

Citizens for Affordable Housing

In Newton

CAN-DO



Development Organization, Inc.

Rob
11/1/02
4pm

1075 Washington Street
West Newton, MA 02465

Phone: 617-964-3527

Fax: 617-964-3593

E-mail: Jam_cando@msn.com

Josephine McNeil, Executive Director

November 1, 2002

P+Q

Community Preservation Planner
Newton Planning and Development Department
1000 Commonwealth Avenue
Newton, MA 02459

RE: CPA Application
a. Christina Street Homeownership Project
b. Cambria Road Rental Project

Dear Sir/Madam:

I am pleased to submit for your consideration an application for CPA funding. The application requests funding for two separate projects, one to provide three homeownership opportunities and the other offers two rental opportunities for families. Both of these projects address priority-housing needs articulated in the City's Consolidated Housing Strategy Plan and "A Framework for Newton's Planning".

The Christina Street Homeownership Project addresses one of the stated goals of the community-housing component of the Community Preservation Plan – to provide housing for city employees. While the Cambria Road project presents an opportunity to provide housing for very low income families and help Newton meet its 10% of housing for low-moderate income families. This project is not possible without CPA funds. The CPA funds along with other city funding will position us to leverage the state funding.

The numerous letters of support accompanying the application reflect community support for both projects. There are approximately twenty-five letters from individuals, several from local and state elected officials, one from a religious institution, several from human service/housing nonprofits. In addition, there are letters from the Newton Teachers Association, City Hall Associates-Local 3092, Newton Firefighters Association and the Newton Police Association. The leaders of these organizations are excited about the prospect of homeownership opportunities in Newton for their membership. In addition, included is a petition signed by approximately fifty Newton residents. Most of the signatures were obtained during Harvest Fair on October 20th, most of the signers enthusiastically signed, as they are very concerned about the loss of economic diversity due to the high housing costs.

Thank you for the opportunity to submit this application and if you have need of any additional information, please contact me at 617-964-3527.

Sincerely,

A handwritten signature in cursive script that reads 'Josephine McNeil'.

Josephine McNeil
Executive Director

Theodore Michael Hess-Mahan
871 Watertown Street
Newton, Massachusetts 02465
(617) 796-9925

November 1, 2002

Community Preservation Planner
Newton Planning and Development Department
1000 Commonwealth Avenue
Newton, MA 02459

Re: Citizens for Affordable Housing in Newton Development Organization
Application for Community Preservation Funding

Dear Sir or Madam:

As President of the Board of Citizens for Affordable Housing in Newton Development Organization, Inc. (CAN-DO) and as a Newton resident, I write to ask you to support CAN-DO's Application for Community Preservation Funding. CAN-DO is a private, non-profit developer of affordable housing in Newton. In its Application, CAN-DO seeks \$300,000 in funding to reduce the cost of three market rate condominiums it is building in Newton Highlands in order to provide affordable homeownership opportunities for three city employees and their families, as well as an additional \$200,000 in funding to assist in the purchase of a two-family house in West Newton to provide affordable rental housing to families who have Section 8 certificates.

The Community Preservation Plan specifically states that CPA funds should be "used to assist private affordable housing developers in leveraging other federal and state funds" in order to meet Newton's affordable housing needs. Moreover, CAN-DO's Application is entirely consistent with and supports the achievement of the goals identified in the Plan by the Community Preservation Committee for funding affordable housing. These goals include:

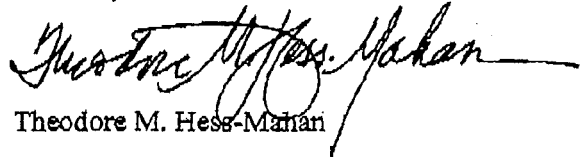
- Address one or more of the City's priority housing needs, such as those articulated in the City's Consolidated Housing Strategy Plan 2001-2005 and A Framework for Newton's Planning (i.e., adding to the depleted stock of affordable housing in Newton).
- Create new moderate housing units (80% to 100% of median income) that promote housing for City employees, such as teachers, firefighters and police officers.
- Keep new units affordable for the long term, and in perpetuity where possible.

- 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.
- Create affordable and moderate homeownership opportunities for families who currently rent or work in Newton.
- Help disperse community housing throughout the City by siting housing in neighborhoods that currently lack affordable housing.
- Reuse previously developed sites for community housing with minimal effect on existing housing resources.
- Avoid displacement of current residents.

If approved, the requested funding will allow CAN-DO to provide housing opportunities in neighborhoods that are increasingly threatened by the loss of affordable housing to "tear-downs" and development of housing that is priced well beyond the reach of the people who currently live there. Therefore, I strongly urge the Community Preservation Committee to approve CAN-DO's Application to fund these two projects.

Thank you for your consideration.

Sincerely



Theodore M. Hess-Mahani

cc: Josephine McNeil, Executive Director, CAN-DO



David B. Cohen
Mayor

APPLICATION FOR COMMUNITY PRESERVATION FUNDING

Submit to Community Preservation Planner
Newton Planning and Development Department
1000 Commonwealth Avenue, Newton, MA 02459
communitypreservation@ci.newton.ma.us
617-796-1120 ext. 1131

Name of Applicant CAN-DO

Sponsoring Organization, if applicable _____

Mailing Address 1075 Washington Street City West Newton State MA Zip 02465

Daytime Phone 617-964-3527 Email jam_cando@msn.com

Name of Proposal Christina Street Homeownership Project

CPA Category (circle all that apply): Open space Historic preservation Recreation **Community housing**

CPA Funding Requested \$300,000 Total Cost of Proposed Project \$300,000

PROJECT DESCRIPTION: Attach answers to the following questions. Applications will be returned as incomplete if all requested information is not provided. Include supporting materials as necessary.

1. **Goals:** What are the goals of the proposed project?
2. **Community Need:** Why is this project needed? Does it address needs identified in existing City plans?
3. **Community Support:** What is the nature and level of support for this project? Include letters of support.
4. **Timeline:** What is the schedule for project implementation, including a timeline for all critical elements?
5. **Credentials:** How will the experience of the applicant contribute to the success of this project?
6. **Success Factors:** How will the success of this project will be measured? Be as specific as possible.
7. **Budget:** What is the total budget for the project and how will CPA funds be spent? All items of expenditure must be clearly identified. Distinguish between hard and soft costs. (NOTE: CPA funds may NOT be used for maintenance.)
8. **Other Funding:** What additional funding sources are available, committed or under consideration? Include commitment letters, if available, and describe any other attempts to secure funding for this project.
9. **Maintenance:** If ongoing maintenance is required for your project, how will it be funded?

ADDITIONAL INFORMATION: Provide the following additional information, as applicable.

10. Documentation that you have control over the site, such as Purchase and Sale Agreement, option or deed.
11. Evidence that the project does not violate any zoning ordinance or any other laws or regulations.
12. Evidence that the proposed site is free of hazardous materials or that there is a plan for remediation in place.
13. Evidence that appropriate professional standards will be followed if construction, restoration or rehabilitation is proposed.
14. Information indicating how this project can be used to achieve additional community benefits.

Refer to the City web site (ci.newton.ma.us) and the Community Preservation Plan for further information.
Form CPA-1 (Revised 10/02)

Citizens for Affordable Housing

In Newton

CAN-DO



Development Organization, Inc.

1075 Washington Street

West Newton, MA 02465

Phone: 617-964-3527

Fax: 617-964-3593

E-mail: Jam_cando@msn.com

Josephine McNeil, Executive Director

CHRISTINA STREET HOMEOWNERSHIP PROJECT

Project Description: The applicant is currently constructing two duplexes on Christina Street in Newton Highlands. Four condominium units will be created. The project is structured to sell three units at market price and one unit to a first-time homebuyer. The projected sale price for the market rate unit will be established to provide sufficient income to cover the repayment of the construction loan of \$1,366,000, subsidize the first-time homebuyer unit (\$116,500) and repay an outstanding loan from the City of Newton in the amount of \$108,455. The applicant seeks \$300,000 in funding in order to write down the purchase price of the three market rate units to \$325,000. That price is affordable for city employees with household incomes up to 100% of the area median income.

1. Goals – to provide three homeownership units of for city employees.
2. Community need – most city employees are not able to buy a home in Newton due to the high cost; the current median home price is approximately \$570,000. The household income necessary to purchase a home at that price is approximately \$147,000. Most new city employees, even those in managerial positions, cannot find housing in Newton.
3. Community Support – the campaign for the passage of the CPA often referred to the lack of opportunity for Newton employees to purchase a home in the city. See enclosed letters of support.
4. Timeline: The construction of the condominiums is anticipated to be complete in March of 2003. Marketing will begin in January 2003.
5. Credentials – the applicant is a nonprofit housing developer with knowledge of housing programs. We are Newton's designated CHDO. We have completed two projects and one is currently under construction.
6. Success factors – the project will be successful when we are able to present the keys to three condominiums to the families of city employees.
7. Budget – the total budget for the project is \$300,000. See attached spreadsheet.

8. Other Funding – there is no other funding for this project, which is related to the sale price of the condominiums. The construction funder is Auburndale Co-Operative Bank.
9. Maintenance – the property will be professionally managed. Owners will be assessed condominium fees for payment of the management fees.
10. Deed attached
11. Project received a comprehensive permit
12. Not applicable – new construction
13. Not applicable – project currently under construction
14. The interests of the city are better served when city employees live in the city.

10/31/02

HIGHLANDS GLENS CONDO PROJECT

PURCHASE PRICE WITHOUT FUNDS

UNIT NO.	DEV.COST	SALE PRICE	GAIN/LOSS
#1	\$ 341,500	\$ 446,250	\$ 104,750
#2	\$ 341,500	\$ 225,000	\$ (116,500)
#3	\$ 341,500	\$ 446,250	\$ 104,750
#4	\$ 341,500	\$ 446,250	\$ 104,750
	BROKER FEE (5%)	\$ (78,188)	\$ (78,188)
TOTAL	\$ 1,366,000	\$ 1,485,562	\$ 119,562
	REPAYMENT OF LOAN FROM CITY		-108,455
	CAN-DO GAIN		\$ 11,107

PURCHASE PRICE WITH CPA FUNDS

UNIT NO.	DEV. COST	SALE PRICE	LOSS
#1	\$ 341,500	\$ 325,000	\$ (16,500)
#2	\$ 341,500	\$ 225,000	\$ (116,500)
#3	\$ 341,500	\$ 325,000	\$ (16,500)
#4	\$ 341,500	\$ 325,000	\$ (16,500)
	BROKER FEE (5%)	\$ (60,000)	\$ (60,000)
TOTAL	\$ 1,366,000	\$ 1,140,000	\$ (226,000)
	CPA GRANT		\$ 300,000
	CAN-DO GAIN		\$ 74,000
	REPAYMENT OF LOAN FROM CITY		\$ 108,455
	CAN-DO LOSS		\$ 34,455

QUITCLAIM DEED

Daniel M. Mulhern, Trustee of Adam Realty Trust w/d/t dated October 11, 1980 and recorded in the Middlesex South Registry of Deeds in Book 14111, Page 392 of Newton, Middlesex County, Massachusetts for consideration paid, and in full consideration of FIVE HUNDRED THOUSAND (\$500,000.00) DOLLARS grants to Citizens for Affordable Housing in Newton Development Organization, Inc., d/b/a Can-Do, c/o NCDF, 429 Watertown Street, Suite 203, Newton, MA 02458 with quitclaim covenants the following parcels of land in Newton, Middlesex County, Massachusetts.

PARCEL I

The land in that part of Newton known as Newton Highlands being Lots 286 and 287 as shown on a plan entitled "Revised Plan of Charlemont, Newton Highlands, Mass., belonging to Neil McIntosh, C. H. Gannett, Civil Engineer, November, 1920" Revised July 10, 1922, recorded in the Middlesex South Registry of Deeds in Plan Book 307, Plan 45, and bounded and described as follows:

- SOUTHERLY: By Christina Street, one hundred twenty and 64/100 (120.64) feet;
- WESTERLY: By lands of the City of Newton and Lumiansky and Hurwitz, three hundred twelve and 92./100 (312.92) feet;
- NORTHERLY: By Lots 285 and 284, ninety-two and 36/100 (92.36) feet;
- EASTERLY: By Lot 288, three hundred twelve and 98/100 (312.98) feet.

Being Lots 286 and 287, containing 33,245 square feet of land, all as shown on said plan.

PARCEL II

A certain parcel of vacant land situated in Newton, Middlesex County, Massachusetts, and shown as a lot containing 2,170 square feet on a Plan of Land in Newton, Mass., dated October 19, 1951, by Wm. S. Crocker, C. E. recorded with Middlesex South District Registry of Deeds on November 2, 1951, Book 7822, Page 410.

08/27/99 1:43PM 01
000000 W3717

FEE \$2280.00
\$2280.00

REVOKED
ANNULLED
CAMBRIDGE
DEEDS REG 15
MIDDLE SOUTH

17491222.70
2280.00 ***
980 08/27/99 11:51:18 477 25.00

SOUTHERLY: By land now or formerly of the City of Newton, which is subject to rights of way as part of the private way known as Christina Street, eighteen and 28/100 (18.28) feet;

WESTERLY: By land conveyed to National Research Corporation by deed dated November 2, 1951, recorded, with said deeds on November 2, 1951, one hundred twenty-three and 59/100 (123.59) feet;

NORTHERLY: By land so conveyed, twenty and 23/100 (20.23) feet; and

EASTERLY: By other land of grantor being parcel I above one hundred seventeen and 57/100 (117.57) feet.

Together with the right of ways in common with the grantors and others entitled for all usual purposes of passage over Christina Street and the land adjacent thereto over which rights of way were granted by deed of the City of Newton.

For my title to Parcel I, see deed of Eileen Mulhern to me dated October 1, 1980 and recorded in the Middlesex South Registry of Deeds at book 14111, Page 398.

For my title to Parcel II, see deed of Eileen Mulhern to me dated October 11, 1980 and recorded in the Middlesex South Registry of Deeds at Book 14111, Page 399.

WITNESS my hand and seal this 27th day of August, 1999.

Daniel M. Mulhern
Daniel M. Mulhern, Trustee

COMMONWEALTH OF MASSACHUSETTS

Middlesex, ss.

August 27, 1999

Then personally appeared the above named Daniel M. Mulhern, Trustee as aforesaid and acknowledged the foregoing instrument to be his free act and deed, before me,

[Signature]
Notary Public
My commission expires: Feb. 14, 2003



**AUBURNDALE
CO-OPERATIVE
BANK**

The Village Bank™

October 31, 2002

Community Preservation Planner
Newton Planning and Development Department
1000 Commonwealth Ave.
Newton, Ma 02459

Dear Sirs:

As a community bank in Newton, we can attest to the need for affordable housing in our city. We have watched housing and rental prices rise, while the economy lags. We have seen young professionals unable to raise their children in the city in which they were raised. We have witnessed once considered "entry level" homes turn into "move up" homes overnight. As a supporter of the Community Preservation Act and the CAN-DO organization, we urge you to consider the two housing proposals presented before the Committee.

The \$300,000 funding toward the Homeownership Project to buy down the price of the three market units at Christina Street will make the difference to a family in their ability to afford this property. The Auburndale Cooperative Bank is in the process of preparing a special financing package for this property, which will further enhance the affordability. It is our hope that the Committee will see our commitment as a financial institution and will see favorably upon this request.

Auburndale Cooperative Bank is also working with CAN-DO on the Rental Project in West Newton. This two family will provide three bedroom housing to families with Section 8 housing. We are committed to assisting with the financing of this project.

The two projects presented to the Committee represent the first steps in addressing Newton's community housing needs. It is our anticipation that you will look favorably upon this request.

Sincerely,


Amy I. Corda
Senior Vice President

CHRISTINA STREET DEVELOPEMENT PROFORMA

06/27/2002		HIGHLANDS GLEN CONDOMINIUM			
ITEM					
DEVELOPMENT BUDGET					
ACQUISITION COSTS:					
LAND					
BUILDING					
SUBTOTAL - ACQUISITION COST					
CONSTRUCTION COSTS:					
Direct Construction Costs				\$	963,781
Construction Contingency				4%	41,219
Subtotal: Construction				\$	1,005,000
GENERAL DEVELOPMENT COSTS					
Architecture & Engineering				\$	87,000
Survey and Permits				\$	33,448
Owner's Rep 120@\$75 per hour				\$	16,500
Environmental - Phase I and Phase II				\$	11,407
Legal				\$	4,252
Title and Recording				\$	500
Accounting & Cost Cert.				\$	1,250
Marketing and Rent-Up				\$	2,500
Real Estate Taxes 6 months				\$	1,470
Liability Insurance				\$	4,000
Builder's Risk insurance				\$	2,079
Appraisal				\$	938
Construction Loan Interest 6.38%				\$	55,248
Security					
Closing fees - Auburndale				\$	3,000
Other: Mortgage Payment pre construction				\$	12,576
BCC FEES					
Soil Testing				\$	25,000
Utility during construction				\$	1,500
Subtotal Soft Costs				\$	262,668
Soft Cost Contingency				5%	\$ 13,133
Subtotal: Gen. Dev.				\$	275,801
Subtotal:Acquis.,Const., and Gen. Development				\$	1,280,801
>Developer Overhead				\$	30,292
>Developer Fee				\$	54,907
Total Development Cost				\$	1,366,000
FUNDING SOURCES:					
Auburndale Bank				6.38%	\$ 1,366,000
TOTAL SOURCES				\$	1,366,000

Bedford, MA
 HUD FY 2002 Median Family
 Income - Boston

1/2/02

\$70,400

Maximum Affordable Mortgage

Area Median Income		150%	100%	80%	60%	30%
Target Income		\$105,600	\$70,400	\$56,320	\$42,240	\$21,120
Income available for REM	30%	\$31,680	\$21,120	\$16,896	\$12,672	\$6,336
1 Taxes	\$12.17	(\$4,260)	(\$2,434)	(\$1,826)	(\$913)	\$0
2 Insurance	\$1.25	(\$469)	(\$375)	(\$344)	(\$297)	(\$250)
3 Condo Fee	\$350	(\$4,200)	(\$4,200)	(\$4,200)	(\$4,200)	(\$4,200)
4 PMI	0.313%	(\$1,094)	(\$625)	(\$469)	(\$234)	\$0
Available for Annual Debt Service		\$21,658	\$13,486	\$10,058	\$7,028	\$1,886
Monthly Equivalent		\$1,805	\$1,124	\$838	\$586	\$157
Maximum Affordable Mortgage		\$258,123	\$160,728	\$119,873	\$83,761	\$22,478
7.5%, 30 Yr. Amort						

Maximum Affordable Sale Price		150%	100%	80%	60%	30%
Maximum Sale Price		\$271,708	\$169,187	\$126,182	\$88,169	\$23,661
Maximum Affordable Mortgage		\$258,123	\$160,728	\$119,873	\$83,761	\$22,478
Mortgage Percentage		95%	95%	95%	95%	95%
Soft Second Program (MHP)		\$0	\$0	\$0	\$0	\$0
Soft Second Program Equity		0%	0%	0%	0%	0%
Bedford Housing Trust Subsidy		\$0	\$0	\$0	\$0	\$0
Bedford Housing Trust Equity		0%	0%	0%	0%	0%
Buyer Equity		\$13,585	\$8,459	\$6,309	\$4,408	\$1,183
Buyer Equity		5%	5%	5%	5%	5%
Total Sale Price		\$271,708	\$169,187	\$126,182	\$88,169	\$23,661

Note: Maximum sale prices are for 2-bedroom units. Maximum sale prices for 3-bedroom units are an additional \$5,500 over the 2-bedroom maximum. Maximum sale prices for 4-bedroom units are an additional \$5,500 over the 3-bedroom maximum, or

3-Bedroom Sale Prices \$131,682
 4 Bedroom Sales Prices \$137,182

- 1 Taxes based upon \$12.17 per \$1,000 valuation (\$250 X 12.17 = \$3,043).
- 2 Insurance based upon \$1.25 per \$1,000 of combined valuation of dwelling (value X 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed).

3 Condo fee estimated at \$350 per month includes reserves for potential assessments. Max fee is \$150 p/m
4 PMI estimated @ 0.3125 of loan amount. PMI will be avoided by using MHP Soft Second Program in
50% of the units. The PMI estimate is \$1,850 X 0.5%, or \$925.

Real Estate

BOSTON SUNDAY GLOBE DECEMBER 8, 2002

N.H. J24
Cape Cod J24
Apartments J27
Brides J34

The other lottery

Priced out? With the anti-snob-zoning law and a little luck, you'll be in the market

By Thomas Grillo
GLOBE CORRESPONDENT

A town house in Acton for \$140,000. A Northboro condominium for \$135,000. A one-bedroom condominium in North Andover for \$113,000.

These are not properties in foreclosure. Instead, these and more than 150 other new homes in 11 Massachusetts communities will be sold at huge discounts.

The catch? You'll have to win a lottery — as well as meet income guidelines and qualify for a mortgage — before you can move in.

These homes, being built under Chapter 40B, the state's controversial affordable housing law, are not the only ones that will be sold at up to one-third below market prices.

In all, about 6,600 apartments, single-family homes, and condominiums are in the 40B pipeline, the state Department of Housing & Community Development reports, to be built over the next five years.

Of that number, 4,372 units have been reserved for people who earn less than 80 percent of their community's median income. (In Greater Boston, which includes Suffolk County and portions of Middlesex County, a family of four could not earn more than \$58,300, for example.)

Unfortunately for potential buyers, there's no central registry to see what's being built, and where. Developers are required to advertise the lotteries in local newspapers, but many buyers remain unaware sales have been scheduled.

Housing activists recommend that buyers contact local planning, community development, or zoning offices or check with regional Housing Consumer Education Centers. To find one near you, log on to www.masshousinginfo.org or call 800-224-5124.

Chapter 40B, the anti-snob-zoning law, took effect **AFFORDABLE HOMES, Page J4**

A home under construction at Greystone Estates, in Middleborough. Eight of the 32 houses there will be classified as affordable.



GLOBE PHOTO / AMY NEWMAN

New in 2003 Lotteries will be held for affordable housing in at least 11 cities and towns next year. The chart shows how many units at each project are available, price estimates, when lotteries will occur, and where to call for more information.

Acton	Douglas	Hudson	Leominster	Marlborough	Mendon	Middleborough	North Andover	Northborough	Taunton	Upton
Crossroads Condominiums	Forestview Estates	Knott's Clearing	Lancaster Estates	Pleasant Gardens	Cobbler's Knoll	Greystone Estates	Kittredge Crossing	Sunnyside Estates	Powhattan Estates	Samreen Villa I & II
12 town homes	43 single-family units	32 condos	50 town house condos	20 town house condos	48 single-family, 28 condo	32 single-family homes	126 condos	16 condos	120 single-family, 30 condos	60 condos
3 affordable	11 affordable	8 affordable	13 affordable	5 affordable	19 affordable units	8 affordable	32 affordable	4 affordable	38 affordable units	15 affordable
\$140,000s	\$140,000s	\$160,000	\$120,000s	\$140,000s	\$180,000	140,000s	\$113,000 for 1BR, \$132,000 for 2BR	\$135,000	\$160,000	\$180,000
Summer 2003	1st quarter 2003	2nd quarter 2003	February	Summer 2003	3rd quarter 2003	January	February	1st quarter 2003	2nd quarter 2003	1st quarter 2003
MCO & Associates, 508-278-0001	Delphic Associates, 508-864-4100	Delphic Associates, 508-864-4100	MCO & Associates, 508-776-0001	MCO & Associates, 508-776-0001	Delphic Associates, 508-864-4100	Land Use Associates, 508-746-7344	Stockard & Engler, 978-876-7344	Delphic Associates, 508-864-4100	Delphic Associates, 508-864-4100	Delphic Associates, 508-994-4100

Affordable-housing lotteries help buyers break into a pricey market

► **AFFORDABLE HOMES**

Continued from Page J1

in 1969 as a means to encourage construction of affordable housing by reducing zoning barriers. The law sets a goal of at least 10 percent of a community's housing being affordable for low- and moderate-income wage earners.

In communities that have not met the goal, developers can override local zoning rules, such as limits on density, if 25 percent of the units they propose to build will be affordable.

So far 27 of Massachusetts' 351 cities and towns have met the 10 percent goal. Most of them are large cities, such as Boston, Cambridge, Holyoke, New Bedford, and Worcester.

Still, Chapter 40B has been responsible for the construction of nearly 30,000 affordable units statewide, according to the DHCD. In most places, no one can tell the difference between the "affordable" and market-rate units, developers say.

The law has always been controversial, though. And the recent burst of applications for 40B developments, as the state experiences a housing crunch, has brought renewed opposition from suburban legislators. Opponents say 40B developments wreak havoc on cash-strapped cities and towns because the new residents

add children to school systems and burden already congested roads.

State Representative Frank Hynes, a Marshfield Democrat, has filed a bill that would gut 40B. He wants a moratorium on developments until the law is amended and would reduce the 10 percent goal to 8 percent.

Representative Harriett Stanley, a West Newbury Democrat, proposes creating two non-profit corporations that would oversee the 40B law, and calls for communities to create 10-year, 40B master plans. Her bill would not penalize communities that fail

to meet the 10 percent goal by 2013.

"This [40B] program is criminal," Stanley said. "It allows developers to walk into a community and say: 'You have less than 10 percent, so we're going use 40B, none of your zoning rules apply, and we'll have our way.'"

Other proposed changes would allow communities to stop 40B developments if they build three-quarters of a percent of affordable housing annually toward the 10 percent goal.

But Aaron Gornstein, executive director of the Citizens' Housing & Planning Association, a non-profit housing developer, said 40B opponents have fought even those modest goals. "Opponents won't

even support a half a percent annually toward the [affordable housing] goal," he said.

Grace Swierk, a principal of Housing Resource Group, a Lexington company that helps developers run the housing lotteries, said that while concerns about the impact of more housing are valid, local officials always negotiate a lower number of units.

"Every developer goes in with a dream number of units, but like any negotiation no one gets exactly what they want," Swierk said. "Chapter 40B allows teachers, firemen, and policemen who can't purchase a home in the \$300,000 to \$500,000 range to buy that same four-bedroom Colonial for \$150,000."

Proponents say that communities have had 33 years to meet the modest 10 percent goal. In Bolton, for example, less than 1 percent of the housing is affordable. But if five units a year had been built since the law took effect, the town would have passed the goal by now, housing advocates say.

A spokesman for Governor-elect Mitt Romney said he would allow communities who are on track to meet the 10 percent goal to reject 40B projects. "We would like to maintain the 10 percent goal," said Eric Fehrstrom. "But we support putting communities on a schedule to meet the 10 percent threshold."

Thomas Grillo can be reached at tgrillo@hotmail.com.

A burst of applications for 40B housing has brought renewed opposition from suburban legislators.