



# CITY OF NEWTON, MASSACHUSETTS

Department of Planning and Development  
Michael J. Kruse, Director



David B. Cohen  
Mayor

Date: April 15, 2009

To: Newton Planning and Development Board

From: Stephen D. Gartrell, Associate Director for Housing and Community Development

RE: 192 Lexington Street Proposal

cc: Alice Ingerson, CPA Program Manager  
Bob Engler, SEB, LLC

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**Applicant: Stockard Engler Brigham (SEB), LLC**

**Contact Person:** Bob or Geoff Engler

**Project Address:** 192 Lexington St.

**Total Development Cost:** \$4,863,492

**Funding Request:**

\$742,866 HOME (3 units) for acquisition, pre-development costs and site work

\$173,000 CDBG (6 units) for acquisition, pre-development costs and site work

\$2,041,000 CPA (7 units) to pay for construction and site work

**Project Description**

The project will consist of the purchase and demolition of an existing single family home building and the construction of 10 condominium units in 4 duplexes and 2 single-family structures at 192 Lexington Street in Auburndale (see attached Assessor's Map). All units will contain 3 bedrooms. Six units are projected to sell to eligible buyers with incomes at or below 80% of median income. All six of these units will utilize CDBG funding and three of the six will utilize HOME funding. All six units will be subject to the DHCD/MassHousing deed rider which is a HOME-compatible resale-type affordability document. The remaining four units will be sold at a price affordable to households at or below 100% of median income. Estimated sale prices are \$169,300 for the 80% of AMI units and \$222,600 for the 100% of AMI units.

**Project Funding**

*Housing Development Funds*

The \$742,866 in HOME funds represents the maximum amount allowed by the HOME Program for 3-three bedroom units. It also represents the balance of current HOME funds available. There are no other requests for this funding at this time and there is a HOME Program

requirement that these funds must be committed by June 30, 2009 or the City will lose them. Additional HOME funds (approximately \$222,000) will become available for other projects on July 1, 2009.

The \$173,000 in CDBG funds for 6 units are restricted by CDBG rules to support acquisition and certain site development costs only. The support of new construction costs is not allowed. CDBG rules also require that a majority of units in the project be available to households at 80% or less of area median income (AMI). There will be \$56,657 remaining in CDBG Housing Development funds if this project is approved. An addition \$250,000 (approximate) in CDBG funds for Housing Development is expected on July 1, 2009.

#### *Community Preservation Funds*

The Community Preservation Committee is considering this as a part of its regular 2009 application process. The public hearing was held on January 14, 2009, and the working session is scheduled for April 15, 2009.

#### *Private Funds*

SEB will be taking out a construction loan to cover non-subsidized costs (approximately \$1.9 million) during construction. This loan will be taken out at sale of the units.

#### **Neighborhood Concerns**

SEB hosted a neighborhood meeting on March 26, 2009, which was attended by approximately 70-80 people, including 3 Aldermen: Lenny Gentile; Amy Sangiolo & Jay Harney. The concerns raised were:

1. Excluding access to and from the site to Albert Road for both residents and equipment during construction.
2. Minimizing disturbance to the existing soils so as not to cause any impact on the existing subsurface soils and groundwater at the Burr School playground
3. Reducing the density
4. Evaluating the traffic movements leaving the site in connection with the pedestrian light for the school crossing in Lexington Street and for the pedestrians/school children walking down Lexington Street to the School.
5. The continued use of the foot path across the back of the site connecting Albert Road to the school playground
6. The impact on property values from the construction of subsidized housing

SEB's response to these issues is contained in the attached memo dated 4/3/09.

#### **Environmental Assessment**

A full environmental assessment is required by HUD and has been completed and a Notice of Removal of Grant Condition was received from HUD on January 21, 2009. In addition a state-mandated 21E Phase 1 and Phase II reviews are currently in process. This may require the amendment of the HUD environmental assessment.

## **Energy Efficiency**

The Developers have committed to obtaining EnergyStar certification for the project.

## **Project Timetable**

SEB has started the process of applying for a comprehensive permit from the Zoning Board of Appeals in order to build the 10 units on the site, since Newton's zoning would not normally allow this. SEB hopes to go before the Zoning Board of Appeals in June. They hope to get all funding and permitting in place by November. Demolition and construction are anticipated to begin during February of 2009 with full occupancy by October or November of 2010.

## **Newton Housing Partnership Recommendation**

The Newton Housing Partnership has voted unanimously to support the SEB application (see attached memo).

## **Staff Recommendation**

Housing staff recommends that the Planning and Development Board approve the request for \$173,000 in FY09 CDBG funds (from CD09-02B, Housing Development Funding Pool and from CD09-02C, Purchase/Rehabilitation Program and \$742,866 in FY07, FY08, and FY09 HOME funds (from HM07-06D, NHRF Grants; HM08-06B, Housing Development Pool; HM08-06E, Purchase/Rehabilitation Program; HM08-06F, Homebuyer Assistance Program; HM09-06B, Housing Development Pool; and if needed, from HM10-06B, Housing Development Pool) for acquisition, pre-development costs and site work. The commitment would be in the form of a deferred payment loan at 0% interest for a 50-year term, secured by a mortgage on the property. If approved, staff will seek approval from the MA Department of Housing and Community Development to extend the term of affordability to in perpetuity.

G:\cd-planning\Housing Development\Project Files\192 Lexington Street\Staff memo to Planning Board.doc

## NEWTON HOUSING PARTNERSHIP

Newton Housing & Community Development Program  
Newton City Hall, 1000 Commonwealth Avenue, Newton, MA 02459.  
Phone 617-796-1120. TDD/TTY 617-796-7089

April 8, 2009

Newton Planning & Development Board  
City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

Re: 192 Lexington Street Housing Proposal

Dear Board members and associates:

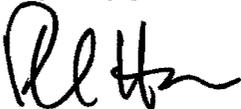
At its meeting April 8<sup>th</sup> the Housing Partnership voted unanimously to support the application by SEB, LLC for \$742,866 in HOME funds and \$173,000 in CDBG funds in support of its proposal to develop ten below-market condominium units at 192 Lexington Street in Ward 4. The Partnership has met frequently with the developers from the earliest stages of concept development, and we are enthusiastic about the basic proposal. The housing is mixed-income with all of the units to be priced below market. The units are contained in small-scale buildings abutting public land, with a sensitively designed site plan and efficiently designed units. The developers have made an exemplary effort on green building and sustainable design to serve both the affordability of the units over time for future occupants and to serve broader environmental interests. Their public outreach has been exemplary, including their being highly responsive to Partnership comments and suggestions.

Having no market-rate units in the development to help carry development costs inevitably means that the necessary level of public funding is large. However, in this case at just about \$300,000 per below-market unit, that level of public funds is not inconsistent with that provided to a number of other developments in Newton in recent years.

Ms. Guditz and Mr. Gartrell have briefed us on the status of Newton's HOME and CDBG funding amounts and demands. In light of that and the discussion above, our support for the granting of these funds is unconditional.

If you have further questions for the Partnership please let me know.

Very truly yours,



Philip B. Herr, Chairman

Cc: Robert Engler, SEB, LLC  
Trisha Guditz, Housing Development Coordinator

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**192 LEXINGTON STREET**

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**TO:** NEWTON CPC  
**FROM:** SEB LLC  
**SUBJECT:** NEIGHBORHOOD MEETING @ BURR ELEMENTARY SCHOOL ON MARCH 26TH AT 7:00 P.M.  
**DATE:** 4/3/2009  
**CC:** ALICE INGERSON

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**SUMMARY**

In advance of the March 26<sup>th</sup> neighborhood meeting, SEB mailed letters to 450 neighborhood properties which was a combination of the City's certified abutters list and inclusions provided by Alderman Jay Harney.

Approximately 70-80 folks attended, including 3 Aldermen: Lenny Gentile; Amy Sangiolo & Jay Harney. SEB was represented by Bob Engler and Winslow Architects was represented by John Winslow. The meeting lasted approximately 2 hours.

The primary concerns raised by the neighbors were as follows:

1. Excluding access to and from the site to Albert Road for both residents and equipment during construction.
2. Minimizing disturbance to the existing soils so as not to cause any impact on the existing subsurface soils and groundwater at the Burr School playground
3. Reducing the density
4. Evaluating the traffic movements leaving the site in connection with the pedestrian light for the school crossing in Lexington Street and for the pedestrians/school children walking down Lexington Street to the School.
5. The continued use of the foot path across the back of the site connecting Albert Road to the school playground
6. The impact on property values from the construction of subsidized housing

In response to those concerns, SEB offers the following responses:

1. Access to Albert Road will be restricted by constructing a lockbox to which only the Newton Fire Department will have access. During construction, equipment will enter and exit from Lexington, except when work will be required to tie in the existing water main on Albert Road
2. The geo-technical engineering firm of McPhail and Associates and the civil engineering firm of Hayes Engineering have completed both test pits and soil borings. These testing measures have determined that the back portion has unsuitable fill material; this unsuitable material has an impact on the foundations of the four duplex units. SEB is currently working with our geo-technical engineers on a solution to address this

problem. The budget proposed to the CPC committee reflects the additional costs to reinforce these foundations. Moreover, at this time, the proposed solution would eliminate the need to remove the majority of unsuitable fill, but would instead include an engineering technique that use geo-piles (or similar) to support the foundations and not disturb the neighboring soils. Our environmental engineers will be reviewing the environmental report carried out in 1995 on the Burr School playground to determine what impact, if any, it might have for our work. Based on SEB's discussion with David Naparstek of the Health Department, there should be nothing in that report which would cause us to alter our plans, but we will await word from our engineers.

3. There are certain fixed costs associated with any development. By reducing the density from 10 units to 8 units, the costs on a per unit basis would rise and a larger amount of CPA subsidy on a per unit basis would be required. According to our account, the per unit CPA request would increase from \$275K/unit for 7 units to \$375K for 5 units (3 HOME assisted units would remain in either case). So while the density would be decreased, the per-unit CPA subsidy would increase on a per unit basis by 30%. The trade-off for the loss of 2 affordable units – which is a scarce resource in the City of Newton - would be increased side yard setbacks from 10' to 27' between the 3 remaining duplexes. In the opinion of SEB, this trade-off does not seem worth the density reduction.
4. SEB has commissioned a traffic engineer to review the projected traffic flows in the am and pm peak periods from our site in connection with the pedestrian light on Lexington Street and provide us with his findings. We do not anticipate any volume or mitigation measures will be required due to the low anticipated volume from a 10 unit development.
5. As the CPC is aware, SEB is planning on cleaning up and improving the existing foot path connecting Albert Road to the Burr School playground. We propose to deed the walking path to the City along with the triangular piece of land behind the footpath.
6. There is no evidence from any studies suggesting a reduction in neighboring residential property values directly caused from the construction of subsidized housing similar to what we are proposing. We believe those fears to be totally unfounded. The 10 unit Homes at Auburndale Yards is a good comparable and if anyone can prove a reduction in property values in the surrounding area because of this development, we would like to see such evidence.

Click the Print button to print this map



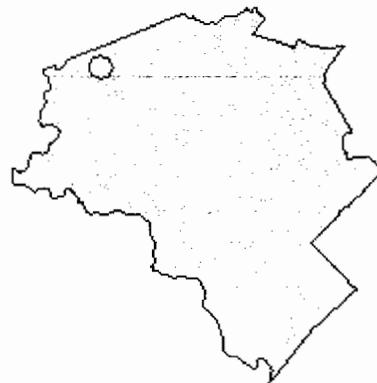
Assessor's Map For:  
AVILA ROSALIE  
C/O EMILY AVILA192  
LEXINGTON ST  
Neighborhood: 1A

CITY OF NEWTON  
MASSACHUSETTS  
ASSESSING DEPARTMENT  
1000 COMMONWEALTH AVE.  
NEWTON CENTRE, MA 02459  
PHONE: 617-796-1160

4/15/2009

Map for Reference Only  
NOT A LEGAL DOCUMENT

Because of different update schedules,  
current property assessments may not  
reflect recent changes to property  
boundaries. Check with the Board of  
Assessors to confirm boundaries used at  
time of assessment.





## THE GREEN ROUNDTABLE

38 Chauncy Street, 7<sup>th</sup> Floor  
Boston, MA 02111  
t. 617.374.3740 f. 617.457.7839  
[www.greenroundtable.org](http://www.greenroundtable.org)

April 2, 2009

Ms. Trisha Guditz  
Housing Programs Manager  
Newton Planning and Development Department  
1000 Commonwealth Avenue  
Newton, MA 02459

Dear Ms. Guditz,

The Green Roundtable (GRT) is a nonprofit organization committed to mainstreaming green building and sustainable design using the tools of education, policy and technical assistance. As part of our technical assistance work, we have been contracted by SEB to work on the Lexington Street affordable housing project in Newton.

One of our first tasks on the project was to participate in the specification development process. As part of this process, we reviewed the preliminary outline specification package and made recommendations on additional sustainable strategies that we believe will provide both short- and long-term benefits to the project. These recommendations included but were not limited to the following:

- Insulation and air sealing to produce a tight building envelope
- Efficient heating, domestic hot water and other mechanical systems
- Efficient lighting and appliances
- A more sustainable option for the concrete mix in the foundations/basement floor slabs
- High-performance windows
- Low-emitting interior paints and finishes to ensure good indoor air quality
- Rapidly renewable interior material options, such as Marmoleum flooring in kitchens, bathrooms and entryways
- Water-conserving strategies, such as dual-flush toilets and low-flow faucets and showerheads

Based on our most recent conversations with SEB, we understand that the submitted project budget will allow for all the design elements included in the base specification package to be included in each of the units. SEB also informed us that some of our proposed alternates could likely be included as well.

Additionally, GRT completed an initial LEED for Homes assessment for the project, and we believe that LEED certification is a possibility if funding is available to pursue additional sustainable strategies. Further evaluation would of course be necessary as more details of the project are confirmed.

Please feel free to contact Dee Spiro at (617) 374-3740 x132 if you have any questions or would like further information regarding our involvement in the Lexington Street affordable housing development project.

Regards,

Paul Marquis  
NEXUS Education Coordinator and Green House Doctor

Mark Sevier  
Green Building Consultant

Dee Spiro  
Green Building Consultant

# NEWTON HOUSING PARTNERSHIP

Newton Housing & Community Development Program  
492 Waltham St., West Newton, MA 02465. Phone 617-796-1156. TDD/TTY 617-796-1089

January 14, 2009

Community Preservation Committee (CPC)  
Newton City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

Re: Request for funds for 192 Lexington Street

Dear Committee Preservation Committee members:

At its meeting on January 14, the Housing Partnership agreed to support in concept the request by Stockard Engler Brigham (SEB) for \$1,542,900 in Community Preservation Funds for site work and construction costs related to the development of 10 units of affordable for sale housing at 192 Lexington Street. Since December, the Partnership has reviewed the proposal with the developers and discussed the project at three separate meetings. We support and endorse the developer's concept of providing 100% affordability (currently 7 units priced for sale at 95% of area median income (AMI) and 3 at 75% AMI) as well as their intent to control long term affordability by increasing energy efficiency to lower operating costs, and material and systems durability, to reduce replacement costs and maintenance requirements. We recognize that until SEB understands the specification required to achieve this, and final numbers are available, they will not be able to provide a final development budget with the associated plans, etc. The Housing Partnership asked the developer to provide additional information when it is available.

Some of the issues raised during our deliberations include the following:

- **Merits of the Proposal:** The Partnership recognizes the critical need for additional affordable housing, both at the 80% of Area Median Income (AMI) level (which will also be supported by Newton HOME Funds, if approved) and especially the 7 units at 100% of AMI, which only CPA funds can subsidize.
- **Need for public funding:** We support the use of Community Preservation funds and other City funds such as Newton HOME funds to make this worthwhile project possible.
- **Long term Affordability:** We understand that the applicant is working with the Green Roundtable to develop a specification for a more energy efficient and durable project. This is consistent with the Partnership's concern that we find ways to help assure long-term affordability. We see the Energy STAR program as a baseline mechanism for achieving this and urge the developer to commit to Energy STAR certification so as to understand the real relationship between such investments and long term costs.

Community Preservation Committee  
January 14, 2009  
Page 2 of 2

- We support the concept of pricing three of the units affordable to a household at 75%-80% of AMI, but only if that is acceptable to the Mass. Dept. of Housing and Community Development.

Site Plan: We see the need for additional detail to explain how the property will receive services, deliveries and the like.

If you have further questions for the Partnership please let me know.

Ver truly yours,

A handwritten signature in black ink, appearing to read 'P. Herr', written over a faint circular stamp.

Philip E. Herr, Chairman

Cc: Robert Engler, President, SEB  
Trisha Guditz, Housing Development Coordinator

Project Name:

## 192 Lexington St.

**Submitted by:** SEB (STOCKARD ENGLER BRIGHAM LLC, Bob Engler)  
**CPA Category(ies):** Community Housing  
**Location:** 192 Lexington St., Ward 4  
**Cost:** \$4 million total  
 1,542,859 CPA  
 742,866 Newton HOME funds  
 2,045,100 construction loan

### **Description:**

Construct and sell 10 permanently affordable 3-bedroom homes, incorporating sustainable design and energy conservation features, one at 50% AMI; two at 70% AMI; and seven are at 95% AMI (Area Median Income for the Greater Boston area in 2006=\$64,000.)

### **Comments/Questions:**

Our readers found this proposal intriguing. For Newton, it is a very bold and ambitious idea. The proposal seems reasonable and straightforward. It is easy to follow, and well-organized.

Our recommendations are based on our understanding that there will be restrictions in perpetuity maintaining the units as affordable.

In light of recent housing development costs, we are concerned that the allotment for construction may be less than what it takes to build quality housing in Newton, especially if it is to meet EnergyStar and/or LEED benchmarks.

We would like to see a durability plan and a commitment to clear performance objectives, like EnergyStar.

This project may need more funds to meet high-performance and durability standards, or if the site preparation costs increase due to unexpected conditions found below the surface. We are pleased to see the developer is using the Green Roundtable as consultants. The developer will need to understand the hard costs of doing EnergyStar or LEED more thoroughly.

Site Concerns: Is the site a bog? Old maps show the site either adjacent to or on top of Scribner's Bog (1870 map, revised in 1901); on a swampy area with lagoons (1892, "Areas Requiring Drainage"; and on swamp known locally as "Flowed Meadow" (1946 US Geological Survey topographical map). In addition, we note that the former dump is nearby, raising the additional question of whether the site is on landfill. Last, we would like to know what is included in the condo fee.

**Recommendation:** Support.

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**192 LEXINGTON STREET**

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