

City of Newton



Setti D. Warren
Mayor

**Newton, Massachusetts Community Preservation Program
FUNDING REQUEST**

PRE-PROPOSAL

PROPOSAL

Last updated December 2014.

Please submit this completed file directly – do not convert to PDF or other formats.

For full instructions, see www.newtonma.gov/cpa or contact us:

Community Preservation Program Manager,
City of Newton Planning & Development Department, 1000 Commonwealth Ave., Newton, MA 02459
aingerson@newtonma.gov 617.796.1144

(For staff use)
date rec'd:
9 pm, 23
January 2015

You may adjust the space for each question, but the combined answers to all questions on this page must fit on this page.

Project TITLE	Newton Homebuyer Assistance Program (citywide)			
Project CONTACTS	Name & title or organization	Email	Phone	Mailing address
Project Manager	Eve Tapper, Associate Director of Planning and Development Department	etapper@newtonma.gov	617-796-1139	Newton Planning Dept.
Other Contacts	Robert Muollo Jr. ,Interim Housing Programs Mgr.	rmuollo@newtonma.gov	617-796-1146	Newton Planning Dept.
Project FUNDING	A. New CPA funds requested: \$992,000	B. CPA funds remaining from prior appropriations: \$533,000	C. Total project cost (A+B): \$1,525,000	
Project SUMMARY	Summarize the project's main tasks, components or features. You may provide more information in attachments, but your SUMMARY MUST FIT IN THE SPACE BELOW.			
<p>The City of Newton's Homebuyer Assistance Program currently helps qualified households at or below 80 percent of area median income to buy a home in Newton by providing up to \$150,000 in down-payment assistance. Assistance is based on household size and the participant's income and assets, cost of the property, and mortgage amount and terms. Each assisted homebuyer agrees to a deed restriction that keeps the unit's resale price affordable at the same income level, in perpetuity. Funds are now allocated by lottery, and all units are pre-approved for the state's Subsidized Housing Inventory.</p> <p>In 2013, the CPC and Board of Aldermen approved the current subsidy limits and other program changes, along with \$475,000 in new funding. Three households were chosen by lottery in August 2014. Unfortunately, over the past six months none of these households has been able to find a unit which is affordable to them, even with a subsidy.</p> <p>The current program guidelines were designed in fall 2012, based on the \$399,000 median sales price for a two-bedroom condominium in Newton in 2011. By the end of 2014 this price had risen by 20% to \$480,000. During the same period, the income of a household at 80% of area median income in greater Boston increased by less than 5%. While almost half of the two- and three-bedroom condos that sold in 2014 cost \$450,000 or less, to afford one of these units, a program participant would need a subsidy of up to \$250,000. Therefore, staff recommends that the maximum subsidy for a three-bedroom unit be set at this figure. A comparable limit will be determined for two-bedroom units when the full proposal is submitted. This funding request will bring the total amount of available funds for the program to just over \$1.5 million, which will allow us to assist up to six households.</p> <p>Finally, staff is requesting that the CPC consider a full proposal for these program changes and additional funding off-cycle due to the volatile housing market so that housing prices will not once again outrun the program's maximum subsidies. We further propose that the maximum subsidies be allowed to rise up to 20% in line with increases in housing prices. This may mean, however, that we will assist fewer than six households. If the market rises more than 20%, staff would return to the CPC and the Board of Aldermen for further review of the per unit subsidy limit.</p> <p>These changes would allow the program to continue its successful 14-year history of helping moderate-income households in Newton find an affordable home and growing the City's supply of permanently affordable properties, at a cost per unit that is extremely competitive with Newton's other available options for achieving these goals.</p>				

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Project TITLE Newton Homebuyer Assistance Program						
USE of CPA FUNDS		HISTORIC RESOURCES	OPEN SPACE	or	RECREATION LAND	COMMUNITY HOUSING
Check all That applies.	acquire					
	create	not allowed				✓
	preserve					
	rehabilitate/restore		Consult staff.			
COMMUNITY NEEDS	Provide a brief quote and citation (plan title, year, page number) showing how this project meets needs already recognized in at least 2 community-wide plans with links under Guidelines & Forms on www.newtonma.gov/cpa . You may also list other community benefits not mentioned in any plan.					
<p>This program will reach a diverse applicant pool consistent with the goals stated in the <i>City of Newton's Consolidated Plan Five Year Plan for Housing and Community Development</i>, p. 123," Supporting and expanding the socio-economic, cultural and racial diversity in Newton".</p> <p>As well as Priority need #2: "Create homeownership opportunities for low-, moderate-, and middle-income residents," as stated in p. 6 of the <i>2008 Comprehensive Plan</i>.</p>						
COMMUNITY CONTACTS	List 3 Newton residents or organizations willing and able to comment on the project and its manager's qualifications. No more than 1 should be a supervisor, employee or current work colleague of the project manager or sponsor. Consult staff on the community contacts required for your specific proposal.					
Name & title or organization		Email		Phone	Mailing address	
Maryann O'Connor					101 Hawthorn Street, Newton, Ma	
Patrick Jordan-Querns					73 Walnut Street, #9 Newton, Ma	
Leanne Chaves					75 Norwood Ave B Newton, Ma 02459	
NON-CPA FUNDING	Source of Funds			Amount	Status of Funding (requested, expected, confirmed)	

You may adjust the space for each question, but the combined answers to all questions on this page must fit on this page.
Full proposals must include separate, detailed budgets in addition to this page.

Project TITLE	Newton Homebuyer Assistance Program	
SUMMARY CAPITAL/DEVELOPMENT BUDGET		
Uses of Funds		
Administrative Costs - total		\$44,750
Grants to Homebuyers – total, based on:		\$1,480,250
D. TOTAL USES (should equal C. on page 1.) \$1,525,000		
Sources of Funds		
CPA – remaining funds from prior appropriations		\$533,000
CPA – new funds requested		\$992,000
E. TOTAL SOURCES (should equal D. above)		\$1,525,000
Project TIMELINE	Phase or Task	Season & Year
	Submission of full proposal	March 2015
	CPC public hearing & approval	April 2015
	Board of Aldermen appropriation	June 2015
	Revise Program Guidelines	July 2015
	Submit revised Guidelines to State	July 2015
	Advertise new lottery	August 2015
	Hold Lottery and Select New applicants	September 2015
	Homebuyers look for properties	October 2015-February 2016
	Properties inspected and approved	December 2015-April 2016
	Homebuyer Financing commitment finalized	January-May 2016
	State reviews Loan Documents and Closing	February-June 2016

Attachments below are required with the full proposal.

Project TITLE	Newton Homebuyer Assistance Program	
↓ Check off submitted attachments here.		
Full proposals: detailed budget attachments REQUIRED.	PROJECT FINANCES printed and as computer spreadsheets, with both uses & sources of funds	
	<p>development pro forma/capital budget: include total cost, hard vs. soft costs and contingencies, and project management – amount and cost of time from contractors or staff (in-kind contributions by existing staff must also be costed)</p> <p>operating/maintenance budget, projected separately for each of the next 10 years (CPA funds may not be used for operations or maintenance)</p>	
REQUIRED for all full proposals.	SPONSOR FINANCES & QUALIFICATIONS	
	<p>for sponsoring department or organization, most recent annual operating budget (revenue & expenses) & financial statement (assets & liabilities); each must include both public (City) and private resources (“friends” organizations, fundraising, etc.)</p> <p>for project manager: relevant training & track record of managing similar projects</p>	
OPTIONAL for all proposals.	LETTERS of SUPPORT	from Newton residents, organizations, or businesses
REQUIRED for all proposals involving City govt., incl. land acquisition.	CAPITAL IMPROVEMENT PLAN	current listing/ranking & risk factors for this project
	COVER LETTER	from head of City department, board or commission confirming: current custody, or willingness to accept custody, of the resource and commitment of staff time for project management
REQUIRED.	SITE CONTROL, VALUE & DEED RESTRICTIONS	
	<p>Planning Dept. commitment to a permanent deed restriction for affordability on each subsidized unit.</p>	