

CITY OF NEWTON

IN BOARD OF ALDERMEN

ZONING & PLANNING COMMITTEE AGENDA

MONDAY, JUNE 8, 2015

**7:00 PM - Room 211**

**After Joint Discussions - Room 205**

**ITEMS SCHEDULED FOR DISCUSSION:**

***Chairman's Note:*** *Committee members are invited to join the Finance Committee discussion of the Aquinas property acquisition item at 7:00pm in Room 211. Immediately following the conclusion of that discussion, Zoning & Planning and Finance Committees will meet jointly on the following two items:*

**REFERRED TO ZONING & PLANNING AND FINANCE COMMITTEES**

#103-15 COMMUNITY PRESERVATION COMMITTEE recommending the appropriation of one million fifty-seven thousand dollars (\$1,057,000) from the Community Preservation Fund to the control of the Director of Planning & Development, to create additional units of permanently affordable housing through the Newton Homebuyer Assistance Program, as described in the proposal submitted in March 2015. 04/13/15 @ 10:18 AM]

**REFERRED TO ZONING & PLANNING, LAND USE AND FINANCE COMMITTEES**

#104-15 ALD. JOHNSON, LAREDO, AND GENTILE requesting a report from the Planning Department with the following information: How many of the affordable units developed at Commonwealth Avenue, Pearl Street, and Eddy Street qualify to be included on the State's Subsidized Housing Inventory List. If a property is not currently on the list, what can be done to make it eligible. [04/09/15 @ 12:00PM]

*A Public Hearing will be held on the following item:*

#23-15 ACTING DIRECTOR OF PLANNING & DEVELOPMENT requesting amendments to the official zoning map in order to correct discrepancies between Board of Aldermen actions and the boundaries of zoning districts as shown on the map and to better align zoning district boundaries with property lines and other features to reduce the number of split lots and other map anomalies. [01/09/15 @ 10:09AM]

***There will also be a presentation by George Proakis, Director of Planning for the City of Somerville regarding Somerville's experience with zoning reform.***

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The location of this meeting is handicap accessible and reasonable accommodations will be provided to persons requiring assistance. If you need a special accommodation, please contact John Lojek, at least two days in advance of the meeting: [jlojek@newtonma.gov](mailto:jlojek@newtonma.gov), or 617-796-1064. For Telecommunications Relay Service dial 711.

**ITEMS NOT SCHEDULED FOR DISCUSSION:****REFERRED TO PROG. & SERVICES AND ZONING & PLANNING COMMITTEES**

- #127-15 ALD. SANGIOLO requesting discussion with Health Department, Inspectional Services Department and the Economic Development Commission regarding the policy of food truck operations in the City of Newton. [05/11/15 @ 10:22AM]
- #80-13 THE PLANNING DEPARTMENT requesting update discussions of the zoning reform project. [02/25/13 @ 12:31 PM]
- #107-15 HIS HONOR THE MAYOR requesting discussion of approaches to create middle income housing as a means of allowing City of Newton employees the opportunity to live in the community in which they work. [04/24/15 @ 2:38PM]
- #108-15 HIS HONOR THE MAYOR requesting consideration of changes to the Zoning Ordinance that would facilitate the creation of accessory apartment units, supportive of Newton's seniors. [04/24/15 @ 2:38PM]
- #109-15 HIS HONOR THE MAYOR requesting consideration of changes to the inclusionary housing provisions of the Zoning Ordinance to increase the required percentage of affordable units to 20% with the additional 5% set aside for middle income households. [04/24/15 @ 2:38PM]
- #110-15 HIS HONOR THE MAYOR requesting discussion of The Smart Growth Zoning Overlay District Act M.G.L. Chapter 40R and its potential application in Newton. [04/24/15 @ 2:38PM]
- #95-15 ALD. CROSSLEY, JOHNSON, LEARY, HESS-MAHAN, DANBERG, ALBRIGHT AND BLAZAR requesting a discussion with the Planning Department to consider the mix of uses in the Wells Avenue Office Park, with and without a second egress to the site, pursuant to the recent MAPC study recommending a strategic introduction of retail and restaurant uses to attract and sustain healthy commercial uses, and some number of residential units sufficient to support an economically viable and vibrant mixed use environment. [04/13/15 @ 2:46PM]
- #6-15 ALD. BAKER, HESS-MAHAN, ALBRIGHT requesting a discussion by the Zoning and Planning Committee with the Acting Director of Planning and Development of how Phase 2 of Zoning Reform might be undertaken, including the contents of the proposed Village and Master Planning and Zoning Reform Request for Proposals, including the planning process and ordinance revision process the RFP anticipates, as well as the staffing and funding needed to enable both in-house and contracted work under the RFP to be both well done and appropriately supervised. [12/29/14@4:00 PM]

- #86-15 ALD. CROSSLEY, ALBRIGHT, HESS-MAHAN, & JOHNSON requesting a review and discussion of Community Development Block Grant expenditures and past years' accounting to assess progress in meeting citywide program goals as adopted in the consolidated plan, including creating and sustaining affordable housing, as well as facilities improvements in approved neighborhood districts. [03/30/15 @ 6:02 PM]
- #447-14 ALD. SANGIOLO proposing an ordinance requiring the submission of building plans with applications for full or partial demolitions. [11/13/14 @ 2:03pm]
- #448-14 ALD. SANGIOLO requesting a discussion with the Newton Historical Commission regarding their process and policy of reviewing demolition applications. [11/13/14 @ 2:03pm]
- #338-14 ALD. HESS-MAHAN, KALIS, SANGIOLO AND DANBERG proposing a Large House Review ordinance requiring design review and approval of by-right single and multi-residence residential structures exceeding certain dimensional limits to be determined, to expire by December 31, 2015. [09/05/14 @ 9:39AM]
- #265-14 ALD. BLAZAR, YATES AND DANBERG requesting:
1. to amend Section 22-50 to increase the time period for determinations of historical significance to 30 days, and to increase the time period for hearings, rulings and written notice on appeals from historical significance determinations to 60 days;
  2. to amend Section 22-50 to increase the time period to hold a public hearing as to whether or not a historically significant building or structure is preferably preserved to 60 days;
  3. to amend Section 22-50 to increase the demolition delay period for buildings and structures on or eligible for listing in the National Register of Historic Places to 30 months;
  4. and to amend Section 22-50 to increase the demolition delay period for all other preferably preserved buildings or structures to 24 months.
- [07/07/14 @ 12:35PM]
- #222-13 ALD. HESS-MAHAN, ALBRIGHT, BAKER, CROSSLEY, DANBERG, FISCHMAN & JOHNSON proposing to amend the definitions of "Common roof connector", "Common wall connector", and "Dwelling, two-family" in **Chapter 30, Section 30-1** of the City of Newton Zoning Ordinances. [06/07/13 @ 1:31 PM]
- #278-14 ALD. YATES proposing to amend Chapter 30 of the City of Newton Ordinances to restrict the two-unit structures allowed by-right in the multi-residence districts to structures with the two units side-by-side in a single structure, or one above the other as in double-deckers. [07/31/14 @ 12:03PM]

#446-14 ALD. SANGIOLO requesting a discussion with the Commission on Disability regarding the status of City compliance with ADA regulations. [11/13/14 @ 2:03pm]

#445-14 ALD. SANGIOLO requesting an update with members of the Newton Fair Housing Committee on the status of housing opportunities in the City of Newton. [11/13/14 @ 2:03pm]

**REFERRED TO ZONING & PLANNING AND FINANCE COMMITTEES**

#315-14 ALD. HESS-MAHAN, ALBRIGHT, CROSSLEY AND DANBERG proposing an amendment to Chapter 2 of the City of Newton Ordinances setting forth requirements for procurement of materials and services by non-governmental recipients of federal, state or local funds administered by the City, such as CDBG and CPA funds. In order to encourage non-profit and other private organizations to participate in affordable housing, cultural and other public-private collaborations, such procurement requirements should accommodate the needs of non-governmental recipients for flexibility given the multiple public and private sources of funds necessary for any project by not placing undue or unreasonable burdens on them. [08/04/14 @ 5:08PM]

#266-14 ALD. BLAZAR, YATES AND DANBERG requesting:

1. to amend Section 22-50 to require that in the event there is a transfer of legal or beneficial ownership of a preferably preserved property during the demolition delay period, the full demolition delay period will restart from the date of the transfer of ownership;
2. and further requesting to amend Section 22-50 to require that in the event a transfer of legal or beneficial ownership of a preferably preserved property occurs after the expiration of a demolition delay period but prior to the issuance of a demolition permit, no demolition permit shall issue until the new owner complies with the procedures of Section 22-50(c)(5). [07/07/14 @ 12:35PM]

#238-14 ALD. SANGIOLO requesting the Executive Department and Planning Department work with the Board of Aldermen to develop a Housing Production Plan in accordance with 760 CMR 56.03(4) and guidelines adopted by the Department of Housing and Community Development as soon as possible. [06/09/14 @ 11:55AM]

#212-14 BOARD OF ALDERMEN requesting a discussion with the Executive and Inspectional Services Departments and the Commission on Disability regarding the creation of full-time positions to address the city's need re 1) ADA requirements and 2) zoning enforcement, including State building code, Newton's zoning ordinance, and special permits. [05/23/14 @ 11:03AM]

- 140-14 ALD. CROSSLEY AND HESS-MAHAN requesting to amend **Chapter 30**, City of Newton Zoning Ordinances, to include a "lodging house" ordinance to promulgate rules requiring annual fire, safety and health inspections and licensing of buildings providing single room occupancy and/or congregate living arrangements. [04/04/14 @ 6:29 PM]
- #429-13 ALD. HESS-MAHAN requesting repeal and/or amendment of Zoning Ordinances Section 30-1, Definitions, 30-8(b)(2), Special Permits in Single Family Residential Districts, and 30-10(d)(4), Number of Parking Stalls, concerning "Congregate Living Facility", as required by federal and state anti-discrimination and fair housing laws and regulations. [12/06/13 @ 9:51 AM]
- #428-13 ALD. HESS-MAHAN requesting periodic updates on complaints of discrimination filed against the City of Newton under Section 504 of the 1973 Rehabilitation Act, the Fair Housing Act, and Title II of the Americans with Disabilities Act, based on the City's denial of housing and exclusion from participation by people with disabilities in the Newton HOME and CDBG programs filed with the U.S. Department of Housing and Urban Development. [12/06/13 @ 9:51 AM]
- #427-13 ALD. HESS-MAHAN requesting discussion and periodic updates of steps the City of Newton is taking to ensure that its implementation of the Consolidated Plan, Annual Action Plan and Citizen Participation Plan and use of CDBG, HOME and ESG funds comply with federal and state fair housing and anti-discrimination laws and regulations, and its duty to affirmatively further fair housing. [12/06/13 @ 9:51 AM]
- #266-13 ALD. YATES requesting that the Law Department provide the Zoning & Planning and Land Use Committees and other interested members of the Board with legal advice on what parties have standing to challenge zoning ordinances and the relevant court cases involving uniformity. [08/05/13 @ 12:28PM]
- #129-13 ALD. HESS-MAHAN proposing to amend and/or clarify definition and provisions for granting a special permit for "attached dwellings" in the City of Newton Zoning Ordinances, **Chapter 30-1, 30-8(b)(13) and 30-9(b)(5)**. [05/25/13 @ 5:14 PM]
- #308-12 ALD. HESS-MAHAN & ALBRIGHT requesting a discussion with the Mayor's office and the Planning & Development Department of policies, procedures, and criteria relating to determinations concerning expenditures of Community Development Block Grant (CDBG) funds. [10/09/12 @ 3:59 PM]
- #282-12 ALD. JOHNSON, CROSSLEY, DANBERG, SANGIOLO requesting quarterly reports, starting the last month of the quarter beginning December 2012, Re-implementation of *Ramping Up: Planning for a More Accessible Newton*.

**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.

**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.
- #11-12 ALD. HESS-MAHAN & LINSKY requesting discussion on the implementation and enforcement of the provisions of Section 30-5(c)(1) of the Newton Ordinances which requires that “[w]henver the existing contours of the land are altered, the land shall be left in a usable condition, graded in a manner to prevent the erosion of soil and the alteration of the runoff of surface water to or from abutting properties.” [1/11/12 1:01PM]
- #61-10 ALD. CICCONE, SWISTON, LINSKY, CROSSLEY AND HESS-MAHAN requesting a discussion relative to various solutions for bringing existing accessory and other apartments that may not meet the legal provisions and requirements of Chapter 30 into compliance. [02/23/10 @ 2:48 PM]
- #391-09 ALD. DANBERG, MANSFIELD, VANCE AND HESS-MAHAN requesting an amendment to §30-19 to allow payments-in-lieu of providing required off-street parking spaces when parking spaces are waived as part of a special permit application.

**ZONING REFORM – PHASE 2**

- #22-15 ALD. YATES requesting that utilization of the Massachusetts Rental Voucher Program be added as an allowable means of complying with the inclusionary zoning provision in Phase II of Zoning Reform. [01/05/15 @ 9:53PM]
- #21-15 ALD. YATES requesting that priority be given to completing the Intents and Purposes of the Zoning Ordinance in Phase II of Zoning Reform. [01/05/15 @ 9:53PM]
- #323-14 ALD. YATES, NORTON, COTE AND SANGIOLO proposing to amend Chapter 30 to require that the front doors of single-family homes, two-family homes and other residential structures face the street on which their lots are located. [08/25/14 @ 11:42AM]

#139-14 ALD. ALBRIGHT requesting to amend **Chapter 30**, City of Newton Zoning Ordinances, to clarify rules relative to retaining walls. [04/09/14 @ 8:32 AM]

*Public Hearing to be assigned:*

#404-13 NATASHA STALLER et al. requesting a revision to the zoning District boundary Lines so as to transfer from Multi-Residence 1 District to a Single Residence 3 District the following properties:  
Assessors' parcels SBL nos. 61-037-0004 through 61-037-0013; 61-042-0007 through 61-042-0023; 65-019-0001; 65-019-0007 through 65-019-0012; 65-019-0014 through 65-019-0022; 65-019-0009A; 65-019-0017B and 65-019-0022A.  
Also requesting transfer from a Single Residence 2 District to a Single Residence 3 District SBL no. 65-019-0015A. [11/01/13 @ 12:57 PM]  
**A MOTION TO AMEND THE PREVIOUSLY APPROVED POSTPONEMENT OF DOCKET ITEM #404-13 TO APRIL 7, 2014 TO SUBSTITUTE RECOMMITTAL OF THE ITEM TO THE ZONING & PLANNING COMMITTEE WAS APPROVED BY VOICE VOTE ON MARCH 17, 2014.**

#267-13 LAND USE COMMITTEE proposing to amend Section 30-21(c) to permit de minimis relief for alterations, enlargements, reconstruction of or extensions to lawfully nonconforming structures in which the nonconformity is due to Floor Area Ratio (FAR) requirements set out in section 30-15(u) Table A, subject to administrative review by the Planning Department.

#264-13 ALD. YATES requesting that the Zoning Reform Group or its successor consider amending City of Newton Zoning Ordinances Chapter 30 to develop additional residential districts reflecting the small lots in older sections of the City and map changes to bring the zones of more residential sections of the City into conformity with the existing land uses. [08/05/13 @ 12:28PM]

#81-13 DIRECTOR OF PLANNING & DEVELOPMENT on behalf of the Newton Housing Partnership requesting consideration of naturally affordable compact housing opportunities in MR1 zones. [02/22/13 @ 1:13 PM]

#65-13 ALD. YATES, FISCHMAN, KALIS requesting that Chapter 30 be amended to require a special permit for major topographic changes. [02/12/13 @ 12:30 PM]

#64-13 NEWTON HISTORICAL COMMISSION requesting the creation of an administrative permitting process for converting historic barns and carriage houses into accessory apartments to assist in their preservation. [02/05/13 @ 11:35 AM]

- #153-11 ALD. DANBERG, ALBRIGHT, HESS-MAHAN, JOHNSON requesting that Chapter 30 be amended by adding a new Sec. 30-14 creating certain Retail Overlay Districts around selected village centers in order to encourage vibrant pedestrian-oriented streetscapes which would allow certain uses at street level, including but not limited to financial institutions, professional offices, and salons, by special permit only and require minimum transparency standards for street-level windows for all commercial uses within the proposed overlay districts. [05/10/11 @ 3:19 PM]
- #152-10 ALD. BAKER, FULLER, SCHNIFFER, SHAPIRO, FISCHMAN, YATES AND DANBERG recommending discussion of possible amendments to **Section 30-19** of the City of Newton Ordinances to clarify parking requirements applicable to colleges and universities. [06/01/10 @ 4:19 PM]
- #164-09(2) ALD. HESS-MAHAN requesting that the Planning Department study the dimensional requirements for lot and building size for accessory apartments and make recommendations for possible amendments to those dimensional requirements to the board of Aldermen that are consistent with the Newton Comprehensive Plan. [01/07/10 @ 12:00 PM]
- #142-09(7) ALD. HESS-MAHAN AND JOHNSON proposing a Resolution to request that the Director of Planning and Development and the Commissioner of Inspectional Services reconvene a Floor Area Ratio working group to review and analyze the definition of “*Floor area, gross*” for residential structures as it is used in the definition and calculation of “*Floor area ratio*” in **Section 30-1** with respect to actual usage, and, if necessary, make recommendations for amendments thereto and in the dimensional regulations contained in **Section 30-15(u)** and *Table A* of **Section 30-15(u)**, the purpose of which is to regulate the size, density and intensity of use in the construction or renovation of, or additions to a residential structure, to more accurately reflect and be compatible with neighborhood character, and to ensure that a proposed residential structure is consistent with and not in derogation of the size, scale and design of other existing structures in the neighborhood, and is not inconsistent with the City’s Comprehensive Plan. [07/03/14 @ 9:10AM]

Respectfully Submitted,

Marcia T. Johnson, Chairman





Setti D. Warren  
Mayor

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

**DOCKET  
103-15**

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James Freas,  
Acting Director

## Community Preservation Committee Funding Recommendation for NEWTON HOMEBUYER ASSISTANCE PROGRAM

date: 1 May 2015  
from: Community Preservation Committee  
to: The Honorable Board of Aldermen

### PROJECT GOALS & ELIGIBILITY

This program provides assistance with down payments and closing costs to first-time buyers who are seeking a home in Newton and whose annual income is at or below 80 percent of the area median, in return for deed restrictions keeping the homes purchased permanently affordable to future buyers at that income level.

In 2013 the Board approved \$475,000 in additional funding for this program, along with higher subsidy limits and several other program changes. Unfortunately, rapidly rising prices have made it impossible for the 3 households selected by lottery in the fall of 2014 to find homes they can afford in Newton, even with the higher subsidies approved in 2013. The Planning Dept. is therefore requesting approval of further subsidy increases; authority to increase these limits by another 15% if needed; and an additional \$1,057,000 in funding. Together with previously appropriated funds, the new funds will allow the program to assist 6 households over 2 years if the new maximums are adequate; or 5 households if the 15% adjustment is needed.

The CPA eligibility of this program was established for the previous funding phases documented on the program's page of the CPC website, [www.newtonma.gov/gov/planning/cpa/projects/homebuyer.asp](http://www.newtonma.gov/gov/planning/cpa/projects/homebuyer.asp).

### RECOMMENDED FUNDING

On 9 April 2015, by a vote of 6-0 (members Feinberg, Kronish and Yeo absent), the Community Preservation Committee recommended appropriating the additional \$1,057,000 requested for this program, for the uses included in this summary budget:

Newton Homebuyer Assistance Program Fifth Phase of CPA Funding	Available Funds from Prior Appropriations as of 16 April 2015		2015 New CPA Request	Available Totals if 2015 request is approved	% of total	Average Proposed Subsidies
	pre-2013	2013				
Grants to first-time homebuyers	\$53,348	\$450,000	\$1,042,000	\$1,545,348	97.3%	per unit: \$257,558
Program mgmt. (staffing, advertising, etc.)	\$3,276	\$15,000	\$15,000	\$33,276	2.1%	
Rehabilitation (bring already subsidized units to current standards for resale)		\$10,000		\$10,000	0.6%	per bedroom: \$103,023
<b>Totals</b>	<b>\$56,624</b>	<b>\$475,000</b>	<b>\$1,057,000</b>	<b>\$1,588,624</b>	<b>100.0%</b>	

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

contact Alice E. Ingerson, Community Preservation Program Manager

email [aingerson@newtonma.gov](mailto:aingerson@newtonma.gov) phone 617.796.1144

**SPECIAL ISSUES CONSIDERED BY THE CPC**

**Program phasing:** CPC members wondered whether the program might assist all 6 households in one year, to stay ahead of rising prices. The Planning staff explained that a limited number of units will both meet the required housing quality standards and be affordable, even with the new subsidy limits. It seemed best not to have all 6 assisted households competing simultaneously for that limited supply.

**Unit size:** To create the maximum number of affordable units, in the past the program has subsidized some 1-bedroom units, for 1-2 person households. These units have sometimes been challenging to resell. In response, the program now targets households needing homes with 2 or 3 bedrooms.

**Homebuyers' contributions:** This program aims to assist as many households as possible with its limited public funds, but also limits buyers' private financial contributions for several reasons: (a) so these moderate-income homeowners will still have financial resources for home maintenance, condominium fees, and other major needs such as health care, education, and retirement; (b) to avoid the additional public subsidy that might be needed at resale if no new income-eligible buyer could match the previous buyer's private contribution, which that buyer is entitled to recover; and (c) to allow listing of these units on the state's Subsidized Housing Inventory (SHI).

**Non-CPA funding:** The Planning Dept. relies on CPA funding for this program in part because CPA funds are flexible, allowing for low program management costs. Federal housing funds (CDBG and HOME) have more onerous requirements. The City also uses its federal funds in complementary ways, such as to serve lower-income households who are better candidates for rental housing than for homeownership.

**Limited-equity homeownership:** Owners who purchase subsidized, deed-restricted homes through this program benefit less from rising market prices than do the owners of unsubsidized homes. However, participants in this program do build equity in their homes, which they are entitled to recover at resale along with their down payment contributions. They also enjoy more housing security than they would as renters.

**ADDITIONAL RECOMMENDATIONS** (*funding conditions*)

1. Funds should be appropriated from the Community Preservation Fund's general fund balance and reserves to the Planning & Development Dept. and treated as 100% for community housing.
2. Up to 6 households should be assisted within 2 years after currently requested funds are appropriated by the Board of Aldermen, or by any extension of that deadline granted in writing by the CPC or its designee.
3. All units subsidized should be added to the state's Subsidized Housing Inventory (SHI).
4. The Planning & Development Department should submit its next funding request for this program early enough to avoid any interruption of the program, if that next request is funded.
5. CPC staff may approve Planning & Development Dept. requests to use funds budgeted for program management or rehabilitation for grants to homebuyers instead. Any requests to re-allocate grantable funds for other uses must be approved by the CPC itself.
6. Any CPA funds appropriated but not used for the purposes stated herein will be returned to the Newton Community Preservation Fund.

**KEY OUTCOMES:** The Community Preservation Committee will evaluate this project based on recommendations 2, 3 and 4 above.

**ATTACHMENTS** (delivered to the clerks of the Programs & Services Committee and Finance Committee)

- Proposal and attachments submitted to the CPC
- Slide presentation to the CPC on 9 April 2015
- Copy of the CPC's "Newton Homebuyer Assistance Program" project webpage, with links to additional information: [www.newtonma.gov/gov/planning/cpa/projects/homebuyer.asp](http://www.newtonma.gov/gov/planning/cpa/projects/homebuyer.asp)

The only written comments received on this proposal were from the League of Women Voters, which supported the request. These comments are available on the project webpage but are not attached to this recommendation.



current proposal highlighted below

## Community Preservation Program

### Newton Homebuyer Assistance Program

<i>location:</i>	citywide ( <i>see map link below</i> )
<i>goals:</i>	Provide downpayment assistance to low- and moderate-income households for purchasing a home in Newton, in return for restrictions keeping those homes affordable to households at these income levels in perpetuity.
<i>total funding:</i>	\$2,152,050 total CPA funds appropriated through October 2013 \$1,057,000 new CPA request
<i>contacts:</i>	Eve Tapper, Acting Associate Director of Planning & Development City of Newton Planning and Development Department 1000 Commonwealth Avenue Newton Centre, MA 02459 <i>email:</i> <a href="mailto:etapper@newtonma.gov">etapper@newtonma.gov</a> <i>phone:</i> 617.796.1139

#### Proposal Review & Appropriations

31 March 2003	<b><a href="#">Homebuyer Assistance CPC funding recommendation, phase 1</a></b>
17 May 2004	<a href="#">Board order, phase 1:</a> appropriation \$500,000
7 November 2005	<b><a href="#">Homebuyer Assistance proposal, phase 2</a></b>
	<a href="#">presentation, phase 2</a> (including photos)
3 March 2006	<a href="#">CPC funding recommendation, phase 2</a>
20 March 2006	<a href="#">Board order, phase 2:</a> appropriation \$208,250
21 May 2008	<b><a href="#">Homebuyer Assistance proposal, phase 3</a></b>
28 May 2008	<a href="#">presentation, phase 3</a> (including photos)
23 June 2008	<a href="#">CPC funding recommendation, phase 3</a>
6 October 2008	<a href="#">Board order, phase 3:</a> appropriation \$968,800
4 April 2012	<a href="#">Homebuyer Assistance pre-proposal, phase 4</a>
revised 14 December 2012	<b><a href="#">Homebuyer Assistance proposal, phase 4</a></b> originally submitted 2 November 2012, with all attachments and initial letters of support; revised version includes minor program design changes
14 January 2013	<a href="#">additional letters of support</a> (including Newton Housing Partnership and United Citizens for Housing Affordability in Newton)
revised 14 February 2013	PowerPoint <a href="#">presentation to the CPC</a> , originally presented 24 January 2013
4 February 2013	<a href="#">CPC funding recommendation</a>
22 May 2013	<a href="#">Newton Law Dept. memo on asset limits in homebuyer programs</a> , requested by the Board of Aldermen's Finance Committee
7 October 2013	<a href="#">Board order</a> (appropriation)
23 January 2015	<b><a href="#">Homebuyer Assistance pre-proposal, phase 5</a></b>
13 March 2015	<b><a href="#">Homebuyer Assistance proposal, phase 5</a></b>
	<a href="#">Sample Instructions for Program Applicants</a> (requested by CPC as proposal background)
9 April 2015	PowerPoint <a href="#">presentation to the CPC</a> <a href="#">written comments received</a> (League of Women Voters of Newton)
30 April 2015	<a href="#">CPC funding recommendation</a>

#### Project News

June 2008	<a href="#">map of all cases assisted, 2003-June 2008</a>
August 2011	<a href="#">program funds used to purchase additional affordability</a> for a unit previously restricted using non-CPA funding
November 2012	updated <a href="#">map of all cases assisted through 2 November 2012</a>

# NEWTON HOMEBUYER ASSISTANCE PROGRAM



Request for Funds from the  
Community Preservation Committee  
April 9, 2015



## NEWTON HOMEBUYER PROPOSAL



- **FUNDING REQUEST**
  - \$1,057,000 additional program funding
  - Current balance : \$533,000
  - Last capitalized 2013
  - Total with current request would be \$1,590,000
- **PROGRAM CHANGES**
  - **Increase maximum subsidies**
    - Two-bedroom unit \$250,000
    - Three-bedroom unit \$275,000
  - **Allow subsidy escalation up to 15%**

# VOLATILE HOUSING MARKET



## Number of 2-bedroom units\*

	< \$400,000	< \$425,000	< \$450,000	< \$ 500,000
Actual 2014	30	47	54	71
Projected 15% market change 2014 to 2015	12	19	26	49

## Number of 3-bedroom units\*

	< \$400,000	< \$425,000	< \$450,000	< \$ 500,000
Actual 2014	6	9	14	19
Projected 15% market change 2014 to 2015	5	6	6	10

\* Number of units at higher prices also includes units at all lower prices.

# PROPOSED USE OF FUNDS



Homebuyer Assistance (3 three-bedroom units at max. \$275,000)	\$825,000
Homebuyer Assistance (3 two-bedroom units at max. \$250,00)	\$750,000
Administration	\$15,000
<b>TOTAL</b>	<b>\$1,590,000</b>

Staff projects that six households can be assisted over a two-year period at a rate of three per year.

# SUBSIDY CALCULATION

(three-person household)



Purchase Price Limits using DHCD Assumptions	
<b>Housing Cost:</b>	
Sales Price	\$400,000
Cost Buydown Assistance	\$250,000.00
Sale Price to Buyer	\$150,000
Down Payment Percent	5%
5% Down payment	\$7,500
Mortgage	\$142,500
Interest rate	4.57%
Amortization	30
Monthly P&I Payments	\$727.97
Tax Rate	\$11.61
monthly property tax	\$145
Hazard insurance	\$133
PMI	\$93
Condo/HOA fees (if applicable)	\$250
Monthly Housing Cost	\$1,349
Necessary Income:	\$53,962
<b>Household Income:</b>	
# of Bedrooms	2
Sample Household size	3
80% AMI/"Low-Income" Limit	\$62,750
Target Housing Cost (80%AMI)	\$1,569
10% Window	\$54,906
Target Housing Cost (70%AMI)	\$1,373

Notes

Assuming mortgage covers 95% of purchase price  
Freddie Mac Avg. NE Rate as of 3/9/15 +.25%

2015 City of Newton Residential Property Tax Rate  
based on deed restricted price (not market value)  
based on DHCD assumptions

Estimate

2015 Boston/Cambridge/Quincy PSA 80% AMI Limit

29%

# SUBSIDY CALCULATION

(four-person household)



Purchase Price Limits using DHCD Assumptions	
Housing Cost:	
Sales Price	\$450,000
Cost Buydown Assistance	\$275,000.00
Sale Price to Buyer	\$175,000
Down Payment Percent	5%
5% Down payment	\$8,750
Mortgage	\$166,250
Interest rate	4.57%
Amortization	30
Monthly P&I Payments	\$849.29
Tax Rate	\$11.61
monthly property tax	\$169
Hazard insurance	\$150
PMI	\$108
Condo/HOA fees (if applicable)	\$250
Monthly Housing Cost	\$1,527
Necessary Income:	\$61,067
Household Income:	
# of Bedrooms	3
Sample Household size	4
80% AMI/"Low-Income" Limit	\$69,700
Target Housing Cost (80%AMI)	\$1,743
10% Window	\$60,988
Target Housing Cost (70%AMI)	\$1,525

Notes

Assuming mortgage covers 95% of purchase price  
Freddie Mac Avg. NE Rate as of 3/9/15 +.25%

2015 City of Newton Residential Property Tax Rate  
based on deed restricted price (not market value)  
based on DHCD assumptions

Estimate

2015 Boston/Cambridge/Quincy PSA 80% AMI Limit  
26.28%

30%

# GENERAL FACTS

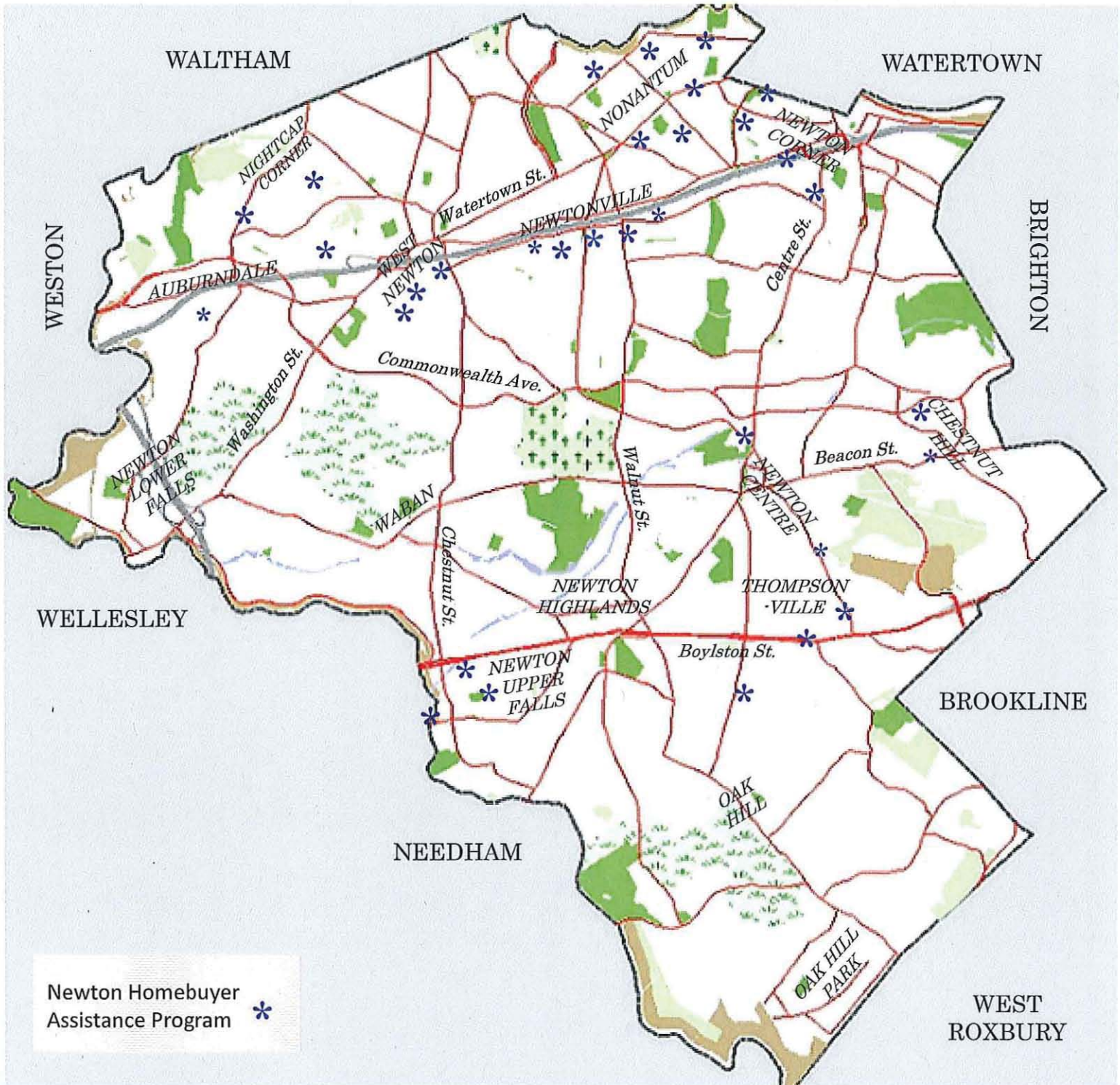


- Program is 14 years old
  - CPA funded since 2003
- 36 households assisted over the life of the program
- Email notification list between 750-1100 people
- Funding assistance “buys” affordable housing deed restriction
- Lottery among income-eligible applicants determines program participants



# Newton Homebuyer Assistance Program

All Cases through November 2, 2012



**Major streets**

**NEWTON VILLAGES or NEIGHBORHOODS**

**BORDERING CITY/TOWN**

Newton Homebuyer Assistance Program \*



Setti D. Warren  
Mayor

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

**#103-15**  
Telephone  
(617) 796-1120  
Telefax  
(617) 796-1142  
TDD/TTY  
(617) 796-1089  
www.newtonma.gov

James Freas  
Acting Director

Community Preservation Committee  
c/o Alice Ingerson, Community Preservation Programs Manager  
City of Newton  
1000 Commonwealth Avenue  
Newton, MA 02459

March 13, 2015

Dear Community Preservation Committee members:

Thank you for your decision last month to agree to hear the Community Development and Housing Division's proposal to recapitalize the First-Time Homebuyer Program off-cycle. As you know, over the last 14 years more than 30 low-and moderate-income households have participated in this program. These residents enrich the socio-economic, cultural and racial diversity in the City.

The attached proposal requests \$1,057,000 in CPA funds to allow the program to continue to help income-eligible households over the next two years. With the rising housing market in the City, the current maximum subsidy limits are no longer adequate. In addition to requesting funding, this proposal also recommends an increase in the maximum subsidy in line with the market.

As has been the case since the program's inception, staff from the Community Development and Housing Division of the Planning and Development Department will continue to administer the program from the initial lottery to select eligible homebuyers through closing and will record an affordable housing deed restriction that will run with the land in perpetuity.

I look forward to presenting the program and our proposed changes to the Committee at its April 9<sup>th</sup> meeting. Please feel free to contact me in the meantime if you have any questions or would like any further information.

Sincerely,

Eve Tapper  
Acting Associate Director  
Planning and Development Department  
City of Newton

**Newton, Massachusetts Community Preservation Program  
FUNDING REQUEST**

City of Newton



Setti D. Warren  
Mayor

PRE-PROPOSAL

PROPOSAL

Last updated December 2014.

(For staff use)  
date rec'd:

1 pm, 13  
March 2015

For full instructions, see [www.newtonma.gov/cpa](http://www.newtonma.gov/cpa) or contact us:

Community Preservation Program Manager,  
City of Newton Planning & Development Department, 1000 Commonwealth Ave., Newton, MA 02459  
[aingerson@newtonma.gov](mailto:aingerson@newtonma.gov) 617.796.1144

You may adjust the space for each question, but the combined answers to all questions on this page must fit on this page.

<b>Project TITLE</b>	<b>Newton Homebuyer Assistance Program (citywide)</b>			
<b>Project CONTACTS</b>	Name & title or organization	Email	Phone	Mailing address
<b>Project Manager</b>	Eve Tapper, Associate Director of Planning and Development Department	etapper@newtonma.gov	617-796-1139	Newton Planning Dept.
<b>Project FUNDING</b>	<b>A. New CPA funds requested:</b> \$1,057,000	<b>B. CPA funds remaining from prior appropriations:</b> \$533,000		<b>C. Total project cost (A+B):</b> \$1,590,000
<b>Project SUMMARY</b>	Summarize the project's main tasks, components or features. You may provide more information in attachments, but your SUMMARY MUST FIT IN THE SPACE BELOW.			
<p>The Newton Homebuyer Assistance Program (NHAP) helps qualified households at or below 80% of area median income (AMI) to buy a home in Newton by providing up to \$150,000 in down-payment assistance. Assistance is based on household size and the participant's income and assets, cost of the property, and mortgage amount and terms. Each assisted homebuyer agrees to a deed restriction that keeps the unit's resale price affordable at the same income level, in perpetuity. Funds are now allocated by lottery, and all units are pre-approved for the state's Subsidized Housing Inventory.</p> <p>In 2013, the CPC and Board of Aldermen approved the current subsidy limits and other program changes, along with \$475,000 in new funding. Three households were chosen by lottery in August 2014. Unfortunately, none of these households has been able to find a unit which is affordable to them, even with the current maximum subsidy.</p> <p>The current program guidelines were designed in fall 2012, based on the \$399,000 median sales price for a two-bedroom condominium in Newton in 2011. By the end of 2014 this price had risen by 20% to \$480,000. During the same period, the income of a household at 80% of area median income in greater Boston increased by less than 5%. Using reported data on the sales price of 2- and 3-bedroom condos sold in 2014, staff projects that in 2015 there will be a reasonable number of 2-bedroom units offered at or below \$400,000 and 3-bedroom units offered at or below \$450,000. To afford a unit at these prices, households earning 80% of the AMI would need subsidies of \$250,000 and \$275,000, respectively. Staff recommends that these figures be set as maximum subsidy levels. This funding request will bring the total amount of available funds for the program to just under \$1.6 million, which will allow us to assist up to six households.</p> <p>Finally, staff proposes assisting three households per year over a 2-year period. It is not reasonable to expect all six households to find homes in the same year, given the limited supply of units affordable even with the new maximum subsidy limits. Further, we understand the potential volatility of the housing market and therefore propose that the maximum subsidy be allowed to rise up to 15% in line with increases in housing prices, although this may mean that we will assist fewer than six households.. If the market rises more than 15%, staff will return to the CPC and the Board of Aldermen for further review of the per unit subsidy limit.</p> <p>These changes would allow the program to continue its successful 14-year history of helping moderate-income households in Newton find an affordable home and growing the City's supply of permanently affordable properties, at a cost per unit that is competitive with Newton's other available options for achieving these goals.</p>				

You may adjust the space for each question, but the combined answers to all questions on this page must fit on this page.

<b>Project TITLE</b> <b>Newton Homebuyer Assistance Program</b>						
<b>USE of CPA FUNDS</b>		<b>HISTORIC RESOURCES</b>	<b>OPEN SPACE</b>	<b>of</b>	<b>RECREATION LAND</b>	<b>COMMUNITY HOUSING</b>
<b>Check all that apply.</b>	create	not allowed				✓
<b>COMMUNITY NEEDS</b>	Provide a brief quote and citation (plan title, year, page number) showing how this project meets needs already recognized in at least 2 community-wide plans with links under <a href="#">Guidelines &amp; Forms</a> on <a href="http://www.newtonma.gov/cpa">www.newtonma.gov/cpa</a> . You may also list other community benefits not mentioned in any plan.					
<p>This program will reach a diverse applicant pool consistent with the goals stated in the <i>City of Newton’s FY11-15 Consolidated Plan</i>, p. 123, “Supporting and expanding the socio-economic, cultural and racial diversity in Newton”.</p> <p>It will also meet the City’s stated priority need of “providing more affordable housing options...for residents...” (p. 113, Draft <i>FY16-20 Consolidated Plan</i>).</p> <p>As well as Priority need #2: “Create homeownership opportunities for low-, moderate-, and middle-income residents,” as stated in p. 6 of the <i>2008 Comprehensive Plan</i>.</p>						
<b>COMMUNITY CONTACTS</b>	List 3 Newton residents or organizations willing and able to comment on the project and its manager’s qualifications. No more than 1 should be a supervisor, employee or current work colleague of the project manager or sponsor. Consult staff on the community contacts required for your specific proposal.					
Name & title or organization		Email		Phone	Mailing address	
The following contacts provided in the 2013 proposal to the CPC for this program remain valid:						
Maryann O’Connor					101 Hawthorn Street, Newton, Ma	
Patrick Jordan-Querns					73 Walnut Street, #9 Newton, Ma	
Leanne Chaves					75 Norwood Ave B Newton, Ma 02459	
<b>NON-CPA FUNDING</b>	Source of Funds			Amount	Status of Funding (requested, expected, confirmed)	

You may adjust the space for each question, but the combined answers to all questions on this page must fit on this page.

Project TITLE	Newton Homebuyer Assistance Program	
<b>SUMMARY CAPITAL/DEVELOPMENT BUDGET</b>		
<b>Uses of Funds</b>		
Administrative Costs – total new request		\$15,000
Grants to Homebuyers		
3-bedroom units, 3 units @ max. \$275,000:		\$825,00
2-bedroom units, 3 units @ max \$250,000:		\$750,000
<b>D. TOTAL USES</b> (should equal C. on page 1.)		<b>\$1,590,000</b>
<b>Sources of Funds</b>		
CPA – remaining funds from prior appropriations (approx.. \$15,000 program admin, \$518,000 grants)		\$533,000
CPA – new funds requested		\$1,057,000
<b>E. TOTAL SOURCES</b> (should equal D. above)		<b>\$1,590,000</b>
Project TIMELINE	Phase or Task	Season & Year
	Submission of full proposal	March 2015
	CPC public hearing & approval	April 2015
	Board of Aldermen appropriation	June 2015
	Revise Program Guidelines	July 2015
	Submit revised Guidelines to State	July 2015
	Advertise new lottery (A second lottery will be held in August 2016 to select three additional applicants. All subsequent tasks outlined below will be completed in the same time frame, just one year later than the date listed.)	August 2015
	Hold lottery and select three applicants	September 2015
	Homebuyers look for properties	October 2015-February 2016
	Properties inspected and approved	December 2015-April 2016
	Homebuyer Financing commitment finalized	January-May 2016
	State reviews Loan Documents and Closing	February-June 2016

Project TITLE		Newton Homebuyer Assistance Program	
↓ Check off submitted attachments here.			
Full proposals: detailed budget attachments REQUIRED.	<b>PROJECT FINANCES</b> printed and as computer spreadsheets, with both uses & sources of funds		
	✓	<p><b>development pro forma/capital budget:</b></p> <p>Funds used for the Newton Homebuyer Assistance Program (NHAP) are not used for the development/ construction of new housing units. Except for \$30,000 in projected administrative costs (less than 2% of the total budget), the CPA funding will be used solely for mortgage buy-down assistance for income eligible households to purchase a home in Newton.</p> <p>In 2014, there were no units sold at a price affordable to households earning 80% AMI. The proposed maximum subsidy limits recommended in this proposal will allow these households to afford to purchase a home in Newton and will accomplish the City's goal of increasing the socio-economic, cultural and racial diversity here.</p> <p><b>Additional attachments with supporting calculations:</b></p> <ul style="list-style-type: none"> <li>A. Breakdown of actual sales prices for 3- and 2-bedroom units sold in Newton in 2014.</li> <li>B. Worksheet (with standard assumptions) showing how much a household earning up to 80% AMI can afford without a subsidy and not be cost burdened, meaning the household spends no more than 30% of their monthly income on housing costs. This formula also incorporates the City's affordable housing policy, which sets housing cost limits to be affordable to households earning to 70% of the AMI. .</li> </ul>	
	✓	<p><b>operating/maintenance budget, projected separately for each of the next 10 years</b></p> <p>There are no long-term operating/maintenance costs associated with NHAP. In return for a subsidy to help eligible households purchase a home in Newton, the City records a permanent deed restriction to ensure that the property will remain affordable to household earning a similar level of income in the future.</p>	
REQUIRED for all full proposals.	<b>SPONSOR FINANCES &amp; QUALIFICATIONS</b>		
	✓	<p><b>for sponsoring department or organization, most recent annual operating budget (revenue &amp; expenses) &amp; financial statement</b></p> <p>NHAP is fully funded through CPA funds. Less than 2% of the requested funding will be used for administrative costs, the rest will be used directly as buy-down assistance to allow income-eligible households to afford to purchase a home in Newton.</p>	
✓	<p>NHAP has assisted nearly 30 households find and buy homes in Newton over the life of the program. Staff from the Community Development and Housing Division of the City's Planning and Development Department has administered the program since its inception and will continue to do so.</p>		
REQUIRED for all full proposals	✓	<b>COVER LETTER</b>	See attached letter.
REQUIRED.	<b>SITE CONTROL, VALUE &amp; DEED RESTRICTIONS</b>		
	✓	<p>In return for a subsidy for mortgage buy-down assistance, the City records a permanent deed restriction on the property to ensure the home remains affordable in perpetuity. In addition, by following set guidelines for applicant and site selection, each subsidized unit is eligible for inclusion on the State's Subsidized Housing Inventory (SHI).</p>	

Rec'd by CPC staff,  
13 March 2015

**Newton Homebuyer Assistance Program**  
Proposal to the Community Preservation Committee

## Attachment A

Number of two- and three-bedroom condominiums sold in 2014 at the prices shown. Please note that the figures are cumulative (i.e. in 2014 30 condos sold for \$400,000 or less, 17 sold for between \$400,000 and \$425,000 etc.)

<u>2BR</u>	<u>Mode</u>	<u>&lt;\$400,000</u>	<u>&lt;\$425,000</u>	<u>≤</u> <u>\$450,000</u>	<u>&lt;\$500,000</u>
2014		30	47	54	71

<u>3BR</u>	<u>Mode</u>	<u>&lt;\$400,000</u>	<u>&lt;\$425,000</u>	<u>≤</u> <u>\$450,000</u>	<u>&lt;\$500,000</u>
2014		6	9	14	19

Rec'd by CPC staff,  
13 March 2015

**Newton Homebuyer Assistance Program**  
Proposal to the Community Preservation Committee

## Attachment B

Using standard, explicit assumptions, the following tables show how much a three- and four-person household earning 80% of the Area Median Income can afford to spend on the purchase of a home without a mortgage subsidy.

### Four-person household

<b>Purchase Price Limits using DHCD Assumptions</b>		
<b>Housing Cost:</b>		Notes
<b>Sales Price</b>	<b>\$188,000</b>	
<b>Cost Buydown Assistance</b>		
<b>Sale Price to Buyer</b>	<b>\$188,000</b>	
<b>Down Payment Percent</b>	<b>5%</b>	
<b>5% Down payment</b>	\$9,400	
Mortgage	\$178,600	Assuming mortgage covers 95% of purchase price
<b>Interest rate</b>	<b>4.57%</b>	Freddie Mac Avg. NE Rate as of 3/9/15 +.25%
Amortization	30	
Monthly P&I Payments	\$912.38	
<b>Tax Rate</b>	<b>\$11.61</b>	2015 City of Newton Residential Property Tax Rate
monthly property tax	\$182	based on deed restricted price (not market value)
<b>Hazard insurance</b>	<b>\$63</b>	based on DHCD assumptions
PMI	\$116	
<b>Condo/HOA fees (if applicable)</b>	<b>\$250</b>	Estimate
<b>Monthly Housing Cost</b>	<b>\$1,523</b>	
<b>Necessary Income:</b>	\$60,921	
<b>Household Income:</b>		
# of Bedrooms	3	
Sample Household size	4	
<b>80% AMI/"Low-Income" Limit</b>	\$69,700	2015 Boston/Cambridge/Quincy PSA 80% AMI Limit
<b>Target Housing Cost (80%AMI)</b>	<b>\$1,743</b>	
10% Window	\$60,988	
<b>Target Housing Cost (70%AMI)</b>	<b>\$1,525</b>	30%

(see calculations for 4-person household on next page)



**Newton Homebuyer Assistance Program**  
 Proposal to the Community Preservation Committee

**Attachment B** (continued)

Three-person household

<b>Purchase Price Limits using DHCD Assumptions</b>	
<b>Housing Cost:</b>	
<b>Sales Price</b>	<b>\$165,000</b>
<b>Cost Buydown Assistance</b>	
<b>Sale Price to Buyer</b>	<b>\$165,000</b>
<b>Down Payment Percent</b>	<b>5%</b>
<b>5% Down payment</b>	\$8,250
Mortgage	\$156,750
<b>Interest rate</b>	<b>4.57%</b>
Amortization	30
Monthly P&I Payments	\$800.76
<b>Tax Rate</b>	<b>\$11.61</b>
monthly property tax	\$160
<b>Hazard insurance</b>	<b>\$55</b>
PMI	\$102
<b>Condo/HOA fees (if applicable)</b>	<b>\$250</b>
<b>Monthly Housing Cost</b>	<b>\$1,367</b>
<b>Necessary Income:</b>	\$54,691
<b>Household Income:</b>	
# of Bedrooms	2
Sample Household size	3
<b>80% AMI/"Low-Income" Limit</b>	\$62,750
<b>Target Housing Cost (80%AMI)</b>	<b>\$1,569</b>
10% Window	\$54,906
<b>Target Housing Cost (70%AMI)</b>	<b>\$1,373</b>

Notes

Assuming mortgage covers 95% of purchase price  
 Freddie Mac Avg. NE Rate as of 3/9/15  
 +.25%

2015 City of Newton Residential Property Tax Rate  
 based on deed restricted price (not market value)  
 based on DHCD assumptions

Estimate

2015 Boston/Cambridge/Quincy PSA 80% AMI Limit

30%