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James Freas
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MEMORANDUM

DATE: April 10, 2015

TO: Alderman Marcia T. Johnson, Chairman
Members of the Zoning and Planning Committee

FROM: James Freas, Acting Director of Planning and Development
Eve Tapper, Acting Associate Director of Planning and Development
Judith Menon, Community Development Programs Manager
Lydia Scott, Community Development Planner

RE: #426-13 - ALD. HESS-MAHAN requesting periodic updates on development of the Consolidated Plan for the City of Newton Housing and Community Development Program and the WestMetro Home Consortium.

MEETING DATE: April 13, 2015

CC: Board of Aldermen
Planning and Development Board

BACKGROUND:

During the spring and early summer of 2014, Community Development and Housing Division staff held a series of meetings to assess the needs of the community with regard to affordable housing, homelessness and homelessness prevention, persons with disabilities, older adults, neighborhood improvements and low- and moderate-income (LMI) households. These needs were confirmed by the Planning and Development Board at its October 21st meeting. During the subsequent fall and early winter, staff developed a combination of strategies to use our Community Development Block Grant (CDBG), HOME, and Emergency Solutions Grant (ESG) funding to meet the community's priority needs. These strategies were presented to the Planning and Development Board at its February 10th meeting. At that time, the Board made several suggested revisions. Staff incorporated the Board's comments into the final draft of the Consolidated Plan and the Board recommended approval of the Plan on March 2nd. Following this action there was a 30-day public comment period which closed on April 1st. The current draft of the Plan (on the Consolidated Plan page of the City's website and not attached because it is over 250 pages long) incorporates additional changes made based on consideration of the many comments received. The Consolidated Plan can be found at <http://www.newtonma.gov/civicax/filebank/documents/65555>

EXECUTIVE SUMMARY OF FY16-20 CONSOLIDATED PLAN:

Community Development Block Grant (CDBG) funding in Newton has traditionally been allocated first to five general categories: Housing/Homelessness; Human Services/Public Services; Accessibility; Neighborhood Improvements; and Program Administration. Within these categories, specific projects or activities are funded based on the priorities established in our Consolidated Plan and Annual Action Plans. There was some discussion during the planning process that these general allocations should be changed. However, there was no consensus among the interested parties as to what is a more appropriate division of funds among these broad categories. Therefore, staff recommends that these percentages remain the same in the FY16-20 Plan. Nonetheless, except for Human Services/Public Services and Program Administration for which spending is capped, funding can be moved in and out of other general categories as needed for particularly crucial or time sensitive projects through the substantial amendment process.

Human Services/Public Services

For both Program Administration and Human Services/Public Services, we intend to maximize our allotments to meet the caps allowed by HUD – 20% and 15%, respectively. For FY16-20, our Human Services/Public Services allocations will be based on an analysis of responses to annual Request for Proposals (RFPs). The FY16 RFP reiterated the City's priority needs for programs and services, which will help LMI residents move toward self-sufficiency. The City recently adopted the Brookings Institute's "Benchmarks for Success from the Social Genome Model." The RFP asked respondents to indicate how each of their programs would help children and families meet these benchmarks as well as to set measurable outcomes that would be met using CDBG funding. In subsequent fiscal years, applications from these same respondents will be judged on how well these outcomes and benchmarks have been met.

Infrastructure Improvements

Allocations for Accessibility and Neighborhood Improvement projects are primarily spent on infrastructure improvements. A total of 10% of each year's annual CDBG grant will be allocated towards these types of projects. Five percent is earmarked for accessibility improvements, which include upgrading sidewalks, curb cuts, intersections, parks and public facilities and buildings to make them manageable for persons with disabilities. Neighborhood Improvement projects (5%) dovetail well with these accessibility improvements and are used to upgrade facilities and community amenities in target neighborhoods – defined in this plan as areas with a relatively high percentage of LMI in the City.

Housing

Approximately 55% of Newton's annual CDBG funding is allocated to the Affordable Housing/Homelessness category. This funding is used primarily to facilitate rehabilitation and conversion of existing housing into deed-restricted affordable housing units for LMI. The City also administers an extensive rehabilitation grant and loan program which allows income-eligible homeowners to bring their homes into health, safety and building code compliance. For

FY16-20, this program will be expanded to target code compliance for pre-existing accessory apartments. Rental income from these apartments can help LMI owners make payments to keep their homes and also offer “naturally affordable” small housing units that are identified in the Needs Assessment chapter as a means toward encouraging diversity in the City’s housing stock. Amendments to the City’s Zoning Ordinance can also be an effective way to encourage the production of new and converted affordable housing units. Over the next five years, City officials will continue to pursue changes to the Ordinance with regard to inclusionary housing fees, by-right multi-family housing and the creation of a housing trust fund. Many of these changes will not require the appropriation of federal funds, but will go a long way toward complementing the City’s other strategies and funding allocations to create affordable housing units.

Finally, Economic Development activities in Newton are proposed to be funded through existing revolving loan funds and are not recommended in this Consolidated Plan to receive an annual allocation from the federal grant. Nonetheless, the primary economic activity need identified in the planning process is job training for both LMI and persons with disabilities. This Consolidated Plan proposes the design and implementation of a public-private partnership geared toward job training/job creation.

FY16 ANNUAL ACTION PLAN:

In addition, each year the Division staff must submit an Annual Action Plan to the Department of Housing and Urban Development (HUD) outlining how we intend to spend our federal entitlement funds. This memo also includes an Executive Summary of the Annual Action Plan (AAP), which was written after the Consolidated Plan chapters were vetted and approved by the Planning Board.

EXECUTIVE SUMMARY:

In FY16 CDBG funding will be divided into five general categories: Housing/Homelessness (55%), Human Services/Public Services (15%), Neighborhood Improvements (5%), Architectural Access (5%), and Program Administration (20%). In addition, we will reprogram our existing economic development revolving loan funds. Selected projects are funded based on the priorities and needs determined for each category in our FY16-20 Consolidated Plan as follows:

Housing/Homelessness

In FY16, CDBG funding allocated to the City of Newton will continue be used for a variety of activities with respect to affordable housing. First and foremost, the City’s Planning and Development Department will work to develop a City-wide Housing Strategy. This strategy will identify approaches and actions that will enable the City to reach its goal of achieving 10% of Newton’s housing stock affordable to low- and moderate-income households by 2021. It is the City’s expectation that the strategy will identify desirable locations for affordable housing and will consider financing strategies to support affordable housing development. The strategy will also identify potential sites for the location of nine to twelve units of permanent supportive housing for chronically homeless individuals with disabilities. These units could be created either on one site or on several scattered sites throughout the City.

We will also continue to consider funding the creation of new affordable housing units as developments are proposed and as resources are available. Further, if the Tenant-Based Rental Assistance (TBRA) pilot program initiated in FY15 proves to be successful, the Division will issue another voucher in FY16. The TBRA Program is designed to help formerly homeless families living in overflow emergency shelters to be able to afford to live in the City. Staff will continue to explore opportunities to partner with the Massachusetts Rental Voucher Program. Finally, staff will continue marketing and administering the Housing Rehabilitation program and will expand the program to target the rehabilitation of existing accessory apartments that require repairs to ensure resident health, safety and building code compliance.

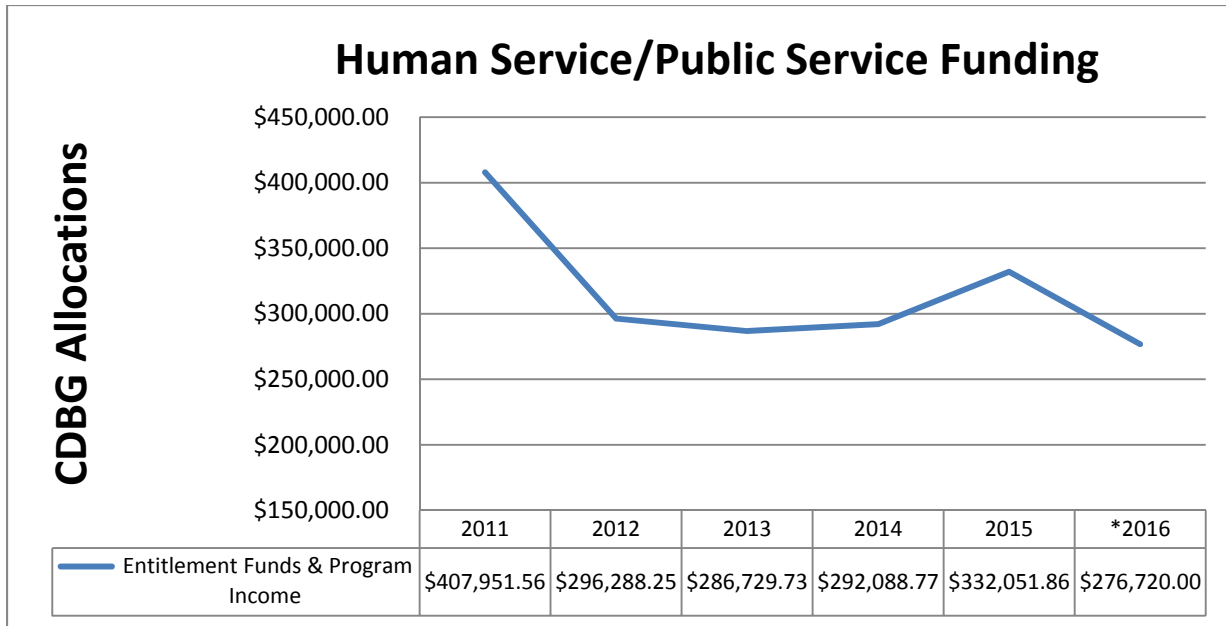
In addition to the specific construction and rehabilitation projects noted above, in FY16 staff will develop a program to encourage production of more affordable housing units through inclusionary zoning. City staff will also be trained in the fair housing obligations of the City and will in turn develop and host programs to educate elected officials, decision makers and the general public about these obligations.

With respect to the Emergency Solutions Grant (ESG), this funding will be distributed through an RFP process for local agencies to provide shelter services, supportive services, rapid re-housing and transitional housing to homeless individuals and families and those who are at-risk of homelessness.

Human Service Grant Allocations

The FY16-20 Consolidated Plan changed Human Service grant funding from five years to one year. This change allows the City greater flexibility to direct funds to organizations and projects that best meet the needs of Newton LMI residents.

Annually, 15 percent of CDBG allocation and CDBG program income from the prior year is used to fund Human Service Programs. During FY16, staff estimates there will be \$276,720 in CDBG funding. This is a 16% decrease from the \$332,051 allocated in FY15. The chart below compares funding levels for Human Service Programs over the last six years.



In December 2014, a request for proposals (RFP) for the FY16 CDBG Human Service Grant Program was issued for the purpose of soliciting applications from nonprofit and municipal organizations providing public service activities to low-and moderate-income individuals and families in Newton. The focus of the RFP was to meet the needs identified during the needs assessments. The deadline to submit proposals was January 12, 2015. The City received 25 applications, totaling \$693,000 in requests.

The Planning Board approved funding to 15 different organizations in support of 20 programs to assist low- and moderate-income residents as well as persons with disabilities and seniors. A list of the recipients is included as Appendix A attached to this memo.

Neighborhood Improvements & Architectural Access

Throughout the Consolidated Plan process, staff considered making revisions to the process for funding infrastructure improvement projects (including neighborhood improvements and architectural access). Various proposals were presented during public meetings throughout early 2015 to receive feedback and comments from the existing citizen advisory bodies for these project categories. The changes discussed included a consolidation of the funding pools and advisory committees to better serve unmet needs across the City. However, staff received many public comments on this issue, and will keep the funding pools and advisory roles for neighborhood improvements and accessibility projects separate. An additional target neighborhood and advisory committee for the newly-eligible area of Upper Falls will be created, and the five-year funding cycle will be revised accordingly.

Since the process for approval of any changes to funding structure was being developed for the City’s Citizen Participation Plan and FY16-20 Consolidated Plan, any revisions to the system were not in place in time to choose specific projects to be funded in FY16 in time for their

inclusion in the FY16 Annual Action Plan. Nonetheless, there was agreement to commit 5% of the total CDBG grant allocation to neighborhood improvements projects, and 5% to accessibility projects. The specific projects will be determined within the first quarter of FY16 and will be approved by substantial amendment. Upper Falls will be the target neighborhood to receive funding in FY16.

Economic Development

Finally, the FY16-20 Consolidated Plan sets a goal for job training and job creation for low- and moderate-income individuals (LMIs). In FY16, staff will forge partnerships with local businesses and institutions and will develop a program to train LMIs individuals for available jobs in the community. It is our goal to capitalize this program in FY17 and beyond.

STAFF RECOMMENDATION:

Approve the FY16-20 Consolidated Plan for Newton and the WestMetro HOME Consortium and the Annual Action Plan for Newton and the WestMetro HOME Consortium for submittal the US Department of Housing and Urban Development.

NEXT STEPS:

The Mayor will submit both Plans to HUD on or before May 15, 2015 in order for the City and the HOME Consortium members to continue to receive CDBG, HOME and ESG funding.

FY16 Human Services Program		July 1, 2015-June 15, 2016				
FY16 Estimated CDBG \$ (including Program Income)		\$ 276,720.00				
Organization	Project	Amount Requested	Previous Allocation	Staff Recommendation	HSAC Recommendation	P&D Final Recommendation
Boys and Girls Club of Newton, Inc.	Summer Camp Financial Aid	\$ 5,500.00	\$ 2,274.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00
Boys and Girls Club of Newton, Inc.	Teen Programming	\$ 7,000.00	\$ 4,490.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00
Charles River Association for Retarded Citizens, Inc.	Stipends for Moderate and Low-Income Newton Families	\$ 10,000.00	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00
Newton Dept. of Hlth and Human Svc	Riverside Newton Youth Outreach Program	\$ 32,000.00	\$ 14,494.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
Family Access of Newton (Newton Community Service Center)	Counseling and Consultation Services	\$ 24,000.00	\$ 23,703.00	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00
Family Access of Newton (Newton Community Service Center)	The Early Learning Center Scholarship Fund	\$ 50,000.00	\$ 15,574.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Family Access of Newton (Newton Community Service Center)	Early Literacy Services, School Readiness and Parent Support for At-Risk Families	\$ 5,000.00	\$ 4,092.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Horace Cousens Industrial Fund	Payment of Rent and Utility Bills	\$ 15,000.00	\$ 13,432.00	\$ 7,500.00	\$ 10,000.00	\$ 10,000.00
Jewish Community Housing for the Elderly	CaringChoices	\$ 15,000.00	\$ 10,095.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Jewish Family & Children's Service	Stabilization and Recovery Service for People with Persistent Mental Illness	\$ 30,554.00	\$ -	\$ 20,000.00	\$ 17,500.00	\$ 17,500.00
Newton Community Development Foundation	NCDF Resident Services Program	\$ 36,000.00	\$ 19,473.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00
Newton Department of Senior Services	Newton Senior Services Program Coordinator	\$ 21,000.00	\$ 17,620.00	\$ 17,500.00	\$ 16,250.00	\$ 16,250.00
Newton Department of Senior Services	Social Services Case Management Program	\$ 86,488.00	\$ 24,578.00	\$ 24,500.00	\$ 23,250.00	\$ 23,250.00
NWW Committee For Community Living, Inc.	NWW Wednesday Night Drop-In	\$ 7,100.00	\$ 4,996.00	\$ 7,100.00	\$ 7,100.00	\$ 7,100.00
REACH Beyond Domestic Violence, Inc.	Individual Support and Advocacy Program, including Emergency Hotline	\$ 10,000.00	\$ 3,809.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Riverside Community Care	Riverside Outpatient Center at Newton Mental Health and Substance Abuse Recovery Program	\$ 17,620.00	\$ 17,620.00	\$ 17,620.00	\$ 17,620.00	\$ 17,620.00
Riverside Community Care	Riverside Family Crisis Stabilization Team	\$ 5,500.00	\$ 4,263.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00
The Second Step	Residential and Community Programs	\$ 70,000.00	\$ -	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
West Suburban YMCA	Newton Teen Center	\$ 39,500.00	\$ 33,144.86	\$ 33,000.00	\$ 33,000.00	\$ 33,000.00
The Newton Partnership	Child Care Scholarship Fund	\$ 25,000.00	\$ 11,471.00	\$ 12,000.00	\$ 12,000.00	\$ 15,000.00
TOTAL		\$ 512,262.00	\$ 225,128.86	\$ 273,220.00	\$ 273,720.00	\$ 276,720.00