

City of Newton



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Draft Municipal Affordable Housing Trust Ordinance Questions and Answers

Date: September 23, 2021
From: Barney Heath, Director of Planning and Development
To: Zoning and Planning Committee
Cc: The Honorable City Council
Her Honor Mayor Ruthanne Fuller

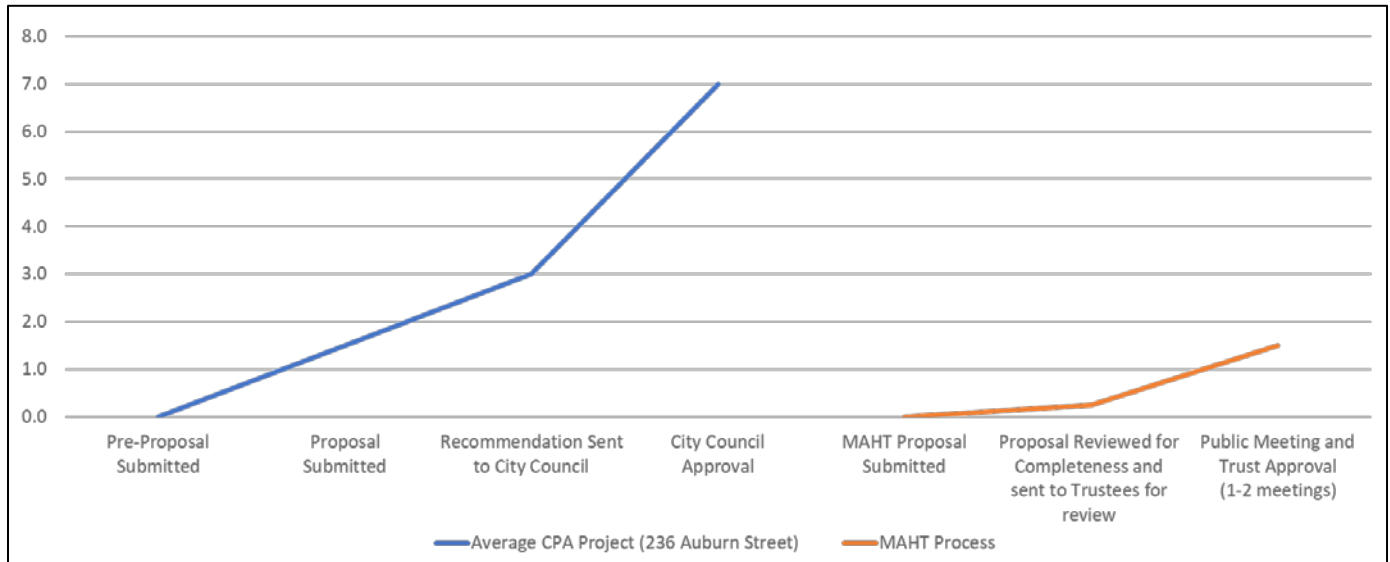
At the meeting on Monday, July 26, 2021, the Zoning and Planning Committee raised the following questions during the discussion of the Draft Municipal Affordable Housing Trust Ordinance.

- 1) What is the difference in timing between projects requesting CPA funding and projects requesting funding from a Municipal Affordable Housing Trust (MAHT)?

The CPA program has funded 24 housing projects over the life of the program. The CPA funding process for affordable housing projects can take as few as three months or as long as 17 months to complete but on average, it will take seven months for an application to complete all of the necessary reviews and be approved for CPA funding. During this time, the applicant will meet at least twice with the CPC, first for its pre-proposal review and later for the project's public hearing which is held at least a month after the initial review. Once the CPC has recommended the project for funding, the recommendation is sent to City Council where it is docketed and reviewed by two Council Committees (Finance Committee and a second Committee based on the type of project and applicant) before it can be scheduled for a vote from the full City Council. Applicants are required to attend a minimum of four meetings during this process (two with the CPC and the two Committee meetings) but more meetings may be required depending on the nature of the project.

The MAHT review process is envisioned to be a more streamlined and efficient with only one committee, the Trust, involved in each project's review. The Trust would apply annually for CPA funding and complete the review process as noted above. Once the Trust has received the funding, it can allocate it to individual affordable housing projects using a simplified process that is anticipated to take as few as one to two public meetings to complete. The MAHT is subject to the same open meeting law requirements as all City committees and would hold

regular public meetings to review and vote on project funding as needed. The chart below shows the existing steps in the CPA funding process and the anticipated steps in a future MAHT funding process:



The following is a list of all 24 of the CPA affordable housing development projects to date and the length of their funding reviews:

Project Name	Initial CPA Funding Submission	City Council Approval	Length of Process (in months)	CPA Funding Amount
236 Auburn Street	3/17/2017	10/2/2017	7	\$977,700
10-12 Cambria Road	8/21/2015	4/19/2016	8	\$471,117
11-13 Cambria Road	12/1/2005	4/18/2006	4	\$350,085
18-20 Cambria Road	11/1/2002	4/9/2003	5	\$200,000
Coleman House	11/20/2020	3/15/2021	4	\$4,214,622
Commonwealth Ave - Veterans House	10/16/2009	5/3/2010	7	\$375,000
Covenant Residences	12/19/2005	5/1/2006	5	\$907,825
Eddy Street	7/13/2012	12/17/2012	4	\$243,572
Forte Property	5/14/2003	9/4/2004	16	\$377,400
Golda Meir 1	6/8/2018	12/17/2018	6	\$3,250,000
Golda Meir 2	7/10/2020	10/5/2020	3	\$1,244,857
Haywood House 1	5/15/2017	10/15/2018	17	\$3,000,000
Haywood House 2	8/28/2020	12/7/2020	5	\$77,900
Lexington Street	12/5/2008	10/5/2009	10	\$2,004,554
Linden Green	12/1/2003	11/15/2004	12	\$618,600
Millhouse Commons	10/1/2004	8/8/2005	10	\$738,383
Myrtle Village	7/27/2011	3/3/2014	7	\$910,179
Nonantum Village Place Construction	10/31/2002	4/9/2003	5	\$850,000
Pearl Street	10/15/2010	5/2/2011	7	\$665,000
Pelham Street	3/30/2003	8/11/2003	5	\$311,936
Taft Avenue	11/5/2014	4/6/2015	5	\$584,029
West Newton Armory	2/12/2021	5/3/2021	3	\$21,270
West Street	11/2/2002	4/20/2004	5	\$263,000
Wyman House Apartments	10/12/2004	4/19/2005	6	\$1,000,000

2) Would there be a public process for requesting MAHT funding?

As noted above, the MAHT would be subject to Open Meeting Law and all of its meetings will be open to the public. One of the first duties of the Trust would be to establish an application process for reviewing and funding potential affordable housing developments, including creating an application and establishing how public comment will be taken as part of the Trustee's review. Any CPA funding distributed by the Trust must be used for a CPA eligible project and reported to the CPC so that they can report the use of those funds. CPA funded affordable housing projects can also continue to be documented on the City's CPA program website for the public's review.

3) Would the creation of an MAHT take housing projects away from the CPC?

The creation of an MAHT would not take affordable housing away from the CPC so much as it would change how those projects are reviewed. If Newton establishes a Trust, the CPC will continue to assess the overall needs of the community in all of its funding categories and allocate a target percentage of the City's CPA annual funding for affordable housing projects. However, rather than reviewing each funding request individually, the CPC would recommend that the affordable housing funds be allocated to the Trust, which will take on the charge of conducting individual project reviews and funding determinations. The Trust is envisioned to be a committee dedicated only to affordable housing development with its members primarily made up of experts in the field who are highly qualified to review affordable housing proposals. Further, the Trust is expected to also include a CPC member to assist in maintaining a consistent connection between the two groups.

At this time, the CPC does not anticipate also reviewing individual affordable housing projects in addition to funding the Trust. However, the creation of a Trust would in no way prevent the CPC from reviewing individual projects, or further requests from the Trust for additional funding, if more CPA funds are needed for an affordable housing development in the future.

4) How many units created with Trust funding to date?

The number of units created by MAHTs in Massachusetts to date is unknown. Shelly Goehring at the Massachusetts Housing Partnership has confirmed that there is currently no database that is tracking the number of affordable housing units created by MAHTs in Massachusetts.

5) What is City Council's role in Trust funding process?

The City Council would continue to have full approval of any CPA funding allocated to the MAHT. The Trust is expected to submit an annual application for CPA funding, and any funding recommendation would then be forwarded to the City Council to complete its regular review process. The Trust is also proposed to include a City Councilor who will take part in individual project reviews.

6) If the CPA surcharge was raised, could the additional funding go to the Trust?

Any additional surcharge raised by the City is required by the Community Preservation Act legislation to be available for all of the allowable funding uses (Affordable Housing, Historic Resources, Open Space, and Recreation). However, while the City cannot designate any portion

of its local surcharge solely to affordable housing, an increase in the local surcharge would provide more funding to the general program and increase the City's State funding match, raising the amount of funding available for future affordable housing projects.