

CITY OF NEWTON

Developer Application for Affordable Community Housing Funds
 Community Development Block Grant Program, Newton Housing Rehabilitation Fund,
 Community Preservation Fund, HOME Program

I. Applicant/Developer Information	
Primary applicant: City of Newton	
Contact Person: Michael Duff – Housing Rehabilitation Program Manager	
Organization, if applicable: City of Newton Planning And Development Department	
Co-applicant, if applicable:	
Owner of project (if not developer/sponsor):	
Mailing address: Housing Office – 492 Waltham Street, W. Newton, Ma. 02465	
Daytime phone #: 617-796-1155	E-mail address: mduff@newtonma.gov
Fax #: 617-796-1157	
Developer (if different than applicant):	N/A
Mailing address:	
Daytime phone #:	E-mail address:
Fax #:	

II. Project Information	
Project address: Citywide Housing Program for income eligible first time homebuyers	
Assessor's parcel ID number: <i>(available from the Assessing Department's page of the City's website)</i>	N/A
Project name: Newton Homebuyer Assistance Program (NHAP)	
<p>Project description: The NHAP program provides funding assistance to low/moderate income homebuyer applicants. The program is ongoing and this request is to provide additional CPA funding to continue the program and make funding modifications to better serve the client population.</p> <p>Background: The existing NHAP program received CPA funding via a Board Order of the Newton Board of Alderman dated April 13, 2004. Total funding for the program was \$500,000. NHAP funding is provided for both persons with a connection to the City of Newton (NX Program), and for other first time homebuyer clients.</p> <p>CPA funding is used in conjunction with Newton's CDBG and HOME funds administered through the Housing Office with a total per case subsidy limit of \$95,000.00. Additional HOME funding is now available through the American Dream Down Payment Initiative (ADDI) which increases the subsidy to \$105,000.00.</p> <p>Project funding for NHAP is as follows:</p> <ul style="list-style-type: none"> • NX Program \$325,000 	

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• First Time Homebuyers Program (FTHP)	\$160,000
• Administration	\$15,000
• Total Project funding	\$500,000

Note: *Full program description is attached.*

Status of NHAP Program as of September 30, 2005

The NHAP went “on line” July 1, 2004 with the goal of creating 5 new affordable housing units in Newton, and a capacity to fund three to four NX and one to two FTHP cases each up to a \$90,000 limit. It was anticipated that all funding would be expended by Dec 30, 2006. At present \$270,000 total project funding has been expended to fund 3 total cases – see breakdown below.

NHAP Activity to date:

• Program	Cases Funded	Expended	Balance
• NX Program	2	\$180,000	\$145,000
• FTHP Program	1	\$90,000	\$70,000
• Admin	N/A	\$13,745.03	\$1254.97
• Total	3	\$ 283,745.03	\$216,254.97

There is presently one case in the pipeline with an ADDI expenditure of \$5000 completed and a NX expenditure of approx. \$40,000 being finalized now. Closing is scheduled for October 29, 2005. At that time we will be somewhat over half way through the program timeline (53%) and will have expended roughly two thirds of the program allocation.

Need for program allocation of additional funds:

CPA funds remain only sufficient to fund one NX case at the full subsidy and part (3/4) of one fully subsidized FTHP case. Since the program is ahead of schedule despite the rising cost of homeownership in Newton, the need to augment program resources is immediate. Additionally the HUD funding for the HOME and CDBG programs is shrinking annually, and the effects of Hurricane Katrina are yet to be seen in future HUD allocations. Since July 1, 2004, in addition to the three ownership opportunities created with CPA funds another two homebuyer units were subsidized using our federal HOME and CDBG allocations. We may not have this capacity in the future.

Per the CPC Public Meeting of Dec 8, 2003 it was understood that this funding allocation was a pilot program and, if successful, additional funding would be requested. We feel that the timing is appropriate to request additional funding.

Requested guideline/funding changes for the new funding

We are requesting an increase in per case funding limits for both NX and FTHP programs to \$100,000 total CPA funding. Using supplemental CDBG/HOME down payment/closing cost grants with a maximum of \$15,000 will provide total funding of \$115,000 per case. This is up

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from a total of \$95,000 under the current program. These increases in CPA/HOME funds will give us a stronger funding vehicle to offer in the current volatile housing market in Newton. While this is a substantial increase, our total subsidy is still below the \$125,000 limit being used in both the Cambridge and Brookline homebuyer programs. If a further increase to \$125,000 total subsidy (\$110,000 CPA limit) is found to be needed we would like the flexibility in this proposal to request that increase from the CPC.

Project funding request for NHAP is as follows:

- Total Project funding \$1,052,500
- NX Program \$700,000
- First Time Homebuyers Program \$300,000
- Administration \$52,500

The total request of \$1,052,500 will allow for significant new ownership opportunity in Newton – an absolute minimum of 10 new units but more likely approx. 14 units based on program assistance levels to date. The program would commence April 1, 2006 or upon fully funding the existing NHAP Program. Any left over funding from the existing program will be rolled into the new funding. All funding appropriated shall be expended no later than ????????????????

The total request includes admin. funding of \$ 52,500. To date admin. costs have averaged \$4600 per CPA homebuyer case funded. This is a higher average than we anticipate in going forward as it includes admin. for program set-up. Additionally one of the homebuyer cases was extraordinarily complex and required excessive staff time to accomplish. We anticipate an average admin. cost of approx \$3750. The requested funding allows for the processing of the 14 cases we estimate to fund.

Estimated total development cost:	\$	
Total amount of CPA funding requested:	\$ 1,052,500.00	
City funding source(s) (check <i>all</i> that apply and list the amount requested):		
<input type="checkbox"/> CDBG/Housing Development:	\$	Use:
<input type="checkbox"/> HOME/Housing Development:	\$ 150,000	Use: ADDI downpayment asst.
<input type="checkbox"/> CDBG/Newton Housing Rehabilitation Fund:	\$	Use:
<input type="checkbox"/> Community Preservation Fund:	\$ 1,052,500	Use: homebuyer buydown asst.

Type of CDBG-funded project (check <i>all</i> that apply):		
<input type="checkbox"/> Rehabilitation	<input type="checkbox"/> Acquisition	<input type="checkbox"/> New construction (site improvements only)
Type of CPA-funded project (check <i>all</i> that apply):		
<input type="checkbox"/> Creation	<input type="checkbox"/> Preservation	<input type="checkbox"/> Support

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Type of housing (check <i>all</i> that apply):	
<u>Homeownership:</u>	<u>Rental:</u>
<input type="checkbox"/> single family	<input type="checkbox"/> individual/family
<input type="checkbox"/> condominium(s)	<input type="checkbox"/> group residence, congregate
<input type="checkbox"/> cooperative (s)	<input type="checkbox"/> other
<input type="checkbox"/> other	<input type="checkbox"/>
Targeted population (check all that apply):	
<input type="checkbox"/> individual/family	
<input type="checkbox"/> special needs. Identify special need(s): _____	
<input type="checkbox"/> elderly	
<input type="checkbox"/> homeless/at risk of homelessness	
<input type="checkbox"/> other – identify population:	

Unit composition	# units	# units <= 30% AMI	# units <= 50% AMI	# units <= 80% AMI	# units between 80-100% AMI	Market rents(s)	Market sale price(s)
SRO							
1 BR							
2 BR							
3 BR							
4 BR/+							

III. Site Information			N/A
Lot size:	Zoning district:	Ward:	
Assessor's parcel ID number: <i>(available from the Assessing Department's page of the City's website)</i>			
Do you have site control e.g. Purchase and Sales Agreement, option to purchase, deed? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Note: Community Preservation Fund applicants are required to submit evidence of site control with the application.			

If applicable, please explain what zoning relief is required e.g a zoning variance, special permit, comprehensive permit is required and why. Please attach a copy of the Site Approval (Eligibility) letter from the appropriate agency if the project requires a comprehensive permit.

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<p>Please describe any anticipated environmental issues/concerns with the site. If the site contains known environmental hazards, provide a remediation plan.</p>

<p>Will the project temporarily or permanently require the displacement of or relocation of existing tenants? If yes, please describe any outreach efforts and/or notifications to residents to date.</p>

How old is the existing building, if applicable?	N/A
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Are there (or will there be) children under the age of seven living on the premises?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No

Is the property listed in the National Register of Historic Places, located in a local historic district, National Register Historic District or eligible for listing in the National Register?	
<input type="checkbox"/> Yes If yes, identify district:	<input type="checkbox"/> No

IV. Project Schedule	
Inform ward aldermen and immediate abutters of proposed plans:	
Pre-development (design, zoning, permitting):	
Acquisition:	
Rehabilitation/construction:	
Marketing/outreach:	
Identify expected date of project completion:	
Full occupancy:	
Other significant dates that need to be noted:	

V. Financing and Operating Budget	N/A
Development pro-forma and operating budget:	N/A

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1. Property appraisal and data from Newton Assessing Department: N/A

Letters of financial commitment, including commitments for housing subsidies (if applicable):
N/A

VI. Project Description

Please respond to the following and include supporting material as necessary.

1. **Goals: In conjunction with CDBG block grant funds and HOME funds, to continue to provide homeownership opportunity to up to fourteen (14) low/moderate income first time homebuyer clients.**

- **This is a request to provide supplemental CPA funding for an ongoing program.**

2. **Community need: This has been identified in the prior NHAP application.**

3. **Community support:** Describe the nature and level of community support for this project. Please attach support letters and any petitions.

This has been identified in the prior NHAP application

4. **Plans to cultivate community support:** Describe plans to cultivate/build neighborhood support. Provide a description of any meetings with Ward Aldermen, the neighborhood, etc. that have been scheduled or have already occurred. If there has not been any neighborhood contact, then provide a brief description of how neighborhood residents will be involved in plans for the proposed project.

This has been identified in the prior NHAP application

5. **Capacity:** Identify the members of the development team and describe their capacity to undertake the project. Identify the management entity if the project includes rental units. Describe how adherence to appropriate professional standards will be maintained.

This has been identified in the prior NHAP application

6. **Project outcomes:** Describe how the success of the project will be measured. Identify specific, achievable goals.

Success will be measured by the number of low/moderate first time homebuyer units created

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7. **Additional community benefits:** Describe how this project can be used to achieve additional community benefits.

**The primary benefits of the NHAP program are:
To foster economic and cultural diversity in Newton
To make homeownership a reality to low/moderate income families
To provide safe and sanitary housing for low/moderate income families**

8. **Combination Community Preservation projects:** If seeking Community Preservation Funds for a project combining community housing with any other Community Preservation goals (historic preservation, open space, recreation), describe the additional components.

N/A

VII. Phase II Application (to be completed prior to scheduling a public hearing for CPA funds and/or the Planning and Development Board)

1. For projects that include construction or rehabilitation, include the existing and proposed site plan, floor plans, elevations and any other drawings as necessary to illustrate the proposal.

N/A

2. Evidence that the project is in compliance with the zoning ordinance, Architectural Access Board Regulations, or any other applicable laws and/or regulations. If zoning relief is required, specify what relief is needed and when an application will be made to the City for zoning review.

N/A

3. Evidence that the appropriate City Boards and Commissions have approved the project. For example, proposed new uses on City Parks and Recreation land requires approval from the Parks and Recreation Commission.

N/A

4. Evidence that the proposed site is free of hazardous materials or that there is a plan for remediation in place.

Applicant signature and date: _____
I verify that all information stated in this application is true and accurate.

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DEVELOPER CHECKLIST

The following information must be submitted with a completed application, development and operating budgets and Section 1-4 of the “*One Stop Application*”. Applications for CDBG/HOME Program funds are submitted to the Newton Housing Office located at 492 Waltham Street in West Newton. Applications for CPA funding *only* are submitted to the Community Preservation Planner in the Planning and Development Office in the Newton City Hall.

Required for all housing projects:

- Completed One-Stop application (CPA funding requires: 12 bound copies, one unbound copy to reproduce and one electronic copy).
- Development pro forma and operating budgets or sections 1-4 of the State “*One Stop Application*.”
- Preliminary site plan locating existing buildings and parking.
- Letters of community support, if available.
- Site approval (eligibility) letter if project requires a comprehensive permit.
- Remediation plan if site contains known environmental hazards.
- Appraisal of the property (required for acquisition only). Applicants must provide an “as is” appraisal of the project building(s) that provides satisfactory evidence that the purchase price of the project building(s) does not exceed fair market value. In addition, all applicants for housing funds must summarize data from the Newton Assessing Department identifying the assessed value of the project building(s) and comparable properties in the neighborhood and/or City.
- Letters of financial commitment from other funding sources, if available.
- Commitment letter for housing subsidies or explanation when applicant will seek housing subsidies and from what source(s).
- Plan to cultivate community support.
- Proof of hazard insurance (required at closing).

Required for community housing projects requesting Community Preservation Funds:

- Evidence of site control.

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- Capital needs assessment if applicant is applying for funds to create community housing, unless the project is new construction or substantial rehabilitation.
- Description of project involving other Community Preservation goals (historic preservation, open space, recreation).

FUNDING TERMS

Community Preservation Funds:

- Deferred forgivable loans at 0% interest.
- Deed restriction in perpetuity (with DHCD approval) or to the maximum extent permitted by law prior to closing on funds.

Housing Development Funds:

- Deferred forgivable loans at 0% interest.
- Deed restriction in perpetuity (with DHCD approval) or to the maximum extent permitted by law prior to closing on funds.

Newton Housing Rehabilitation Funds:

- Direct loans at 3% compound interest amortized up to 30 years and limited to funding construction.
- Grants limited to lead paint, asbestos, and other hazard remediation and removal of architectural barriers for the disabled.

Please note: For informational purposes only. Terms subject to change.