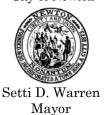
## City of Newton



## Newton, Massachusetts Community Preservation Program Fy12-13 FUNDING REQUEST

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X	PROGRAM PRE-PROPOSAL	PROPOSAI

date rec'd:
4 April
SAL
2012

(For staff use)

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

Community Preservation Program Manager, Newton
Planning and Development Department, 1000 Commonwealth Ave., Newton, MA 02459
<a href="maingerson@newtonma.gov">aingerson@newtonma.gov</a> 617.796.1144

You may adjust the space for each question, but do not use more than 1 page to answer all questions on this page.

Program CONTACTS  Name, title, mailing address, email, phone, fax, & website if there is one.						
MANAGER - will be responsible for budgets, deadlines & reports Trisha Kenyon Guditz, Housing Programs Manager Newton Planning and Development Department 617-796-1156 tguditz@newtonma.gov			OTHER CONTACT Robert A. Muollo, Jr., Housing Planner Newton Planning and Development Department 617-796-1146 rmuollo@newtonma,gov			
Program TITLE	Newton Affordable Housing Trust Pilot Program					
Program LOCATION	Full street address (with zip code) or other precise location.  Citywide applicability					
Program BUDGET	CP FUNDS TO BE REQUESTED: \$1.5 million	\$63, Reflects cur payments fr requiremen	## TOTAL PROJECT COST:  ## Specific Cost			
Program SUMMARY	Explain project goals & why funds are needed. For multi-project "programs," describe how individual projects were chosen & prioritized.  The Planning and Development Department, with the support of the Newton Housing Partnership (NHP), is requesting \$1.5 million in community housing funds to seed a two-year Affordable Housing Trust Pilot Program that will be administered by a board of trustees, whose members are appointed by the Mayor, and managed on a day-to-day basis by department housing staff. The initial seed funds will be augmented by, among other sources, all inclusionary zoning cash payments for which there is currently a \$63,600 balance.  For the past several years, a NHP sub-committee has discussed the most efficient and cost-effective way to provide the public financial subsidies which are instrumental to developing affordable rental and ownership housing in Newton. (In this context, public subsidy sources include the City's federal Community Development Block Grant and HOME Program monies and Community Preservation					

City's principal stakeholders to evaluate a proposed project concurrently.

Newton has the authority to establish a housing trust under the Municipal Affordable Housing Trust Fund Law, MGL c.44, s. 55C, which enables municipalities to establish affordable housing trusts to support the "creation and preservation of affordable housing ...for the benefit of low-and moderate-income households." Eligible uses of trust funds can include, among other activities, acquisition, rehabilitation, new construction, preservation and pre-development costs.

Establishing an affordable housing trust in Newton requires a majority of the Board of Aldermen (BOA) to vote to accept the provisions of the enabling legislation. In the same or a subsequent action, the BOA must specify how many members will constitute the board of trustees required under the statute, and what the initial length of the board of trustees' terms will be. In addition, the BOA may also specify the make-up of the board of trustees; and omit, modify, or add to the powers authorized by the statute. Following the BOA vote(s), individuals are appointed to the board of trustees by the Mayor, subject to confirmation by the BOA.

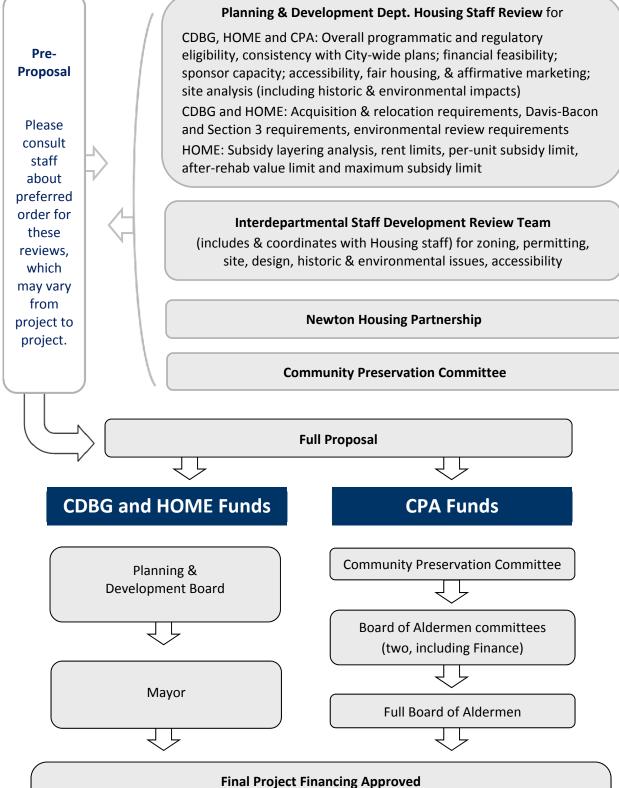
The board of trustees must include at least five members including the chief executive officer or designee. Each trustee serves for a term not to exceed two years with the exception of the chief executive officer. In considering the number of members and composition of the board of trustees, the NHP proposes a seven-member model with the board of trustees advising the Mayor on membership composition. Considerations for membership include individuals with experience in housing development, planning, architecture, real estate and finance/lending. This pre-proposal is based on the premise that the board of trustees will include representatives of the CPC and BOA and possibly the Planning and Development Board.

The CPC may want to consider the following two scenarios in deliberating the merits of an affordable housing trust pilot program:

- (1) Seed a trust with \$1.5 million of the existing CPA fund balance, plus whatever proportion of new annual CPA funds that the CPC chooses to designate for community housing over the next 24 months; or
- (2) Seed a trust with some of the existing CPA fund balance and new annual funds, but designate other funds from both sources for housing projects that go through the current CPA funding process. In creating an affordable housing trust, the CPC and the BOA will have the ability to determine what types of projects—based on total cost, number of units or other characteristics—are eligible for trust funds, and to consider other housing projects through the current CPA funding process.

The creation of an affordable housing trust supports the affordable housing goals and objectives in both the *Newton Comprehensive Plan*, adopted by the Board of Aldermen in 2007, and the *FY11-15 Consolidated Plan*, which was reviewed by the Planning and Development Board with final approval by the Mayor. (The *Consolidated Plan* is submitted to the U.S. Department of Housing and Urban Development by the City and is a mandatory requirement for securing federal HOME, CDBG and Emergency Solutions Grant funds.)

## **Newton, Massachusetts REVIEW & APPROVAL of CDBG, HOME and/or CPA FUNDING** for AFFORDABLE HOUSING DEVELOPMENT



Funds disbursed on a reimbursement basis, subject to: required permits, deed restrictions & City monitoring to ensure future affordability; grant or funding agreements with the City; regulatory agreement with Massachusetts Dept. of Housing & Community Development.