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Barney S. Heath
Director

MEMORANDUM

DATE: April 9, 2021

TO: Councilor Crossley, Chair, Zoning and Planning
Members of the Zoning and Planning Committee

FROM: Barney S. Heath, Director of Planning and Development
Amanda Berman, Director of Housing & Community Development

RE: **#106-21 Request authorization, pursuant to the 2020 Revised Citizen Participation Plan** HER HONOR THE MAYOR requesting City Council authorization, pursuant to the 2020 Revised Citizen Participation Plan, to submit the FY22 Annual Action Plan to the US Department of Housing and Urban Development (HUD) for the City of Newton Community Development Block Grant (CDBG) and Emergency Solution Grant (ESG) funds and the WestMetro HOME Consortium.

CC: Jonathan Yeo, Chief Operating Officer

OVERVIEW

The City of Newton and WestMetro HOME Consortium are required by the U.S. Department of Housing and Urban Development (HUD) to submit an Annual Action Plan which describes the anticipated uses of Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG) funds received by the City for the fiscal year ahead. The overall goal of these three programs is to develop viable urban communities through the provision of decent housing, a suitable living environment, and the expansion of economic opportunities for low- and moderate-income persons. Recommendations are based on a five-year strategy captured in the FY21-FY25 Consolidated Plan, which is the result of data analysis and citizen-driven planning processes.

This memo summarizes the draft City of Newton and WestMetro HOME Consortium FY22 (FFY21) Annual Action Plan, detailing the allocation of CDBG, HOME, and ESG funds for the period of July 1, 2021 through June 30, 2022.

On Monday, April 5, 2021 the Planning and Development Board held a public hearing in consideration of the FY22 Annual Action Plan. The Board voted 6-1-0 (Mr. Heath abstained) to adopt the plan and recommend it to the Mayor.

The draft Annual Action Plan was published on the City's website on March 24th. The comment period began on April 5th and will end on May 4, 2021. At the close of the comment period, the Annual Action Plan will be submitted to the Executive Office for approval before final submission to HUD.

FY22 (FFY21) ENTITLEMENT ALLOCATIONS

On February 25, 2021, the City received official notice from HUD of its allocation for FY22 (July 1, 2021 – June 30, 2022).

- \$1,935,056.00 in CDBG funds (estimated 0.21% increase from FY21),
- \$1,491,865.00 in HOME funds (estimated 0.82% increase from FY21), and
- \$164,708.00 in ESG funds (estimated 1.8% decrease from FY21)

Total

\$3,591,629.00

COMMUNITY DEVELOPMENT BLOCK GRANT

Based on the priorities, needs and goals identified in the FY21-25 Consolidated Plan, the City of Newton has allocated FY22 (FFY21) CDBG funds into four general categories:

- **Affordable Housing** (\$1,162,800 or 60% of CDBG funding), for housing program delivery, housing rehabilitation, and site acquisition and improvements related to the construction of new affordable units for low- and moderate-income households.
- **Human Service** (\$290,258 or 15% of CDBG funding), to provide grants for a total of thirteen human service projects through 13 sub-grantee agencies during FY22.
- **Architectural Access** (\$95,000 or 5% of CDBG funding), to construct an accessible pathway along the perimeter of Richard McGrath Park.
- **Program Administration** (\$386,998 or 20% of CDBG funding).

It is important to note that these percentage allocations are a result of a local, community-driven process. HUD does not mandate these percentages, but rather puts a cap on the amount of funds that can be allocated towards Human Services / Public Services (15%) and Program Administration (20%).

Fair Housing

In addition to the categories mentioned above, Fair Housing will continue to be a focus for the City of Newton and WestMetro HOME Consortium. Continued education around fair housing laws, regulations and their enforcement are critical to ensure every person has equal opportunity and access to affordable housing in Newton. In FY22, the Consortium will begin to implement the recommended actions in the recently updated [Analysis of Impediments to Fair Housing Choice report](#).

Affordable Housing

Approximately 60 percent of FY22 CDBG funding (\$1,162,800) plus \$42,250 in estimated FY22 (FFY21) program income, for a total of \$1,205,050, will be allocated towards affordable housing projects identified during the program year. This funding will be used to facilitate:

- The production of new affordable units through site acquisition and improvements,
- The rehabilitation of existing housing units for low- and moderate-income households,
- The preservation of existing affordable units,
- The support of affordable homeownership for low- and moderate-income households, and
- Housing program delivery

Production of New Affordable Housing Units

In FY22 (FFY21), CBDG and HOME funding allocated to the City of Newton will continue to be used for a variety of programs and activities to preserve and expand affordable opportunities across the city. In alignment with the FY21-FY25 Consolidated Plan, the Division will seek to fund affordable housing projects near amenities, village centers, and public transportation options to promote housing equality and economic and demographic diversity. The Division will also look to support projects that provide Newton seniors the opportunity to remain in the community as they age. Additionally, the Division will identify projects that expand the stock of accessible and visitable housing.

There are two projects receiving prior years CDBG and HOME funds from the City that will begin construction this spring, 2021. The first is the Newton Housing Authority's (NHA) Haywood House project. Haywood House received FY20 and FY21 CDBG funds to create 55 new affordable rental units for seniors. The income eligibility will range from 30% AMI and up to 99% AMI. Three of the units will be fully accessible and four units will be designated for households that have been homeless or are at risk of homelessness. The project will also include two elevators and community space for supportive services. The NHA received a Comprehensive Permit in July 2018 and in February 2020 was awarded Low Income Housing Tax Credits from the Massachusetts Department of Housing & Community Development (DHCD). Construction will begin Spring 2021.

The second project is the expansion of the Golda Meir House owned, developed, and managed by 2Life Communities. In FY21, the project was awarded FY18, FY20, and FY21 HOME funds to support the new construction of 68 affordable rental units for seniors ranging from 30% AMI and up to 99% AMI, including 9 units for chronically homeless adults with disabilities. 2Life Communities is a nonprofit, nonsectarian provider of senior supportive housing in the Greater Boston area. Since 1965, 2Life has created over 1,500 affordable homes for low-income older adults in Brighton, Newton, and Framingham, all of which are owned, managed, and serviced by 2Life. The project will close on its Low Income Tax Credit Award in late FY21 and construction will begin in Spring of 2021.

In FY22, the City of Newton will continue to explore the West Newton Armory site on Washington Street for the purposes of redeveloping the property as 100% affordable housing, possibly coupled with supportive services. In FY20, the City Council began its Real Property Reuse Process to determine the ultimate use of the site, should the City purchase the property from the Commonwealth. Most recently, The City of Newton was awarded a \$200,000 Housing Choice Grant from the Department of Housing & Community Development (DHCD) to conduct a predevelopment feasibility study on the

site, which was formerly operated by the National Guard and has since been vacant for over ten years. The City hired an affordable housing development consultant team to conduct this detailed study. The consultant completed and submitted its study to the City in FY21. After reviewing the report, the City Council closed its Reuse Process and recommended to the Mayor that the City purchase the Armory from the Commonwealth for 100% affordable housing. The City is working with the housing consultant to release a Request for Proposals in late FY21 / early FY22 to identify an appropriate affordable housing developer to develop and manage the site.

Preservation of Affordable Units

In FY20 (FFY19), the Newton Housing Authority received funding approval from the City's Planning and Development Board and Community Preservation Committee to acquire and preserve the CAN-DO affordable housing portfolio of 33 units across 12 scattered sites in Newton. In 2018, CAN-DO disaffiliated from its management partner, Metro West Collaborative Development, placing the future of the portfolio in jeopardy. The City's Planning and Development Board voted to approve \$1,200,000 of CDBG funds (a combination of FY19, FY20 and FY21 funds) to support the acquisition and rehabilitation of the portfolio. The \$1,200,000 of CDBG funds will be used to reduce the portfolio's existing debt (\$648,648) and to fund capital needs improvements across the 12 sites (\$551,352). In FY21 (FFY20), the Newton Housing Authority officially closed on the acquisition of the portfolio. During the closing process, CAN-DO added an additional property, 236 Auburn Street, to the sites to be acquired by the NHA. This increased the acquisition to 36 units across 13 scattered sites, 33 units of which were financed by CDBG funds. The rehabilitation of the portfolio will begin in FY21 and continue into FY22. The preservation of this critical portfolio aligns with the priorities of the City's Consolidated Plan, as it serves some of Newton's most vulnerable households - extremely low- and low-income individuals who require a variety of supportive services.

In addition to the preservation of the CAN-DO portfolio, the City will also preserve affordable senior housing at 2Life Communities' Coleman House with FY21 CDBG funds (\$411,898) and FY22 HOME funds (\$119,155), which were pre-committed by the Planning & Development Board at their January 12, 2021 meeting. In addition, the WestMetro HOME Consortium awarded the project a total of \$418,519 of combined FY19, FY20, and FY21 Consolidated Pool funds. The funds will be used to conduct a comprehensive rehabilitation to building mechanical systems and infrastructure, as well as accessibility design upgrades to each of the 146 units. The improvements will make the project more efficient and environmentally sustainable for the next several decades, as well as improving the quality of life for senior residents. Construction is slated to commence at the end of FY21 and continue through FY23.

Support Affordable Homeownership

Staff will continue to administer a Downpayment/Closing Cost Assistance program using CDBG funds. This program works to support and expand sustainable homeownership among low- and moderate-income households in Newton. The program will target first-time homebuyers of new and existing deed restricted homeownership units. It is anticipated that one income-eligible homebuyer will be assisted through the CDBG Downpayment/ Closing Cost Assistance program in FY22.

Rehabilitation of housing

Staff will continue to market and administer the Housing Rehabilitation program (Rehabilitation program) on a rolling basis, which provides homeowners and qualifying nonprofit organizations with

deferred payment loans for repairs and improvements aimed at addressing issues related to health, safety, and building code violations. Through FY22 and prior year funding, it is anticipated that approximately three units of homeowner housing will be rehabilitated through CDBG assistance and 21 rental units, which are included in the acquisition of CAN-DO's portfolio of rental properties, as mentioned above.

In FY21 the City awarded the Newton Housing Authority (NHA) a total of \$1,200,000 in combined FY19, FY20, and FY21 CDBG funds to acquire and rehabilitate the 33-unit affordable housing portfolio of Citizens for Affordable Housing in Newton Development Organization (CAN-DO). These units were originally placed in jeopardy when CAN-DO disaffiliated from its management partner, Metro West Collaborative Development, in 2018. In FY21, the NHA acquired and preserved these 33 units with the support of \$648,648 in CDBG funds. This year (FY22), the City will complete work on 21 of these units through the Housing Rehabilitation program, utilizing \$551,352 in CDBG funds.

Human Services / Public Services

HUD caps the human service allocation at 15 percent of the City's total annual CDBG grant. As a result, \$290,258 plus \$6,492 in FY21 program income, for a total of \$296,750 will be made available for the FY22 Human Service program.

The FY22 (FFY21) Human Service Request for Proposals (RFP) was released on January 6, 2021, and proposals were evaluated by a review committee comprised of representatives from the Department of Planning and Development and the Department of Health and Human Services, as well as a representative from the Mayor's Office. Subsequently, the review committee consulted with two representatives of the Planning and Development Board. Proposals were ranked on March 4, 2021 based on their alignment and consistency with the City's three priority areas:

- Enrichment and Care for Vulnerable Youth, Ages 0-18
- Stability and Self-Sufficiency for Vulnerable Adults, Ages 19-61
- Promoting Economic Security and Vitality for Older Adults, Ages 62+

In addition to the priority areas, the review committee took into consideration the program's past performance, target population, and the most pressing needs in the community, which were identified in the FY21-FY25 Consolidated Plan.

The City received 17 proposals. Staff recommends that the following 13 agencies be awarded Human Service grants during the FY22 (FFY21) program year, following the recommendation of the Human Service RFP Review Committee. The selected programs will directly benefit low- to moderate-income Newton residents and will provide a critical network of supports to assist in stabilizing vulnerable individuals and families across the lifespan.

FY22 Human Service Program – Recommended Allocations		
Agency	Program	FY22 Award
West Suburban YMCA	Childcare Financial Aid Program	\$50,000.00
Riverside Community Care	Mental Health Services Promoting Self-Sufficiency	\$40,000.00
Newton Community Development Foundation	Resident Services Program	\$25,000.00
Newton Housing Authority	Resident Services Program	\$25,000.00
The Second Step	Community Programs for Adult Survivors of Domestic Violence	\$25,000.00
Family ACCESS	Social Mobility for Young Families	\$24,000.00
2Life Communities (formerly JCHE)	CaringChoices and Wellness Nursing for Low-Income Seniors	\$20,000.00
Newton Dept. of Parks, Recreation, and Culture	Financial Aid for Youth Summer Camp	\$18,850.00
John M. Barry Boys & Girls Club of Newton	Financial Aid for Teens and Families	\$17,000.00
Horace Cousens Industrial Fund	Emergency Grants for Vulnerable Individuals and Families	\$15,000.00
Jewish Family and Children’s Services	Stabilization and Recovery Services	\$14,900.00
Plowshares Education Development Center	Tuition Assistance for Pre-School and School-Age Care	\$12,000.00
Barry L. Price Rehabilitation Center	Promoting Successful Life Transition for Adults with Intellectual and Developmental Disabilities	\$10,000.00
TOTAL		\$296,750.00

Architectural Access

Approximately 5 percentage of CDBG funding (\$95,000) will be allocated toward the creation of an accessible pathway along the perimeter of Richard McGrath Park. In addition, other architectural access projects are underway, including an accessible path connecting Auburndale Cove and Lyons Field, referred to as Phase I of the Marty Sender Path. This project is expected to be bid out in the

Spring of 2021 for summer construction. The FY21 Curb Cut project, which includes the upgrade and installation of four curb cuts at Watertown Street and Edinboro Street and Watertown Street and West Street, is expected to start construction this Spring 2021. Both projects were recommended by the Commission on Disability in FY21 (FFY20).

Program Administration

HUD caps the program administration allocation at 20 percent of the City's total annual CDBG grant. As a result, \$386,998 plus an estimated \$13,000 in program income, for a total of \$399,998, will be allocated for program administration.

HOME INVESTMENT PARTNERSHIP PROGRAM

As the lead entity for the WestMetro HOME Consortium, the City receives and administers HOME funds for the City and twelve other member communities of the WestMetro HOME Consortium – the Towns of Bedford, Belmont, Brookline, Concord, Lexington, Natick, Needham, Sudbury, Watertown, and Wayland and the Cities of Framingham and Waltham. The purpose of the HOME Program is to provide funds for a wide range of housing activities, including developing, acquiring, and rehabilitating affordable housing or providing direct rental assistance to create affordable housing opportunities for low- and moderate-income people.

The Consortium anticipates receiving a total of \$1,491,865. As part of HUD's official notice of allocation, the HUD Field Office determines the distribution of funds among each member community of the Consortium.

- Approximately 70% of HOME funds will be available for HOME programs and projects
- 5% will be allocated for operating expenses of certified Community Housing Development Organizations (CHDOs)
- 15% will be set-aside for housing activities to be undertaken specifically by certified CHDOs. CHDOs are nonprofit, community-based organizations that are certified by HUD and have the capacity to develop affordable housing within the Consortium.
- 10% will be allocated toward HOME administrative costs

The Consortium will focus on three goals in FY22:

- **Tenant Based Rental Assistance for Rental Housing (TBRA)**
Financial support in the form of security deposits and first/last month's rent will be provided to an estimated 49 income eligible households through Tenant Based Rental Assistance programs in Bedford, Framingham, Natick, Waltham, and Wayland.
- **Rehabilitation of Existing Units**
HOME funds will be used to rehabilitate three rental housing units in Brookline. Additionally, as mentioned above, FY22 HOME funds will be used to support the preservation of 146 units at 2Life Communities' Coleman House in Newton.
- **Production of Affordable Units**

Construction of 12 HOME-assisted rental units will be complete in FY22. Eleven of these units are part of Brookline's 370 Harvard Street project and one unit will be created through Concord Housing Authority's Gerow project.

EMERGENCY SOLUTIONS GRANT AND MCKINNEY-VENTO FUNDS

The Massachusetts Balance of State (BoS) Continuum of Care (CoC), under the supervision of the Department of Housing and Community Development (DHCD), administers McKinney-Vento funds for the former Brookline-Newton-Waltham-Watertown (BNWW) CoC. The BNWW CoC, previously led by the City of Newton, merged with the BoS CoC in December of 2016. On January 29, 2021, HUD awarded the BoS CoC a total of \$18,845,535 in FFY21 funds, a 5.5% increase from the prior year largely due to the increase in Fair Market Rents (FMR). From that total, the BNWW region received \$2,105,894 for four projects across three sub-grantee agencies, including Advocates, Pine Street Inn, and The Second Step.

The City of Newton's Emergency Solutions Grant (ESG) funds are awarded to local providers through a competitive Request for Proposals (RFP), providing shelter operations/services, homelessness prevention, and rapid re-housing services throughout the BNWW region. On December 8, 2020, prior to the release of the RFP, Division staff consulted with former BNWW CoC social service providers and representatives from the four municipalities and BoS CoC to determine FY22 (FFY21) ESG funding priorities across its eligible components, outlined below:

- **Emergency Shelter Services** (\$92,150 or 56%): funds support essential services for individuals and families residing in an emergency shelter; shelter operations and costs such as building maintenance, rent, security, fuel, equipment, and furnishings; and renovations for emergency shelters.
- **Homelessness Prevention** (\$40,950 or 25%): funds support the stabilization and potential relocation, including short-term and medium-term rental assistance, security deposit, rent arrears, and moving costs, for individuals and families at immediate risk of homelessness.
- **Rapid Re-housing** (\$19,260 or 12%): funds support homeless individuals and families in moving them out of emergency shelters or places not meant for human habitation into permanent housing.

On January 6, 2021, the FY22 ESG RFP was released alongside the Human Service RFP and proposals were evaluated by a review committee comprised of representatives from the Newton Department of Planning and Development, Department of Health and Human Services, the BoS CoC, and the former BNWW CoC (non-ESG subrecipients). Subsequently, the review committee consulted with two representatives of the Planning and Development Board. Proposals were ranked on February 26, 2021 based on each project's past performance, staff capacity, target population, availability of other funding sources, and the most pressing needs in the region, which were identified in the FY21-25 Consolidated Plan. Furthermore, the review committee took into consideration the continued impacts of the coronavirus pandemic (COVID-19).

The City received six proposals from five nonprofit agencies, of which, four proposals are being recommended for an ESG grant during the FY22 (FFY21) program year, following the recommendations of the ESG RFP Review Committee.

FY22 ESG – Recommended Allocations				
Agency	Program	FY22 ESG Recommendations	FY21 ESG Awards	% Change
Emergency Shelter Services				
Community Day Center of Waltham	Day and Seasonal Night Wrap-Around Services	\$69,133.00	\$16,500.00	319%
REACH Beyond Domestic Violence	Emergency DV Shelter Operations	\$23,000.00	\$21,250.00	8%
The Second Step	Transitional Shelter Operations	\$0	\$21,250.00	-100%
Middlesex Human Service Agency	Bristol Lodge Men’s and Women’s Shelters	\$0	\$11,000.00	-100%
Homelessness Prevention				
Brookline Community Mental Health Center	Homelessness Prevention	\$40,936.00	\$49,670.78	-18%
Rapid Re-housing				
Brookline Community Mental Health Center	Homelessness Prevention	\$40,936.00	\$49,670.78	-18%
Program Administration				
City of Newton	Administration	\$12,375.00	\$12,580.05	-2%
TOTAL		\$164,708.00	\$167,734.00	-2%

**Brookline Community Mental Health Center was the only applicant that requested ESG funding for its Homelessness Prevention and Rapid Re-housing projects. The Second Step did not request funding for its Homelessness Prevention or Rapid Re-housing projects, as done in prior years.*

ADDITIONAL INFORMATION

The draft document is available for [download on the city’s website](#) and a hard copy is available in the Housing & Community Development Office on the second floor of City Hall. The public comment period will begin April 5, 2021 and end Tuesday, May 4, 2020.

If you have any questions, please contact Amanda Berman, Director of Housing and Community Development at aberman@newtonma.gov or (617)796-1147.