

Newton's IZ Funds Cash Payment Recipient

Proposed Amendments to Inclusionary Zoning Ordinance: Section 5.11.5(E)

Public Hearing - ZAP Meeting
September 12, 2022

The City of Newton
Planning & Development Department

Purpose & Background

- This proposed amendment seeks to assist the City's newly created Affordable Housing Trust (AFT) to operate as efficiently and effectively as possible.
- Section 5.11.5 (E) currently dictates that any and all cash payments made by a developer in lieu of providing inclusionary units within a project are made to the City's Inclusionary Zoning Fund and then shared equally with the Newton Housing Authority (NHA).

Proposed Amendment

- This proposal seeks to specify that the AHT be the entity that receives any and all cash payments made by a developer in lieu of creating affordable units in a project instead of the City's IZ Zoning Fund.
- The amendment does **not** propose to alter the provision that the NHA still receive an equal share of any cash payment. Any payments received will therefore be shared equally between the AHT and NHA.

3

Proposed Text Revision to Section 5.11.5 (E)

E. Cash Payment Recipient.

1. The cash payment ~~shall be~~ made to the City's ~~Inclusionary Zoning Fund~~ Municipal Affordable Housing Trust Fund, to be distributed equally to the Newton Housing Authority and ~~the City of Newton~~ the Newton Affordable Housing Trust.
2. These funds are to be used for the restoration, rehabilitation, acquisition, creation, preservation, associated support services, and monitoring of deed-restricted units affordable to households with annual gross incomes at or below 80% of AMI, to the extent practical.
3. Notwithstanding Section 2 above, funds received from Inclusionary Housing Projects with 7-9 units, as described in Section 5.11.5.B.3, must be used for the creation of deed-restricted units affordable to households at or below 80% of AMI.

4

Proposed Text Revision to Section 5.11.5 (E)

~~4. Appropriation of these funds for use by the City or the Newton Housing Authority must first be approved by the Planning & Development Board and then by the Mayor.~~

5. The Newton Housing Authority and the City Newton Affordable Housing Trust must each maintain an ongoing record of payments to the fund on their behalf and the use of the proceeds for the purposes stated in this Sec.

5.11.

5

Thank you

Questions / Comments?