

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE REPORT

MONDAY, JUNE 8, 2015

Present: Ald. Gentile (Chairman), Ciccone, Norton, Brousal-Glaser, Rice, Blazar, Fuller, and Lappin

Also present: Ald. Albright, Baker, Crossley, Danberg, Hess-Mahan, Johnson, Kalis, Leary, Lennon, Sangiolo, and Yates

City staff present: Maureen Lemieux (Chief of Staff/Chief Financial Officer), Dori Zaleznik (Chief Administrative Officer), Alex Valcarce (Deputy Commissioner of Public Buildings), Rafik Ayoub (Project Manager (Public Buildings Department), Alice Ingerson (Community Preservation Planner), Lisa Dady (Director of the History Museum), Maura O'Keefe (Assistant City Solicitor), Marie Lawlor (Assistant City Solicitor), Elaine Gentile (Director of Environmental Affairs), James Freas (Interim Director of Planning), Eve Tapper (Acting Associate Director of Planning), Liz Valenta (Housing Planner), Leo Brehm (Director of Information Technology; School Department), and David Wilkinson (Comptroller)

REFERRED TO PROG & SERV, PUB FACILITIES, AND FINANCE COMMITTEES

#118-15 HIS HONOR THE MAYOR requesting authorization to acquire real property for municipal purposes at 15 Walnut Park, Newton more commonly referred to as Lot 1B, as shown on a subdivision plan dated August 30, 2010 and recorded in Middlesex County Registry of Deeds as Plan No. 746 of 2010, and for authorization to appropriate and expend fifteen million seven hundred fifty thousand dollars (\$15,750,000) from bonded indebtedness for the purpose of purchasing the property. [04/29/15 @ 12:01PM]

PROGRAMS & SERVICES APPROVED 6-0 on 05/06/15; PUBLIC FACILITIES APPROVED 7-0 on 05/06/15; FINANCE APPROVED 6-0 ON 05/27/15

FULL BOARD RECOMMITTED TO FINANCE ON 06/01/15

ACTION: APPROVED 7-0-1 (Brousal-Glaser abstaining)

NOTE: The item was recommitted to the Finance Committee at the June 1, 2015 Board of Aldermen meeting in order to continue discussion regarding possible PCB contamination and the appropriate remediation course if contamination is found. The Board of Aldermen received the attached letter from His Honor the Mayor asking to amend the docket request from \$15,750,000 to \$16,750,000. Last week GZA GeoEnvironmental, Inc. took samples of the window glazing and caulk around the building's windows to test them for asbestos and PCBs. The testing found asbestos in the window glazing. The PCB test results from the caulking will not be available until later in the week. GZA also looked at some of the light fixtures in the building and the ones containing thinner light tubes were all marked as not containing PCBs. Those light fixtures composed the majority of the lights in the school classrooms. Other light fixtures contained light tubes that are wider and are not marked with the statement that they do not contain PCBs. A number of light fixtures were not accessible and other lights were broken. The plan is to replace any light ballasts that may contain PCBs or do not function. The additional \$1 million would be

used to fund remediation for all rooms that will be occupied. The current remediation plan includes remediation of the windows, cleaning of the entire building including vacuuming with a vacuum that has a HEPA filter to ensure that all asbestos is removed, and cleaning of air handling units. The plan will require approval by the Environmental Protection Agency (EPA).

Michael Feeney, Director, Indoor Air Quality Program at the Massachusetts Department of Public Health provided the Committee with information on the PCB issue. Due to the age of the Aquinas building, there are likely PCBs in both the exterior and interior window caulking and in some of the light ballasts. Mr. Feeney explained that if the interior caulking is intact it is not a threat for PCBs and the Department does not recommend removing it if it is intact. The problem with removing the intact caulking is that it breaks up the caulking and releases PCBs into the air. If the caulking is damaged, it should be tested and remediated.

Remediation could include window replacement, caulking encapsulation and/or deep cleaning of the building. The EPA guidance regarding PCB remediation states that encapsulation works to minimize PCB exposure as long as there is not a high concentration of PCBs. The Department of Public Health recommends that PCB testing take place after encapsulation and then thereafter every three years. In addition, Mr. Feeney highlighted the importance of regularly cleaning and wiping down all surfaces within the buildings.

The light ballasts that contain PCBs, especially ones that are in disrepair or burnt out, should be replaced immediately. If the bulbs are not changed, they will continue to heat up and release PCBs into the indoor air. Mr. Feeney provided the attached information booklet addressing PCB-containing materials in schools.

Testing and remediation of PCBs in exterior caulking would fall under the jurisdiction of the State's Department of Environmental Protection requirements and standards. The City would have to evaluate the exterior caulking to determine how much there is, what shape it is in and whether it may have contaminated the soil. If there were damage, it would be prudent for the City to test the soils around the building for PCBs. If there is PCB contamination of the soil around the building, the Environmental Protection Agency could take the lead. The site would become a reported Licensed Site Professional (LSP) clean-up location. If the soil were contaminated, remediation would be the removal and replacement of the contaminated soil. It is unlikely that remediation would require the removal of a large volume of soil. The cost of disposal of contaminated soil is about \$250 per ton. It was pointed out that in the backside of the school there is fencing around the school and concrete between the fence and school.

It was pointed out that the Ransom Consulting, Inc. environmental site assessment for the Aquinas property included two recommendations to decrease the potential for future environmental problems. The first recommendation is to check that the municipal sewer connections from the boiler room are allowed. The second recommendation is to test the oil in the transformer and the elevator hydraulic fluid for PCBs. Mr. Feeney responded to the second recommendation, as it was related to PCBs. The oil and hydraulic fluid can be removed and the machinery cleaned to eliminate possible PCB exposure from those sources.

Randy Muse of GZA GeoEnvironmental, Inc. spoke on the asbestos contamination. GZA was contacted last week and asked to do a walkthrough of the Aquinas school building. Mr. Muse stated that the interior finishes in the building are in very good condition. The building will require a number of run of the mill replacements. He believes that the City should do a comprehensive survey of the building after the purchase of the building to look at the roof, mechanicals, and building envelope. Mr. Muse did the walkthrough with a focus on the windows, as they make up approximately 80% of the building's exterior envelope. The majority of the windows are in poor shape with flaking exterior and interior glazing. Mr. Muse took testing samples from six different locations in close proximity to windows. All of the samples contained asbestos. The windows and any glazing that flaked into windowsills and classrooms needs to be abated.

There was concern that the ceiling and floor tiles may contain asbestos and require replacement. Mr. Muse explained that all tiling is in great condition and currently there is no asbestos exposure risk associated with any of the tiles.

The City would need to use Environmental Protection Agency (EPA) approved removal, transport and disposal methods for asbestos abatement. It makes sense to replace all of the windows because it is not practical to abate the glazing. The asbestos remediation plan would require EPA approval. The best course of action is for the City to replace all of the windows in the school space, before children occupy the building. The replacement windows would need to be custom manufactured; therefore, the preschool program cannot move into the school in September. Chief of Staff Maureen Lemieux was under the impression that the space intended for the preschool could be occupied in September if the windows in that space were replaced. Mr. Muse explained that it is not likely that the EPA would approve that type of plan but it is ultimately up to the EPA. Several Aldermen felt that it was not appropriate for children to occupy the building if there was any chance of asbestos exposure, which Ms. Lemieux strongly agreed with. Asbestos abatement is very heavily regulated to ensure that it is done as safely as possible.

The project will be broken into two phases. The first phase will address the abatement of the school building for occupation by the preschool and second phase will be to renovate and abate the segregated convent portion of the building. It was suggested that GZA do a walkthrough of the convent to ensure that there are no issues that require abatement before the school building can be occupied. Ms. Lemieux agreed that it makes sense to do a walkthrough of the convent to understand what needs to be done in that section in terms of abatement. Ms. Lemieux asked the School Administration to move forward with the RFP to lease additional classroom space for the preschool program. It is her hope that they did move forward and have space for the upcoming school year. There was a statement that it would not be in the best interest of preschool students to move mid-year to the Aquinas site.

Aldermen asked if the Administration would consider renegotiating with the sellers now that it is known that the building contains asbestos that requires abatement. Ms. Lemieux responded that remediation costs would be part of the discussion with the sellers. There was suggestion that the City consider adding inspection contingencies to the purchase and sales

agreement to address any unknown circumstances. The City could also add language to the purchase and sales agreement that the City is responsible for a certain amount of money for abatement and the seller is responsible for anything over that amount of money.

Several Aldermen asked that the cost and timeline for the window replacement be provided to the Board of Aldermen prior to its meeting on June 15, 2015. It was also pointed out that even if there were no asbestos in the glazing for the windows, the plan has always been to replace all of the windows in the building. There was also a request to provide a breakdown of how the Capital Improvement Plan will be impacted because of the required abatements for the Board of Aldermen meeting. The Chair of Finance added that he hopes the Administration can provide some information on discussions with the seller regarding the abatement issues by the Board meeting.

Ald. Ciccone moved approval of the item with the amendment. Ald. Blazar stated that he would be abstaining as he feels that the City can do everything for the requested \$15,750,000 and if not, the Administration could come back for additional funding. Other Committee members felt that it was not appropriate to increase the request at this time. Ald. Ciccone withdrew his motion and Ald. Lappin moved approval of the request with the original appropriation of \$15,750,000 from bonded indebtedness, which carried by a vote of seven in favor and one abstention.

REFERRED TO ZONING & PLANNING AND FINANCE COMMITTEES

#103-15 COMMUNITY PRESERVATION COMMITTEE recommending the appropriation of one million fifty-seven thousand dollars (\$1,057,000) from the Community Preservation Fund to the control of the Director of Planning & Development, to create additional units of permanently affordable housing through the Newton Homebuyer Assistance Program, as described in the proposal submitted in March 2015. 04/13/15 @ 10:18 AM]

ZONING & PLANNING APPROVED 4-0-2 (Danberg, Sangiolo abstaining; Baker, Kalis not voting) on 06/08/15

ACTION: APPROVED 6-0-2 (Blazar, Norton abstaining)

NOTE: The Committee met jointly with the Zoning and Planning Committee to discuss this request.

Community Preservation Committee Vice-chair Jim Robertson presented the request for \$1,057,000 from the Community Preservation Fund to the Planning Department to create units of affordable housing through the Homebuyer Assistance Program. The program goal is to assist first-time homebuyers with low to moderate income looking to purchase a home in Newton by providing a subsidy based on household size. The program provides the buyer with assistance with down payments and closing costs. When property is purchased using this program, the property becomes affordable in perpetuity. When the property is resold, it must be sold to an income eligible buyer. In order to qualify for the program, the homebuyer must have an annual income below 80 % of the regional median. The approval of the funds will allow the program potentially to assist six homebuyers in a two-year timeframe. The requested amount is greater

than what was previously requested but housing prices have risen and the additional money will be used to increase maximum subsidies. The Community Preservation Committee is supportive of the program as it is one of the better ways available to create affordable housing and unanimously recommended approval of the \$1,057,000 in Community Preservation Act funding.

The Committee received the attached e-mail from Ald. Lennon regarding a municipal employee who recently applied for the Homebuyer Assistance Program but did not qualify for the program. Ald. Lennon's e-mail points out that when the program was established, one of the missions of the program was to help municipal employees afford housing in the City. Acting Associate Director of Planning Eve Tapper explained that the program's mission has changed. Although, municipal employees are not excluded from applying, the program does not specifically address City employees but does have a general Newton preference. In addition, all applicants must have an annual income below 80 % of the regional median as determined by HUD. The employee's salary is above the 80%.

There was concern among members of both Committees regarding the program's asset limits. The concern was addressed in 2013 when the Board of Aldermen last approved Community Preservation Act funding for the Homebuyer Assistance Program. The attached reports, a memorandum from the Law Department, and backup information provide all of the details related to the asset limit. In addition, Community Preservation Planner Alice Ingerson provided the attached memorandum to address questions raised by the Committees.

There were some questions regarding trying different methods for creating affordable housing. There are a limited number of programs that create affordable housing and this is one of the better programs available as it helps the greatest number of people purchase homes. Since the adoption of the program, 36 units of affordable housing have been created. It was explained that the program is one of a variety of ways that the City helps people with housing, such as rental programs and housing rehabilitation programs. It was suggested that the City might want to look at using the Community Preservation Act funds to purchase property to rent to income eligible people instead of funding this program. It was pointed out that the money would only purchase one or two units of housing, which is less than the six units that the Homebuyer Assistance Program would assist.

Ald. Ciccone moved approval in the Finance Committee, which carried by a vote of six in favor and two abstentions. Ald. Hess-Mahan moved approval in the Zoning and Planning Committee, which carried by a vote four in favor and two abstentions.

REFERRED TO ZONING & PLANNING, LAND USE AND FINANCE COMMITTEES

#104-15 ALD. JOHNSON, LAREDO, AND GENTILE requesting a report from the Planning Department with the following information: How many of the affordable units developed at Commonwealth Avenue, Pearl Street, and Eddy Street qualify to be included on the State's Subsidized Housing Inventory List. If a property is not currently on the list, what can be done to make it eligible.
[04/09/15 @ 12:00PM]
ZONING & PLANNING HELD 6-0 (Baker, Kalis not voting) on 06/08/15

ACTION: HELD 8-0

NOTE: The Zoning and Planning Committee and Finance met jointly to discuss the item. The Chairs of both Committees were asked by the Law Department not to have a detailed discussion due to pending litigation. Several Aldermen would like to know whether the properties mentioned in the docket item are included in the State's Subsidized Housing Inventory List and, if not, why they are not included. Ms. O'Keefe stated that she would bring the question back to the City Solicitor for an answer but was not comfortable discussing the question at the meeting, as she is not sure of the parameters of what can be discussed. Ald. Yates moved hold on the item in the Zoning and Planning Committee and Ald. Lappin moved hold in the Finance Committee. The motion to hold carried unanimously in both Committees.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#144-15 COMMUNITY PRESERVATION COMMITTEE recommending the appropriation of four hundred thousand dollars (\$400,000) from the Community Preservation Fund to the control of the Public Buildings Department, to complete the Museum Archives, Accessibility and Fire Suppression project, as described in the supplemental funding request submitted in April 2015. [05/18/15 @ 3:51 PM]

**PUBLIC FACILITIES APPROVED 5-0-2 (Gentile and Lappin abstaining)
on 06/03/15**

ACTION: APPROVED 8-0

NOTE: The above item is a request for \$400,000 from the Community Preservation Fund to provide supplemental funding for the Museum Archives Project. The substance of the project has been discussed a number of times over the past few years by the members of Public Facilities and Finance Committees. The Public Facilities Committee discussed and approved the request for supplemental funds on Wednesday, June 3, 2015. During the discussion in Public Facilities, concern was raised regarding the large amount contingency funds being provided as part of the project.

The budget includes approximately \$105,000 in a contingency line item, \$52,500 in a line item for the Public Buildings Department for any minor damage that Public Building employees could repair, and \$15,000 for work by Jackson Homestead/Historic Newton employees, which amounts to about an 18% contingency on the construction costs. The Chair of Finance asked that the contingency be reduced to 5% of the construction costs; however, the Public Buildings Department was concerned that a 5% contingency would not be enough to address unforeseen circumstances in a historical building. Therefore, a compromise was reached and an additional 5% of the project contingency was added to a Board of Aldermen contingency line item that would require Board approval before it is expended. The City has been using a 5% contingency on all of its Public Building projects and the projects have been coming in on time and under budget. The Chair feels it is important that the City remains consistent on contingency percentage for projects.

The Chair confirmed that any work by the Public Buildings Department could be paid through the contingency funds. Director Lisa Dady stated that the Museum staff and the Public Buildings Department staff would work out the details of how the museum is opened for contractors. Ms. Dady feels that she can work around the removal of the \$15,000 from the project budget.

Ald. Fuller moved approval of the items as amended by reducing the request to \$306,509 from Community Preservation Act Funds. The revised budget for the project is attached. The motion was approved unanimously. Ms. Ingerson added that the Community Preservation Committee's available funds report would continue to show the \$400,000 in funds recommended but not appropriated. Should the project require any additional funds, the Community Preservation Committee would expedite the request.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#132-15 HIS HONOR THE MAYOR requesting authorization to transfer the sum of two hundred thousand dollars (\$200,000) from the Public Works Full Time Wages/Street Maintenance Account to the Public Works Electrical Equipment Account for the purpose of funding additional repair work required this year.
[05/11/15 @ 4:18 PM]

PUBLIC FACILITIES APPROVED 7-0 on 06/03/15

ACTION: APPROVED 8-0

NOTE: Commissioner Turocy presented the request for a transfer from the Street Maintenance Salaries Account to the Electrical Equipment Account within the Department of Public Works budget to provide funding for a shortfall in the Electrical Equipment Repair and Maintenance Account. The Transportation Division of Public Works was very aggressive this past summer and fall in improving and repairing traffic signals throughout the City. There were a number of traffic signal knockdowns and repairs required because of the severe winter and traffic accidents. The Traffic Division fell four months behind in tracking the repairs due to the winter. Therefore, all of the money in the Electrical Equipment Repair and Maintenance Account has been spent. The department requires an additional \$200,000 to fund previous repairs and knockdowns and continue to fund repairs and knockdowns through June 30, 2015. The Commissioner explained immediate repair of traffic signals is required for vehicle and pedestrian safety.

There is money available in the Salaries Account due to vacancies within the Department. It was pointed out that the City will receive insurance payments for some of the traffic signal knockdowns but it will take some time to receive the payments. The Electrical Equipment Repair and Maintenance Account were not increased for Fiscal Year 2016, but the Commissioner believes that the Traffic Division can manage with the allotted funds. There was concern among the Committee members that the department spent money that it did not have. The Commissioner explained that there was a delay in forwarding the invoices to the Budget Director; therefore, he was unaware that the account was overdrawn. Either the invoices were held up in the Traffic Division or the contractor did not submit them in a timely fashion.

Part of the issue with tracking and timely payment is related to the vacancy of the Traffic Engineer position, as that position is responsible for tracking the traffic signal work. The Commissioner is interviewing candidates for the position in the upcoming week. The Committee requested that the Commissioner inform the Traffic Division immediately when there is no available funding in accounts.

It was suggested that the Financial Audit Advisory Committee should discuss how to strengthening the internal controls within the Public Works Department. The Chair of the Financial Audit Advisory Committee, Ald. Fuller, agreed that there should be discussion in that Committee. With that, Ald. Ciccone moved approval, which carried unanimously.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#131-15 **HIS HONOR THE MAYOR** requesting authorization to transfer the sum of eighty thousand dollars (\$80,000) from the Public Works Snow Overtime Account to the Public Works Vehicle Repairs Account for the purpose of funding additional repair work required due to the historic amount of snow this past winter. [05/11/15 @ 4:18 PM]

PUBLIC FACILITIES APPROVED 6-0 (Gentile not voting) on 06/03/15

ACTION: APPROVED 8-0

NOTE: Commissioner Turocy presented the request to transfer \$80,000 from the Snow Overtime Account to the Department of Public Works Expenses Account to address ongoing snow expenses related to vehicle rentals and vehicle repairs. The Public Facilities Committee unanimously approved the request. All of the overtime expenses incurred because of the winter have been paid and funds remain in the account. Unfortunately, the Public Works Department cannot use salary funds for expenses; therefore, authorization by the Board of Aldermen to transfer the money is required.

Committee members asked if the Commissioner was aware of any other outstanding bills. Commissioner Turocy responded that the department would need to fund the repair of a number of fences located on City property. The Parks and Recreation Department will handle the repair and bill the Public Works Department. The Commissioner does not know the estimated costs of the fence repairs at this point.

Ald. Rice moved approval of the request, which carried by a vote of eight in favor and none opposed.

REFERRED TO PUBLIC SAFETY & TRANS. AND FINANCE COMMITTEES

#130-15 **HIS HONOR THE MAYOR** requesting authorization to appropriate the sum of one hundred fifty thousand dollars (\$150,000) from Free Cash for the purpose of improving traffic signalization at several intersections throughout the City.

PUBLIC SAFETY APPROVED 6-0-1 (Schwartz abstaining) on 06/03/15

ACTION: APPROVED 8-0

NOTE: Public Works Director of Operations Shane Mark presented the request for \$150,000 to relocate traffic signalization and crosswalk from Watertown Street at Capital Street to Watertown Street at Pearl Street. Once the St. Jean's School was closed, there was no longer a need for the signal and crosswalk at Capital Street and Watertown. A number of pedestrians cross Watertown Street at Pearl Street and that number is expected to increase once the Aquinas building is in use.

The Administration is funding the project through Free Cash. Chief of Staff Maureen Lemieux explained that she had hoped to fund a number of signalization projects through Free Cash; however much of the Free Cash was used to fund snow and ice removal due to the severe winter. Ms. Lemieux goal is to use Free Cash for all projects with a cost of up to \$150,000 instead of bonding those projects. The Committee understood the need for the relocation of the signals and Ald. Ciccone moved approval, which carried unanimously.

REFERRED TO PUBLIC SAFETY & TRANS. AND FINANCE COMMITTEES

#129-15 **HIS HONOR THE MAYOR** requesting authorization to appropriate the sum of two million dollars (\$2,000,000) from bonded indebtedness for the purpose of improving the traffic signals at several intersections in Auburndale and traffic improvements in Nonantum and Oak Hill, as well as other areas of the City.
05/11/15 @ 5:00 PM]

**PUBLIC SAFETY APPROVED 6-0-1 (Schwartz abstaining) on 06/03/15
FINANCE COMMITTEE SPLIT THE ITEM INTO PART A AND B
(A) \$1.2 MILLION FOR AUBURNDALE TRAFFIC IMPROVEMENT
PLAN**

**ACTION: HELD 8-0
(B) \$800,000 FOR TRAFFIC IMPROVEMENTS AT VARIOUS
LOCATIONS WITHIN THE CITY
APPROVED 7-0-1 (Fuller abstaining)**

NOTE: Commissioner Turocy presented the request to fund \$2,000,000 in traffic signal and intersection improvements at a number of intersections in Auburndale and other locations in the City. The Auburndale Project is estimated to cost \$1.2 million dollars and includes geometric changes at intersections, which will require approval by the Public Facilities Committee before the funding is approved. The Committee raised concern that delaying all of the funding would hold up the signal improvements in the other locations.

The Committee split the item into Part A for the \$1.2 million for the Auburndale improvements and Part B for the remaining \$800,000 to fund traffic improvements at other intersections in the City. The Finance Committee held Part A and referred it to the Public Facilities Committee for discussion. A motion to approve Part B was made and approved by a vote of seven in favor and one abstention with the understanding that the Public Safety and Transportation Committee would receive regular updates on the projects and if any of the improvements required approval by the Public Facilities Committee that they would be docketed.

#128-15 HIS HONOR THE MAYOR requesting authorization to enter into a five-year contract for the curbside collection of solid waste and recyclables. [05/11/15 @ 4:30 PM]

ACTION: **APPROVED 6-0-2 (Gentile and Lappin abstaining)**

NOTE: Chief of Staff Maureen Lemieux, Commissioner of Public Works David Turocy and Director of Environmental Affairs Elaine Gentile presented the request for approval to enter into a five-year contract for automated trash and recyclables curbside collection with Waste Management. The City has had a long-standing successful relationship with Waste Management.

During the contract negotiations, a four-day collection week was discussed but it would require the addition of a number of pieces of equipment, which would drive up the contract price. The charge for collection of overflow bags and extra carts was removed from the contract and Waste Management agreed to provide a Collections Chaser until 6 pm every collection day. The City did attempt to negotiate a 2.5% flat increase each year; however, a 3.9% increase for the first year and a 3.5% increase for each year thereafter were negotiated. The previous contract contained a 4% increase each year. Elaine Gentile added that the driving factor for the increase in the Waste Management contract is due to increases in the truck driver salaries at Waste Management. In addition, the City also negotiated a contract for disposal and incineration of trash with Wheelabrator of Milbury. The Wheelabrator contract will save the City approximately \$160,000 in the upcoming year.

The contract also includes a reduction in recycling to \$16 per ton, which includes a cost ceiling. The contract uses a blended rate for recycling, which brings the overall cost of the contract down. All dumpster pickups were also itemized in the contract. It is a very transparent contract and Ms. Gentile is pleased with the contract.

Committee members asked if there was any discussion regarding including properties that are currently required to provide for their own trash collection in the contract. It is currently not part of the new contract due to additional cost of between \$300,000 and \$400,000; however, there are seven items listed as special provisions within the new contract that can be reopened during the length of the contract for further discussion including providing trash and/or recycling collection to the units that currently do not receive collection services from the City. It was suggested that Aldermen may want to docket an item to further discuss adding the additional properties to the City trash and recyclable collection services. Ald. Fuller moved approval, which carried by a vote of six in favor and two abstentions.

#142-15 HIS HONOR THE MAYOR requesting authorization to accept and expend the Edward J. Byrne Memorial Justice Assistance Grant in the amount of twenty-nine thousand nine hundred fourteen dollars and ten cents (\$29,914.10) for the purpose of purchasing law enforcement equipment. [05/27/15 @ 2:01 PM]

ACTION: **APPROVED 8-0**

NOTE: Police Captain Dennis Berube presented the request for acceptance of the Edward J. Byrne Memorial Justice Assistance Grant for \$29,914.10. The grant will be used to by 6 traffic signal emitters, 90 tactical flashlights, 9 vests and 4 shields to better equip police officers. Captain Berube introduced Lieutenant Spaulding, who found and applied for the grant. Ald. Lappin moved approval, which carried unanimously.

#143-15 HIS HONOR THE MAYOR requesting authorization to appropriate the sum of twenty thousand dollars (\$20,000) from Free Cash for fees relating to the transport and disposal of railroad ties in order to expedite the completion of the “Rail Trail Project.” [05/27/15 @ 2:00 PM]

ACTION: APPROVED 7-0-1 (Ciccone abstaining)

NOTE: Chief of Staff Maureen Lemieux presented the request for an appropriation of \$20,000 from Free Cash to pay for the transport and disposal of the railroad ties that were removed as part of the “Rail Trail Project.” Iron Horse removed the railroad ties and steel along the rail trail. Iron Horse sold the steel and used the profits to fund another project leaving no money to remove and dispose of the railroad ties. The ties remain along the side of the rail trail and the project cannot be completed until the ties are removed and the stone dust for the pathway spread. The hope is that Iron Horse will provide the labor to spread the stone dust but if not the Department of Public Works will spread it.

In addition, the railroad ties contain creosote, which is a contaminant that requires proper disposal methods. As Iron Horse cannot complete the project, and the City does not have the ability to transport and dispose of the ties, the City will need to fund the remainder of the project. The City will pay the hauler and disposer of the railroad ties directly and attempt to recoup the funds from the original contract through a contract amendment stipulated that the contractor will reimburse the City. The Committee urged the administration to pursue reimbursement from Iron Horse for the removal and disposal of the railroad ties.

The Rail Trail Project has really brought the Upper Falls Community together. There have been several cleanup projects along the pathway that have involved a large number of neighborhood volunteers. The rail trail is a tremendous project that the whole community will benefit from. With that Ald. Rice moved approval, which carried by a vote of seven in favor and one abstention. Ald. Ciccone abstained as he feels that the City requires some projects to have community funding, while others do not require any community funding, which is not equitable.

#145-15 HIS HONOR THE MAYOR requesting authorization to appropriate the sum of one hundred twelve thousand nine hundred seventy-six dollars and sixty-one cents (\$112,976.61) from E-Rate Reimbursements Funds collected through May 2015 for the purpose of school technology purchases. [04/30/12 @ 5:08 PM]

ACTION: APPROVED 7-0 (Brousal-Glaser not voting)

NOTE: School Department Director of Information Technology Leo Brehm presented the request to appropriate \$112,976.61 received from E-Rate reimbursement funds collected during Fiscal Year 2015. The funds will be used to upgrade information technology infrastructure at the

elementary schools and a number of upgrades at the middle schools to leverage the new citywide fiber network. The upgrades will increase the network performance between the schools and the internet and other resources, as well as improve network performance within each of the elementary schools.

Mr. Brehm informed the Committee that there are upcoming federal changes to how e-rate reimbursement funds can be used. The funds will be used to focus on Internet connectivity, which will result in a decrease in the e-rate reimbursement funds, as the schools are fully connected to the internet. Ald. Lappin moved approval, which carried unanimously.

Respectfully submitted,

Leonard J. Gentile, Chairman



SETTI D. WARREN
MAYOR

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Office of the Mayor

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RECEIVED
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DAVID A. OLSON, CLERK
NEWTON, MA 02459

June 8, 2015

Honorable Board of Aldermen
Newton City Hall
1000 Commonwealth Avenue
Newton, MA 02459

Ladies and Gentlemen:

I write to request that your Honorable Board amend *Docket Item #118-15 HIS HONOR THE MAYOR requesting authorization to acquire real property for municipal purposes at 15 Walnut Park, Newton more commonly referred to as Lot 1B, as shown on a subdivision plan dated August 30, 2010 and recorded in Middlesex County Registry of Deeds as Plan No. 746 of 2010, and for authorization to appropriate and expend fifteen million seven hundred fifty thousand dollars (\$15,750,000) from bonded indebtedness for the purpose of purchasing the property, by deleting the amount of fifteen million seven hundred fifty thousand dollars (\$15,750,000) and inserting the amount of sixteen million seven hundred fifty thousand dollars (\$16,750,000).*

As you know, PCBs were a common constituent of caulk and some other products used in school buildings from the 1950s through the 70s, much in the same way that asbestos was used in floor tiles, window glazing, and pipe wrapping. As part of the City's due diligence as we enter our next phase of inspection of the property, and in preparation for the execution of a Purchase and Sale Agreement, the City has employed GZA GeoEnvironmental Inc., as well as several of the City's on-call contractors to conduct roofing, HVAC, masonry and other structural inspections of the property.

GZA GeoEnvironmental Inc., a well-respected firm in Massachusetts providing environmental consultation, remediation, and geotechnical services has been asked to evaluate the building. Last week GZA took samples of the glazing as well as caulk. The tests for the glazing were positive for asbestos. The PCB test results will most likely not be available until the middle of this week.

GZA also examined a sampling of the light fixtures in the building. Thinner light tubes were marked as not containing PCBs. The majority of light fixtures in the classrooms had the thinner tubes. The lights appeared to be in working order throughout the building but will be

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.newtonma.gov



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systematically surveyed during the summer months. All nonfunctioning light ballasts will be replaced. Air handling units will be cleaned and checked to ensure that they are all functioning properly. Prior to occupying the school, the entire building will be vacuumed with a hepafilter vacuum which removes small particles and deeply cleans the building.

Knowing that there is asbestos in the glazing will require remediation for rooms that will be occupied when the City takes ownership of the building. We will need to address window remediation options for the rooms that will be in use for the preschool including, if needed, replacement of the windows. Any remediation plan will require Environmental Protection Agency (EPA) approval.

I believe that the additional authorization should be adequate to cover any remediation issues. The Aquinas building is an excellent structure that has been well-maintained with a large number of classrooms, a large parking lot and sited on nearly six acres of land, which is a considerably larger site than most of our current school buildings occupy.

Thank you for your consideration of this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Setti D. Warren". The signature is written in a cursive style with a large initial "S".

Setti D. Warren
Mayor

An Information Booklet Addressing PCB-Containing
Materials in the Indoor Environment of Schools
and Other Public Buildings

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Newton City Clerk

2015 JUN - 8 PM 11: 24

David A. Olson, CMAA
Newton, MA 02459



Prepared by

Bureau of Environmental Health
Massachusetts Department of Public Health

December 2009

INTRODUCTION

The purpose of this information booklet is to provide assistance to school and public building officials and the general public in assessing potential health concerns associated with polychlorinated biphenyl (PCB) compounds in building materials used in Massachusetts and elsewhere. Recently, the U.S. Environmental Protection Agency (EPA) provided broad guidance relative to the presence of PCBs in building materials, notably PCBs in caulking materials. The most common building materials that may contain PCBs in facilities constructed or significantly renovated during the 1950s through the 1970s are fluorescent light ballasts, caulking, and mastic used in tile/carpet as well as other adhesives and paints.

This information booklet, developed by the Massachusetts Department of Public Health's Bureau of Environmental Health (MDPH/BEH), is designed to supplement guidance offered by EPA relative to potential health impacts and environmental testing. It also addresses managing building materials, such as light ballasts and caulking, containing PCBs that are likely to be present in many schools and public buildings across the Commonwealth. This is because the Northeastern part of the country, and notably Massachusetts, has a higher proportion of schools and public buildings built during the 1950s through 1970s than many other parts of the U.S. according to a 2002 U.S. General Accounting Office report. The Massachusetts School Building Authority noted in a 2006 report that 53 percent of over 1,800 Massachusetts school buildings surveyed were built during the 1950s through 1970s. This information booklet contains important questions and answers relative to PCBs in the indoor environment and is based on the available scientific literature and MDPH/BEH's experience evaluating the indoor environment of schools and public buildings for a range of variables, including for PCBs as well as environmental data reviewed from a variety of sources.

1. What are PCBs?

Polychlorinated biphenyl (PCB) compounds are stable organic chemicals used in products from the 1930s through the late 1970s. Their popularity and wide-spread use were related to several factors, including desirable features such as non-flammability

and electrical insulating properties. Although the original use of PCBs was exclusive to closed system electrical applications for transformers and capacitors (e.g., fluorescent light ballasts), their use in other applications, such as using PCB oils to control road dust or caulking in buildings, began in the 1950s.

2. When were PCBs banned from production?

Pursuant to the Toxic Substance Control Act (TSCA) of 1976 (effective in 1979), manufacturing, processing, and distribution of PCBs was banned. While the ban prevented production of PCB-containing products, it did not prohibit the use of products already manufactured that contained PCBs, such as building materials or electrical transformers.

3. Are PCBs still found in building materials today?

Yes. Products made with PCBs prior to the ban may still be present today in older buildings. In buildings constructed during the 1950s through 1970s, PCBs may be present in caulking, floor mastic, and in fluorescent light ballasts. Available data reviewed by MDPH suggests that caulking manufactured in the 1950s through 1970s will likely contain some levels of PCBs. Without testing it is unclear whether caulking in a given building may exceed EPA's definition of PCB bulk product waste of 50 parts per million (ppm) or greater. If it does, removal and disposal of the caulk is required in accordance with EPA's TSCA regulations (40 CFR § 761).

4. Are health concerns associated with PCB exposure opportunities?

Although the epidemiological evidence is sometimes conflicting, most health agencies have concluded that PCBs may reasonably be anticipated to be a carcinogen, i.e., to cause cancer.

PCBs can have a number of non-cancer effects, including those on the immune, reproductive, neurological and endocrine systems. Exposure to high levels of PCB can have effects on the liver, which may result in damage to the liver. Acne and rashes are

symptoms typical in those that are exposed to high PCB levels for a short period of time (e.g., in industry / occupational settings).

5. If PCBs are present in caulking material, does that mean exposure and health impacts are likely?

No. MDPH/BEH's review of available data suggests that if caulking is intact, no appreciable exposures to PCBs are likely and hence health effects would not be expected. MDPH has conducted indoor tests and reviewed available data generated through the efforts of many others in forming this opinion.

6. How can I tell if caulking or light ballasts in my building may contain PCBs?

If the building was built sometime during the 1950s through 1970s, then it is likely that the caulking in the building and/or light ballasts may contain some level of PCBs. Light ballasts manufactured after 1980 have the words "No PCBs" printed on them. If the light ballast does not have this wording or was manufactured before 1980, it should be assumed that it contains PCBs.

7. What are light ballasts?

A light ballast is a piece of equipment that controls the starting and operating voltages of fluorescent lights. A small capacitor within older ballasts contains about one ounce of PCB oil. If light bulbs are not changed soon after they go out, the ballast will continue to heat up and eventually result in the release of low levels of PCBs into the indoor air.

8. Does the presence of properly functioning fluorescent light ballasts in a building present an environmental exposure concern?

No appreciable exposure to PCBs is expected if fluorescent light ballasts that contain PCBs are intact and not leaking or damaged (i.e., no visible staining of the light lenses), and do not have burned-out bulbs in them.

9. Should I be concerned about health effects associated with exposure to PCBs as a result of PCB-containing light ballasts?

While MDPH has found higher PCB levels in indoor air where light bulbs have burned-out, the levels are still relatively low and don't present imminent health threats. A risk assessment conducted recently at one school did not suggest unusual cancer risks when considering a worst case exposure period of 35 years for teachers in that school. Having said this, MDPH believes that facility operators and building occupants should take prompt action to replace bulbs and/or ballasts as indicated to reduce/eliminate any opportunities for exposure to PCBs associated with PCB-containing light ballasts.

10. When should PCB-containing light ballasts be replaced?

If ballasts appear to be in disrepair, they should be replaced immediately and disposed of in accordance with environmental regulatory guidelines and requirements. However, if light bulbs burn out, the best remedy is to change them as soon as possible. If light bulbs are not changed soon after they go out, the ballast will continue to heat up and eventually result in the release of low levels of PCBs into the indoor air. Thus, burned-out bulbs should be replaced promptly to reduce overheating and stress on the ballast. As mentioned, ballasts that are leaking or in any state of disrepair should be replaced as soon as possible.

It should be noted that although older light ballasts may still be in use today, the manufacturers' intended lifespan of these ballasts was 12 years. Thus, to the extent feasible or in connection with repair/renovation projects, the older light ballasts should be replaced consistent with the intended lifespan specified by the manufacturers.

11. Does MDPH recommend testing of caulking in buildings built during the 1950s - 1980?

Caulking that is intact should not be disturbed. If caulking is deteriorating or damaged, conducting air and surface wipe testing in close proximity to the deteriorating caulking will help to determine if indoor air levels of PCBs are a concern as well as determining the need for more aggressive cleaning. Results should be compared with similar testing

done in an area without deteriorating caulking. In this way, a determination can be made regarding the relative contribution of caulking materials to PCBs in the general indoor environment.

12. What if we determine that caulking in our building is intact and not deteriorating?

Based on a review of available data collected by MDPH and others, the MDPH does not believe that intact caulking presents appreciable exposure opportunities and hence should not be disturbed for testing. As with any building, regular operations and maintenance should include a routine evaluation of the integrity of caulking material. If its condition deteriorates then the steps noted above should be followed. Consistent with EPA advice, if buildings may have materials that contain PCBs, facility operators should ensure thorough cleaning is routinely conducted.

13. Should building facilities managers include information about PCB-containing building materials in their Operations and Maintenance (O&M) plans?

Yes. All buildings should have an O&M plan that includes regular inspection and maintenance of PCB building materials, as well as thorough cleaning of surfaces not routinely used. Other measures to prevent potential exposure to PCBs include increasing ventilation, use of HEPA filter vacuums, and wet wiping. These O&M plans should be available to interested parties.

14. Are there other sources of PCBs in the environment?

Yes. The most common exposure source of PCBs is through consumption of foods, particularly contaminated fish. Because PCBs are persistent in the environment, most residents of the U.S. have some level of PCBs in their bodies.

15. Where can I obtain more information?

For guidance on replacing and disposing of PCB building materials, visit the US EPA website: <http://www.epa.gov/pcbsincaulk/>. For information on health concerns related to PCBs in building materials, please contact MDPH/BEH at 617-624-5757.

Shawna Sullivan

From: Scott F. Lennon <sflennon@comcast.net>
Sent: Monday, June 08, 2015 12:41 PM
To: Shawna Sullivan; Karyn Dean
Subject: Finance / ZAP / CPA Item - #103-15

Hello All

As you deliberate the additional funding for the Homebuyer Program, I wanted to bring to your attention some information I was provided. I have reached out to James Freas to insure what I have is accurate. As of sending this I hadn't heard back.

Recently, a Newton Firefighter hired in 2012 did not qualify for funding for this program. This is supposed to be a key segment of the population we were trying to serve when we adopted this program. I believe this program should continue and I support it but I believe it is falling short on a key component of its original mission. We need to amend the program guidelines so we can assist those who we targeted at the inception of this program. Below is a response to an email I sent to Planning inquiring about the program for this employee:

"I did check in with Lydia, she has talked to (employee) within the past two weeks. He is a single person household and makes above the 80% AMI income limit (\$48,800). He was disappointed that the limit is so low and there was nothing available for Middle-Income households."

Examples of language in the CPA applications pertaining to targeting of city employees (underline is mine):

Project Description - March, 2003

The applicant, the City of Newton Housing Office, originally requested \$375,000 to be used as downpayment assistance for City of Newton employees with household incomes at or below 100% of the area median. However, after a series of discussions with several Aldermen and members of the Community Preservation Committee, the applicant has amended the proposal to request \$500,000 to be used to initiate the Newton Homebuyer Assistance Program. This funding would assist a minimum of five households to purchase a home in Newton and would first target households at or below 80% of the area median income. Each applicant would be eligible for a subsidy of up to \$90,000. In addition to funding subsidies, \$15,000 of the CPA funding is requested from the Housing Office for administration of the program. The specifics of this amended proposal are detailed in a memo from Steve Gartrell, Associate Director for Housing and Community Development, dated April 13 (see attachment).

This program will preserve affordable housing units in perpetuity through deed restrictions. The program will target City of Newton employees, current residents of Newton, people who work in Newton, households with a family member who currently attends the Newton Public School system, people who have graduated from a Newton Public High School within the last ten years, and first time homebuyers. This amended proposal (NHAP) and the MEHAP proposal are redesigns of the project originally proposed by CAN-DO to write down the mortgages of municipal employee homebuyers at the Highlands Glen townhouses on Christina Street. The main difference in the structure of the NHAP and MEHAP proposals from the original is that the applicants would locate their own housing units anywhere in Newton rather than being restricted to a specific property. This would enable the applicants greatly expanded choice when considering purchase price, neighborhood location, and housing type, layout, and amenities.

CPA Overarching Goals - #8 - Strong Community Support (specific to this project) - March, 2003

Goal #8: Based on the application (submitted on 1 November 2003), subsequent correspondence, and public comments at the 24 November public hearing, the proposed MEHAP program had strong community support from various entities, including City unions, teachers, and other municipal employees. The amended proposal (NHAP) has support from UCHAN (Uniting Citizens for Housing Affordability in Newton). No opposition to the revised proposal has been recorded.

Community Housing Goals

4. Create new moderate housing units (80% to 100% of median income) that promote housing for City employees, such as teachers, firefighters, and police officers.

9. Provide community housing opportunities for individuals whose residency in Newton would promote community services, such as Newton teachers and public safety workers and other city employees.

Additional Funding Request Description - Nov, 2005

Background: The existing NHAP program received CPA funding via a Board Order of the Newton Board of Alderman dated April 13, 2004. Total funding for the program was \$500,000. NHAP funding is provided for both persons with a connection to the City of Newton (NX Program), and for other first time homebuyer clients.

Additional Funding Request Description - May, 2008

Applicants must also be either a first time homebuyer (or a displaced homemaker), or have a connection to Newton such as work in Newton, live in Newton or have a child in a school in Newton (K-12, public or private).

I'm hoping we can look at all the parameters of the first time homebuyer program before making any final determinations on additional funding.

Thanks

Scott

Ald. Salvucci moved approval as amended to increase the transfer from Snow/Ice Budget Reserve to \$1 million, which carried unanimously.

#39-13 HIS HONOR THE MAYOR requesting authorization to increase the previously authorized expenditure (Budget Board Order #383-11(2)) by a sum of fifty-six thousand twenty-four dollars (\$56,024) from the FY12 Housing and Urban Development (HUD) Emergency Solutions Grant for homelessness prevention.
[01/16/13 @ 8:58 AM]

ACTION: **APPROVED 8-0**

NOTE: Community Development Manager Anne Marie Belrose explained that the City received grant funds from the United States Department of Housing and Urban Development to be used for homelessness prevention in Fiscal Year 2012 in two allocations. The first allocation was included in the budget board order for Fiscal Year 2012. The second unexpected allocation of \$56,024 was received in August of 2012 and was not included in the budget board order. In order for the City's Comptroller to release the second allocation for expenditure the Board of Aldermen must increase the previously authorized expenditure of the grant to include the \$56,024.

The Planning & Development Department will be responsible for meeting all of the federal guidelines and reporting requirements associated with the grant including all necessary paperwork. It will be holding the contracted service provider to all the standards of the grant requirements. The Committee members emphasized the importance of meeting all the financial reporting requirements, as inaccurate reporting impacts the City's external annual audit. With that, Ald. Ciccone moved approval of the authorization, which carried unanimously.

REFERRED TO ZONING & PLANNING AND FINANCE COMMITTEES

#316-12(2) COMMUNITY PRESERVATION COMMITTEE recommending the
(#55-13) appropriation of four hundred seventy-five thousand dollars (\$475,000) to the Planning and Development Department to continue the Newton Homebuyer Assistance Program as described in the proposal amended in December 2012.
[01/25/13 @ 12:33 PM]

ZONING & PLANNING APPROVED 6-0 ON 02/11/13

ACTION: **HELD 8-0**

NOTE: Housing Planner Reiko Hayashi presented the request for funding from the Community Preservation Fund for the Newton Homebuyer Assistance Program. The program goal is to assist first-time homebuyers with low to moderate income looking to purchase a home in Newton by providing a subsidy based on household size. When property is purchased using this program, the property becomes affordable in perpetuity. When the property is resold, it must be sold to an income eligible buyer. In order to qualify for the program the homebuyer must have an annual income below 80 % of the regional median. The approval of the funds will allow the program to assist three homebuyers. Ms. Hayashi provided the attached summary of the Homebuyer Assistance Program, which included how the funds would be used.

There have been recent modifications to program to address the increase in housing prices and the decrease in income. The maximum subsidy of \$115,000 for all size households has been increased to \$150,000 for a 3-bedroom or larger household, \$125,000 for a 2-bedroom household.

There were number of program participants and community groups who provided letters of support, which were attached to the agenda. Francisco Dos Ramos attended the meeting and stated that he is an applicant to the program and is supportive of the program.

Qualified program participants must be first time homebuyers, have pre-approval for a 30-year fixed rate mortgage, meet federal income guidelines, find a property, and their monthly housing costs must be at or below 33% of the monthly household income. A minimum down payment of 5% of the purchase price is expected. Qualified participants can have up to \$75,000 in liquid assets, which includes retirement savings. The asset limit was established after comparing the asset limit in other communities.

Committee members were concerned that the asset limit seemed high and would like justification for the asset limit. Many first time buyers do not meet the program eligibility requirements and do not have \$75,000 in liquid assets. It seems like a large cushion if those assets are not retirement savings. The Committee asked if it were possible to exclude retirement funds from the asset limit and lower the asset limit. Ald. Ciccone moved to hold the item until the requested information is received, which the Committee supported unanimously.

#40-13 DIRECTOR OF PLANNING requesting amendment to City of Newton Ordinances Chapter 26-30. **Licenses for café furniture on sidewalks.** by deleting the licensing fee from 26-30(c) and approving a new license fee structure in Chapter 12 by replacing the current annual café furniture license fee of \$25 with a fee of \$100 for the initial application and a \$50 annual fee for renewal and giving the Health and Human Services Department the authority to collect the fees.
[01/16/13 @ 3:44 PM]

ACTION: **APPROVED 8-0**

NOTE: Commissioner of Health and Human Services Dori Zaleznik presented the proposed ordinance amendment, which would change the fee structure for licenses for café furniture on sidewalks and give the Health and Human Services Department the authority to collect the fees for the licenses. The proposed fee structure would be a fee of \$100 for the initial application and a \$50 annual renewal fee. The Zoning and Planning Committee is currently discussing a proposed ordinance to streamline the annual licensing process for café furniture, which would be administered through the Health and Human Services Department instead of the Department of Public Works.

Director Planning and Development Candace Havens submitted the attached request for an amendment to the docket item to establish a fine for failure to comply with the proposed sidewalk ordinance. The Committee would like a recommendation from the Zoning and Planning Committee on the amount of the fine before approving an ordinance amendment for a fine. The Committee decided to docket an item requesting an amendment to establish the fine.

CITY OF NEWTONIN BOARD OF ALDERMENFINANCE COMMITTEE REPORT

MONDAY, JULY 8, 2013

Present: Ald. Gentile (Chairman), Ciccone, Linsky, Salvucci, Blazar, Fuller, and Lappin

Absent: Ald. Rice

Also present: Lou Taverna (City Engineer) Reiko Hayashi (Housing Planner), Rob Muollo (Housing Planner), Jim Robertson (Community Preservation Committee Member), Bruce Proia (Fire Chief), and Maureen Lemieux (Chief Financial Officer)

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#227-13 HIS HONOR THE MAYOR requesting authorization to enter into an Inter-Municipal Agreement with the Town of Wellesley detailing Wellesley's obligation to fund half of the construction contract costs associated with structural repairs to the jointly owned Wales Street Bridge. [06/10/13 @ 6:54 PM]

ACTION: **APPROVED 7-0**

NOTE: The Committee reviewed the request to authorize an agreement with Wellesley for the repair of the Wales Street Bridge, which is jointly owned by Newton and Wellesley. The agreement states that the Town of Wellesley is responsible for half of the construction costs for the repair of the bridge.

The Committee asked for the total estimated cost of the project. City Engineer Lou Taverna responded that the cost is expected to be about \$650,000. Mr. Taverna also informed the Committee that the Town of Wellesley has capped their share of the project at \$400,000. The Committee expressed a concern about the hard cap of \$400,000 in the event bids come in higher. City Engineer Lou Taverna will speak with the Town of Wellesley to discuss the possibility that bids could come in higher resulting in a more expensive project. With that, Ald. Ciccone moved approval, which carried unanimously.

REFERRED TO ZONING & PLANNING AND FINANCE COMMITTEES

#316-12(2) COMMUNITY PRESERVATION COMMITTEE recommending the
(#55-13) appropriation of four hundred seventy-five thousand dollars (\$475,000) to the Planning and Development Department to continue the Newton Homebuyer Assistance Program as described in the proposal amended in December 2012. [01/25/13 @ 12:33 PM]

ZONING & PLANNING APPROVED 6-0 on 02/11/13**ACTION:** **HELD 7-0**

NOTE: The Docket request was discussed in February 2013 and held as several Committee members had questions regarding the asset requirements. Housing Planner Reiko Hayashi reviewed the request for \$475,000 to recapitalize the Newton Homebuyer Assistance

Program with the Committee. The funds would be used to assist three homebuyers, increase the subsidy from \$115,000 to \$150,000, and create an asset limit, which had not existed previously. The asset limit would be consistent with the State's limit of \$75,000.

At the previous meeting, the Committee requested that the Law Department provide information on whether the City could legally use an asset limit lower than the \$75,000 used by the State and whether the City is required to include retirement accounts in their income and assets determination for eligibility. The Law Department provided the attached memorandum, which states that the City can have a lower asset limit but the State's Department of Housing and Community Development (DHCD) does not advise it. The DHCD set the \$75,000 as the asset limit as it would allow a homebuyer a cushion for repairs and replacements related to the home.

The memorandum also includes a response to the question of whether retirement accounts can be excluded from income and asset calculations. The City cannot exclude retirement assets from asset determination without decreasing the State's calculation of the number of affordable housing units in Newton. The City follows the federal and state requirements in order to have the affordable units calculated as part of the subsidized housing inventory.

The Chairman was still troubled that the City could be giving a homebuyer up to \$150,000 and that homebuyer could have \$75,000 in the bank. On the other hand, it seems like retirement accounts should not be included, as you want people to save for retirement. There was also concern among the Committee members regarding a sentence in the memo that inferred that there was a possibility that a housing unit that was purchased with Homebuyer Assistance Program funds could be removed from the subsidized housing inventory if sold. It is the Committee's understanding that once a unit is designated as affordable, it remains affordable in perpetuity. The Committee asked under what circumstances a unit could be removed from the subsidized housing inventory Ms. Hayashi explained that when an owner notifies the Planning Department that they are selling the property, the department requires them to sell the housing unit as an affordable unit in accordance with the deed restriction. The Committee would like to ask the Associate City Solicitor Marie Lawlor about that sentence in the memorandum to determine what she meant.

Housing Planner Rob Muollo added that it would be a rare occasion that the City would not find a subsequent buyer that meets the guidelines for affordable housing to continue to use the housing as affordable housing. If the City were unable to find a buyer that meets the guidelines, the City does have safeguards in place. If a buyer cannot be found on resale, the City has the authority to purchase the property for a short time period until a buyer who meets the qualifications can be found.

The Chairman asked if Attorney Lawlor's memorandum is referring to a possible quick sale because of a default of mortgage. The deed restriction that is recorded with the Registry of Deeds gives the City 120 days, then another 60 days and then if a buyer cannot be found there is an opportunity to sell to a non-profit. There has never been a case where the City has had to take responsibility for a unit but that would be a last resort to keep the unit as affordable. The City operates the program on first come basis but there is a pre-screening process to ensure that they

are eligible to buy. There are currently six first time homebuyers that have been pre-qualified; however, the pre-qualification expires after six months. Ms. Hayashi provided the attached handout that includes details of three real cases of program participant financials and the homebuyer process.

In one of the sample cases, the program participant provided a 10% down payment and the Committee members asked if the Planning Department had asked that person to make a 10% down payment. Ms. Hayashi explained that the bank asked that the homebuyer provide a 10% down payment, as the homebuyer had a smaller income but a healthy savings account and by putting 10%, it would reduce the monthly mortgage payment.

The Chairman stated that he has no problem with the income guidelines but is still concerned with the asset limit. The Chairman would feel better about the program if the Planning Department were looking at a potential homebuyer's asset situation and if the assets are healthy, encouraging that there be a 10% down payment instead of a 5% down payment without changing the homebuyer assistance requirements. The Chairman would like the item held in order to have an opportunity to discuss with the Director of Planning and Development and the City Solicitor whether the encouragement of a larger down payment is appropriate. With that, Ald. Ciccone moved hold, which carried unanimously.

REFERRED TO PUBLIC SAFETY & TRANS AND FINANCE COMMITTEES

#226-13 HIS HONOR THE MAYOR requesting authorization to transfer the sum of two hundred thousand dollars (\$200,000) from Fire/Rescue Salaries to a capital account for Fire Department Equipment. [06/10/13 @ 6:54 PM]

PS&T APPROVED 6-0 on 06/19/13

ACTION: APPROVED 7-0

NOTE: The Committee is being asked to authorize a transfer of \$200,000 within the Fire Department from salary savings to a new account for capital equipment. Chief Proia explained that the funds would be used to buy a piece of equipment to improve the efficiency and operation of the department. The Chief would like to purchase a mobile cascade system with the funds, which would be used to fill firefighters' self-contained breathing apparatus. Currently, there is a fixed cascade system housed at Station 3. If there is a fire and the supply of bottles of air is depleted, the firefighters must go to Station 3 to fill the bottles. While the firefighters are without filled air bottles, they are not eligible to respond to a call. The mobile rig would be transported to the scene of an incident and firefighters would fill their air bottles on site. Ald. Ciccone moved approval, which carried unanimously.

Appointment by President Lennon

#213-13(2) ALDERMAN RUTHANNE FULLER appointed pursuant to the City of Newton Other Post-Employment Benefits Trust Agreement (OPEB) established in #209-10(4) as the Board of Aldermen representative to the OPEB Trust Fund for a term of office to expire June 30, 2015. [06-13-13 @5:03 PM]

ACTION: APPROVED 6-0 (Fuller recused)

The original estimate for the construction portion of the project was \$375,000 but it did not include the addition of the accessibility improvements and the fire suppression system. The current project cost estimate is \$845,897, which includes the additional construction and design. The Board of Aldermen has already approved \$101,345. The Newton History Museum raised \$24,000 in private donations and the Community Preservation Committee has tasked the Newton Historical Society with fundraising an additional \$40,000. There is \$40,000 available from Community Development Block Grant funds for the accessibility improvements, which must be used by July 2014. The additional request for \$641,000 from Community Preservation Act funds will provide the rest of the funding to complete the revised project.

The Community Preservation Committee felt that it was important to maximize the fundraising abilities of the Newton Historical Society. The \$40,000 figure is based on what the Community Preservation Committee thought was possible to raise for furnishing, fixtures, and equipment, which is the last piece of the project. The Committee did take into consideration that the proposed project is a benefit to the community in particular school programs.

The project is ready to move forward and has a dedicated Project Manager within the Public Buildings Department. Many of the members of the Jackson Homestead Board of Trustees and the Newton Historical Society attended the meeting to show their support of the project. Ald. Rice moved approval, which carried unanimously

REFERRED TO ZONING & PLANNING AND FINANCE COMMITTEES

#316-12(2) COMMUNITY PRESERVATION COMMITTEE recommending the
(#55-13) appropriation of four hundred seventy-five thousand dollars (\$475,000) to the Planning and Development Department to continue the Newton Homebuyer Assistance Program as described in the proposal amended in December 2012.
[01/25/13 @ 12:33 PM]

ZONING & PLANNING APPROVED 6-0 ON 02/11/13

ACTION: APPROVED 8-0

NOTE: The above item was previously discussed in Committee in February 2013 and July 8, 2013. The reports for those meetings are attached. During the discussion in July, the Chairman asked that the item be held in order to have an opportunity to discuss the possibility of encouraging a potential homebuyer to put a 10% down payment, if they have healthy assets. Alice Ingerson, Community Preservation Planner and Rieko Hayashi, Housing Planner, provided the attached memo.

The memo explains that applicants to the Newton Homebuyer Assistance Program must complete a first-time homebuyer class and a post-purchase homebuyer class. The classes provide applicants with advice on maintaining financial reserves before and after home purchase. It is important that buyers continue to maintain a reserve after purchase to address emergency maintenance and repairs and/or condominium fees. If an applicant had sufficient reserves, the applicant would be encouraged to provide a larger than required down payment

Ms. Ingerson addressed the Committees concern regarding whether units purchased through this program become part of the State's subsidized housing inventory. The unit is

included in the State's count for affordable housing once the unit is resold as an affordable unit. Once a unit is designated as affordable, it remains affordable in perpetuity. The only time a unit is removed from the list is when it is not purchased as affordable housing. Although there has never been an occasion that the City could not find a subsequent buyer that meets the guidelines for affordable housing to continue to use the housing as affordable housing there are safeguards in place. If a buyer cannot be found on resale, the City has the authority to purchase the property for a short time period until a buyer who meets the qualifications can be found.

The Homebuyers Assistance Program provides the City with the least expensive way to create affordable housing within the City. Ald. Ciccone moved approval and Committee members supported the motion unanimously.

REFERRED TO PROG & SERV, PUB. FACIL. AND FINANCE COMMITTEES

#286-13(2) HIS HONOR THEY MAYOR requesting authorization to appropriate the sum of thirty-seven million five hundred thousand dollars (\$37,500,000) from bonded indebtedness for the purpose of funding the replacement of the A.E. Angier Elementary School. [09/09/13 @ 2:03 PM]

PROG & SERV APPROVED 6-0-1 (Sangiolo abstaining; 1 vacancy)

PUBLIC FACILITIES APPROVED 8-0

ACTION: APPROVED AS AMENDED 8-0 @ \$36,750,000

NOTE: Chief Financial Officer Maureen Lemieux and The Owner's Project Manager Representative Jeff Luxenberg of Joslin, Lesser & Associates, Inc. (JLA), presented the request to bond funding for the construction of the Angier Elementary School. The docket item requests authorization to bond \$37,500,000, which needs to be amended to \$36,750,000. The original request does not take into the consideration the previously approved \$750,000 for the feasibility study that is included in the total project budget of \$37,500,000.

The total cost of the proposed project is \$37.5 million dollars, which includes off-site traffic improvements estimated to cost \$3.1 million. The City anticipates that the Massachusetts School Building Authority (MSBA) will be awarding a minimum of \$10 million in grant funds to the City for the construction of the new school; therefore, the maximum cost to the City would be \$27.5 million. The MSBA is expected to grant the City \$10,839,093. The grant funds do not include potentially eligible owner's or construction contingency expenditures that could result in an increase of grant funding to \$11,509,438. The MSBA will be voting on the 100% schematic design and the proposed project budget on October 2, 2013. (See attached approval letter from the MSBA.)

It is difficult to determine the exact cost of the project until the project is completed due to the nature of the bidding process and use of contingency funds. In addition, the guaranteed maximum price could be less than anticipated. However, one of the responsibilities of the Owner's Project Manager (OPM) is to ensure that the City stays within the total project budget and employs a number of safeguards to protect the City. The City is also protected through the Guaranteed Maximum Price (GMP) contract.

LAW DEPARTMENT MEMORANDUM

To: Alderman Leonard J. Gentile, Chair, and Members of the Finance Committee

**From: Marie M. Lawlor
Assistant City Solicitor**

Date: May 22, 2013

Re: Finance Committee questions pertaining to First Time Homebuyer Program (Docket Item #55-13)

**Cc: Trisha Kenyon Guditz, Housing Program Manager
Planning and Development Department**

**Rieko Hayashi, Housing Planner
Planning and Development Department**

Questions Presented

I understand that the Finance Committee has posed two questions pertaining to recapitalizing the First Time Homebuyer Program (Program). The first question is whether the City is legally bound to use the \$75,000.00 asset limit recommended by the state Department of Housing and Community Development (DHCD) in order to determine a homebuyer's eligibility for the Program, or may instead use a lower asset limit. The second question is whether the City may exclude retirement savings from an asset determination.

Short Answers

1) The City may legally use a lower asset limit, but DHCD strongly advises against this for reasons discussed below; and 2) The City may not exclude retirement assets from asset determinations without also excluding Homebuyer Program units from the State's Subsidized Housing Inventory. (The Subsidized Housing Inventory is used to measure a community's inventory of low-and moderate-income housing for the purposes of M.G.L. Chapter 40B, the Comprehensive Permit Law.)

Background

By history and policy, the City has consistently adhered to the income and asset eligibility determinations set by the U.S. Department of Housing and Urban Development

(HUD), and followed by DHCD for first time homebuyer programs. When Newton's Program was started, funding was from federal sources, and such adherence to HUD regulations was required.

Newton's funding source has since changed to Community Preservation Funds and the Program currently uses no federal funding. While there appears to be no federal requirement (when using local funding) to adhere to the HUD income and asset determinations and guidelines, the Planning Department's policy has consistently adhered to those determinations and guidelines in order to be consistent with HUD and DHCD requirements, as well as with other Newton housing programs which do receive federal funds.

In addition, DCHD regulates the Program in the following ways. First, DCHD must approve all affordable housing covenants in connection with Newton's First Time Homebuyer Program. Second, DHCD is the regulatory authority for G.L. c. 40B, as mentioned previously, and administers the State's Subsidized Housing Inventory. DHCD determines whether or not Newton's First Time Homebuyer units will be counted toward Newton's 10% inventory of affordable housing units. Currently, Newton is at 7.6 percent.

Discussion

The \$75,000.00 asset limit:

DCHD has advised that local programs not using federal funds may apply to set an asset limit lower than the \$75,000.00, but strongly recommends against a lower limit in order to provide a cushion for home maintenance and unforeseen contingencies. Originally, DHCD's asset limit was \$50,000 but the agency increased it to \$75,000 in 2008 in order to provide a small reserve for needed repairs and capital replacements. Such a cushion is in the best interest of the Program, since it minimizes the possibility that a homebuyer will be unable to maintain the unit and will be forced to sell. Such a sale could potentially remove the unit from the Subsidized Housing Inventory. Moreover, DHCD cautions that lowering the asset limit would result in a reduced pool of First Time Homebuyer applicants to the detriment of the Program and the City's goal of providing homeownership opportunities to lower income families.

Exclusion of Retirement Assets from Income Asset eligibility determination:

DCHD has advised that it requires local Programs to include retirement assets in income asset determinations in accordance with HUD regulations. If Newton's Program fails to include retirement assets in such determination, DHCD has advised that the Program's units will not be counted on the Subsidized Housing Inventory, nor will the Program's Affordable Housing Restrictions be approved.

DCHD points out that uniformity with HUD and state regulations is important since most First Time Homebuyers must rely on soft second mortgage programs in conjunction with

local First Time Homebuyer programs in order to afford their home. These soft second mortgage programs require strict adherence to HUD and DHCD regulations, including the \$75,000 asset limit calculated with retirement savings included in the asset determination. Differing income asset determination standards would jeopardize a Newton First Time Homebuyer's eligibility for a soft second mortgage.

Assets Defined



The Homebuyer Program follows State guidelines which require non-liquid assets be included for unit to be eligible for Subsidized Housing Inventory (SHI).

The definition of assets is based on Federal (HUD) and State (DHCD) guidelines as follows:

Non-liquid assets include: Individual retirement account, 401(k), Keogh accounts, retirement, pension, cash value of life insurance policies, personal property held as an investment, inheritances, capital gains, insurance settlements, cash value of revocable trust.

Liquid assets include: Cash held in savings, checking accounts in home or foreign countries.

How a Soft Second Mortgage Works



Actual Homebuyer applicant	Without a Soft Second Mortgage	With Soft Second Mortgage
purchase price of a 3 bedroom for a household of 4 people	\$410,000	\$410,000
Downpayment \$6,000 -Savings	\$20,500	\$20,500
Mortgage Boston Private Bank	\$205,000	\$215,500
FINANCING GAP	\$184,500	\$174,000
2 nd mortgage Soft Second (loan + Subsidy)	0	\$59,000 (includes \$10,902 interest subsidy)
Newton Homebuyer Program assistance	\$0 -this home is not affordable to this homebuyer	\$115,000

7/10/2013

3 Sample Cases

Buyers' Sources (prior to closing)	4 person household (1 adult, 3 children)	1 person household	2 person household (1 adult, 1 child)
Income	\$57,652 (\$67,350 max)	\$33,011 (\$47,150 max)	\$44,628 (\$60,650 max)
Checking	\$3,886	\$100	\$7,006
Savings	\$4,480	\$26,046	\$494
Retirement	\$38,708-401 (k)	\$3,241-IRA	\$17,828-401(k), IRA
Total Assets	\$42,074	\$29,387	\$26,028
Buyers' Contribution	3 bedroom purchase	1 bedroom purchase	2 bedroom purchase
Downpayment 5% (minimum required)	\$20,500 (5%) \$20,000 gift, \$500 (own funds)	\$23,900 (10%) (own funds)	\$6,000 (5%) (own funds)
Monthly housing costs	\$1,421	\$814	\$930
Housing to Income Ratio (maximum 33%)	28.59%	32.52%	32.56%
Debt to Income Ratio (maximum 38%)	37.92%	33.60%	37.83%

Homebuyer Process

1. Pre-screening and pre-purchase homebuyer counseling.
2. Bank pre-approval – applicants required to apply for Soft Second
3. Verify income and assets
4. Inspect property and review offer
5. Financing commitment - based on minimum needed to get monthly housing payments to \leq 33% of monthly income.
6. Post-purchase counseling course within 6 months of closing.



Setti D. Warren
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James Freas
Acting Director

Community Preservation Committee
Funding Recommendation for
NEWTON HOMEBUYER ASSISTANCE PROGRAM

DOCKET
103-15

date: 11 June 2015
from: Alice Ingerson, Community Preservation Program Manager
to: The Honorable Board of Aldermen
about: **questions from 8 June 2015 Zoning & Planning and Finance joint meeting**

Resale Prices

As a willing seller, an ordinary Newton homeowner who sells to a participant in Newton's Homebuyer Assistance Program receives full market value. However, in return for the program's financial assistance, the assisted buyer agrees to a permanent deed restriction limiting the home's resale price to one based on regional incomes at the time of resale, rather than on regional real estate prices. [The attached graphs show that historically, regional incomes have risen much more slowly than regional housing prices.](#) Since prices for permanently restricted units track the incomes graph rather than the housing price graph, the very few assisted buyers in Newton who have resold their deed-restricted homes have not received a windfall.

Asset Limits

In 2013, the Board accepted the Newton Law Dept.'s recommendation to follow state guidelines by limiting assisted homebuyers' assets to \$75,000. One goal of this policy is to ensure that temporary hardships, such as the loss of a job or a serious illness, will not immediately lead to the threat of foreclosure for these moderate-income households. To the best of my knowledge, no unit subsidized through Newton's Homebuyer program has ever been foreclosed on.

The Law Dept.'s 3-page May 2013 memo on this issue, written at the Board's request, plus additional background in the 2-page CPC recommendations from 2013 and 2015, are on the CPC's webpage for this project: www.newtonma.gov/gov/planning/cpa/projects/homebuyer.asp

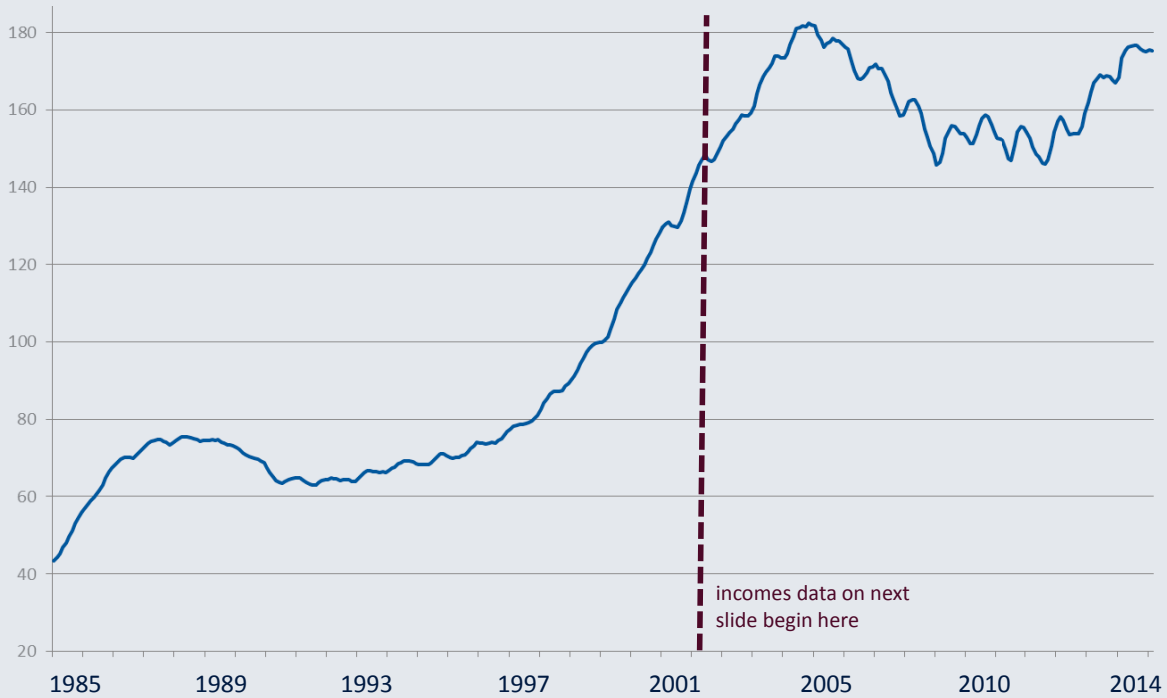
Subsidy Comparisons with Other Housing Projects

Finally, [I have also attached a table comparing per-unit and per-bedroom public subsidies](#) for the Homebuyer Assistance Program and other affordable housing projects recently funded in Newton. Even with the currently requested higher subsidy limits, the Homebuyer program remains a very cost-effective option for creating permanently affordable housing.

website www.newtonma.gov/cpa
contact Alice E. Ingerson, Community Preservation Program Manager
email aingerson@newtonma.gov *phone* 617.796.1144

Housing Prices in Greater Boston, 1985-2015

Case-Schiller Index (3-month Rolling Average Resale Prices, Adjusted for Improvements)



Source: <http://us.spindices.com/indices/real-estate/sp-case-shiller-ma-boston-home-price-index>

Household Income in Greater Boston, 2002-2012

Adjusted for Inflation

Permanent affordability restrictions set resale prices for units purchased through the Newton Homebuyer Assistance Program based on regional median incomes at the time of resale, rather than on regional housing prices.



(Regional incomes shown for the period to the right of the dotted line on the previous graph of housing prices.)

Source: <http://kevinsprong.com/projects/bostonhousing/>
Income and housing data from the [American Community Survey](http://www.census.gov) (U.S. Census), Inflation data from [BLS.gov](http://www.bls.gov)

COMMUNITY HOUSING in NEWTON, Massachusetts
Public Funding of Recent Projects in Reverse Chronological Order

Year First Funded	Neighborhood	TOTAL DEVELOPMENT COST (including any market-rate units & costs financed privately - bank loans, etc.)		TOTAL NEWTON-CONTROLLED PUBLIC FUNDING ** (affordable units only)					
		Full Project	Per-Unit Cost	Full-Project Funding	Per-Unit Funding		Per-Bedroom Funding		
					No. of Units	Per-Unit Cost	No. of Affordable Units	All Newton-Controlled Public Funds	No. of Bedrooms
2003	Newton Homebuyer Assistance Program - proposed 2015	cannot be known in advance, est. \$2.5m for target no. of units (6)?	6	cannot be known in advance, est. average \$425,000?	\$1,545,348	6	\$257,558	15	\$103,023
2015	West Newton	\$1,144,029	2	\$572,015	\$1,069,029	2	\$534,515	5	\$213,806
2014	West Newton	\$2,982,814	7	\$426,116	\$1,853,858	7	\$264,837	15	\$123,591
2012	Newtonville	\$1,115,250	2	\$557,625	\$945,250	2	\$472,625	5	\$189,050
2011	Newton Corner	\$1,370,000	3	\$456,667	\$1,145,000	3	\$381,667	6	\$190,833
2010	Auburndale	\$950,000	2	\$475,000	\$675,000	2	\$337,500	5	\$135,000
2009	Auburndale	\$5,322,027	10	\$532,203	\$3,086,727	10	\$308,673	29	\$106,439

** Includes funds from Newton's inclusionary zoning ordinance, Newton CPA program, and Newton's federal programs (CDBG or HOME).

HISTORIC NEWTON/JACKSON HOMESTEAD ARCHIVES REVISED PROJECT BUDGET

BUDGET ORGN	ACCOUNT NUMBER	ACCOUNT TITLE	BUDGET
21B11504	5301	CONSULTANTS	\$ 183,213
21B11504	5825	BUILDING IMPROVEMENTS	\$ 789,037
21B11504	5274	STORAGE/MOVING	\$ 14,000
21B11504	58FFE	FURNITURE, FIXTURES & EQUIP	\$ 47,700
21B11504	5795	CONTINGENCY	\$ 39,452
21B11504	5793	BOA CONTINGENCY**	\$ 39,452
		TOTAL PROJECT COST	\$ 1,112,854
		LESS PREVIOUS CPA FUNDING	\$ (37,500)
		LESS PREVIOUS CPA FUNDING	\$ (63,845)
		LESS PREVIOUS CPA FUNDING	\$ (641,000)
		SUB TOTAL	\$ 370,509
		LESS JACKSON HOMESTEAD CONTRIBUTION*	\$ (64,000)
		ADDITIONAL CPA PROJECT FUNDING	\$ 306,509

* JACKSON HOMESTEAD PROJECT FUNDING BREAKDOWN	TOTAL
ANONYMOUS	\$ 24,000.00
NEWTON HISTORY MUSEUM FUNDRAISING	\$ 40,000.00
TOTAL JACKSON HOMESTEAD FUNDING	\$ 64,000.00

** Approval by the Board of Alderman is required before funds are transferred from the BOA Contingency line item.