



Ruthanne Fuller,
Mayor

Barney Heath,
Director
Planning & Development

Members:

Lizbeth Heyer, Chair
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CITY OF NEWTON, MASSACHUSETTS

Newton Housing Partnership

May 27, 2021

Honorable Mayor Ruthanne Fuller
Honorable Council President Susan Albright
Honorable Chairperson Crossley
Newton City Hall, Newton, MA
02459

Dear Mayor Fuller, President Albright and Chairperson Crossley,

The Newton Housing Partnership would like to thank the 17 City Councilors who co-sponsored the docket item to create an Affordable Housing Trust in Newton. This leadership in seeking ways to increase affordable housing opportunities is commendable and as you consider the role, structure and funding of a Trust, we would like to share our initial thoughts on how to best integrate a Trust into our already complicated development process so that we achieve this important goal. Equally important, we would like to point out several potential pitfalls that we feel could impede rather than advance our effort to expand affordable housing opportunities in Newton.

Role for an Affordable Housing Trust:

Currently the creation of affordable housing occurs in two basic ways: via a regulated “cross-subsidy” in 40B or inclusionary zoning projects or via public subsidy applied to an as of right project or layered on top of 40B or IZ requirements. We see a Trust playing an important role in both processes. For regulated projects, a Trust could advocate for the affordable housing components of 40B and IZ projects as well as monitor the effectiveness of our recently adopted IZ changes and recommend further changes to the law if needed. For subsidized projects, we see a tremendous opportunity to make the development process less risky and less costly by streamlining our complicated review process and making the funding more robust and predictable.

We also see the Trust advancing for policies that would lead to the creation of more affordable housing in Newton, particularly housing that is affordable to households below 80% and 50% of the area median income. A Trust has the ability to create housing at these lower levels which is a tool we don’t currently have in Newton. A Trust could also track



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demographics and market trends in order to identify needs and set funding priorities. A trust could inventory and identify public land and buildings that would be appropriate for affordable housing development and act as an agent on behalf of the City, issuing RFPs and supporting staff in their engagement with developers. A Trust could also recommend new funding sources and engage in housing policy and development issues such as the rezoning process, local preference requirements and compliance with the State's new Housing Choice statute.

Structure and for an Affordable Housing Trust:

Our vision for the Trust would be to create a single affordable housing entity in Newton that would carry out an integrated approach to setting policy, identifying priorities and overseeing a streamlined approach to funding and development. In order to provide the Trust authority to act on behalf on the City while ensuring transparency and accountability to the Mayor and City Council, the Trust could be established via enabling legislation with clear charges and be populated by Newton residents with expertise in affordable housing policy and development. Of utmost importance, to avoid duplication of effort, we suggest consolidation of the Partnership with the affordable housing aspects of the Community Preservation Committee and perhaps the Fair Housing Committee.

Funding for an Affordable Housing Trust:

We see Community Preservation Act (CPA) funds as the primary source of funding that the Trust would administer, but this could be supplemented by IZ payment in lieu funds. The Trust could also explore other funding sources such as increasing the CPA tax, imposing a real estate transfer tax or developer impact fees and providing a direct City appropriation. We suggest that CPA funds be pledged to the Trust on an annual basis via a vote by the CPC and City Council, and that the amount exceed the 10% floor by at least 40% to 60% to reflect Newton's significant need for affordable housing, while providing ongoing support for open space and historic preservation projects.

Once appropriated, we suggest that project awards be governed by the Trust and not require final approval by the Council. This would give affordable housing developers greater confidence in the process and



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ideally increase development proposals by reducing the financial risk and expediting development timelines.

In summary, as you consider the possibility of creating an Affordable Housing Trust, we strongly encourage you to consider a role for the Trust that results in coordinated policy setting with the authority to act swiftly and independently by following clear legislative guidance. We also encourage you to consider a structure that dramatically simplifies and professionalizes the process, providing increased funding that will expand affordable housing opportunities and make development more predictable and less risky. Of equal importance, we encourage you to avoid elements of a Trust that would duplicate current efforts, impede creativity or otherwise slow down the development process. Dedicated staff support will also be critical to the Trust carrying out its functions, which underscores the importance of avoiding duplication of efforts among committees.

Thank you for considering our initial thoughts about the creation of an Affordable Housing Trust that we believe will send the signal to the community and those who develop affordable housing that Newton is committed to expanding affordable housing opportunities in Newton. The specific details of the role, structure and funding for the Trust will be the determinants of its success and we look forward to engaging with you further on these issues as the process takes shape.

On behalf of the Partnership,

Lizbeth Heyer, Chair

CC: Newton City Council

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