

table created by A. Ingerson 07 July 17 and 09 Feb 11  
from notes by CLN program managers Kevin McCormick (phase 1) & Cyd Kane (phase 2)

<i>Newton, Massachusetts</i>			
<b>Accessory Apartment Incentive Program</b>			
<b>RESULTS</b>	<b>Phase 1</b> April 2006- March 2008	<b>Phase 2</b> April 2008- February 2009	<b>TOTAL</b>
	<i>pieces mailed with tax bills</i>	<i>homeowners re- contacted from phase 1</i>	
Initial contacts	5000	75	5075
Responded to mailing/contact or made new inquiry	350	19	369
Provided address (to allow staff to check property's eligibility)	245	13	258
Property not eligible	104	4	108
<i>lot too small (one phase 2 inquiry might have been eligible for special permit, but ran out of time)</i>	63	4	67
<i>single-family house in multi-family zone</i>	29	0	29
<i>house not owner-occupied</i>	9	0	9
<i>house built after 1989</i>	3	0	3
Property potentially eligible but owner unwilling or unable to meet program requirements	74	15	89
<i>deed restriction seen as too restrictive</i>	38	0	38
<i>building code or space issues could not be resolved</i>	7	0	7
<i>wanted to do more new construction than was allowed</i>	7	0	7
<i>wanted to move into accessory unit and rent out larger unit</i>	6	0	6
<i>no longer interested/no response to further info. provided</i>	0	4	4
<i>income too high</i>	0	3	3
<i>info sent outside Newton, or outside Massachusetts</i>	0	3	3
<i>wanted apt. for employee or family member</i>	0	2	2
<i>wanted more review time</i>	0	2	2
<i>concerned with increased taxes</i>	0	1	1
Property potentially eligible AND homeowner initially interested	67	2	69
Property eligible AND homeowner stayed in contact after initial conversations	2	2	4
<i>Grant or loan made/apt. created</i>	0	0	0

**Newton, Massachusetts**  
**ACCESSORY APARTMENT INCENTIVE PROGRAM**  
**FINAL REPORT on Phase 2**

**Timeline of Project**

Approved by Aldermen (#399-07) February 19, 2008: \$26K was reallocated from potential subsidies for accessory apartments to program administration within the original appropriation of (\$320,550) from Community Preservation Fund Community Housing Reserve, to be expended under control of Dir. Planning and Development by March 20, 2009 to create three new code-compliant accessory apartments.

Due to closing of Community Living Network, actual project timeline was March 2008 – Jan 2009.

**Budget vs. Actual Administration**

	<u>Budget</u>	<u>Actual/ Billed</u>	<u>Balance</u>
Remaining from Admin Part I	\$ 4,315.67		
Re-allocated to Part II	26,000.00		
	<b>\$ 30,315.67</b>	<b>\$3,061.50</b>	<b>\$27,253.87</b>
<b>Project Management Hours</b>	<b>860 hours</b>	<b>114 hours</b>	

*Note: Hours used to review Newton Zoning Ordinances by Cyd Kane were NOT billed to the program.*

Each individual eligible homeowner can use up to \$90K of the total \$244,000 funds available to create or legalize an existing apartment.

**Program Changes from Part I to Part II**

Major program changes made between AAIP phase 1 and phase 2:

- Grant option with deed restriction “in perpetuity” DELETED
- Loan changed to forgivable 30 year loan with *minimum* restriction on affordability to tenants of 7 years. If paid off before end of 30 year loan, part of the loan (1/30 per year) plus 3% simple interest must be paid back to the City
- Homeowners income changed from 125% AMI to 150% AMI
- Of the 75 homeowners mailed info on revised Part II, 3 people still had income too high
- With the exception of one person from AAIP I (who would not provide income information), most people felt grant deed restriction “in perpetuity” was far too restrictive

**Lessons Learned**

- It is unfortunate that the proposed postcard mailing targeted to 2052 names/addresses eligible for RAAP was not completed. Without this mailing or a substitute survey/questionnaire outlining the new program sent to this honed list, it is simply not possible to determine actually how AAIP phase 2 would have been received.
- The marketing communication tools developed – Overview, Guidelines, Frequently Asked Questions; Checklist, Homeowners Application – were inexpensive to develop and key to explaining the program. Email was used to send in the majority of cases rather than US mail.
- Administration costs seemed reasonable for a one year program.
- A tremendous amount of effort over many years, especially by Virginia Robinson of CLN and others, shows the desire and need for more affordable housing units in Newton. Perhaps in the future, a questionnaire to the targeted list above could be completed and results reported or a whole new fresh look at the subject.
- Continue to look at how accessory apartments are encouraged in other locales (eg. Barnstable, etc.)

**Marketing Communication Tools** (attached)



# **ACCESSORY APARTMENT INCENTIVE PROGRAM**

**A partnership between Community Living Network, Inc. and the City of Newton**  
Revised as of April 2, 2008

## **Overview**

Below is an overview of the Revised Accessory Apartment Incentive Program (AAIP). This document is meant to give prospective applicants and others a brief understanding of this program. For complete details on the program and all restrictions of the program, please read the revised *AAIP Guidelines*.

### **Introduction**

The AAIP is a joint development of Community Living Network (CLN), a local nonprofit organization, and the City of Newton. This program, funded with local Community Preservation Funds, will exist until March 20, 2009. The purpose of the AAIP is to provide financial and technical assistance to Newton homeowners so they can either:

- Create a new accessory apartment
- Or legalize an existing accessory apartment.

The financial assistance of the AAIP consists of up to \$90,000 in the form of a forgivable 30 year loan. At the end of the 30 years, the loan amount and all interest are forgiven. If the loan is paid off before the end of the 30 year term, part of the loan amount and interest will be owed back to the city. The technical assistance consists of a Program Coordinator who will guide the prospective applicants through the process, and city personnel that will also help the applicant during the process. In return for this assistance, the Newton homeowner must rent the accessory apartment to low to moderate income individuals.

An accessory apartment, under the City's Zoning Ordinance, is broadly defined as a separate residential unit in a building originally constructed as a single family house in a single residence zone. In certain cases an accessory apartment can also be constructed in a two-family house in multi-residence zone. The accessory apartment may also be constructed in a detached building. The program coordinator will help any Newton homeowner determine if an accessory apartment can be constructed on their specific property.

## AAIP Overview

### **Loan**

A 30 year forgivable loan up to \$90,000 is available to eligible homeowners to create an accessory apartment. The major points of the loan are:

- The loan can be used for design, permitting, construction, and other costs.
- The original term of the loan is 30 years, but the loan can be paid off earlier.
- At the end of the 30 years the entire loan amount and all interest are forgiven.

### **Homeowner Requirements**

- The income of the homeowner cannot be greater than \$128,250.
- The homeowners must agree to rent their accessory apartment to moderate income tenants. This restriction can remain in effect from 7 years to 30 years depending on the status of the loan.
- The building and the lot must pass certain zoning and building requirements

### **Tenant Requirements**

The gross annual household income of the tenant of the accessory apartment must be less than 80 percent of area median income. Below is an example of what this means in dollars in 2008:

If the tenant is a two person households, their maximum income is \$52,950.

The monthly rents charged to tenants of accessory apartments may not exceed certain amounts. More details and examples are in the guidelines. Below is one example of what this means in dollars in 2008:

If the tenant is a two person household, the maximum monthly rent is \$1,178.

For more information please contact

Ms. Cyd Kane, Program Coordinator  
Community Living Network, Inc.  
[ckane@communitylivingnetwork.org](mailto:ckane@communitylivingnetwork.org)  
(617) 527-6576



**ACCESSORY APARTMENT INCENTIVE PROGRAM**  
A partnership between **Community Living Network, Inc.** and the **City of Newton**  
Revised May 15, 2008

**FREQUENTLY ASKED QUESTIONS**

The Revised Accessory Apartment Incentive Program (AAIP) is a one year program, running from March 20, 2008 until March 20, 2009, developed in partnership with Community Living Network, Inc. and the City of Newton. The purpose of the program is to provide Newton homeowners with the opportunity to create an accessory apartment or help them bring an existing accessory apartment into compliance with state and local building codes. The AAIP provides both technical and financial assistance in the form of a pre-development loan for income eligible homeowners and/or a 30 year forgivable loan to Newton homeowners who agree to provide affordable rental housing to income-eligible low-and moderate-income individuals and families. Interested homeowners can contact the Program Coordinator for more information on the AAIP.

Five of the most frequently asked questions about accessory apartments are:

1. What is an accessory apartment?
2. What is the process to create a new accessory apartment?
3. What is the process to legalize an existing accessory apartment?
4. What is the RAAP (Review of Accessory Apartment Petitions) process?
5. What is the Special Permit process?

Below are the answers to these questions:

**1. What is an accessory apartment?**

Under the Newton zoning ordinances, an accessory apartment is considered a separate residential unit (apartment) in a building originally constructed as a single family house or a two-family house, in specific zoning districts, or a detached building located on the same lot as the single family or two-family house. Here is a list of the primary requirements of an accessory apartment under the zoning ordinances:

- The house which will contain the accessory apartment must be owner-occupied. Under the current zoning ordinances, a homeowner must occupy the primary dwelling and may not occupy an accessory apartment.
- The property in which the accessory apartment will be created must be constructed on or before January 1, 1989.

## AAIP FAQs

- There can only be one accessory apartment on an individual lot.
- The accessory apartment can be in a detached building but there are some special rules for a detached accessory apartment. The Program Coordinator can assist applicants with this situation.
- There can be no lodgers in any of the units of the dwelling. Under the zoning ordinances, a lodger is defined as a person who occupies space for living and sleeping purposes without separate cooking facilities. A lodger pays rent, which may include an allowance for meals, and is not a member of the household.
- The lot must be located within certain zoning districts: SR 1, SR 2, SR 3, MR 1, or MR 2.
- The lot and building must be a certain size to allow an accessory apartment. The Program Coordinator can help applicants determine if their property allows an accessory apartment.
- There are restrictions on the amount of new construction that can occur on a homeowner's property within the last two to four years. The Program Coordinator will help determine what is allowed.
- The accessory apartment needs entrances and exits that are separate from the main dwelling unit or units.
- The accessory apartment must have its own sleeping, kitchen, and bathroom facilities.
- There are restrictions on the size of an accessory apartment. The Program Coordinator will help applicants determine the maximum and minimum dimensions of the accessory apartment for their property.
- The accessory apartment must meet all applicable life safety codes and requirements.
- An additional parking space with landscaped screening must be provided for the accessory apartment.

### **2. What is the process to create a new accessory apartment?**

1. Complete an AAIP application and return it to the Program Coordinator.
2. The Program Coordinator will schedule time with an applicant to discuss the AAIP application and the permitting process. The application and permitting process may involve a number of discussions and include a site visit by the Program Coordinator who will review the proposed design of the accessory apartment and see how it fits into the existing dwelling.
3. The applicant may have to hire a surveyor, architect, or other professional to document the design of the accessory apartment. This documentation will be needed for the permitting process. The Program Coordinator will assist the applicant in securing the services of any needed professionals.

## AAIP FAQs

4. If an income-eligible homeowner is interested in a pre-development loan to secure the services of a surveyor, architect or any other professional, the Program Coordinator will help the applicant apply to the Newton Housing Office for this loan. Applicants must be low- and/or moderate-income to be eligible for financial assistance for pre-development activities.
5. The Newton Housing Office reviews all requests for financial assistance and approves invoices for professional services and construction.
6. The Program Coordinator will help determine which permitting process is applicable and will assist an applicant through the permitting process. There are two permitting processes: RAAP (Review of Accessory Apartment Petition) and Special Permit. They are discussed later in this document.

### **3. What is the process to legalize an existing accessory apartment?**

1. Complete an AAIP application and return it to the Program Coordinator
2. The Program Coordinator will schedule time to discuss an applicant's application. The application process may involve a number of discussions and include a site visit by the Program Coordinator who will examine the existing accessory apartment and see how it fits into the existing dwelling.
3. The Program Coordinator will help the applicant develop a list of documents confirming that the accessory apartment has been in continual existence since December 31, 1979. Below is a list of some of the documents that can be presented to the Inspectional Services Department. Not all these documents are necessary, but it helps to provide as much documentation as possible. Any additional documents that help to prove the continued existence of the accessory apartment can also be presented.
  - Valid building permit indicating construction of the accessory apartment.
  - Other building permits for the department of inspectional services which indicate existence of the accessory apartment.
  - Assessment records indicating existence of the accessory apartment
  - Tax returns for the owner of the premises showing items such as rents and improvements that indicate the existence of the accessory apartment.
  - Sworn affidavits from former or present tenants of the accessory apartment.
4. The Commissioner of Inspectional Services will review the above documents to determine if the accessory apartment had continual existence since December 31, 1979.
5. The applicant may have to hire a surveyor, architect, or other professional to document the design of the accessory apartment. This documentation will be needed for the permitting process. The Program Coordinator will assist the applicant in securing the services of any needed professionals.

## AAIP FAQs

6. If an income-eligible homeowner is interested in a pre-development loan to secure the services of a surveyor, architect or any other professional, the Program Coordinator will help the applicant apply to the Newton Housing Office for this loan. Applicants must be low- and/or moderate-income to be eligible for financial assistance for pre-development activities.
7. The Newton Housing Office reviews all requests for financial assistance and approves invoices for professional services and construction.
8. The Program Coordinator will help determine which permitting process is applicable and will assist an applicant through the permitting process. There are two permitting processes: RAAP (Review of Accessory Apartment Petition) and Special Permit. They are discussed later in this document.

### **4. What is the RAAP (Review of Accessory Apartment Petitions) process?**

1. The RAAP process is a quicker and less complex process than the Special Permit, but is only available for certain situations. The Program Coordinator will help the applicant determine if they can use the RAAP Process.
2. To begin the RAAP process, an applicant needs to compile documents into a package called a “site plan application”. The specific documents will differ with each situation. The package will usually contain the following:
  - Evidence of ownership and residency (such as a deed)
  - Site plan of the lot
  - Facade and floor plans
3. The applicant needs to file the site plan application with the City’s Director of Planning and Development. The Planning and Development Department is located in the basement of the Newton City Hall. Their telephone number is 617-796-1120.
4. The applicant is required to provide written notice of filing for an accessory apartment to the following:
  - Ward Alderman and Aldermen-at-Large that represent the ward in which the property is located (including plans)
  - Clerk of the Board of Aldermen
  - Immediate abutters of the property. (an immediate abutter shares a lot line with the applicant’s property)
5. The Director of Planning and Development reviews the site plan application to determine if it complies with the zoning ordinances.
6. The City’s Inspectional Services Department reviews the application to determine if it complies with all building ordinances. If it is approved, the Inspectional Services Department issues a building permit to the homeowner.



## AAIP FAQs

### **5. What is the Special Permit process?**

1. If the situation determines that the applicant cannot use the RAAP Process, the applicant will have to use the Special Permit Process.
2. The Program Coordinator and the applicant meet with the Planning and Development Department to discuss the initial concept for an accessory apartment. Later, when the plan is beyond the concept stage but before it is finalized, the applicant will meet with the City's Development Review Team which meets on an as needed basis to review and evaluate proposed residential projects.
3. The applicant is strongly encouraged to meet with the abutting neighbors to review the proposed plans before the plans are finalized.
4. The applicant develops final plans based on input from the Development Review Team and the neighborhood.
5. The applicant completes the "Zoning Review Application and Submittal Checklist" and submits the Application with final plans to the Chief Zoning Code Official for a zoning review.
6. The applicant files a copy of the final plans with the Planning and Development Department for their review.
7. Applicant files 15 copies of final plans and any supporting documentation with the City Clerk who docket the petition and schedules a public hearing.
8. The applicant presents the final plans before the Land Use Committee at a public hearing. At this hearing any other interested parties can express their comments on the plans. After the public hearing, the Land Use Committee will review the plans in one or more working sessions.
9. After approval by the Land Use Committee, the petition is voted on by the full Board of Alderman who may approve or deny the petition.
10. If the Board of Aldermen vote to approve the special permit, the applicant applies to Inspectional Services Department for the building permit. Following review and approval of plans submitted with application for building permit, the Inspectional Services Department issues a building permit.

***For more information and to request an application, contact:***

Ms. Cyd Kane, Program Coordinator  
Accessory Apartment Incentive Program  
Community Living Network, Inc.  
1171 Washington Street  
Newton, MA 02465  
(617) 527-6576

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**ACCESSORY APARTMENT INCENTIVE PROGRAM**  
**A partnership between Community Living Network, Inc. and the City of Newton**  
Revised as of May 15, 2008

**GUIDELINES**

**1. Introduction**

The Revised Accessory Apartment Incentive Program (AAIP) is a one year program ending on March 20, 2009, that replaces the original AAIP that ended on December 31, 2007. There are a number of differences between this revised program and the original program and interested homeowners should read these revised guidelines closely.

The AAIP was developed in partnership with Community Living Network (CLN), a local nonprofit organization, and the City of Newton. Funded with local Community Preservation Funds, the purpose of the AAIP is to provide Newton homeowners with the opportunity to either:

- Create a new accessory apartment
- Or bring an existing accessory apartment into compliance with state and local building codes.

Under the City's Zoning Ordinances, an accessory apartment is broadly defined as a separate residential unit in a building originally constructed as a single family house. An accessory apartment can also exist in a two-family house in specific zones of the city, or in a detached building located on the same lot as the single family house or the two-family house.<sup>1</sup>

The AAIP provides both technical and financial assistance to Newton homeowners who are interested in providing affordable rental housing to income-eligible low-and moderate-income individuals and families. For financial assistance, there is a total of \$244,000 available for eligible homeowners to help offset the cost of creating a new accessory apartment or legalizing an existing one. Each individual eligible homeowner can use up to \$90,000 of the total available \$244,000 funds.

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<sup>1</sup> See Newton Code-Zoning, Sec. 30-1. Definitions.

# AAIP Guidelines

## **2. Eligibility**

### **▪ Homeowner Eligibility**

To qualify for AAIP assistance:

1) The gross annual income of eligible homeowners cannot exceed \$128,250. This amount remains the same regardless of the number of persons in the household. This amount was calculated by taking 150% of Area Family Income (AMI) as of March 20, 2008. The City's housing staff is responsible for verifying the income eligibility of the homeowner. The income of the homeowner will be verified prior to any funds being disbursed to the homeowner. To determine eligibility, the federal definition of income at 24 CFR, Part 5, Subpart F, Family Income 5.609 and 5.611 will be applied. All prospective clients must complete an application for assistance and provide proof of ownership and evidence that taxes are current and that there are no liens on their property.

2) The property must be eligible for an accessory apartment according to the Zoning Ordinances of Newton. These Ordinances are too long to include in this document, but the Program Coordinator can guide the homeowner through the Ordinances to determine the eligibility of the property.

### **▪ Tenant Eligibility**

To qualify for AAIP assistance, homeowners must agree to rent their accessory apartment to tenants whose gross annual household income is at or less than 80% of Area Median Income as defined by the U.S. Department of Housing and Urban Development (HUD) on an annual basis. For example, the 80% of AMI limits for tenant households consisting of up to four individuals is listed in the table below:

<b>Number in household</b>	<b>80% of area median income (AMI)</b>
1	\$46,300
2	\$52,950
3	\$59,550
4	\$66,150

Extrapolated from FY08 HUD income limits; subject to change annually

The City's housing staff is responsible for verifying the income eligibility of all tenant households. The income of tenant households will be verified prior to occupancy of the accessory apartment and again on an annual basis when City staff monitors the occupancy of the unit for program compliance. In order to qualify for an AAIP-assisted unit, prospective tenants must provide documentation of their annual income. To determine eligibility, the federal definition of income at 24 CFR, Part 5, Subpart F, Family Income 5.609 and 5.611 will be applied.

# AAIP Guidelines

## **3. Forms of assistance**

The forms of assistance available to eligible homeowners include both technical assistance and financial assistance. The financial assistance includes both a *forgivable loan* for all phases of creating the accessory apartment and a *pre-development loan* for the initial phase of building surveys, architectural plans, permits, etc. The total amount of financial assistance, from one or both of the loans, which a homeowner is eligible to receive, cannot exceed \$90,000. Each type of assistance is described in detail below:

### ▪ **Technical assistance available to participating homeowners**

The AAIP Coordinator is the primary point of contact for applicants to the AAIP. The Program Coordinator is responsible for meeting with prospective applicants, describing the program and its requirements and helping them through the *application and building permitting* process. The Program Coordinator works with applicants to ensure that they have obtained the resources necessary to receive AAIP funding including securing architectural and other professional services.

Newton Housing and Rehabilitation Fund (NHRF) staff is responsible for the construction-related activities associated with the program. NHRF staff will assist homeowners in obtaining a contractor. Once construction has begun, NHRF staff is responsible for overseeing and monitoring construction and processing payments to the contractor.

### ▪ **Forgivable Loans**

Eligible homeowners can receive up to \$90,000 in the form of a forgivable 30 year loan. *This means that if the homeowner keeps the loan for the entire 30 year period, at the end of those 30 years the entire loan amount and all the interest are forgiven, and the homeowner will not owe any amount back to the city.*

If the homeowner, however, decides to *pay off the loan before the end of the 30 year term, part of the loan amount plus interest must be paid back to the city*, according to the following formula. Each year the amount of the loan that is owed back to the city is reduced by one thirtieth ( $1/30^{\text{th}}$ ). So after the first year of the loan term has passed, the homeowner will owe  $29/30$  of the loan amount plus interest, and after the second year the homeowner will owe  $28/30$  of the loan amount plus interest, and so forth. The interest on the loan would be 3% simple interest.

As an example, if the homeowner decides to end the loan after 10 years, there would be 20 years of the loan remaining, so they would have to pay back 20 times  $1/30$  of the loan. So if the loan was for the maximum of \$90,000, they would have to pay back a loan amount of \$60,000 (20 times  $1/30$  times 90,000) plus interest. The 3% simple interest would be calculated on the remaining balance at the end of each year. All money will go back to the Community Preservation Fund.

## AAIP Guidelines

*There are no annual payments during the term of this loan. All payments are deferred until the end of the loan. If the loan is paid off before 30 years, the required remaining loan amount and interest will be owed at that time. If the loan is kept for the 30 year term, there will be no payment due at that time.*

*Homeowners must agree to rent their accessory apartment to tenant households whose annual income does not exceed 80 percent of area median income. Normally this restriction will last for the entire period that the 30 year loan is in effect and then is removed at the end of that 30 year period. If, however, the homeowner decides to pay off the loan before the end of the 30 year period, the affordability restriction will end when the loan ends, unless the loan was in effect for less than 7 years. There is an exception that *the affordability restriction must last a minimum of 7 years*. So if the homeowner pays off the loan in less than 7 years, the restriction that the accessory apartment must be rented to an affordable tenant will continue until the end of 7 years.*

Loan recipients are required to sign a deed restriction with a duration of 30 years that restricts rental of the accessory apartment to tenant households whose annual income does not exceed 80% of Area Median Income. For the first seven (7) years, the deed restriction will run with the land regardless of ownership or a change in ownership. However, after the initial seven years, the deed restriction will become coterminous with the loan and will end when the loan ends.

The 30-year loans are secured by a mortgage that is recorded at the Middlesex Registry of Deeds. The term of the forgivable loan begins on the date the accessory apartment unit receives a Certificate of Occupancy from the City.

### ▪ **Interest free pre-development loans**

*A deferred loan at zero (0) percent interest for pre-construction related costs is available to homeowners whose gross annual household income does not exceed 80 % of Area Median Income. Loans up to \$15,000 are available to enable homeowners to pay for surveyors, architectural services including plans and specifications, lawyers, structural engineers, and copying of plans or other documents as required before a building permit is issued. *The loan is repayable in full to the City of Newton upon sale of the property or at the end of 30 years whichever comes first.* Interested homeowners must sign a promissory note with the City of Newton to secure this pre-development loan assistance.*

The amount of pre-development loan assistance is considered part of the total amount of funding assistance available (\$90,000) to homeowners. For example, if a homeowner receives a \$10,000 pre-development loan, the maximum amount of remaining assistance the homeowner is eligible to receive is \$80,000. If a homeowner has received a pre-development loan, but the accessory apartment project does not go forward, the loan will still be payable upon sale of the property or at the end of the 30 years.

## AAIP Guidelines

### **4. General AAIP requirements**

- **Occupancy requirements:** Homeowners must maintain their primary residence within the assisted property during the term of the loan.
- **Tenant occupancy and income:** Homeowners must rent their accessory apartment unit to low-and/or-moderate income tenants whose annual income does not exceed 80% of Area Median Income. The income of tenant households will be verified prior to occupancy of the accessory apartment and again on an annual basis when City staff monitors the occupancy of the unit for program compliance.
- **Rents:** The monthly rents charged to tenants of accessory apartments may not exceed an amount equal to 30% of the monthly adjusted income of a household whose gross income equals 70 % of the Area Median Income for a household size equal to the number of bedrooms in the unit plus one. *For example, a studio unit would have a household size of one and a one bedroom would have a household size of two.*

In determining the maximum monthly rent that may be charged for an accessory apartment unit, the homeowner must include an allowance for any utilities and services (excluding telephone) to be paid by the tenant household. The rent may be adjusted annually to conform to changes to Area Median Income, as defined by HUD. Rents must continue to remain affordable for the term of the loan and/or deed restriction and homeowners will be required to re-certify this on an annual basis.

Number in household	Maximum rent at 70% of area median income. (The rents below include utilities.)
1	\$1,030
2	\$1,178
3	\$1,324

Extrapolated from FY08 HUD income limits; subject to change annually

- **Tenant eligibility:** The accessory unit may *not* be occupied by:
  - An immediate family member of the homeowner
  - An employee of the homeowner
  - A household with a full-time college/university student member with the exception of a household that meets one or more of the criteria<sup>2</sup> listed below:
    - Married (prior to occupancy) *and* filing a joint tax return;
    - Currently participating in the federal Job Training Participation Act program or a similar jobs program
    - Currently a beneficiary of Title IV of the Social Security Act funds (Aid to Families with Dependent Children or AFDC); or
    - A single parent with child(ren) who are not dependents of another individual

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<sup>2</sup> Criteria from Low Income Housing Tax Credit Program guidelines

## AAIP Guidelines

- Lead paint: Participating homeowners are advised that lead paint can be hazardous to children under the age of six. Federal funding assistance is available to help income-eligible owners delead their property or property occupied by income-eligible tenants. Contact the Newton Housing Rehabilitation Fund at (617) 796-1150 for more information.

### 5. Contact information

#### AAIP personnel:

#### Contact for information regarding:

<p>Cyd Kane, Program Coordinator Community Living Network, Inc. 1171 Washington Street West Newton, MA 02465 <a href="mailto:ckane@communitylivingnetwork.org">ckane@communitylivingnetwork.org</a> (617) 527-6576</p>	<ul style="list-style-type: none"> <li>▪ Application for assistance</li> <li>▪ Description about the AAIP and requirements</li> <li>▪ Assistance in permitting and zoning process</li> <li>▪ Assistance obtaining professional services including hiring a building surveyor, architect, engineer, attorney, etc.</li> </ul>
<b>BUILDING PERMIT ISSUED</b>	
<p>Trisha Kenyon Guditz, Housing Development Coordinator <a href="mailto:Tguditz@newtonma.gov">Tguditz@newtonma.gov</a> (617) 796-1156 Margaret G. Siciliano, Housing Planner <a href="mailto:Msiciliano@newtonma.gov">Msiciliano@newtonma.gov</a> (617) 796-1146</p>	<ul style="list-style-type: none"> <li>▪ Assistance obtaining a building contractor</li> <li>▪ Overseeing and monitoring construction</li> <li>▪ Review of contractor payment requests</li> <li>▪ Processing pre-development and construction payments</li> <li>▪ Income verification of homeowners requesting financial assistance</li> <li>▪ Income verification of tenants</li> <li>▪ Marketing accessory apartments</li> <li>▪ Annual monitoring and income verification of tenants</li> </ul>



**ACCESSORY APARTMENT INCENTIVE PROGRAM**  
**A partnership between Community Living Network, Inc. and the City of Newton**

**HOMEOWNER APPLICATION**

Revised April 1, 2008

This application is to be used for persons applying for the forgivable loan or the pre-development loan through the Accessory Apartment Incentive Program (AAIP II).

***Section I.            General Information***

***A. Household Composition Information***

***Applicant***

***Co-Applicant***

Name \_\_\_\_\_ M/F

\_\_\_\_\_ M/F

Address \_\_\_\_\_

\_\_\_\_\_

Date of Birth \_\_\_\_\_

\_\_\_\_\_

Social Security # \_\_\_\_\_

\_\_\_\_\_

Tel \_\_\_\_\_ (h) \_\_\_\_\_ (w)

\_\_\_\_\_ (h) \_\_\_\_\_ (w)

\_\_\_\_\_ cell

\_\_\_\_\_ cell

***B.      Occupancy Information - Owner's Unit only***

- 1.      Number of persons who reside in unit      \_\_\_\_\_
- 2.      Age(s) of person(s) who reside in unit      \_\_\_\_\_
- 3.      Number of disabled person(s) who reside in unit      \_\_\_\_\_

***C.      Property Information***

***Please attach copy of current deed***

- 1.      Number of existing dwelling units      \_\_\_\_\_
  - 2.      Name(s) on current deed      \_\_\_\_\_
  - 3.      Current mortgages on property      \_\_\_\_\_
- |        |       |                   |
|--------|-------|-------------------|
| Lender | _____ | Principal Balance |
| Lender | _____ | Principal Balance |

**Verification of No Conflict of Interest:** Municipal employees are required to contact the City of Newton Solicitor's Office (617-796-1240) and obtain and follow the procedures to ensure that the employee has no conflict in participation in this Program. A copy of the certificate of No Conflict is required to be included in the application.



**AAIP Homeowner Application**

**Section II. Income Information**

**A. ANNUAL INCOME INFORMATION**

<i>List Gross Dollars</i>	<i>Applicant</i>	<i>Co-Applicant</i>
A. Wages, Salary, Tips	\$	\$
B. Business Income	\$	\$
C. Social Security	\$	\$
D. Pension	\$	\$
E. Child Support	\$	\$
F. Alimony	\$	\$
G. Dividends and Interest	\$	\$
H. Unemployment Compensation	\$	\$
I. Rental Income (Gross annual)	\$	\$
<b>TOTAL</b>	\$	\$

**B. HOUSING EXPENSES**

	Monthly Expense
A. Mortgage	\$
B. Homeowner's Insurance	\$
C. Real Estate Taxes	\$
D. Telephone	\$
E. Water/Sewer	\$
F. Heat	\$
G. Gas	\$
H. Electricity	\$
I. Other (describe)	\$
	\$

**Office Use Only:** Total Monthly Expenses (A-I)\$ \_\_\_\_\_

**C. ASSETS**

**1. Checking Account**

Name of Bank \_\_\_\_\_ Balance: \$ \_\_\_\_\_

**Account No.** \_\_\_\_\_

**2. Savings Account**

Name of Bank \_\_\_\_\_ Balance: \$ \_\_\_\_\_

**Account No.** \_\_\_\_\_

**3. Certificates of Deposit, Mutual Funds/Stocks/Bonds/401(k)/403(b), and Additional Accounts**

Provide name of institution, account numbers, and balances and attach on additional sheet if necessary.

Name of Holder \_\_\_\_\_ Balance: \$ \_\_\_\_\_

**Account No.** \_\_\_\_\_

**AAIP Homeowner Application**

**C. ASSETS (continued)**

**4. List Real Estate Owned (other than subject property)**

Location of Real Estate \_\_\_\_\_

Market Value: \$\_\_\_\_\_ Mortgage Balance: \$\_\_\_\_\_

**D. LIABILITIES**

List all Credit Accounts, Loans (Credit Cards, Department Stores, Auto, Personal loan, etc.)

Creditor	Balance Due	Monthly Payment
1.	\$	\$
2.	\$	\$
3.	\$	\$
4.	\$	\$

(Use additional page if needed)

<b>Office Use Only:</b> Total Monthly Liabilities \$
--

**E. DOCUMENTS REQUIRED FOR A LOAN APPLICATION TO BE COMPLETE**

**1. Income Tax Documentation**

- Copies of 3 most recent signed tax documents including W-2 forms (1040,1040A,1040 EZ,1098, 1099, All schedules)
- In the event a tax document is missing in part or in whole, or if the applicant did not file taxes, a transcript or verification of nonfiling may be requested from the IRS (Form 4506-T available upon request or IRS.gov).
- If self employed, include year-to-date Profit and Loss statement and last four (4) quarterly tax payment documents

**2. Financial Institution Account Information**

- Copies of last three (3) months of account information (All checking, savings, IRA, mutual fund, etc.)
- Copies of Interest/Dividend income of over \$100.00/annually

**3. Evidence of Income**

Last 30 days of Applicant(s) and Persons within Household who Earn Income:

- Payroll stubs
- Alimony
- Child Support
- Social Security
- Pension
- Disability (may be required to submit evidence of disability)
- Unemployment
- Government Assistance, including Section 8 Homeownership vouchers if applicable
- Other
- Child 18 years or older and a full time student, please provide 30 days of income and a letter from the educational institution indicating student's full time status

## AAIP Homeowner Application

### 4. Verifications

**Verification of Income:** Letter from employer/supervisor indicating length of employment, current salary, any bonus or commissions Applicant has been or may be eligible for on an ongoing basis. Include direct telephone number of employer/supervisor to verify income.

### 5. Liabilities

Provide copies of two (2) most recent statements *even if account carries a zero balance*:

Auto Loan/Lease(s)

Credit Card(s)

Personal Loan

Department Store

Other (describe) \_\_\_\_\_

*By signing below, Applicant(s) requests the Newton Housing Office to review this application for the purpose of determining eligibility to receive funding assistance through the AAIP. Applicant acknowledges that such eligibility determination may include without limitation, the acquisition of credit reports and the verification of income and deposits. Applicant declares that they have read and understand the guidelines of the Program, and further, Applicant acknowledges and agrees that Applicant's statements are to the best of their knowledge, are true, correct, and complete.*

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Applicant

\_\_\_\_\_  
Date

# AAIP Checklist

Updated: 9/15/08

*Broad Definition: A separate residential unit in a building originally constructed as a single family in a single residence zone. In certain cases, AA can also be constructed in a two--family house in multi-residence zone. AA can also be constructed in a detached building.*

## **Initial Screening of property eligibility**

Below is a list of questions to ask and/or research to determine if the property is potentially eligible for an accessory apartment.

- Check address of dwelling on zoning map
  - Dwelling must be in SR 1, SR 2, SR 3, MR 1, or MR 2
  - If dwelling is in Historical District make a note. Later in the process you will have to contact *Brian Lever* (617) 796-1129 to get the specific Historical District contact and contact that person for any special zoning rules on exterior
  - If dwelling is in Overlay District, use specific numbers for that overlay district when looking up lot size and building size on table 30-8
  - Zoning/Accessory Apts: Juris gone. Interim call Candace Havens (617) 796-1137. New person on board end of May.
  
- Check lot size on Assessors Data Base and look up on Table 30-8
  - Is it large enough for RAAP?
  - Or is it not large enough for RAAP but is large enough for Special Permit
    - If special permit, is the lot created before 12/7/53?  
Note: At this point in the process the date for when the lot is created on the assessor's database is sufficient, but later this will have to be confirmed at the engineering department of the city or at the Registry of Deeds in Cambridge.
  - If according to Assessors Database, lot size is below minimum, prospect could hire a surveyor.
  
- Check building size on Assessors Data Base and look up on Table 30-8
  - Note: The additional space of Accessory Apartment can increase current building size (if it is located in a basement, attic, porch, etc.) So even if the building size is too small, you should continue with the screening until you know more about the design and proposed location of the accessory apartment
  - Is it large enough for RAAP?
  - Or is it not large enough for RAAP but is large enough for Special Permit?
  
- Is dwelling owner occupied?  
Dwelling must be owner occupied and owner must live in larger unit (cannot live in accessory apartment)
  
- Is proposed accessory apartment in detached building?
  - If so must go through Special Permit rather than RAAP

- Check dwelling construction date on Assessors Data Base
  - Dwelling must be constructed on or before 1/1/89 to allow an accessory apartment.
  - If dwelling is over 50 years old, the owner will eventually have to meet with *Brian Lever* for historical review
- Check Density / Dimensional Requirements in Section 30-15 to make sure building and lot conform to zoning.
- Are there any other Accessory Apartments on this lot?
  - There can only be one Accessory Apartment per lot
- Are there any lodgers in any unit?
  - No lodgers are allowed if there is an accessory apartment.
- Is dwelling owned by trust?
 

Note: this does not initially effect the eligibility of the lot, but can be important information in both the income verification process and the permitting process
- Is application for pre-existing accessory apartment?
  - If so begin to gather proof of existence documentation.  
(Need to look at proof of existence checklist in the Zoning Ordinances)

### **Design considerations**

Below are some of the design requirements of an accessory apartment

- Requirements common to all zones, SR 1, 2, 3 and MR 1 and 2
  - One parking stall is needed for the Accessory Apartment, in addition to 2 parking stalls for each dwelling unit. So a Single Family would need a total of 3 parking stalls and a two family would need a total of 5 parking stalls. For more details on location and dimensions see 30-19 (g)
  - All parking needs landscape screening (even if less than 5 stalls). For details please see 30-19 (i) (1).
- Requirements specific to SR 1, 2, or 3,
  - Size of Accessory Apartment
    - For RAAP the size of the Accessory Apartment must be between 400 and 1000 sq ft or 33% of total, which ever is less (this can be altered by special permit)
    - For Special Permit the size to the Accessory Apartment must be between 400 and 1200 sq feet or 33% of the total, which ever is more
  - Exterior alterations
    - For RAAP, alterations are limited to doors, windows, 2 landings that cannot exceed 50 square feet and cannot be within setbacks, stairs not in setbacks, roof and wall venting. (These can be altered by special permit)
    - For Special Permit there are specific requirements on the exterior changes. See details in 30-8 (d) (2) (b))
  - Additions and exterior alterations within 4 years ago cannot be applied to Table 30-8. (This can be altered by special permit) Not for pre-existing units

- Requirements specific to MR 1 or 2.
  - Size of Accessory Apartment
    - Accessory Apartment must be between 400 and 1200 square feet.
  - Exterior alterations
    - There are specific requirements on the exterior alterations, see details in 30-9 (h) (1) (d)
  - Additions and exterior alterations within 2 years ago cannot be applied to Table 30-8.
  
- OTHER Requirements
  - Income

CLN's responsibility is to do initial screening of applicants to see if they are close to income limit \$128,250. Julia McAneny said that if homeowners' Adjusted Gross Income (from tax return) is around \$90K they should be OK for this program. If income is higher, but still under \$128,250 they might be OK, but it would need further validation. Plan on moving forward on zoning eligibility of everyone under \$128,250, then collect all the income info and work with the City on actual income verification.