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Barney S. Heath
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MEMORANDUM

Date: July 23, 2021
From: Barney Heath, Director, Planning and Development Department
Amanda Berman, Director of Housing and Community Development
Lara Kritzer, Community Preservation Program Manager
To: Zoning and Planning Committee
RE: Draft Municipal Affordable Housing Trust Ordinance

Last year, Newton's 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 researched municipal housing trusts, how they are established, and how they were successfully implemented in communities throughout 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 better understand how the Trusts have worked in their communities. Staff also reviewed Affordable Housing Trust ordinances and the composition of their Trustee groups.

As an outcome of this research, an initial draft Newton MAHT ordinance has been developed based on available best practices to serve as a starting point for further discussions by the City Council and the community. This draft has also been reviewed by the Law Department to insure that it is in keeping with the City's existing ordinances.

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 draft ordinance establishes a simplified funding process 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 Fund, as proposed 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 would receive regular staff support, either from the Planning Department or on an as needed basis by a consultant hired to assist the Trust in its duties.

The draft ordinance as constituted 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 Trust would be entirely separate from the Newton Housing Partnership, which would continue to provide counsel on affordable housing policy and implementation.

The process of reviewing the draft ordinance began on July 20 with an initial review by the Newton Housing Partnership. Discussion on the draft ordinance will continue at the Newton Housing Partnership's August meeting and a separate review of the proposed ordinance is also scheduled for the Community Preservation Committee's August 10 meeting.