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Barney S. Heath
Director

M E M O R A N D U M

DATE: May 27, 2022

TO: Councilor Crossley, Chair, Zoning and Planning
Members of the Zoning and Planning Committee

FROM: Barney S. Heath, Director of Planning and Development
Amanda Berman, Director of Housing & Community Development
Shaylyn David, Sr. Community Development Planner

RE: **#274-22 Request for authorization to submit FY2023 Annual Action Plan**
HER HONOR THE MAYOR requesting City Council authorization, pursuant to the 2020 Revised Citizen Participation Plan, to submit the FY23 Annual Action Plan to the US Department of Housing and Urban Development (HUD) for the City of Newton Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) funds and the WestMetro HOME Consortium.

CC: Jonathan Yeo, Chief Operating Officer

OVERVIEW

The City of Newton and WestMetro HOME Consortium are required by the U.S. Department of Housing and Urban Development (HUD) to submit an Annual Action Plan which describes the anticipated uses of Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG) funds received by the City for the fiscal year ahead. The overall goal of these three programs is to develop viable urban communities through the provision of decent housing, a suitable living environment, and the expansion of economic opportunities for low- and moderate-income persons. The recommendations in this Plan are based on a five-year strategy captured in the FY21-FY25 Consolidated Plan, which is the result of data analysis and citizen-driven planning processes.

The City of Newton and the WestMetro HOME Consortium presents the FY23 (FFY22) Annual Action Plan, detailing the allocation of CDBG, HOME, and ESG funds for the period of July 1, 2022 through June 30, 2023.

On Monday, May 2, 2022 the Planning and Development Board held a public hearing in consideration of the FY23 Annual Action Plan. The Board voted to adopt the proposed plan and recommend it to the Mayor.

The draft Annual Action Plan will be published on the City’s website on Wednesday, April 20, 2022. The comment period began on May 2nd and will end on June 1, 2022. At the close of the comment period, the Annual Action Plan will be submitted to the Executive Office for approval before final submission to HUD.

FY23 (FFY22) ENTITLEMENT ALLOCATIONS

On May 13, 2022, HUD released the program allocations for FY23 (July 1, 2022 – June 30, 2023).

Community Development Block Grant (CDBG)	\$1,870,395.00 (4.75% decrease from FY22)
HOME Investment Partnerships Program (HOME)	\$1,618,338.00 (8.48% increase from FY22)
Emergency Solutions Grant (ESG)	\$165,059.00 (0.21% increase from FY22)

Total **\$3,653,792.00**

COMMUNITY DEVELOPMENT BLOCK GRANT

Based on the priorities, needs and goals identified in the FY21-25 Consolidated Plan, the City of Newton has allocated FY23 (FFY22) CDBG funds into four general categories:

- **Affordable Housing** (\$1,165,122 or 60% of CDBG funding), for housing program delivery, housing rehabilitation, and site acquisition and improvements related to the construction of new affordable units for low- and moderate-income households.
- **Human Service** (\$281,184 or 15% of CDBG funding), to provide grants for a total of fourteen human service projects through 14 sub-grantee agencies during FY23.
- **Architectural Access** (\$90,500 or 5% of CDBG funding), to construct two accessible crossings at the three-way intersection of Langley Road, Warren Street and Chase Street.
- **Program Administration** (\$385,079 or 20% of CDBG funding) for the administration and implementation of the CDBG program, including citizen participation and program delivery.

These percentage allocations are a result of a local, community-driven process and not mandated through regulations. However, HUD places a cap on the amount of funds that can be allocated towards Human Services (15%) and Program Administration (20%).

Fair Housing

In addition to the categories mentioned above, Fair Housing will continue to be a focus for the City of Newton and WestMetro HOME Consortium. Continued education around fair housing laws, regulations and enforcement are critical to ensure every person has equal opportunity and access to affordable housing in Newton and throughout the consortium. In FY23, the Consortium will continue to implement the recommended actions in the recently updated [Analysis of Impediments to Fair Housing Choice report \(AI\)](#). In particular, the Consortium will re-release an RFP in FY23 (FFY22) for a consultant to develop and implement a fair housing testing program throughout the 13 HOME

communities. The Consortium will also continue its work with MAPC on a parking utilization study of larger multi-family developments built since 2000. The study will assess whether parking requirements meet or exceed demand in new developments. Parking was identified as a potential barrier to affordable housing in the Consortium's AI report.

Affordable Housing

Approximately 60 percent of FY23 CDBG funding (\$1,129,372) plus \$35,750 in estimated FY23 (FFY22) program income, for a total of \$1,165,122, will be allocated towards affordable housing projects identified during the program year. This funding will be used to facilitate:

- The production of new affordable units through site acquisition and improvements,
- The rehabilitation of existing housing units for low- and moderate-income households,
- The preservation of existing affordable units,
- The support of affordable homeownership for low- and moderate-income households, and
- Housing program delivery

Production of New Affordable Housing Units

In FY23 (FFY22), CDBG and HOME funding allocated to the City of Newton will continue to be used for a variety of programs and activities to preserve and expand affordable opportunities across the City. In alignment with the FY21-FY25 Consolidated Plan, the Division will seek to fund affordable housing projects near amenities, village centers, and public transportation options to promote housing equality and economic and demographic diversity. The Division will also look to support projects that provide Newton seniors the opportunity to remain in the community as they age, as well as providing opportunities for affordable housing for families. Additionally, the Division will identify projects that expand the stock of accessible and visitable housing.

The 2Life Communities' Golda Meir House Expansion Project, which will convert underutilized, municipal land into affordable housing, is expected to be complete in the Fall of 2023. This project was awarded FY18, FY20, and FY21 HOME funds to support the new construction of 68 affordable rental units for seniors earning 30 to 99 percent of the Area Median Income (AMI), including nine units for chronically homeless adults with disabilities. To successfully provide permanent supportive housing, 2Life Communities partnered with Hearth, Inc., a nonprofit organization dedicated to the elimination of homelessness among the elderly through prevention, placement, and housing programs. The project financing closed in August 2021 and building construction is in progress.

In addition, the City of Newton will continue to support the development of the Haywood House. The Newton Housing Authority's (NHA) Haywood House project closed on its Low Income Housing Tax Credit financing in the Spring of 2021 and construction commenced soon thereafter. The project, which was awarded FY20 and FY21 Newton CDBG funds, will create 55 new affordable rental units for seniors. The income eligibility will range from 30 to 99 percent of the AMI. Three of the units will be fully accessible and four units will be designated for households that have been homeless or are at risk of homelessness. The project will also include two elevators and community space for supportive services. Project completion is anticipated in the Spring of 2023.

Newton will continue to push forward the redevelopment of the West Newton Armory site on Washington Street into 100% affordable housing. As an awardee of a \$200,000 Housing Choice Grant

from the Department of Housing & Community Development (DHCD), the City hired an affordable housing consultant in FY21 to conduct a predevelopment feasibility study on the site. Concurrently, as part of the City's Real Property Reuse process, the West Newton Armory Joint Advisory Planning Group (JAPG) analyzed the property and its redevelopment potential over the course of eleven months. Following the completion of the consultant's study and the JAPG's report, the City Council unanimously recommended to the Mayor that the City purchase the Armory for \$1 from the State for its redevelopment into 100% affordable housing.

Newton took ownership of the Armory in the Fall of 2021. Metro West Collaborative Development/Civico Development was selected through an RFP process to partner with the City in the redevelopment of the site. The Metro West/Civico proposal includes 43 units of intergenerational housing affordable to households earning 30 to 60 percent of the AMI. The project is anticipated to be complete in FY25. At a public hearing in April, the Planning and Development Board will vote on the pre-commitment of future years' CDBG and HOME funding, and the City's Inclusionary Zoning funds, to develop the Armory into permanently affordable housing with supportive services.

Preservation of Affordable Units

In FY23, the City will continue to advance the CAN-DO Acquisition and Preservation project through the second phase: property rehabilitation. In FY20 (FFY19), the Newton Housing Authority received funding approval from the City's Planning & Development Board and Community Preservation Committee to acquire and preserve the CAN-DO affordable housing portfolio of 33 units across 12 scattered sites in Newton. The City awarded the Newton Housing Authority (NHA) a total of \$1,200,000 in combined FY19, FY20, and FY21 CDBG funds. The affordability of the housing was placed in jeopardy when CAN-DO disaffiliated from its management partner, Metro West Collaborative Development, in 2018. In FY21 (FFY20), the Newton Housing Authority officially closed on the acquisition of the portfolio. During the closing process, CAN-DO added an additional property (236 Auburn Street) to the sites to be acquired by the NHA. This increased the acquisition to 36 units across 13 scattered sites, 33 units of which were financed by \$648,648 of CDBG funds. Once the acquisition and debt reduction was complete in FY21, the City began working with the NHA to conduct lead testing and remediation where necessary, prepare project scopes of work, and begin the public procurement process to rehabilitate the properties, prioritizing the units with the greatest infrastructure and safety needs. This rehabilitation will continue throughout FY23.

In addition to the preservation of the CAN-DO portfolio, the City is actively preserving affordable senior housing at 2Life Communities' Coleman House with FY21 CDBG and FY22 HOME funds. These funds are being used to conduct a comprehensive rehabilitation to the building's mechanical systems and infrastructure, as well as accessibility design upgrades to each of the 146 units. The improvements will make the project more efficient and environmentally sustainable for the next several decades, as well as improving the quality of life for senior residents. Construction began in the Summer of 2021 and will continue through FY23.

Support Affordable Homeownership

Newton's CDBG-funded Downpayment/Closing Cost Assistance program supports and expands sustainable homeownership among low- and moderate-income households in Newton. The program will target first-time homebuyers of new and existing deed restricted homeownership units. Three

income-eligible homebuyer are expected to be assisted through the CDBG Downpayment/ Closing Cost Assistance program in FY23.

Rehabilitation of housing

Staff will continue to market and administer the Housing Rehabilitation program on a rolling basis, which provides homeowners and qualifying nonprofit organizations with deferred payment loans for repairs and improvements aimed at addressing issues related to health, safety, and building code violations. Over the past few years, the Rehabilitation program was expanded to include existing accessory apartments and lodging houses that require repairs to ensure resident health, safety, and building code compliance. Through FY23 and prior year funding, it is anticipated that approximately three units of homeowner housing will be rehabilitated through CDBG assistance. In addition, the City will complete work on 16 of the 36 units acquired by the Newton Housing Authority from CAN-DO's portfolio of rental properties through the Housing Rehabilitation program, utilizing \$551,352 in CDBG funds.

The Housing Authority maintains an additional 57 units of rental housing known as its Management Program (93 units in total, including the 36 CAN-DO units), which are all managed as affordable housing for individuals and families with low incomes. Unlike the NHA's public housing, this portfolio does not receive any subsidy or capital funds from HUD or DHCD. The NHA has used its own operating funds and occasional grants to maintain these properties throughout Newton. In 2019, the NHA commissioned a capital needs assessment of its 57 Management Program rental units at 13 properties. The assessment revealed significant needs at several properties, totaling \$2,924,044 in recommended Year 1 expenditures alone. The NHA has undertaken some of the recommended improvements but does not have adequate resources to address all of the recommendations in the capital needs assessment. In FY23, the City will work with the NHA to identify CDBG and HOME eligible rehabilitation projects to support the preservation of these important affordable units.

Human Services / Public Services

HUD caps the Human Service allocation at 15 percent of the City's total annual CDBG grant. The FY23 (FFY22) Human Service Request for Proposals (RFP) was released on January 5, 2022. The proposals were evaluated by a review committee comprised of representatives from the Department of Planning and Development and the Department of Health and Human Services, as well as a representative from the Mayor's Office. Subsequently, the review committee consulted with two representatives of the Planning and Development Board. Proposals were ranked on February 16, 2022 based on their alignment and consistency with the City's three priority areas:

- Enrichment and Care for Vulnerable Youth, Ages 0-18
- Stability and Self-Sufficiency for Vulnerable Adults, Ages 19-61
- Promoting Economic Security and Vitality for Older Adults, Ages 62+

In addition to the priority areas, the review committee took into consideration the programs' past performance, target population, and the most pressing needs in the community, which were identified in the FY21-FY25 Consolidated Plan. Furthermore, the review committee took into consideration the continued impacts of the coronavirus pandemic (COVID-19).

The City received 17 proposals, 14 of which will be awarded Human Service grants during the FY23 (FFY22) program year, following the recommendation of the Human Service RFP Review Committee. The selected programs will directly benefit low- to moderate-income Newton residents and will provide a critical network of supports to assist in stabilizing vulnerable individuals and families across the lifespan.

FY23 Human Service Allocation Recommendations		
Agency	Program	FY23 Award
West Suburban YMCA	Childcare Financial Aid Program	\$36,720
Riverside Community Care	Mental Health Services Promoting Self-Sufficiency	\$19,275
Newton Community Development Foundation	Resident Services Program	\$24,100
Newton Housing Authority	Resident Services Program	\$38,550
The Second Step	Community Programs for Adult Survivors of Domestic Violence	\$24,100
Family ACCESS	Social Mobility for Young Families	\$33,730
2Life Communities (formerly JCHE)	CaringChoices and Wellness Nursing for Low-Income Seniors	\$19,275
Newton Dept. of Parks, Recreation, and Culture	Financial Aid for Youth Summer Camp	\$12,530
John M. Barry Boys & Girls Club of Newton	Financial Aid for Teens and Families	\$15,600
The Carroll Center for the Blind	Career and Vocational Rehabilitation Services for the Blind and Visually Impaired	\$13,760
Jewish Family and Children's Services	Stabilization and Recovery Services	\$14,630
Plowshares Education Development Center	Tuition Assistance for Pre-School and School-Age Care	\$9,637
Jewish Big Brothers & Big Sisters (JBBBS)	JBBBS Mentoring Initiatives	\$9,640
Pathway to Possible	Part Time Funding for P2P Clinical Social Worker	\$9,637
TOTAL		\$281,184

**The Horace Cousens Fund and the Barry Price Rehabilitation Center received funding in FY22 but are not recommended for funding in FY23. The Barry Price Rehabilitation Center did not submit an application for FY23 funding.*

Architectural Access

Approximately 5 percent of CDBG funding (\$90,500) will be allocated toward the creation of two accessible crossings at the three-way intersection of Langley Road, Warren Street and Chase Street.

In addition, other architectural access projects are underway, including an accessible path connecting Auburndale Cove and Lyons Field, referred to as Phase I of the Marty Sender Path. This project is expected to be completed in the Spring of 2022.

Program Administration

HUD caps the program administration allocation at 20 percent of the City's total annual CDBG grant. As a result, \$374,079 plus an estimated \$11,000 in program income, for a total of \$385,079, will be allocated for program administration.

HOME INVESTMENT PARTNERSHIP PROGRAM

As the lead entity for the WestMetro HOME Consortium, the City receives and administers HOME funds for the City and twelve other member communities of the WestMetro HOME Consortium – the Towns of Bedford, Belmont, Brookline, Concord, Lexington, Natick, Needham, Sudbury, Watertown, and Wayland and the Cities of Framingham and Waltham. The purpose of the HOME Program is to provide funds for a wide range of housing activities, including developing, acquiring, and rehabilitating affordable housing or providing direct rental assistance to create affordable housing opportunities for low- and moderate-income people.

The Consortium anticipates receiving a total of \$1,618,338.00. As part of HUD's official notice of allocation, the HUD Field Office determines the distribution of funds among each member community of the Consortium. The City is still awaiting notice from HUD of this distribution among member communities.

- Approximately 70% of HOME funds will be available for HOME programs and projects
- 5% will be allocated for operating expenses of certified Community Housing Development Organizations (CHDOs)
- 15% will be set-aside for housing activities to be undertaken specifically by certified CHDOs. CHDOs are nonprofit, community-based organizations that are certified by HUD and have the capacity to develop affordable housing within the Consortium.
- 10% will be allocated toward HOME administrative costs

The Consortium will focus on three goals in FY23:

- **Tenant Based Rental Assistance for Rental Housing (TBRA)**
Financial support in the form of security deposits and first/last month's rent will be provided to an estimated 22 income eligible households through Tenant Based Rental Assistance programs in Bedford, Framingham, Natick, Waltham and Wayland. Waltham and Framingham offer full Tenant Based Rental Assistance programs that provide subsidies as vouchers to landlords to supplement the affordable rent paid by income eligible households.

- **Rehabilitation of Existing Units**

The Towns of Belmont, Brookline, and the City of Waltham will advance several projects to rehabilitate Housing Authority units in FY23. HOME funds will be used to rehabilitate three rental units at the Brookline Housing Authority's Morse Apartments. Waltham will commit HOME funds for accessibility improvements at the Beaverbrook Apartments, a 60-unit elderly development owned by the Waltham Housing Authority. Belmont will continue conversations about the redevelopment of Sherman Gardens, a housing authority property. Additionally, as mentioned above, the HOME-funded preservation of 146 units at 2Life Communities' Coleman House in Newton is expected to be complete in FY23.

- **Production of Affordable Units**

Construction of Concord's multi-phase Junction Village project and Wayland's River's Edge Project are in progress. Each development will yield five local HOME-assisted units. Brookline is in the early scoping process for a new construction project with Hebrew Senior Life at 108 Centre Street. Framingham is partnering with its local Housing Authority to redevelop Carlson Crossing, a phased project that will include four HOME units. Newton HOME funds are supporting new affordable units as part of 2Life Communities' Golda Meir House Expansion Project.

EMERGENCY SOLUTIONS GRANT AND MCKINNEY-VENTO FUNDS

The Massachusetts Balance of State (BoS) Continuum of Care (CoC), under the supervision of the Department of Housing and Community Development (DHCD), administers McKinney-Vento funds for the former Brookline-Newton-Waltham-Watertown (BNWW) CoC. The BNWW CoC, previously led by the City of Newton, merged with the BoS CoC in December of 2016. On March 14, 2022, HUD awarded the BoS CoC a total of \$23,903,388 in FFY22 funds, an increase of approximately \$3 million dollars from the prior year. From that total, the BNWW region received \$3,342,642 for four projects across three sub-grantee agencies, including Advocates, Pine Street Inn, and The Second Step.

The City of Newton's Emergency Solutions Grant (ESG) funds are awarded to local providers through a competitive Request for Proposals (RFP) process, providing shelter operations/services, homelessness prevention, and rapid re-housing services throughout the BNWW region. On December 8, 2021, prior to the release of the RFP, Division staff consulted with former BNWW CoC social service providers and representatives from the four municipalities and BoS CoC to determine FY23 (FFY22) ESG funding priorities across its eligible components, outlined below:

- **Emergency Shelter Services** (\$99,035 or 60%): funds support essential services for individuals and families residing in an emergency shelter; shelter operations and costs such as building maintenance, rent, security, fuel, equipment, and furnishings; and renovations for emergency shelters.
- **Homelessness Prevention** (\$27,235 or 16.5%): funds support the stabilization and potential relocation, including short-term and medium-term rental assistance, security deposit, rent arrears, and moving costs, for individuals and families at immediate risk of homelessness.
- **Rapid Re-housing** (\$26,410 or 16%): funds support homeless individuals and families in moving them out of emergency shelters or places not meant for human habitation into

permanent housing.

On January 5, 2022, the FY23 ESG RFP was released alongside the Human Service RFP and proposals were evaluated by a review committee comprised of representatives from the Newton Department of Planning and Development, Department of Health and Human Services, the BoS CoC, and the former BNWW CoC (non-ESG subrecipients). Subsequently, the review committee consulted with two representatives of the Planning and Development Board. Proposals were ranked on February 14, 2022 based on each project's past performance, staff capacity, target population, availability of other funding sources, and the most pressing needs in the region, which were identified in the FY21-25 Consolidated Plan. Furthermore, the review committee took into consideration the continued impacts of the coronavirus pandemic (COVID-19).

The City received seven proposals from five nonprofit agencies, of which, six proposals will receive an ESG grant during the FY23 (FFY22) program year, following the recommendations of the ESG RFP Review Committee.

FY23 ESG Allocation Recommendations		
Agency	Program	FY23 ESG Recommendations
Emergency Shelter Services		
Community Day Center of Waltham	Integrated Day and Seasonal Night Programs	\$38,650
REACH Beyond Domestic Violence	Shelter Operations	\$22,140
The Second Step	Residential Shelter Program	\$30,195
Middlesex Human Service Agency	Individual Shelter Assistance	\$8,050
Homelessness Prevention		
Brookline Community Mental Health Center	Homelessness Prevention	\$27,235
Rapid Re-housing		
Brookline Community Mental Health Center	Rapid Re-Housing	\$26,410
Program Administration		
City of Newton	Administration	\$12,379
TOTAL		\$165,059

**Brookline Community Mental Health Center was the only applicant that requested ESG funding for its Rapid Re-housing projects. The Second Step did not request funding for its Rapid Re-housing projects, as it has done in prior years.*

HOME-AMERICAN RESCUE PLAN

In September of 2021, the WestMetro HOME Consortium was awarded \$5,406,962 through the American Rescue Plan (ARP) Act of 2021. HOME-ARP funds provide individuals or households who are homeless or at risk of homelessness with housing, rental assistance, supportive services, and non-congregate shelter to reduce homelessness and increase housing stability. The City of Newton and the WestMetro HOME Consortium will select a consultant, through an RFP process, to conduct a Needs Assessment and develop a HOME-ARP Allocation Plan. The plan will describe the current regional unmet housing and program delivery needs, the proposed HOME-ARP activities, and the production goals of affordable rental units. The City is expected to select a consultant by June of 2022.

ADDITIONAL INFORMATION

The full draft FY23 Annual Action Plan, which includes the FY23 program budgets, provides a more detailed description of the proposed FY23 CDBG, HOME, and ESG programs.

The draft FY23 Annual Action Plan was made available for public review on Wednesday April 20, 2022, in advance of the virtual public hearing held by the Planning and Development Board on Monday, May 2, 2022. Detailed instructions for public participation in the meeting via ZOOM were included in the City's public hearing notice. The public comment period began on May 2, 2022 and will end Wednesday, June 1, 2022.

If you have any questions, please contact Amanda Berman, Director of Housing and Community Development at aberman@newtonma.gov or (617)796-1147.