

City of Newton



David B. Cohen  
Mayor

# City of Newton, Massachusetts Community Preservation Committee



**MEMORANDUM**  
REVISED 4/19/05

TO: Honorable Board of Aldermen  
FROM: Community Preservation Committee  
DATE: 15 December 2004, REVISED 19 April 2005  
RE: **CPC Recommendation for CPC Funding**

**PROJECT TITLE:** Wyman Street Affordable Housing  
**CPA PROJECT ID:** CPA-FY05-16  
**CPA CATEGORY:** Community Housing

### PROJECT DESCRIPTION

The applicant, Newton Housing Authority, is requesting \$1,000,000 of CPA funds to be used to create ten units of affordable housing in Waban at 52-54 Wyman Street. The Housing Authority has a purchase and sale agreement to purchase an existing ten-unit apartment building that was built in the 1950s. The Housing Authority would use the property as rental housing affordable to households with incomes below 30% AMI. The CPA funding is requested in order to pay down a portion of the conventional mortgage used to finance the purchase of the building.

### FINDINGS/PROJECT EVALUATION

#### Community Preservation Act (MGL c.44B)

#### Community Housing

MGL c.44B defines **community housing** as “low and moderate income housing for individuals and families . . .” This project, which would provide rental units for individuals at or below 30% of the area median income, complies with this definition of community housing.

The project complies with §5(b)(2), which allows the CPA to fund the **creation** of community housing. This project would covert ten market rate units to affordable housing units that are bound through a permanent deed restriction.

#### Newton Community Preservation Plan

#### Overarching Goals

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.	No
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.	Yes, see below

Additional comments on selected goals:

Goal 3: Projects received during the October funding round included a high CPA cost of \$1,000,000 and a low CPA cost of \$19,250. The CPA cost for this project is \$1,000,000. The relative benefit for this project is creating 10 units that are affordable to low-income households.

In terms of CPA cost per affordable/community housing unit, this project, at \$100K per unit, demonstrates a fairly high cost/benefit value relative to the other affordable/community housing proposals. The following table represents the CPA costs per affordable/community housing unit for both funded and recommended CPA projects (note: dollar amounts have been rounded, where appropriate):

<i>Project Name</i>	<i>Fiscal Year</i>	<i>Total CPA Funds (for housing portion only)</i>	<i># of aff./ comm. housing units</i>	<i>CPA Cost per Unit</i>
248 Elliot Street/Linden Green	05	\$512,000	3	\$171,000
Falmouth/Jackson	05	\$550,000	4	\$138,000
19 West Street	04	\$263,000	2	\$132,000
Forte Property/76 Webster Park	04	\$377,000	3	\$126,000
<b>Wyman Street</b>	<b>05</b>	<b>\$1,000,000</b>	<b>10</b>	<b>\$100,000</b>
Cambria Road	03	\$200,000	2	\$100,000
Pelham House	04	\$312,000	10	\$31,000
Nonantum Village Place	03	\$850,000	34	\$25,000

Goal 4: This project proposes to leverage CPA funds to a high degree as compared to other projects. The table below shows how this project compares to the other FY05 CPA requests in terms of leveraging funds.

<i>Total project cost</i>	<i>CPA funds requested</i>	<i>Leveraging (CPA as % of total project cost)</i>	<i>Ranking (as compared to other FY05 projects)</i>	<i>Average for all FY05 projects</i>
\$3,555,000 (for acquisition only)	\$1,000,000	28.1%	2	85.7%

This project has three other funding sources: Newton Housing Rehab Fund (NHRF), and Village Bank Mortgage, 10% Inclusionary Zoning Funds.

Goal 8: At the 10 November 2004 Public Hearing held by the CPC, citizens and organizations were supportive of this project. No objections were expressed.

Goal 9: The FY05 applications include funding requests for projects in Nonantum, Newton Corner, West Newton, Newtonville, Newton Upper Falls, Newton Center, Newton Highlands, Waban as well as city-wide projects. This would be the first CPA project located in Waban.

Community Housing Goals

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
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.	Yes
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 Wyman Street in Waban and is an existing ten-unit apartment building which is compatible with the physical character of this neighborhood and is located near the commercial center of Waban and the MBTA Green Line station.

Goal 2: The creation of ten units affordable to low-income households that in located in a commercial center and within walking distance to public transit is a general goal supported by *A Framework for Newton Planning*. This project would reinforce general goals related to smart growth planning.

Goal 9: While the affordable housing units created at Wyman Street will not specifically target City employees or other service providers, employees may nevertheless qualify as eligible for the units that will be created here.

**Comparative Analysis**

At the public hearings, each project was ranked by the Community Preservation Committee members according to four criteria: responsiveness to the Overarching Goals; readiness to proceed; issues of time sensitivity; and priority with respect to other proposed projects. The table below represents a summary of the ranking for this project (1=low; 10=high):

<i>Responsiveness</i>	<i>Readiness</i>	<i>Time Sensitivity</i>	<i>Priority</i>	<i>Overall Average</i>	<i>Average for all FY05 projects</i>
9.6	9.8	9.6	9.7	9.7	5.9

The overall average of 9.7 for this project ranked 1<sup>st</sup> out of 21 proposed projects.

**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 voted unanimously to recommend funding this application to support the creation of ten community housing units at 52-54 Wyman Street by appropriating and transferring the requested \$1,000,000 to be expended under the direction and control of the Director of Planning and Development for purposes of funding a deferred forgivable loan<sup>1</sup> for the Wyman Street Project as detailed in the application (dated 12 October 2004), subject to the following conditions:

1. To the extent that State or Federal rental subsidy programs such as Section 8 vouchers are available to prospective residents in the project 52-54 Wyman Street, all units in the project shall be affordable to households with incomes at or below 50% of the area median income provided, however, subject to the review of the Director of Planning and Development, if State or Federal rental subsidies such as Section 8 subsidies are not generally available, or require higher income limits for eligibility, then the units in the project shall be affordable to households with incomes at or below 80% of the area median income. The project shall be bound by a permanent restrictive covenant reflecting such income limitations in perpetuity.
2. Any portion of the grant not used for the purposes stated herein shall be returned to the Newton Community Preservation Fund.

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<sup>1</sup> The standard funding for the CPA funded community housing projects is in the form of a deferred forgivable loan with 0% interest that is only repayable if the terms of the deed restriction are violated.