Newton Affordable Homeownership
Final Report

Presentation to CPC, June 9

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Newton Affordable Homeownership
Program Review

The project included the following scope:

- Portfolio Inventory and Assessment
  - Create inventory, Categorize units based on deed restrictions
- Resale Process
  - Calculate resale price, and Document resale process
- Evaluate Portfolio Monitored by Newton
  - Identify buy-downs necessary to maintain affordability

Note: This is a point in time analysis, and will change over time

Newton Affordable Homeownership

Inventory: 79 Restricted Units, 62 Monitored by Newton

Universal Deed Rider

- 50 Units, in total, 33 monitored by Newton
- Standard Form
- Perpetually Affordable Methodology

Change in AMI method

- All 16 units monitored by Newton
- Newton Homebuyer Assistance Program
- Issues with Continued affordability

Other Restrictions

- All monitored by Newton
- 5 Discount Rate
- 8 Base Price

Note: LIP Units monitored by both DHCD and Newton

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Resale Process

- Receive Conveyance Notice from Owner

- Determine Monitoring Agent

  - *Newton is responsible for 62 Units (35 in conjunction with DHCD)*

- Calculate Resale Price – based on methodology from Deed Restriction

- Implement Marketing Plan

- Close with New Homeowner – Restriction

  - *Utilize Universal Deed Rider for all resales*

Newton Affordable Homeownership
Maintaining Affordability

- 16 Units Utilize the Change in AMI Deed Restrictions

  - Does not restrict resale price to maintain affordability

  - 8 Units were identified that would require Buy Down funds to maintain affordability, based on current resale price

  - Buy Down requirement between $236,000 - $726,707

    - Include Capital Improvement Allowance

    - Set resale price for affordability at 70% or 80% AMI

Planning Ahead
Options for City

- Procure Monitoring/Lottery/Resale Agent services

  - Contract ahead for consulting services for both lottery/resale agent and to proactively monitor units

- Vote Buy Down funds to preserve affordability

  - Resale timeline does not allow for extended decision making

- Anything else?