

City of Newton



David B. Cohen  
Mayor

# Newton, Massachusetts Fy09 COMMUNITY PRESERVATION PROPOSAL

*Submit by 4 pm, 5 December 2008 to:*

Alice E. Ingerson, Community Preservation Program Manager  
Newton Planning and Development Department  
1000 Commonwealth Ave., Newton, MA 02459  
[aingerson@newtonma.gov](mailto:aingerson@newtonma.gov) 617.796.1144



*Proposals must follow the current Community Preservation Handbook, available upon request and online at [www.ci.newton.ma.gov/cpa](http://www.ci.newton.ma.gov/cpa). You may adjust the space for each question, but use NO MORE THAN 1 PAGE to answer all questions on this page.*

<b>Project CONTACTS</b>	<i>Name &amp; title / affiliation, mailing address, email, daytime phone, &amp; any other way we should contact you (fax, mobile phone, ...) Please star (*) name of the project manager, who will track budget &amp; submit updates. Use additional sheets if you have more than 2 project contacts.</i>				
* <b>Julia Harmatz McAneny</b> City of Newton Housing Office, Newton Planning & Development Dept. <a href="mailto:jmcaneny@newtonma.gov">jmcaneny@newtonma.gov</a> 617-796-1150					
<b>Project TITLE</b>	<b><i>Newton Homebuyer Program</i></b>				
<b>Project LOCATION</b>	<i>Scattered Sites within Newton boundaries.</i>				
<b>Funding Categories</b>	<i>Check all that apply.</i>	<input checked="" type="checkbox"/> <b>COMMUNITY HOUSING</b>	<input type="checkbox"/> <b>HISTORIC RESOURCES</b>	<input type="checkbox"/> <b>OPEN SPACE</b>	<input type="checkbox"/> <b>RECREATION</b>
<b>Project BUDGET</b>	<i>Identify major cost categories, total CP funds requested, and total project cost.</i>				
	<i>Total CP Funds Requested</i>	<i>Proposed Cases (max)</i>	<i>Maximum Subsidy per Unit</i>		
	\$966,000.00 (incl. \$46,000 for administration)	8	\$115,000.00/unit		
<b>Project SUMMARY</b>	<i>This description will be used in public announcements, websites, press releases, etc. In a MAXIMUM of 350 words, please explain what the project will accomplish &amp; how it will benefit the community as a whole.</i>				
<p>The City of Newton offers an excellent homebuyer assistance program to income eligible buyers. This program has successfully helped individuals, people with disabilities, and families achieve homeownership.</p> <p>In the past, the program was funded by three sources: Community Development Block Grant funds, (CDBG), Home Investment Partnerships Program (HOME), and local Community Preservation Act (CPA) funds. However, starting FY09, there won't be any HOME/CDBG funds available for the Homebuyer Program, which is why securing CPA funds is so important. The programs offer several benefits to eligible applicants:</p> <ul style="list-style-type: none"> <li>Select the home of your choice in Newton.</li> <li>Enjoy the benefit of the mortgage interest deduction on your taxes.</li> <li>Receive UP TO \$115,000.00 to buy down the cost of the property.</li> <li>For qualified applicants, partner with the Mass Housing Partnership Soft Second Loan Program (<a href="http://www.mhp.net">www.mhp.net</a>) to further increase affordability and plus a discounted 30 year fixed interest rate mortgage (i.e. 6.1%).</li> </ul> <p>Applicants must also be either a first time homebuyer (or a displaced homemaker), or have a connection to Newton such as work in Newton, live in Newton or have a child in a school in Newton (K-12, public or private).</p> <p>Funds are allocated on a first-come, first-served basis to eligible applicants (provided funds are available) who have completed the application process and provided a signed Offer to Purchase Real Estate. Successful applicants are required to execute a declaration of affordable housing covenants that is recorded at the Registry of Deeds. The declaration ensures that the property remains affordable upon resale by limiting the amount of equity and appreciation the owner may earn.</p> <p>The CPC has approved a total of \$708, 250.00 in 2004 and 2006 for this Program in the past. To date, the Program has a balance of \$69,270.73.</p> <p>There is one case slated to close at the end of June which will utilize the balance of the CPA funds, plus the City's allocation of HOME and CDBG earmarked for the FTHP funds, leaving a zero balance.</p>					

1. HOW WILL CP FUNDS BE USED?	Check all that apply.	COMMUNITY HOUSING	HISTORIC RESOURCES	OPEN SPACE	RECREATION
	acquire	X			
create	X		NOT ALLOWABLE		
allowable IF resource was acquired or created with CP funds	preserve	X			
	support	X	NOT ALLOWABLE	NOT ALLOWABLE	NOT ALLOWABLE
	rehabilitate/restore				

**2. NEEDS & PRIORITIES:** How does this project address needs & priorities identified in existing citywide plans, starting with the *Community Preservation Plan*? Other examples: *Comprehensive Plan, Open Space Plan, Parks & Recreation Needs Assessment, Consolidated Plan for Housing & Community Development, etc.*

**Active Homebuyers with Preapproval** Currently, there are 12 active homebuyer cases, of which 3 are actively seeking homes. For income eligible buyers the selection of affordable homes is minimal. Homebuyers must act quickly to secure homes that are priced to sell.

**High Price of Housing: Source City Assessor**

Median Sale Price Calendar Year 2007

Single Family: \$767,500                      Condominium: \$450,000

The average income of the active homebuyers is less than \$59,550.00. With the maximum subsidy, and 3% out of pocket downpayment, a household can only afford a purchase price of approximately \$285,000.00.

**Reasonable Cost of Affordable Housing** Funding assistance is calculated up to a maximum of \$115,000.00, based on a 33% front end ratio (no more than 33% of gross income towards principal, interest, taxes, and insurance, plus condo fees if applicable). This subsidy remains less than the \$125,000.00 used in both the Cambridge and Brookline homebuyer programs.

The cost of \$115,000.00 to secure a unit that will remain affordable in perpetuity is very reasonable compared to the cost of securing units through inclusionary zoning or 40B projects, which can equal approximately \$340,000.00/unit.

The total request of [\$966,000.00] will allow for significant new ownership opportunities in Newton: a minimum of 8 new units funded at the maximum subsidy. As soon as an eligible buyer secures a home with an accepted Offer to Purchase, the funds will be allocated.

The total request includes administrative funding of [\$46,000.00].

**Need: Need for Affordable Housing and Need for Diversity of Population by Income of Newton Residents;** see

- ◆ CITY OF NEWTON CONSOLIDATED PLAN Five Year Plan for Housing and Community Development, July 1, 2005—June 30, 2010, Pages 98-115.
- ◆ 2008 *Comprehensive Plan* Adopted by the Newton Board of Aldermen, November 19, 2007, Pages 95-120

**3. FUNDING LEVERAGE:** What additional funding sources are committed or under consideration? Attach commitment letters, if available, and describe any other attempts to secure funding for this project.

To date, the Newton Homebuyer Programs have leveraged federal HOME, CDBG, local CPA, personal and private mortgage funds to buy over \$6 million dollars in properties for eligible households. Federal funds, including American Dream Downpayment assistance, will be maximized, as well as the Mass Housing Partnership Soft Second Loan Program, to stretch affordability and assist as many qualified applicants as possible.

**4. PROJECT EVALUATION & FOLLOWUP:** How will the project's impact be documented & evaluated? How will assets (buildings, landscapes ...) that are created or preserved be cared for after the project is finished?

Documentation: A report of successful homebuyers will be provided with a breakdown of federal funds, CPA funds, and personal funds.

Preservation: The properties will be subject to a deed restriction. An application to DHCD will be presented for approval to ensure that the properties are affordable in perpetuity, and included on the subsidized housing inventory.

**5. COMMUNITY SUPPORT:** We welcome letters of support (attach separately), but please list **contact information here for 3-4 people** who can help us assess community support for the project and the project managers' qualifications. At least 2 of these contacts should be based outside the project's immediate neighborhood; none should be the same people listed as project contacts on p. 1.

Please see letters of support from two households who are actively seeking properties, and one household who is slated to close on a condominium in Newtonville in June.

**Project MILESTONES** If this project is funded, what critical milestones should we use to track its progress? Please do NOT list more than 8 milestones! If & when your project is funded, CP staff will work with you to add missing steps or participants.

Milestone	Assistance required	Start date	Completion date	Cost
<i>BIG steps, SHORT descriptions!</i>	<i>Other organizations or City depts. &amp; what they must do to complete this step (raise funds, issue permits, etc.).</i>	<i>year &amp; season</i>	<i>year &amp; season</i>	<i>estimate</i>
1. Provide homebuyer assistance to six cases		7/1/08	6/30/09	\$724,500
2. Submit application for additional funding (if caseload warrants) for following year.		5/1/09	9/30/09	
3. Make 2 additional homebuyer assistance loans		7/1/09	12/31/09	\$241,500
4				
5				
6				
7				

**LETTERS OF SUPPORT  
for May 2008 Community Preservation Funding Proposal**

**NEWTON HOMEBUYER ASSISTANCE PROGRAM**

Newton, May 13,2008

To Community Preservation Committee,

My son and I have been living in Newton since 2002, we are so happy and very enjoying living in Newton

Back to 2002 when our family was living in Newyork. I was looking for a town where my son can have a good school, and a saved place so my son can grew up in the good environment.

Thanks to one of my friends told us about Newton city in Ma, so I decided to move here.

I ever think I can afford buying a house in Newton with my income but one day, when I heard about the Newton First Home Buyer Program I did not believe it!!! Now, after processing my application I believe and am so happy to realize my dream: Buying a house in Newton!!!

This program is really great that allows people using the money from this program for the down payment, one of the most difficult step to buy home for people with low income.

I please the city of Newton to continue the First Home Buyer Program that will have enough funds for people like me realize their dream in the greate place like Newton City

Emily

May 11, 2008

Dear Community Preservation Committee,

My husband, Justice, and I are writing this letter with the intention that all will go well with our closing on a condo in Newtonville at the end of June. But, being people of tremendous faith, we both find it perfectly appropriate that we thank you for this grand opportunity at the same time that we nervously and excitedly anticipate this date. We are aware of the intentions that led to the release of these funds, and we are so pleased and amazed that we discovered your organization at a time that is so pivotal in both of our lives. There is a saying that my youth leader told me as a young person which says, "If you will take care of God's business, God will take care of you." And, the purchase of this home is just one of many instances in which we have found this saying to be most completely true.

Both Justice and I come from working to middle class families, and while we both attended top tier colleges – he, Babson, and me, Wellesley – we have both chosen careers that prioritize humanitarian and social justice issues. After being a teacher for five years in private schools, I chose to begin the journey of attending a theology school to study women's health, spirituality, and the writing process. Justice, on the other hand, worked as a tour guide and logistics director in Ghana, West Africa for five years prior to his company encouraging him to come to the states to attend college. Having finished his program this spring, he is now pursuing opportunities to work in the field of educational administration and advising. At the same time, I am beginning the process of applying to doctoral programs in gender and feminist studies. Needless to say, these dual educational and career endeavors have unified us over the past three years of our marriage. And, despite the grating questions in the backs of our minds that made us wonder when we would ever see the end of tunnel long enough to buy a home and have a child, we plowed ahead with both of us working full to part time depending on our schedules, and designing a very untraditional marriage/ study partnership.

So, you can imagine our surprise and happiness -- and that of our parents-- when we came to the point when we realized that we might be able to purchase a home in Newton, of all places. Given that we had moved to the campus of Andover Newton in order to find an affordable way to both be in school, we had always thought our time in Newton would be a temporary luxury. Furthermore, given my interests in all things mystical, my college major in anthropology, and our joint love of travel, we were more than ambivalent about purchasing a home whose upkeep and mortgage would prevent us from developing other aspects of ourselves. In making this purchase, we see ourselves as finally embarking on the process of making some of those necessary adult commitments while leaving room for ourselves to continue to make a difference in the world that is not defined solely through money and acquisitions. At this point, we look forward to growing and learning more about Newton as we internalize the idea of this place as our home and not simply the location of our educational retreat. Ultimately, we are very grateful for this opportunity, and very excited to begin this new leg of our journey. Thank you, once again, for making all of this possible.

Best,  
Justice and Waetie Kumahia

May 15, 2008

To the Community Preservation Committee:

I am writing in support of the Newton Homebuyer Program. My family has qualified for the program and is currently looking for a home in Newton.

My husband and I are originally from New York, but fell in love with the Boston area when we attended college here. Since college graduation twelve years ago, we have lived in Connecticut, Boston, Texas, and New York. When the opportunity came to move back to the Boston area for my husband's job, we were thrilled--we intend to settle and stay here.

Newton is our first and only choice of where we would like to buy a home. We spend most of our time here: Our five-year-old daughter goes to preschool in Newton and will continue elementary school in Newton in the Fall; we do most of our shopping in Newton; most of our friends are in Newton; and we enjoy its many lively neighborhoods. We feel safe and happy here and fit in well with the community. A major draw for us is the proximity to the T. My husband does not drive, and as a family, we are trying to have a lifestyle of primarily using public transportation to get around.

Although both my husband and I have doctorates, we have chosen professions more of service than of great financial gain--without the Newton Homebuyer Program, it would not be possible for us to join the community. With great excitement and satisfaction we look forward to purchasing a home in Newton and becoming members of the wonderful Newton community.

Thank you so much for this program.

Sincerely,  
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