described in the proposal amended in December 2012.
[01/25/13 @ 12:33 PM]

ZONING & PLANNING APPROVED 6-0 ON 02/11/13

ACTION: **HELD 8-0**

NOTE: Housing Planner Reiko Hayashi presented the request for funding from the Community Preservation Fund for the Newton Homebuyer Assistance Program. The program goal is to assist first-time homebuyers with low to moderate income looking to purchase a home in Newton by providing a subsidy based on household size. When property is purchased using this program, the property becomes affordable in perpetuity. When the property is resold, it must be sold to an income eligible buyer. In order to qualify for the program the homebuyer must have an annual income below 80 % of the regional median. The approval of the funds will allow the program to assist three homebuyers. Ms. Hayashi provided the attached summary of the Homebuyer Assistance Program, which included how the funds would be used.

There have been recent modifications to program to address the increase in housing prices and the decrease in income. The maximum subsidy of \$115,000 for all size households has been increased to \$150,000 for a 3-bedroom or larger household, \$125,000 for a 2-bedroom household.

There were number of program participants and community groups who provided letters of support, which were attached to the agenda. Francisco Dos Ramos attended the meeting and stated that he is an applicant to the program and is supportive of the program.

Qualified program participants must be first time homebuyers, have pre-approval for a 30-year fixed rate mortgage, meet federal income guidelines, find a property, and their monthly housing costs must be at or below 33% of the monthly household income. A minimum down payment of 5% of the purchase price is expected. Qualified participants can have up to \$75,000 in liquid assets, which includes retirement savings. The asset limit was established after comparing the asset limit in other communities.

Committee members were concerned that the asset limit seemed high and would like justification for the asset limit. Many first time buyers do not meet the program eligibility requirements and do not have \$75,000 in liquid assets. It seems like a large cushion if those assets are not retirement savings. The Committee asked if it were possible to exclude retirement funds from the asset limit and lower the asset limit. Ald. Ciccone moved to hold the item until the requested information is received, which the Committee supported unanimously.

#40-13 DIRECTOR OF PLANNING requesting amendment to City of Newton Ordinances Chapter 26-30. **Licenses for café furniture on sidewalks.** by deleting the licensing fee from 26-30(c) and approving a new license fee structure in Chapter 12 by replacing the current annual café furniture license fee of \$25 with a fee of \$100 for the initial application and a \$50 annual fee for renewal and giving the Health and Human Services Department the authority to collect the fees.
[01/16/13 @ 3:44 PM]

ACTION: **APPROVED 8-0**

NOTE: Commissioner of Health and Human Services Dori Zaleznik presented the proposed ordinance amendment, which would change the fee structure for licenses for café furniture on sidewalks and give the Health and Human Services Department the authority to collect the fees for the licenses. The proposed fee structure would be a fee of \$100 for the initial application and a \$50 annual renewal fee. The Zoning and Planning Committee is currently discussing a proposed ordinance to streamline the annual licensing process for café furniture, which would be administered through the Health and Human Services Department instead of the Department of Public Works.

Director Planning and Development Candace Havens submitted the attached request for an amendment to the docket item to establish a fine for failure to comply with the proposed sidewalk ordinance. The Committee would like a recommendation from the Zoning and Planning Committee on the amount of the fine before approving an ordinance amendment for a fine. The Committee decided to docket an item requesting an amendment to establish the fine.



Setti D. Warren
Mayor

City of Newton, Massachusetts
Department of Planning and Development
1000 Commonwealth Avenue Newton, Massachusetts 02459

#55-13
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www.newtonma.gov

Candace Havens
Director

NEWTON HOMEBUYER PROPOSAL:

REQUEST FOR \$475,000 to Recapitalize Newton Homebuyer Program

- \$450,000 for Homebuyer Assistance (estimated three households)
- \$15,000 Housing Administration
- \$10,000 Rehabilitation Fund, if required for resale.

Program Changes:

- Increase in the maximum subsidy from \$115,000 to \$150,000 adjusted for household size:
 - \$115,000 maximum for one bedroom household
 - \$125,000 maximum for two bedroom household
 - \$150,000 maximum for three bedroom or larger household
- \$75,000 household asset limit

JUSTIFICATION FOR CHANGES

- Housing prices have increased while incomes have fallen.
- Program is largely serving 1 and 2 person households - subsidy increase will enable 3+ person households to participate and create a more diverse applicant pool.

ELIGIBILITY

Buyer's income must still be at or below 80% of current Area Median Income (AMI)

- 2 person household income cannot exceed \$53,900
- 4 person household income cannot exceed \$67,350

City investment keeps the unit permanently affordable:

FIRST SALE		
\$13,500.00	Homebuyer	downpayment
\$141,500.00	Homebuyer	mortgage
<u>\$115,000.00</u>	<u>Program</u>	<u>write-down - (subsidy)</u>
\$270,000.00	to seller	full-market sales price

**\$155,000 Total contribution
from 1st buyer (price to buyer)**

SECOND SALE		
If area median income increases slightly		
\$7,800.00	Homebuyer	downpayment
<u>\$148,200.00</u>	Homebuyer	<u>mortgage</u>
\$156,000.00	to seller	restricted sales price

**\$156,000 Total received by
1st buyer (who is now the seller)**

LAW DEPARTMENT MEMORANDUM

To: Alderman Leonard J. Gentile, Chair, and Members of the Finance Committee

From: Marie M. Lawlor
Assistant City Solicitor

Date: May 22, 2013

Re: Finance Committee questions pertaining to First Time Homebuyer Program (Docket Item #55-13)

Cc: Trisha Kenyon Guditz, Housing Program Manager
Planning and Development Department

Rieko Hayashi, Housing Planner
Planning and Development Department

Questions Presented

I understand that the Finance Committee has posed two questions pertaining to recapitalizing the First Time Homebuyer Program (Program). The first question is whether the City is legally bound to use the \$75,000.00 asset limit recommended by the state Department of Housing and Community Development (DHCD) in order to determine a homebuyer's eligibility for the Program, or may instead use a lower asset limit. The second question is whether the City may exclude retirement savings from an asset determination.

Short Answers

1) The City may legally use a lower asset limit, but DHCD strongly advises against this for reasons discussed below; and 2) The City may not exclude retirement assets from asset determinations without also excluding Homebuyer Program units from the State's Subsidized Housing Inventory. (The Subsidized Housing Inventory is used to measure a community's inventory of low-and moderate-income housing for the purposes of M.G.L. Chapter 40B, the Comprehensive Permit Law.)

Background

By history and policy, the City has consistently adhered to the income and asset eligibility determinations set by the U.S. Department of Housing and Urban Development

(HUD), and followed by DHCD for first time homebuyer programs. When Newton's Program was started, funding was from federal sources, and such adherence to HUD regulations was required.

Newton's funding source has since changed to Community Preservation Funds and the Program currently uses no federal funding. While there appears to be no federal requirement (when using local funding) to adhere to the HUD income and asset determinations and guidelines, the Planning Department's policy has consistently adhered to those determinations and guidelines in order to be consistent with HUD and DHCD requirements, as well as with other Newton housing programs which do receive federal funds.

In addition, DCHD regulates the Program in the following ways. First, DCHD must approve all affordable housing covenants in connection with Newton's First Time Homebuyer Program. Second, DHCD is the regulatory authority for G.L. c. 40B, as mentioned previously, and administers the State's Subsidized Housing Inventory. DHCD determines whether or not Newton's First Time Homebuyer units will be counted toward Newton's 10% inventory of affordable housing units. Currently, Newton is at 7.6 percent.

Discussion

The \$75,000.00 asset limit:

DCHD has advised that local programs not using federal funds may apply to set an asset limit lower than the \$75,000.00, but strongly recommends against a lower limit in order to provide a cushion for home maintenance and unforeseen contingencies. Originally, DHCD's asset limit was \$50,000 but the agency increased it to \$75,000 in 2008 in order to provide a small reserve for needed repairs and capital replacements. Such a cushion is in the best interest of the Program, since it minimizes the possibility that a homebuyer will be unable to maintain the unit and will be forced to sell. Such a sale could potentially remove the unit from the Subsidized Housing Inventory. Moreover, DHCD cautions that lowering the asset limit would result in a reduced pool of First Time Homebuyer applicants to the detriment of the Program and the City's goal of providing homeownership opportunities to lower income families.

Exclusion of Retirement Assets from Income Asset eligibility determination:

DCHD has advised that it requires local Programs to include retirement assets in income asset determinations in accordance with HUD regulations. If Newton's Program fails to include retirement assets in such determination, DHCD has advised that the Program's units will not be counted on the Subsidized Housing Inventory, nor will the Program's Affordable Housing Restrictions be approved.

DCHD points out that uniformity with HUD and state regulations is important since most First Time Homebuyers must rely on soft second mortgage programs in conjunction with

local First Time Homebuyer programs in order to afford their home. These soft second mortgage programs require strict adherence to HUD and DHCD regulations, including the \$75,000 asset limit calculated with retirement savings included in the asset determination. Differing income asset determination standards would jeopardize a Newton First Time Homebuyer's eligibility for a soft second mortgage.

CITY OF NEWTON

IN BOARD OF ALDERMEN

2013

ORDERED:

That in accordance with the recommendations of the Community Preservation Committee, through its Chairman, Leslie Burg; the Board of Aldermen Zoning and Planning Committee through its Chairman Marcia Johnson; and the Finance Committee through its Chairman, Alderman Leonard J. Gentile the sum of four hundred seventy-five thousand dollars (\$475,000) be and is hereby appropriated from Community Preservation Fund Community Housing Reserve and the Community Preservation Budget Reserve, to be expended under the direction and control of the Director of Planning and Development for purposes of funding costs for the Newton Homebuyer Assistance Program, as detailed in the CPC Recommendation (dated).

FROM:	Housing Fund Balance	
	(21-3321C)	\$393,363
	Budget Reserve	
	(21R10498-5790C)	\$81,637
TO:	Homebuyer Assistance Program	
	(21C11406B-5797)	\$475,000

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

Date_____



SETTI D. WARREN
MAYOR

City of Newton, Massachusetts
Office of the Mayor

#226-13

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(617) 796-1100

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(617) 796-1113

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(617) 796-1089

E-mail
swarren@newtonma.gov

June 10, 2013

Honorable Board of Aldermen
Newton City Hall
1000 Commonwealth Avenue
Newton, MA 02459

RECEIVED
Newton City Clerk
2013 JUN 10 PM 6:54
David A. Olson, CMC
Newton, MA 02459

Ladies and Gentlemen:

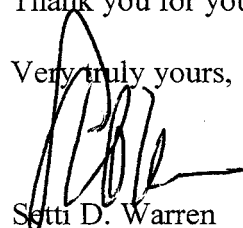
I write to request that your Honorable Board docket for consideration a request to transfer the sum of \$200,000 from Fire/Rescue Salaries to a capital account for Fire Department Equipment.

As you know, the Fire Department recently received \$96,000 for an "Assistance to Firefighters Grant" (AFG) for the purpose of training and certifying 24 Newton Fire Department personnel to the highest level of specialization, "Technical Rescue". Additionally, the City received \$196,000 from the developers of Chestnut Hill Square, most of which the Fire Chief has set aside for the future purchase of a Heavy Duty Rescue Truck. Further the Fire Department would greatly benefit from a mobile "cascade system" on the incident scene that would be used to fill self-contained breathing apparatus in a timely and efficient manner.

With the approval of the Honorable Board, this \$200,000 resulting from fy13 salary savings will enable the Chief to continue to address the needs of the Fire Department.

Thank you for your consideration of this matter.

Very truly yours,


Setti D. Warren
Mayor

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.newtonma.gov



DEDICATED TO COMMUNITY EXCELLENCE

CITY OF NEWTON

IN BOARD OF ALDERMEN

2013

ORDERED:

That, in accordance with the recommendation of the Public Safety & Transportation and Finance Committees through their respective Chairmen Allan Ciccone, Jr. and Leonard J. Gentile, the transfer of the sum of two hundred thousand dollars (\$200,000) is hereby approved for the purpose of establishing a capital account for Fire Department Equipment as follows:

FROM:	Fire Salaries (0121002-511001).....	\$200,000
TO:	Fire Rescue Truck (C210048-58505).....	\$200,000

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON
City Clerk

(SGD) SETTI D. WARREN
Mayor

Date _____

CITY OF NEWTON
IN BOARD OF ALDERMEN

2013

ORDERED:

That in accordance with the recommendation of the President of the Board of Aldermen and with the confirmation of the Honorable Board of Aldermen, be it known that ALDERMAN RUTHANNE FULLER is hereby appointed as a TRUSTEE of the OTHER POST-EMPLOYMENT BENEFITS TRUST FUND for the City of Newton for a term to expire on June 30, 2015.

Under Suspension of Rules
Readings Waived and Approved

(SGD) DAVID A. OLSON

City Clerk