

WestMetro HOME Consortium

**Natick Housing Trust & Natick
Community Development Advisory
Committee**

March 3, 2009

HUD's HOME Program *Background*

- HOME Program provides funding directly to states/cities/towns around the country to support affordable housing
- In 2007, states got \$671 million; cities/towns/consortia got \$1 billion
- Cities & towns that aren't eligible to receive a direct allocation of HOME funds can form a consortium

HUD's HOME Program *Background*

- Affordable housing for low- and moderate-income households:
 - Funding for acquisition, development, rehabilitation, of affordable housing
 - Conversion of non-residential property to affordable housing
 - Funding for homebuyer assistance
 - Funding for tenant-based rental assistance
- Funds can be used for soft (financial consultant, engineering, architectural) and hard (acquisition, construction) costs

WestMetro HOME Consortium Background

- Non-Entitlements can form consortiums
- WestMetro Started in 1992 with four members
- 12 Current Members
 - Bedford, Belmont, Brookline, Framingham, Lexington, Lincoln, Natick, Needham, Newton, Sudbury, Waltham, Watertown

WestMetro HOME Consortium Background

- Received \$2.04 million in FY09
- Entitlement Model vs. Soliciting Proposals Model
- Consortium Council meets 5 times a year to report on progress and share ideas and experience
- Consortium
 - Provides consultant TA in setting up HOME funded projects
 - Administers ADDI Downpayment Assistance Program
- 5 CHDOs (Community Housing Development Organizations) – Brookline, Needham, Newton, Waltham, Watertown
 - 15% of Consortium's funds have to go to CHDO Projects

WestMetro HOME Consortium Accomplishments

- Since 1992
 - 176 Rental Units
 - 185 Homebuyer Units
 - 54 Downpayment Assistance Cases
 - 17 Tenant Based Rental Units
- ADDI Program
 - Up to \$10,000 per homebuyer
 - Provided assistance to 30 homebuyers

WestMetro HOME Consortium FY09 Allocations

City or Town	FY2009
	HOME Allocation
Bedford	\$19,352
Belmont	\$105,693
Brookline	\$473,381
Framingham	\$382,612
Lexington	\$58,411
Lincoln	\$8,932
Natick	\$83,667
Needham	\$62,523
Newton	\$238,178
Sudbury	\$23,846
Waltham	\$370,665
Watertown	\$209,895
Total	\$2,037,155

Some Things Natick Could Do With HOME Funds

- Fund housing development projects
- Fund homebuyer programs (downpayment assistance, cost buydowns)
- Buy down additional units of aff. housing in 40B and IZ developments
- Fund housing rehabilitation
- Limited refinancing (has to be coupled with rehab. and can't exceed rehab. cost)
- Provide rental subsidies

Typical Project

Marshall Place Apartments – Watertown, CASCAP & WCH, Inc.

- 11 Units Senior Housing
- Sources (\$2,527,382):
 - \$375,000 – WM HOME
 - \$500,000 – Mass. HIF
 - \$500,000 – Mass. HSF
 - \$214,891 – Mass. AHTF
 - \$438,412 – Bank



What Have Others Done?

- Brookline, Framingham, Newton, Waltham & Watertown – **Homebuyer Assistance Programs**
 - Loans up to \$125,000 – Usually for cost buydowns or downpayment assistance
- Framingham – **Housing Rehabilitation**
- Most Money is for **Developments**
 - Needham & Framingham have worked with HAs
 - For Profit & Non-profit developers

Natick's Requirements

- Natick must prepare and submit
 - Annual Action Plan (FY10 Due 2/4/09 – now 3/6)
 - Consolidated Plan
 - Current – FY2006-2010
 - Next – FY2011-2015 (Start work late FY2009)
- **Commit its funds within 2 years**
- Expend funds within 5 years
- Meet CHDO requirements - 15% of Total
- Meet 25% match requirements

Last Year

- Rather than lose funds Natick “lent” FY07 funds to Watertown
 - Natick lent \$78,381 (FY07 Funds)
 - Watertown will repay:
 - \$39,190.50 by August 30, 2010
 - \$39,190.50 by August 30, 2011

Natick's Allocations

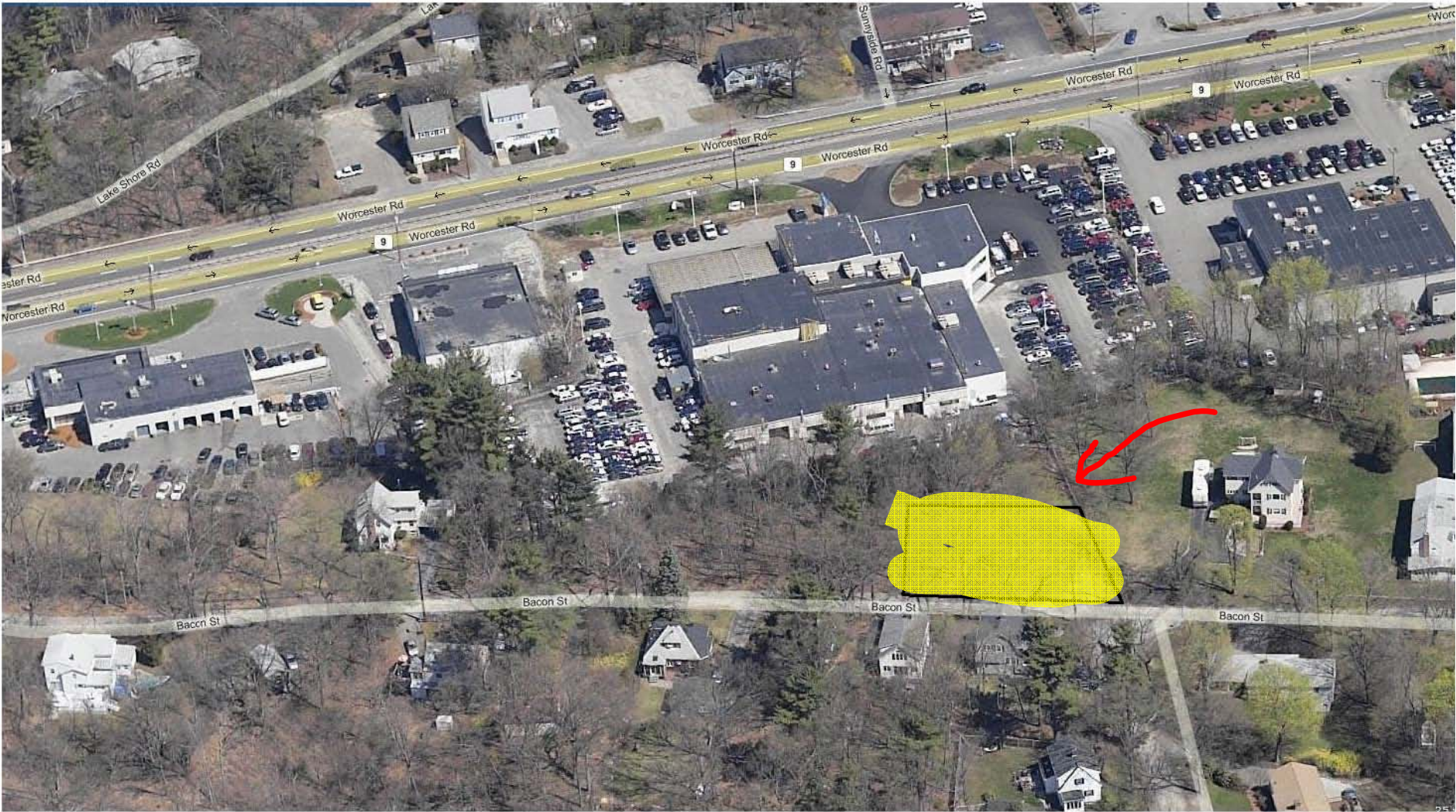
	Commitment
■ FY08	
Deadline	
■ Admin.	\$ 160 (balance)
■ Aff. Hsg. Lotteries 6/30/09	\$56,104
■ Buydown Program 6/30/09	\$21,858
■ At Risk	\$77,962
■ FY09	
■ Admin.	\$ 5,857
■ Consultant Services 6/30/10	\$19,193
■ Buydown Program 6/30/10	\$56,107
■ FY10	
■ Admin.	\$ 5,857
■ HOME Projects 6/30/11	\$75,300
■ Totals	

Issues

- Determine uses for Natick HOME Funding
 - Uncommitted FY08 Funds (by June 30, 2009)
 - FY10 Funds (approximately \$81,000)
- Designation as the HOME oversight agency

Responsibilities

- Town must:
 - ID and develop projects
 - Find other sources of funding
 - State HOME; Aff. Housing Trust; MassHousing
 - Find developers or program administrators
 - Develop Funding Agreements
 - Track budgets and review requisitions
 - Monitor Activities
 - Attend Consortium Council meetings



Bacon Street
12,193 sf.
.28 acres

Bacon Street

■ Alternatives

- Hire a consultant to do a feasibility analysis and develop a recommended course of action
- Bring sewer to the site
- Do architectural and/or site plans
- Develop it yourself
- Find a developer (RFP)

Typical Development Costs (3 b/r units)

- Soft Costs \$ 65,000/unit
 - Hard Costs \$340,000/unit (\$140/Sq Ft)
 - Dev. Fee @ 6% \$ 24,500/unit
 - Minus Acquisition -\$100,000/unit
 - **Total Costs** \$329,500/unit *
 - Aff. Price \$162,300/unit
 - **Subsidy needed** \$142,700/unit
- * Assumes EnergyStar Certification

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