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## Community Preservation Committee Funding Recommendation for the Newton Affordable Housing Trust Fund

**Date:** July 26, 2023  
**From:** Community Preservation Committee  
**To:** The Honorable City Council  
**CC:** Her Honor Mayor Ruthanne Fuller

### PROJECT GOALS & ELIGIBILITY

CPA Community Housing funding is requested to provide the second round of annual funding for the Newton Affordable Housing Trust (NAHT). The Trust was created in December 2021 to provide a more efficient and streamlined process for funding new affordable housing projects in Newton. This funding will be used by the Trust to fund future affordable housing projects which acquire, create, preserve, restore, rehabilitate or support affordable housing in Newton.

The project is eligible for CPA funding as the funds will be used in the future for CPA eligible projects which further the City's existing and future affordable housing goals.

**RECOMMENDED FUNDING** At its monthly meeting on Tuesday, July 11, the Community Preservation Committee unanimously recommended, with a vote of 7 to 0, that \$1,967,119, which represents 35% of the Community Preservation Program's FY24 annual funds, in Community Preservation Act funding be appropriated, with \$562,034 to come from the FY24 Community Housing Reserve Account and \$1,405,085 to come from FY24 Unrestricted Funding Account, to the control of the Planning & Development Department to provide funding to the Newton Affordable Housing Trust for future projects that meet one or more of the CPA's eligible funding categories for Community Housing projects.

Proposed CPA Funding Accounts for the Newton Affordable Housing Trust			
Account Name	Account Number	Amount Currently Available	Proposed Amount for the NAHT
Community Housing FY24 Reserve Account	#58R10498 57900C	\$562,034	\$562,034
FY24 Unrestricted Funding Account	#58R10498 579000	\$3,618,514	\$1,405,085
<b>Total Project Funds</b>			<b>\$1,967,119</b>

[www.newtonma.gov/cpa](http://www.newtonma.gov/cpa)

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## SPECIAL ISSUES CONSIDERED BY THE CPC

**Community Needs:** City Council passed the enabling ordinance which created the Newton Affordable Housing Trust in December 2021 after several years of studying the potential benefits and requirements of these programs. The NAHT assists the City in meeting its affordable housing goals by creating a streamlined process for funding new projects and developments. This annual proposal for CPA funding of the Trust meets multiple goals listed in the Comprehensive Plan as it both strengthens an important resource for preserving and creating affordable housing and the City's overall financial resources for meeting these affordable housing goals. Funding of the Trust also addresses the goals of the City's Consolidated Plan for FY21-FY25 by providing a funding resource for projects that produce new units, preserve existing units, support affordable housing, and further Newton's Fair Housing goals.

**Development Uses and Sources:** This proposal will use CPA funds to continue to build up the Newton Affordable Housing Trust for use in future affordable housing projects. Any future project requesting NAHT Funding will still be required to meet all requirements of the Community Preservation Act.

**Project Finances:** CPA funding was noted to be the primary funding source for the Trust Fund during the review process for the enabling ordinance. As part of these discussions, the CPC agreed to set aside its annual target amount for affordable housing, currently 35% of the program's annual funding, to the NAHT once it was established. The Trust is required to apply for this funding on an annual basis, and the current recommendation is only for FY24 funds. While 35% of annual funding is the CPC's current target for the Community Housing category a future Committee may choose at any time to change these funding targets and to adjust future NAHT funding recommendations accordingly. The NAHT may also receive Inclusionary Zoning funds from time to time, but this is not anticipated to be a regular or reliable funding source.

### ADDITIONAL RECOMMENDATIONS *(funding conditions)*

1. Funding is to be used at the discretion of the Newton Affordable Housing Trust (NAHT) for any project which acquires, creates, preserves, rehabilitates/restores, or supports affordable housing as defined in the Community Preservation Act.
2. The CPC shall receive copies of all relevant plans, drawings, schematics, budget and marketing materials, etc. associated with the use of the CPA funding.
3. The CPC shall receive regular updates from the NAHT on the status of the Trust funds, how they are being used, and any plans for future projects or initiatives which might involve CPA funding.
4. Any CPA funds appropriated but not used for the purposes stated herein shall be returned to the Newton Community Preservation Fund.

### KEY OUTCOMES

The Community Preservation Committee will evaluate this project based on its success in furthering the City's goals for affordable housing and in completing projects eligible for community housing funding as defined by the Community Preservation Act.

### ATTACHMENTS

- June 2023 Proposal submitted to the CPC for the July 11, 2023 public hearing

Additional information not attached to this recommendation, including petitions and letters of support, are available on the CPC's website at: <https://www.newtonma.gov/government/planning/community-preservation-program/proposals-projects/newton-affordable-housing-trust-funding>