

NEWTON HOUSING PARTNERSHIP

Newton Housing & Community Development Program
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May 14, 2008 MEETING MINUTES

Minutes approved at June 11, 2009 meeting with changes in bold. Changes refer to memo on the Newton Homebuyer Assistance Program by Steve Gartrell to the NHP dated May 13, 2008.

Date: May 14, 2008
Time: 7:45 a.m.
Location: City Hall, Room 202

Members present: Phil Herr, Josephine McNeil, John Wilson, Liz Kirsch, Dan Violi, Lynne Sweet, Jeanne Strickland, Andrew Franklin, Deb Crossley

Staff: Steve Gartrell, Trisha Guditz, Julia Harmatz McAneny, Margaret Siciliano

Minutes prepared for the Housing Partnership by Margaret Siciliano, Housing Development Planner

1. Approve minutes from April 9, 2008 meeting.

Minutes were reviewed with comments. Approved as revised.

2. Report on the Planning Department's application to the Community Preservation Committee for down payment assistance for first time homebuyers and program change to accommodate pre-existing resale restrictions. (See memo from Steve Gartrell dated 5/9/08.)

The CPC voted \$200,000 initially and \$300,000 the following year. It wasn't clear that the City would have to reapply for the funds.

Julia: We have between 8 and 12 applicants who are actively seeking properties. One couple plans to close by the end of June.

Steve: If this case goes through, then all the funds are committed. If all goes smoothly, we could have the funds by Nov.

A need for change as the result of the Covenant Residences development: Julia went to the lottery info meeting and presented the city's down payment assistance programs.

MassHousing wouldn't support the use of the City's down payment assistance due to what they considered a lack of full affirmative marketing. DHCD and MassHousing had issues with the City's deed restriction in perpetuity. They are more comfortable with a recapture provision. If there's already a deed restriction on the property the City will require recapture. At least 50% would have to be a mortgage so they'd have to afford at least some sort of conventional mortgage.

Lynne: You have to get a deed rider approved by DHCD?

Steve: No, It would just be a mortgage and note. The state establishes the level of affordability

Josephine: Given the housing environment and state of the economy at this point in time I would argue that CPA sources should go to support rental housing rather than homeownership. I have issues giving money to 2 graduate students. Once they've graduated they will probably be making much more money. My thinking is that we need to tighten up with how we use our limited resources.

Steve: How do you propose tightening up?

Phil: By not funding this proposal.

Steve: But we have low income people who need this money.

Josephine: I think we need to look at this policy in a historic light.

Julia: The couple wants to work in the area of social work. The resale value is limited so it doesn't make sense for people to do the improvements you are talking about.

Josephine: I don't think people realize what they've done. That only occurs once they go to sell the property.

Steve: Assuming these people would have to take out a loan for the work they would have to notify us. At which time we'd tell them about the limit on resale value.

Steve: This is the cheapest why for us to get affordable units. We have so few affordable homeownership units in the city.

Lynne: Could people buy a 2 family and rent out the other unit?

Julia: Yes, with CPA funds.

Steve: The average assistance is about \$85,000.

Dan: Are most people looking at condos?

Julia: Yes.

Julia: The deed restriction permits a limited amount of improvements. They have to be improvements and not maintenance

Steve: This policy is in line with all the state policy.

Dan: I think we should allow for improvements.

Julia It's a good time for buyers.

Dan. To some degree we have to take opportunity of the present market. It seems like a good time because prices are coming down and interest rates are reasonable and people are looking.

Phil: In reference to Covenant Residences--buying down units to a lower level of affordability is a policy question. We're not getting an additional affordable unit. I don't have any hesitation supporting the request for funding. I have a concern with "double dipping". The use of the funds should go towards making another affordable unit.

Jo: My concern is putting additional resources into homeownership when it's obvious the need for rental housing is apparent. Over the next couple of years people's needs are going to be worse.

Steve: There is funding available for this. The CPA needs to commit funds to housing. Part of the problem we're in is that people were getting subprime mortgages and are now being foreclosed. People needed to be more educated.

Lynn: Is it possible to create a program to support nonprofits to purchase condos for rental?

Steve: We have such a program, called the Purchase Rehab Program for nonprofits to buy 1-4 family properties. In fact, Advocates is doing this right now.

Phil Should we divide the proposal into 2 pieces? 1st part: approved unanimously. 2nd part: approved? REVISION: **(NHP approved the request to submit an application for CPA funds to continue the Homebuyer Assistance Program. But they did not vote to approve a program change that would accommodate pre-existing resale restrictions. The members wanted more information about this issue before making a decision.)**

Lynne: Could we talk about the 2nd item in the programs and policy committee?

Phil: The Comp Plan doesn't discuss housing tenure. We've always followed the market.

Trisha: In the next year, staff is starting up the consolidated plan process. That would be the perfect time to discuss policy issues. That's the right forum for this group and others to discuss these policy issues

Liz: We can't talk about this without the housing authority present.

Phil: We had an MBHP meeting and the housing authority was there. It was actually amicable.

3. Continue discussion of the "Housing Plan Action Proposals" memo dated 4/6/08 distributed last month (filename "CPAC HOUSING ACTIONS") and creation (with others) of an Outreach Initiative to implement it.

Item #2: Housing Plan Action Proposal: May 11th draft

Phil: (Relative to the memo), This represents a change in the mission of the partnership. From "reviewing" to actively seeking actions to be done.

Lynne: Are you proposing the NHP be actively involved in promoting housing initiatives and policy?

Phil: Yes, and all of them have been discussed in city housing plans such as the comp plan and consolidated plan.

Lynne: Would the downside be that it puts us into some conflict with other bodies in the city?

Phil: I don't know. I don't see the potential for conflict, except when it comes to money. The Economic Development Committee would be interested in this.

John: I'm excited about this. I helped draft the Comp plan but things are so slow to occur within the city. The NHP is one group that's not so big that we couldn't get things accomplished.

Phil: The question is can we gain enough momentum to get proposals through? Larger projects need to seek either a 40B or a special permit. A SP requires approval from the Board of Alderman. This is such a cumbersome process.

Lynne: The state has funding for this kind of effort. Can the NHP seek this funding? We need to think about coalition building.

Phil: CHAPA funding. Application would need to be in by June.

Dan: Look at MHP for funding for this. I'd be glad to call them to gauge their level of interest. We should also explore using funds to bring in an outside facilitator.

Jo: While housing is our ultimate goal, I think if we need to get someone to facilitate who understands planning, not necessarily community development. It has to be someone who is used to working in a community like Newton, not Boston or a low income area.

Trisha: I'm willing to work with people on the policy and programs committee to move some of these initiatives forward, such as the fee waiver policy.

Phil: The zoning would need a lot of work. The language for changing the system for review, approval and transparency would also require much work and hearing from someone on the outside would be useful. I'm not sure what the right working group would be or do.

Lynne: Should we take a vote about the action and put together a working group to sort the issues out and come back to the NHP? (The NHP agreed.)

4. Continue the February discussion of the Department's "Draft Affordable Rent Policy" (memo distributed at the February meeting).

#4 affordable housing rent policy

Dan: I thought CDBG could go up to 80% AMI.

Trisha, I will clarify that the program requirement goes up to 80%. I will footnote and explain this further.

Jo: The reality is that most people spend more than 30% of their income towards rent. It doesn't allow for flexibility. Define adjusted gross income.

Steve: What's the best way as a developer to establish rents for your projects?

Jeanne: The rents are established by the housing authority. Sometimes they go up to 40% of income.

Steve: The primary purpose is to establish a rent standard for units funded by CDBG. CDBG doesn't establish a rent standard this is up to the community.

Liz: You get more choice if you put it up to 40%.

Lynne: I feel we're going through some very difficult times with fuel costs and this would give additional flexibility to cover the cost of utilities.

Deb: There is a responsibility on the part of the owner to maintain the property to a certain level to keep cost of utilities under control.

Dan: I have some concern about the rent level going up to 40% when the utility allowance is not keeping up with the cost of utilities.

Deb: There needs to be incentive for both parties to do the right thing.

Steve: The primary focus of the rent policy is for newly developed units with CDBG. Maybe we should require developers to be more energy efficient and meeting Energy Star requirements.

Deb: Maybe we should identify the difference between new construction, which should require it, and older rehabbed buildings.

Dan: I propose 35%.

Lynne: The Energy tar issue sounds like a bigger discussion.

Deb: I will volunteer to meet with staff further about energy savings.

Jo: Please reference the Section 8 program requirement in the policy memo.

Lynne: It should be up to 40% if the landlord is paying utilities.

Liz: By increasing up to 40%, this increases the number of units available to them.

Steve and Trish will take the results of the NHP discussion and revise the rental policy for further discussion.

5. Report from the Nominating Committee for officers and new members, if any.

Nominating committee report:

Lynne is recruiting someone from the housing authority

Josephine is reaching out to the chamber of commerce and inner faith committee.

Nominating committee process. We have not received any volunteers for chair. Some nominations but they have been declined. Suggest co-chair model. Phil could mentor the next chair or 2 people share the chair position and divide the responsibilities. Let us know if you have any thoughts on outreach efforts.

Meeting adjourned.