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Barney S. Heath  
Director

## MEMORANDUM

**Date:** July 16, 2021  
**From:** Barney Heath, Director, Planning and Development Department  
Amanda Berman, Director of Housing and Community Development  
Lara Kritzer, Community Preservation Program Manager  
**To:** Newton Housing Partnership  
**RE:** Draft Municipal Affordable Housing Trust Ordinance

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Last year, the City Council docketed an item to explore the possibility of creating a Municipal Affordable Housing Trust (MAHT) as a mechanism to encourage and to increase affordable housing in Newton.

The Planning and Development Department has researched municipal housing trusts, how they are established, and how they have been successfully implemented in communities here in the Commonwealth. Department staff participated in several Massachusetts Housing Partnership (MHP) webinars, reviewed local and state legislation, and met with program administrators in other Massachusetts communities to understand better how the Trusts have worked in their communities. We reviewed Affordable Housing Trust ordinances and the composition of their Trustee groups.

As an outcome of this research, we have developed best practices and an initial draft Newton MAHT ordinance as a starting point for further discussions by the City Council and the community.

The primary benefit of a Municipal Affordable Housing Trust for Newton lies in its ability to expedite and to simplify the affordable housing funding process by consolidating the number of required meetings and reviews. The Trust could serve as a mechanism for allocating City funds to affordable housing projects. The Trust is anticipated to be primarily funded with Community Preservation Act (CPA) funds designated for affordable housing with Inclusionary Zoning Funds as a potential secondary funding source when available. Federal housing and community development funding (i.e. CDBG and HOME funds) would continue to be allocated by the Planning Board using the approval process prescribed in the City's Consolidated Plan.

This proposed ordinance establishes a one stop option for affordable housing projects, allowing applicants to more quickly and efficiently apply for Trust funding to move forward with land acquisitions and affordable housing project development. The Affordable Housing Trust Fust would

be governed by a seven member group of Trustees including the Mayor, a City Councilor, a Community Preservation Committee (CPC) member, and four Newton residents who have both a background in affordable housing and a deep understanding of its unique funding and procedural requirements. Members would be appointed by the Mayor and confirmed by the City Council. The Trust would meet a minimum of four (4) times annually. In keeping with state guidance, projects would be funded at the sole discretion of the Trust. The Trust will receive regular staff support, either by a member of the Planning Department or a consultant hired to assist the Trust in its duties.

The draft ordinance gives the Trust the flexibility to purchase and develop sites. Trusts, however, are considered to be part of the municipal government and are subject to all the regulations and processes associated with any municipally conducted project. For this reason, at the state level, the Massachusetts Housing Partnership generally recommends that Trusts provide funding for affordable housing projects rather than develop the housing themselves.

The Newton Housing Partnership would continue to provide advice on affordable housing policy and implementation.