



City of Newton, Massachusetts
Community Preservation Committee

David B. Cohen
Mayor

MEMORANDUM

TO: Honorable Board of Aldermen
FROM: Community Preservation Committee (CPC)
DATE: 19 February 2003
RE: **CPC Recommendation for CPA Funding**

PROJECT TITLE: CAMBRIA ROAD RENTAL

CPA CATEGORY: Community Housing

PROJECT DESCRIPTION

The applicant, CAN-DO, requests \$200,000 to put towards acquisition of a two-family dwelling in West Newton (18-20 Cambria Road). The CPA funding would be used in conjunction with additional funding to reduce the loan secured from Auburndale Cooperative Bank from \$400,000 to \$175,000. In addition, the City has provided \$200,000 in CDBG funding for the acquisition and the applicant has closed on the purchase of the property. The two dwelling units will be protected under a permanent affordability restriction and will be rented to families with Section 8 certificates.

FINDINGS

Community Preservation Act

This proposal meets the criteria established under MGL c.44B for the following reasons:

1. The project appears to comply with §5(b)(2) which allows the CPA to fund the creation of community housing, since this project creates two permanently protected affordable rental units for families with household incomes below 80% area median income.

Newton Community Preservation Plan

Overarching Goals

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| 1. Contribute to the preservation of Newton's unique character, boost the vitality of the community and enhance the quality of life for its residents. | Yes |
| 2. Serve more than one CPA category. | No |
| 3. Demonstrate the highest cost/benefit value relative to other proposals. | See below |
| 4. Leverage other public and/or private funds. | Yes, see below |
| 5. Preserve a resource or opportunity that would otherwise be lost. | Yes |
| 6. Create incentives for other private projects to occur. | Yes |
| 7. Show that a project is the most reasonable available option to achieve the objective. | Yes |
| 8. Demonstrate strong community support. | Yes, see below |
| 9. Serve to equitably distribute CPA funds throughout the City. | See below |

Additional comments on selected goals:

Goal #3: Projects received during this funding round include a high CPA cost of \$850,000 and a low CPA cost of \$24,780. The CPA cost for this project is \$200,000. The relative benefit for this project is in providing two rental units that are permanently affordable to households below 80% median area income.

Goal #4: According to the applicant's proforma (dated 10/31/02), this proposal is partially funded through a number of other sources including: City of Newton CDBG (\$200,000); Newton Housing Rehab Fund (NHRF) loan (\$80,000, 3%); NHRF Lead Paint Grant (\$30,000); NHRF Asbestos Grant (\$6,000); Auburndale Cooperative Bank loan (\$400,000, 6%); Charlesbank Homes (\$50,000); and state funding (\$100,000).

Goal #8: The project has strong community support as detailed and documented in the application. No opposition has been voiced.

Goal #9: As presented at a recent CPC meeting, this round of applications is geographically distributed throughout the City; this project is located in Auburndale.

Community Housing Goals

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| 1. Create community housing that is well designed, is of high quality, and is based on sound planning principles. | Yes, see below |
| 2. Address one or more of the City's priority housing needs, such as those articulated in the City's Consolidated Housing Strategy Plan 2001-2005 and A Framework for Newton's Planning. | Yes, see below |
| 3. Help Newton reach the state mandate of having 10% of its housing stock as affordable to those at or below 80% of median income under MGL c.40B. | Yes, see below |
| 4. Create new moderate housing units (80% to 100% of median income) that promote housing for City employees, such as teachers, firefighters, and police officers. | No |
| 5. Keep new units affordable for the long term, and in perpetuity where possible. | Yes |
| 6. Use deed restrictions to acquire, update, and resell existing market rate housing as affordable units, following the small house program model. | No |
| 7. Show that the proposal leverages or is not otherwise eligible for other public funds and could not otherwise be economically feasible without CPA funds, such as proposals for community housing targeted at households earning between 80% and 100% of area median income. | Yes |
| 8. Demonstrate that the proposal works in conjunction with other funding mechanisms already available in Newton such as the First Time Homebuyer Program, which currently cannot adequately assist families in purchasing homes in Newton. | Yes |
| 9. Provide community housing opportunities for individuals whose residency in Newton would promote community services, such as Newton teachers and public safety workers and other city employees. | See below |
| 10. Create affordable and moderate homeownership opportunities for families who currently rent or work in Newton. | No |
| 11. Help disperse community housing throughout the City by siting housing in neighborhoods that currently lack affordable housing. | No |

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| 12. Reuse previously developed sites (including, potentially, remediated brownfield sites) for community housing with minimal effect on existing housing resources. | Yes |
| 13. Avoid displacement of current residents. | No |

Additional comments on selected goals:

Goal #1: The subject property is located on Cambria Road and is an existing two-family house which is comparable in scale and style to the physical character of this neighborhood.

Goal #2: The City's *Consolidated Strategy and Plan FY2001-2005* identifies the need to provide affordable rental housing for low income households. "*The lack of rental units also affects Newton's lower income residents who cannot find affordable apartments and who pay a disproportionate amount of their income on rent*" (*Consolidated Plan, p. III-4*). In addition, *The Framework Plan* identifies the importance of utilizing the existing housing stock to meet affordable housing objectives.

Goal #3: The project increases the City's low-income housing stock, helping the City reach the State mandated 10%. Only 4.88% of Newton's housing stock is currently considered affordable by the State.

Goal #9: Although the project would not specifically target employees of Newton's various community services, the target population is low-income households and may include employees of community services.

CPC RECOMMENDATION

The proposal is consistent with the CPA criteria and many of the Plan's goals, as described above. Therefore, the Community Preservation Committee, in a 7-0 vote, recommends funding this application for the creation of two rental units that are permanently affordable to households below 80% area median income at 18-20 Cambria Road by appropriating and transferring the requested \$200,000 to be expended under the direction and control of the Director of Planning and Development for purposes of funding the Cambria Road Rental Project grant for the creation of two rental units that are permanently affordable to households below 80% area median income at 18-20 Cambria Road as detailed in the application (dated 1 November 2002), subject to the following conditions:

1. At least two units on this property be used for low-income rental housing in perpetuity and shall be bound by a deed restriction.
2. Any portion of the grant not used for the purposes stated herein shall be returned to the Newton Community Preservation Fund.