

CITY OF NEWTON
IN BOARD OF ALDERMEN
FINANCE COMMITTEE AGENDA

MONDAY, AUGUST 1, 2011

7 PM
Room 222

ITEMS TO BE DISCUSSED:

- #206-11 HIS HONOR THE MAYOR requesting a transfer from the Wage Reserve Account set aside in the Executive Department's FY12 Budget and various health benefit accounts to various departmental payroll accounts for the purpose of funding the costs associated with compensation and health care plan design changes for Hay Grade employees. [07-05-11 @ 2:55 PM]
- #207-11 HIS HONOR THE MAYOR requesting a transfer from departmental payroll and health benefit accounts to various departmental payroll accounts in order to fund the cost items set forth in the labor contract agreement with the Newton Municipal Employee's Association (NMEA) for FY12 through FY14. [07-05-11 @ 2:55 PM]
- #208-11 HIS HONOR THE MAYOR requesting a transfer from departmental payroll and health benefit accounts to various departmental payroll accounts in order to fund the cost items set forth in the labor contract agreement with the Newton Police Association (NPA) for FY12 through FY14. [07-05-11 @ 2:55 PM]

REFERRED TO COMMITTEES ON COMMUNITY PRESERVATION & FINANCE

- #103-11 COMMUNITY PRESERVATION COMMITTEE recommending that \$1,103,500 be appropriated from the fiscal 2011 housing & general reserves of the Community Preservation Fund to the control of the Director of Planning & Development, for a grant to create 4 units of affordable ownership housing in a mixed-income development at 112-116 Dedham Street, as detailed in the Committee's funding recommendation to the Board of Aldermen. [03-21-11 @ 8:48AM]
CPC APPROVAL FAILED TO CARRY 2-2-1 (Lappin and Yates opposed; Blazar abstaining)

REFERRED TO COMM. ON COMMUNITY PRES AND FINANCE COMMITTEES

- #192-11 COMMUNITY PRESERVATION COMMITTEE recommending that \$4,000 be appropriated from the open space reserves of the Community Preservation Fund to the control of the Planning and Development Department, for consulting services to speed completion of Newton's next 5-year *Open Space and Recreation Plan*, as detailed in the CPC's funding recommendation to the Board of Aldermen.[05-26-11 @ 11:39AM]
CPC APPROVED 5-0

The location of this meeting is handicap accessible and reasonable accommodations will be provided to persons requiring assistance. If you have a special accommodation need, contact the Newton ADA Coordinator Trisha Guditz at 617-796-1156 or tguditz@newtonma.gov or via TDD/TTY at (617) 796-1089 at least two days in advance of the meeting.

- #214-10(5) HIS HONOR THE MAYOR requesting the approval of the Economic Development Proposal for the Chestnut Hill Square Project and authorization of the final joint City of Newton and New England Development Corporation application for funding through the Infrastructure Investment Incentive Program (I-Cubed) of the Economic Development Proposal once the developer has received preliminary approval and settled all outstanding issues. [06/13/11 @ 6:05 PM]

ITEMS NOT SCHEDULED FOR DISCUSSION:

REFERRED TO ZONING AND PLANNING AND FINANCE COMMITTEES

- #95-11 ALD. HESS-MAHAN proposing an ordinance requiring that a notice of conversion to condominium ownership be filed with the Inspectional Services Department and that the property be inspected to determine compliance with all applicable provisions of the state and local codes, ordinances and the rules and regulations of all appropriate regulatory agencies. [03-24-11 @ 9:30AM]
ZAP APPROVED 7-0 on 06/13/11

REFERRED TO ZONING AND PLANNING AND FINANCE COMMITTEES

- #102-11 ALD. HESS-MAHAN, JOHNSON, COMMISSIONER LOJEK, AND CANDACE HAVENS requesting an amendment to Chapter 17 to establish a fee for filing a notice of condo conversion. [03-29-11 @ 4:55PM]
ZAP APPROVED 7-0 on 06/13/11

- #140-11 ALD. HESS-MAHAN requesting acceptance of MGL Chapter 59 §5c which allows communities to shift the tax burden away from homeowners who live in lower than average valued single and multi-family homes to owners of higher valued homes, second homes, and most apartment buildings. {04-15-11 @ 3:07 PM]

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

- #130-11 PAUL COLETTI, ALD. SANGIOLO, DANBERG, & JOHNSON requesting Home Rule Legislation to create a Capital Preservation Fund for the City of Newton modeled on the Community Preservation Fund to address the capital needs of the City. [04/11/11 @9:42 PM]

REFERRED TO PUBLIC FACILITIES & FINANCE COMMITTEES

- #89-11 FINANCE COMMITTEE recommending that **Sec. 29-72(b) Same— Assessments upon owners of estates passed by new sewers.** of the City of Newton Rev Ordinances, 2007, be amended to increase the fixed uniform rates assessed upon owners of all estates passed by new sewers to rates that more accurately represent the estimated average cost of installing such sewers. [03-07-11 @9:30 AM]

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

- #60-11 HIS HONOR THE MAYOR requesting the budget for the Newton North High School construction project be amended by transferring funds from the owner's contingency line item to the construction manager at risk line item for the purpose of funding additional costs related to the demolition phase of the project. [02/10/11 @ 9:18 AM]

REFERRED TO PUBLIC SAFETY/TRANSPORTATION & FINANCE COMMITTEES

- #54-11(2) ALD. YATES, CICCONE, HARNEY, FREEDMAN requesting that Chapter 19 MOTOR VEHICLES AND TRAFFIC of the Revised Ordinances be amended by reinstating the Community Parking Program in a manner that charges the participants for the full cost of the program. [05-01-11 @ 10:05AM]

REFERRED TO PROG. AND SERVICES AND FINANCE COMMITTEES

- #373-10 ALD. GENTILE, HARNEY, SANGIOLO requesting amendment to §20-13, *Noise Control*, of the City of Newton Revised Ordinances to prohibit outdoor athletic events from starting before 7 AM and increase the maximum fine to \$300. [12-10-10 @ 12:53 PM]

REFERRED TO PUBLIC SAFETY & TRANS. AND FINANCE COMMITTEES

- #363-10 ALD. ALBRIGHT & DANBERG proposing a trial of parking meter free Saturdays between Thanksgiving and New Year for the shopping areas to support shopping at local businesses in Newton. [11/15/10 @ 6:30 PM]

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

- #311-10(A) HIS HONOR THE MAYOR requesting an appropriation in the amount of three million three hundred thirty-five thousand dollars (\$3,035,000) from bonded indebtedness for the purpose of funding the FY 2011 Capital Improvement Plan projects as follows:
(A) Architectural Design and Engineering/Next Scheduled Fire Station \$400,000
A-2 - HELD \$270,000 for final design bidding and construction admin
[11/29/10 @ 3:23 PM]

REFERRED TO PUBLIC SAFETY & TRANS. AND FINANCE COMMITTEES

- #311-10(B) HIS HONOR THE MAYOR requesting an appropriation in the amount of three hundred thousand dollars (\$300,000) from bonded indebtedness for the purpose of funding the Manet Road Emergency Communications Radio Tower Replacement, which is included in the FY 2011 Capital Improvement Plan. [11/29/10 @ 3:23 PM]

PUBLIC SAFETY & TRANSPORTATION APPROVED 7-0 on 12/08/10

REFERRED TO PUBLIC FACILITIES, PROG&SERV AND FINANCE COMMITTEES

- #312-10 ALD. LENNON, LAPPIN, SCHNIPPER, SANGIOLO requesting a discussion with the School Committee on its plans to address space needs in the Newton public schools. [10-27-10 @ 11:07 AM]
- #259-10 COMPTROLLER transmitting Annual Financial Report for the audit of fiscal year ending June 30, 2010 for Board of Aldermen review/acceptance. [09/13/10 @ 12:26 PM]

REFERRED TO ZONING & PLANNING AND FINANCE COMMITTEES

- #391-09(2) ALD. DANBERG, MANSFIELD, VANCE & HESS-MAHAN requesting the establishment of a municipal parking mitigation fund whose proceeds, derived from payments-in-lieu of providing off-street parking spaces associated with special permits, will be used solely for expenses related to adding to the supply of municipal parking spaces, improving existing municipal parking spaces, or reducing the demand for parking spaces.

Recommitted to Finance on July 12, 2010

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #87-09 ALD. SANGIOLO, BRANDEL, FREEDMAN AND HESS-MAHAN requesting a Home Rule Petition to allow the City of Newton to require elected officials to contribute a higher percentage rate for health insurance benefits than is required for other employee groups. [03-10-09 @ 9:17 AM]
PROGRAM & SERVICES APPROVED 5-1-1 (Baker opposed; Merrill abstaining; Parker not voting) on 4/15/09

REFERRED TO FINANCE AND PROGRAMS AND SERVICES COMMITTEES

- #245-06 ALD. JOHNSON AND HESS-MAHAN requesting an amendment to the City Charter to require the Mayor annually to prepare and submit to the Board of Aldermen a long-term financial forecast of anticipated revenue, expenditures and the general financial condition of the City, including, but not limited to identification of any factors which will affect the financial condition of the City; projected revenue and expenditure trends; potential sources of new or expanded revenues; anticipated municipal needs likely to require major expenditures; and a strategic plan for meeting anticipated municipal needs, to include, but not be limited to, any long or short-term actions that may be taken to enhance the financial condition of the City.

Respectfully submitted,

Leonard J. Gentile, Chairman



SETTI D. WARREN
MAYOR

City of Newton, Massachusetts
Office of the Mayor

#206-11

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July 5, 2011

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

11 JUL - 5 P 2:55
CITY CLERK
NEWTON, MA 02159

Ladies and Gentlemen:

As you know, the City has recently reached an agreement with the employees covered by the Newton Municipal Employee's Association, Newton Police Association and American Federation of State and County Municipal Employees for the period beginning July 1, 2011 through June 30, 2014. At this time, I believe it is appropriate to make similar compensation and health care plan design changes for all "H" Grade employees.

Therefore, I write to request that your Honorable Board docket for consideration a request to transfer from the wage reserve set aside in the Executive Department FY2012 budget and various health benefit accounts to various departmental payroll accounts in order to fund the cost associated with these changes for all "H" Grade employees.

Specific amounts to be transferred will be included in the Board packet on Friday, July 8th. Thank you for your consideration of this matter.

Very truly yours,

Setti D. Warren
Mayor

Mayor

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.newtonma.gov



DEDICATED TO COMMUNITY EXCELLENCE



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SETTI D. WARREN
MAYOR

E-mail
swarren@newtonma.gov

To: Alderman Leonard Gentile, Chairman, Finance Committee
From: Maureen Lemieux, Chief Financial Officer *ML*
Subject: Transfer Request – Supporting NPA and NMEA Contracts and “H” Grade Health Plan Benefit Design Changes
Date: July 7, 2011

Attached please find the list of transfer requests supporting the newly ratified Newton Police Association and Newton Municipal Employees Association FY2012 – FY2014 contracts, as well as transfer requests associated with changes to the “H” Grade employee health benefit plan design.

Sufficient funds are available in the FY2012 Budget to cover these costs. Although the total amount of all changes equals \$425,191, there is no net impact on the budget. This list represents a request to move funds from the savings that will be generated by the health benefit plan design changes for all departments as well as transfers from wage reserve that was approved within the Executive Department specifically for “H” grade employees.

These contracts follow the pattern that the administration has developed of ensuring that the growth rate of the cost of salaries and health insurance is contained to 2.5% for the three years covered by these contracts.

I look forward to discussing these contracts with you.

Cc: Setti D. Warren, Mayor
Honorable Board of Aldermen
Robert Rooney, C.O.O.
David Wilkinson, Comptroller

11 JUL -8 A 11:19
CITY CLERK
NEWTON, MA. 02159



City of Newton, Massachusetts
Account Transfers

Required to Fund FY2012 Portions of NPA, NMEA, and "H" Grade Positions

<u>From Account</u>	<u>Municipal Departments</u>	<u>To Account</u>	<u>Amount</u>
0110301-5197	Dept 101-01 - Clerk of the Board	Personal Services	\$ 2,826
0110301-5197	Dept 101-02 - City Clerk	Personal Services	\$ 606
0110301-5197	Dept 104-01 - Comptroller	Personal Services	\$ 3,135
0110301-5197	Dept 104-91 - Retirement	Personal Services	\$ 1,775
0110301-5197	Dept 105-01 - Purchasing	Personal Services	\$ 6,387
0110301-5197	Dept 106-01 - Assessing	Personal Services	\$ 7,288
0110301-5197	Dept 107-01 - Treasury	Personal Services	\$ 2,524
0110301-5197	Dept 108-01 - Legal	Personal Services	\$ 8,789
0110301-5197	Dept 109-01 - Human Resources	Personal Services	\$ 5,954
0110301-5197	Dept 111-01 - Information Technology	Personal Services	\$ 5,532
0110301-5197	Dept 112-01 - Census Records	Personal Services	\$ 933
0110301-5197	Dept 114-01 - Planning	Personal Services	\$ 6,020
0110301-5197	Dept 115-01 - Public Buildings	Personal Services	\$ 3,355
0110301-5197	Dept 201-01 - Police	Personal Services	\$ 4,748
0110301-5197	Dept 210-01 - Fire Dept	Personal Services	\$ 2,095
0110301-5197	Dept 220-01 - Inspectional Services	Personal Services	\$ 2,485
0110301-5197	Dept 240-01 - Weights & Measures	Personal Services	\$ 675
0110301-5197	Dept 401-01 - Public Works	Personal Services	\$ 10,944
0110301-5197	Dept 501-01 - Health & Human Services	Personal Services	\$ 3,469
0110301-5197	Dept 502-01 - Senior Services	Personal Services	\$ 885
0110301-5197	Dept 503-01 - Veteran Services	Personal Services	\$ 821
0110301-5197	Dept 601-01 - Library	Personal Services	\$ 1,860
0110301-5197	Dept 602-01 - Parks & Recreation	Personal Services	\$ 3,237
0110301-5197	Dept 603-01 - Historic Newton	Personal Services	\$ 1,581
Health Insurance	Dept 101-01 - Clerk of the Board	Personal Services	\$ 3,000
Health Insurance	Dept 101-02 - City Clerk	Personal Services	\$ 1,500
Health Insurance	Dept 104-01 - Comptroller	Personal Services	\$ 3,000
Health Insurance	Dept 104-91 - Retirement	Personal Services	\$ 1,500
Health Insurance	Dept 105-01 - Purchasing	Personal Services	\$ 1,500
Health Insurance	Dept 106-01 - Assessing	Personal Services	\$ 6,750
Health Insurance	Dept 107-01 - Treasury	Personal Services	\$ 2,250
Health Insurance	Dept 108-01 - Legal	Personal Services	\$ 7,500

City of Newton, Massachusetts

Account Transfers

Required to Fund FY2012 Portions of NPA, NMEA, and "H" Grade Positions

<u>From Account</u>	<u>Municipal Departments</u>	<u>To Account</u>	<u>Amount</u>
Health Insurance	Dept 109-01 - Human Resources	Personal Services	\$ 5,250
Health Insurance	Dept 111-01 - Information Technology	Personal Services	\$ 4,500
Health Insurance	Dept 112-01 - Census Records	Personal Services	\$ 750
Health Insurance	Dept 114-01 - Planning	Personal Services	\$ 4,500
Health Insurance	Dept 115-01 - Public Buildings	Personal Services	\$ 2,250
Health Insurance	Dept 201-01 - Police	Personal Services	\$ 3,750
Health Insurance	Dept 210-01 - Fire Dept	Personal Services	\$ 1,500
Health Insurance	Dept 220-01 - Inspectional Services	Personal Services	\$ 2,250
Health Insurance	Dept 240-01 - Weights & Measures	Personal Services	\$ 750
Health Insurance	Dept 401-01 - Public Works	Personal Services	\$ 9,000
Health Insurance	Dept 501-01 - Health & Human Services	Personal Services	\$ 5,250
Health Insurance	Dept 502-01 - Senior Services	Personal Services	\$ 750
Health Insurance	Dept 503-01 - Veteran Services	Personal Services	\$ 750
Health Insurance	Dept 601-01 - Library	Personal Services	\$ 1,500
Health Insurance	Dept 602-01 - Parks & Recreation	Personal Services	\$ 2,250
Health Insurance	Dept 603-01 - Historic Newton	Personal Services	\$ 2,250
0120103-57HLTH	Dept 201-03 - Police Dept	Personal Services	\$ 81,348
0160210-57HLTH	Dept 602-10 - Grounds Maintenance	Personal Services	\$ 14,489
0140104-57HLTH	Dept 401-04 - Public Works	Personal Services	\$ 107,100
26A401A-57HLTH	Stormwater	Personal Services	\$ 4,987
27A401Y2-57HLTH	Sewer/Wastewater	Personal Services	\$ 20,516
28A401Z3-57HLTH	Water	Personal Services	\$ 34,577
			\$ 425,191



SETTI D. WARREN
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July 5, 2011

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

11 JUL -5 P 2:55
CITY CLERK
NEWTON, MA 02159

Ladies and Gentlemen:

The City has recently reached the attached Memorandum of Agreement with the employees covered by the Newton Municipal Employee's Association, NMEA, for a 2-year retroactive contract covering the period beginning July 1, 2009 through June 30, 2011. Sufficient funding was included in the FY2011 budget to cover all costs associated with this contract. Additionally, the City has reached agreement on a 3-year contract for the period beginning July 1, 2011 through June 30, 2014. Sufficient funding is included within the FY2012 budget, however, several transfers are required.

Therefore, I write to request that your Honorable Board docket for consideration a request to transfer from various departmental payroll and health benefit accounts to various departmental payroll accounts in order to fund the cost items set forth in the labor contract agreement.

Specific amounts to be transferred will be included in the Board packet on Friday, July 8th. Thank you for your consideration of this matter.

Very truly yours,

Setti D. Warren
Mayor

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.newtonma.gov



DEDICATED TO COMMUNITY EXCELLENCE

**MEMORANDUM OF AGREEMENT
2009 - 2011 SUCCESSOR CONTRACT
AND
2011 - 2014 SUCCESSOR CONTRACT
JUNE 24, 2009**

11 JUL - 6 AM 2009
CITY OF NEWTON, MA

The City of Newton and the Newton Municipal Employees Association agree to the following terms and conditions of two new collective bargaining agreements to succeed the collective bargaining agreement dated July 1, 2006 through June 30, 2009.¹ The Association shall promptly submit the MOA to its membership for ratification and shall fully support a favorable vote. The City shall promptly submit the MOA to its Board of Aldermen for an appropriation to fund its economic terms, and shall fully support a favorable vote. Except as amended below, all other terms and conditions of the 2003-2006 collective bargaining agreement shall remain in full force and effect.

A. The 2009 - 2011 Collective Bargaining Agreement

1. Article XXV, Longevity, shall be amended at Section 25:03 to read:

Effective July 1, 2010, the following longevity levels shall be implemented as increased below:

5 - 9	\$425	\$625
10 - 14	\$675	\$875
15 - 19	\$775	\$975
20 - 24	\$975	\$1175
25 - 29	\$1050	\$1350
30+	\$1,300	\$1,600

2. Article XLVIII, Duration, shall be amended to read:

¹ Additions to existing contractual language are reflected by **bold type**. Deletions are reflected by ~~strikethroughs~~.

48.01 This AGREEMENT shall be made effective as of July 1, ~~2006~~ **2009** for the period ending June 30, ~~2009~~ **2011** and remain in effect from year to year thereafter unless either party hereto desiring to terminate or amend any provisions of this contract, sends written notice of the same to the other no later than six (6) months prior to the termination date hereof or any succeeding anniversary date.

B. The 2011 - 2014 Collective Bargaining Agreement

1. Article III, Grievance And Arbitration Procedures, shall be amended at Section 3.02 to read:

3.02 All grievances shall be submitted in writing and shall state the specific contract provisions that are being violated, in what manner those provisions are being violated, and what remedy is being sought. All grievances must be filed within ~~fifteen (15)~~ **twenty (20)** working days after the circumstances giving rise to when the grievance first occurred, or within ~~fifteen (15)~~ **twenty (20)** working days of when the employee knew or should have known of the circumstances, or it shall be deemed waived. ~~Any grievance shall also be deemed to have been waived or settled if the action required by the UNION or the employee to present it to the next level of the procedure shall not have been taken within the time specified therefore.~~

Any grievance not waived ~~or not settled~~ shall be ~~settled~~ **processed** in the following manner:

STEP 1. The UNION shall file the grievance with the aggrieved employee's supervisor. The supervisor shall respond to the UNION representative within ~~fifteen (15)~~ **twenty (20)** working days following submission to him.

~~STEP 2. If the grievance has not been settled, it shall be presented in writing to the department head within fifteen (15) working days after the supervisor's response is due. The department head shall respond to the UNION representative in writing within fifteen (15) working days from the receipt~~

thereof.

STEP 3 2. If the grievance still remains unadjusted, the UNION shall present it to the Mayor or his designee in writing within ~~five (5)~~ **ten (10)** working days after the response of the ~~department head~~ **supervisor** is due. The Mayor or his designee shall respond in writing to the UNION within ten (10) working days from the receipt thereof.

STEP 4 3. If the grievance is still unsettled, either party may, within ~~twenty-five (25)~~ **thirty-five days (35)** from the date of receipt of the grievance by the Mayor or within ~~fifteen (15)~~ **twenty (20)** days from the date the UNION has received the Mayor's answer, whichever is sooner, by written notice to the other, request arbitration. Failure by the UNION to request arbitration in writing within the prescribed time shall constitute a waiver of the grievance.

2. Article VII, Special Leave, shall be amended at Sections 7.08 and 7.09 to read:

~~7.08—An employee shall be entitled to use special leave during absences from work for religious observances as approved by the Mayor. Such absences shall be limited to a total of three (3) successive days during any calendar year and the right thereto shall not be cumulative.~~

~~7.09~~ **7.08²** An employee shall be entitled to use special leave during absence from work to attend to personal business. Every such absence shall be requested no later than the third working day in advance or such earlier time period as the department head may require. The scheduling of such absences for personal business shall be at the reasonable discretion of the department head. Such absences shall be limited to ~~two (2)~~ **five (5)** days during any calendar year and the right thereto shall not be cumulative. In the event of an emergency or unforeseen circumstances, notification of a personal business day must occur by 7:15 am on the day of the personal business

² The remaining sections shall be renumbered to account for the elimination of the former Section 7.08.

usage.

Any employee who use three (3) days or fewer of Special Leave, excluding Personal Business Days, during the previous calendar year will receive one (1) bonus personal day that shall not be deducted from Special Leave. Said personal day must be used during the calendar year to which it is credited.

3. Article VII A, Bereavement Leave, shall be amended to read:

7A.01 An employee shall be entitled to paid bereavement leave during absence from work for a period not exceeding ~~three (3)~~ **five (5)** days due to the death of a parent, step-parent, husband, wife, child, step-child, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, grandparent, grandparent-in-law, grandchild, brother-in-law, or sister-in-law. ~~or employee's significant other.~~ Every such absence shall be approved and certified to by the head of the department in which such official or employee works. ~~In order to use Bereavement Leave for a "Significant Other", the employee must have previously provided that person's name to his/her department head.~~

4. Article VIII, Uniforms and Tools, shall be amended by adding a new Section 8.03 to read:

The City and the Union shall establish a Committee to review the Safety Boots purchasing process to specify the variety of safety boots available to members of the bargaining unit. The Committee will consist of four members, two (2) from the bargaining unit and two (2) appointed by the Mayor, to review and report to the Department Head no later than December 1, 2011 with recommendations for the purchasing standards.

5. Article IX, Health and Welfare, shall be amended at Section 9.01a to read:

9.01a The CITY agrees to provide group health coverage for all eligible families and individuals. **Except as expressly set forth below,** the City will pay 80% of the premium or cost for all of the health plans in effect. ~~Effective January 1, 2006, certain co-pay increases will go into effect consistent with the City's at page 1, proposal, item 2, attached hereto as Attachment A. At that same date, the premium payments for employees in this bargaining unit will be reduced to the levels paid by employees in other city bargaining units. Employees will have until March 31, 2006 to submit receipts for reimbursement of excess co-pay costs incurred by them through December 31, 2006~~

Effective July 1, 2011 the following changes will be implemented by the City:

- **75%/25% contribution rate for all new employees;**
- **New specialist visit co-pay of \$35/visit;**
- **Mandatory mail order for all maintenance drugs;**
- **A one-time payment of \$500 to current subscribers of the POS individual plan, and a one-time payment of \$1,000 to current subscribers of the POS family plan to switch to an EPO or HMO plan by August 1, 2011 for the duration of the agreement;**
- **Deductible of \$250/\$500, with an annual out of pocket max of \$1,000/\$2500;**
- **Physician office visits - increase of \$5 from \$15 to \$20/visit;**
- **Preventive care - \$0 co-pay;**
- **Emergency Room co-pay increase of \$50 to \$100/visit;**
- **Outpatient day surgery co-pay - new \$100 co-pay;**
- **30 day prescription drug co-pay increases:**

- Tier 1 - \$15
- Tier 2 - \$30
- Tier 3 - \$50

Effective July 1, 2012, the POS contribution rate of the City shall equal the flat dollar value of its contribution to the corresponding HMO. Also effective July 1, 2012, the City may introduce a limited network plan in addition to its existing plans subject to the recommendation of the IAC.

The City agrees that in return for the changes listed above, it will not seek further changes in the terms and conditions of the health insurance plans offered by it to its bargaining unit employees without the express written assent of the Union until at the earliest, negotiations for a successor to the 2011 - 2014 collective bargaining agreement. Further, should any federal or state law be enacted purporting to allow any such changes prior to the negotiations for a successor agreement, the City will not pursue any such changes unless it is legally compelled to do so.

6. Article XII, Promotions, shall be amended at Section 12.01 to read:

12.01 Where a vacancy exists which the CITY desires to fill, the position will be posted in conformance with Civil Service Rules and Regulations containing the required information and including specifications and qualifications for the position and rate of pay. The position shall be posted within the department for a period of five (5) days. Within that period employees who wish to be considered will submit their names in writing to the Superintendent of their division who will then forward the names to the appropriate appointing authority. Qualified candidates who bid shall be considered and final selection by the appointing authority shall be made in accordance with Civil Service Rules and Regulations as well as the City's promulgated policy on promotions. In cases where length of service, ability and quality of previous performance are equal, preference will be given to the

qualified bidder within the division where the vacancy exists. If no qualified candidate applies for the position, selection shall be made in conformance with Civil Service Rules and Regulations. **For purposes of this Article, a vacancy shall mean either a temporary or permanent vacancy in a position. A temporary vacancy is defined as any vacancy in a position within which an incumbent employee is unavailable to work for more than thirty (30) consecutive workdays. If any temporary vacancy becomes a permanent vacancy by reason of the separation from employment of the permanent incumbent employee or for other reason, it will be reposted.**

7. Article XVI, Overtime, shall be amended by adding a new Section 16.06 to read:

Union Stewards who administer the emergency call-in procedure shall receive one hour's pay at an overtime rate, and/or overtime pay for the time actually spent, whichever is greater, on each occasion that the emergency call-in procedure is employed

8. Article XXIV, Wages, shall be amended at Section 24.01 to read:

~~24.01 a. The pay and classification plan in effect at the expiration of the prior contract will be increased effective and retroactive to July 1, 2003 by 2% across the board.~~

~~b. — Effective and retroactive to July 1, 2004, the prior pay and classification plan shall be replaced by the salary and classification plan attached as Attachment B1.~~

~~Also effective and retroactive to July 1, 2004, the annual rates at Step 7 at all pay grades in Exhibit B1 shall be increased by \$200. Upon the ratification of the 2003-2006 MOA by the Association and the City, and also effective and retroactive to July 1, 2004, each employee in the bargaining unit will be slotted~~

~~onto the new pay and classification plan at the grade designated on the grade chart attached hereto as Attachment C, and shall be placed at the next step within such grade that is closest to and higher than the employee's rate of pay as of June 30, 2004. Thereafter, employees will automatically move to the next higher step within their grade on their anniversary date until they reach the top step. For purposes of such movement, all employees who are moved onto the new pay and classification plan upon ratification of the 2003-2006 MOA shall be deemed to have an anniversary date of July 1st.~~

a. ~~Employees hired after the ratification of the 2003-2006 MOA shall be hired at the first step of the pay and classification plan for their job grade, and will move automatically to the next step on each anniversary of their date of hire until they reach the top step. If there is no internal candidate who is eligible for appointment to a particular position, the City may hire on the pay plan up to Step 3 with the approval of the UNION provided that such approval will not be unreasonably withheld.~~

Employees promoted to a higher graded position, shall be placed at the step in the higher grade using the following formula:

- (1) Multiply the employee's current base salary by 4.25%;
- (2) Add the 4.25% of the current base salary;
- (3) Take the new total and round up to the next higher step that provides at least a 4.25% increase;

Thereafter, the employee's anniversary date will be their date of promotion into the new grade.

~~Also, effective and retroactive to July 1, 2005, all pay rates in Attachment B1, as amended by the \$200 increase at Step 7 for all grades, shall be increased by an additional two and one half percent (2.5%) across the board. The new salary schedule is attached as Attachment B2. Effective and retroactive to January 1, 2006, all pay rates as~~

~~increased to date, shall be increased by an additional one percent (1%) across the board. The new salary schedule is attached as Attachment B3. Effective June 30, 2006, all pay rates as increased to date, shall be increased by an additional one half percent (.5%) across the board. The new pay scale shall be attached as Attachment B4.~~

b. Wage payments will be required to be made through direct deposit for all employees hired after January 1, 2006.

~~d. The pay schedule in effect as of June 30, 2006, a copy of which is attached as Appendix A1, shall be increased at each grade and step by two percent (2%) effective and retroactive to July 1, 2006. The new pay schedule is attached as Appendix A2. The pay schedule in effect as of July 1, 2006 shall be increased at each grade and step by two percent (2%) effective and retroactive to July 1, 2007. The new pay schedule is attached as Appendix A3. The pay schedule in effect July 1, 2007 shall be increased at each grade and step by one percent (1%) effective and retroactive to January 1, 2008. The new pay schedule is attached as Appendix A4. There shall be no further across the board increases during the life of the agreement.~~

~~Effective and retroactive to July 1, 2008, the pay schedule attached as Appendix B shall replace the pre-existing pay schedule. All employees will be slotted onto and paid under Appendix B by (1) increasing their salary rate as of June 30, 2008 by 3.5%; and (2) then being placed at the first step in grade on Appendix B that is higher than the rate created by # 1 above. For purposes of clarity, the weekly pay rate beginning July 1, 2008 for each employee/member shall be the rate for such person as shown in the column entitled "FY09" in Appendix D. Once slotted on the new pay schedule, all employees will have an anniversary date of July 1, and shall move to a new step on each successive July 1, until they reach the highest step in grade, and/or unless they are promoted into another grade at which time their anniversary date will become the date of promotion.~~

c. **Salary rates at all steps shall be increased by one percent (1%) across the board effective July 1, 2011. Upon implementation of the health changes to be effective July 1, 2011, all employees will receive a lump sum payment of seven hundred dollars (\$700). Salary step advancement for employees with an anniversary date on any day from July 1, 2011 - December 31, 2011, who are eligible for step advancement on such anniversary date, shall be delayed until January 1, 2012, at which time each such eligible employee shall advance one step, and January 1st shall become those employees' new anniversary date for future step advancement, except as that date may have been altered in accordance with Subsection (f) below. Salary step advancement for employees with an anniversary date from January 1, 2012 - June 30, 2012, who are eligible for step advancement on such anniversary date, shall advance one step on that date and shall retain that date as their anniversary date for future step advancement, except as that date may have been altered in accordance with Subsection (f) below.**

(d) **Effective July 1, 2012, seven hundred dollars (\$700) shall be added to each step of the salary scale across the board. Thereafter, also on July 1, 2012, all salary steps shall be increased by an additional one and one-half percent (1½ %) across the board.**

(e) **Effective July 1, 2013, all salary steps shall be increased by an additional one and one-half percent (1½ %) across the board.**

(f) **Effective June 30, 2014, a new step 8, calculated at four percent (4%) more than the then existing Step 7, shall be added to the salary scale at each grade. Employees who have been at Step 7 for at least one year as of June 30, 2014, and who have twenty-five (25) or more years of service as of that date, shall move to Step 8 on July 1, 2014,**

which shall be their adjusted anniversary date. Employees who have been at Step 7 for at least one year as of June 30, 2014, and who have between fifteen (15) and twenty-five (25) years of service as of that date, shall move to Step 8 on October 1, 2014, which shall be their adjusted anniversary date. All other employees who have been at Step 7 for at least one year as of January 1, 2015 shall move to Step 8 on that date, which shall be their adjusted anniversary date. After January 1, 2015, employees shall move to Step 8 one year following their advancement to Step 7.

9. Article XXIV, Wages, shall be amended at Section 24.03 to read:

24.03 When employees are temporarily required to work in a higher classification **within the bargaining unit**, they will be paid at the proper rate of that classification. ~~The employees so assigned will be paid either the flat rate of pay for the classification (for those classifications which have a single rate); or the first step of a step schedule for a classification (or the step that most nearly provides a 4% increase. when applicable).~~ **When employees are temporarily required to work in a higher classification outside the bargaining unit, they will be adjusted by a 4.25% increase.**

10. Article XXXI, Employee Rights, shall be amended at Section 31.02 C to read:

C. The employee's election shall be delivered to the CITY in writing within ~~three (3)~~ **twenty (20) working** days after written notification by the CITY of its disciplinary action, suspension or discharge.

11. Article XLVIII, Duration shall be amended to read:

48.01 This AGREEMENT shall be made effective as of July 1, ~~2009~~ **2011** for the period ending June 30, ~~2011~~ **2014** and remain in effect from year to

year thereafter unless either party hereto desiring to terminate or amend any provisions of this contract, sends written notice of the same to the other no later than six (6) months prior to the termination date hereof or any succeeding anniversary date. **If such notice is given, the AGREEMENT shall remain in force and effect until a new agreement is reached. If for any reason this AGREEMENT cannot be so extended, then the parties agree that on or before June 30, 2014 they shall execute a Bridge Agreement continuing the terms of the AGREEMENT in effect during negotiations for a new AGREEMENT.**

Agreed this 28th day of June 2011, on behalf of:

The City of Newton

Newton Municipal Employees Association

By: Maureen Lemieux
Maureen Lemieux, CBO

By: Daniel Johansen
Daniel Johansen, President

By: Dolores Hamilton
Dolores Hamilton, Director of
Human Resources

By: Jay Bradley
Jay Bradley, Vice President



SETTI D. WARREN
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July 5, 2011

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

11 JUL -5 P 2 55
CITY CLERK
NEWTON, MA. 02159

Ladies and Gentlemen:

The City has recently reached the attached Memorandum of Agreement with the employees covered by the Newton Police Association, NPA, for a 2-year retroactive contract covering the period beginning July 1, 2009 through June 30, 2011. Sufficient funding was included in the FY2011 budget to cover all costs associated with this contract. Additionally, the City has reached agreement on a 3-year contract for the period beginning July 1, 2011 through June 30, 2014. Sufficient funding is included within the FY2012 budget, however, several transfers are required.

Therefore, I write to request that your Honorable Board docket for consideration a request to transfer from various departmental payroll and health benefit accounts to various departmental payroll accounts in order to fund the cost items set forth in the labor contract agreement.

Specific amounts to be transferred will be included in the Board packet on Friday, July 8th. Thank you for your consideration of this matter.

Very truly yours,

Setti D. Warren
Mayor

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.newtonma.gov



DEDICATED TO COMMUNITY EXCELLENCE

**MEMORANDUM OF AGREEMENT
2009 - 2011 SUCCESSOR CONTRACT
AND
2011 - 2014 SUCCESSOR CONTRACT
NEWTON POLICE ASSOCIATION AND CITY OF NEWTON
JUNE 28, 2009**

11 JUL -6 A 12:46
CITY CLERK
NEWTON, MA 02159

The City of Newton and the Newton Police Association agree to the following terms and conditions of two new collective bargaining agreements to succeed the collective bargaining agreement dated July 1, 2006 through June 30, 2009.¹ The Association shall promptly submit the MOA to its membership for ratification and shall fully support a favorable vote. The City shall promptly submit the MOA to its Board of Aldermen for an appropriation to fund its economic terms, and shall fully support a favorable vote. Except as amended below, all other terms and conditions of the 2003-2006 collective bargaining agreement shall remain in full force and effect.

A. The 2009 - 2011 Collective Bargaining Agreement

1. Amend Article XXVI at Section 26.06 by deleting existing language and substituting:

(a) All regular, full time members of the bargaining unit who have or obtain an associate's degree, a bachelor's degree or a master's degree in criminal justice through a college or university that is approved by the Massachusetts Board of Higher Education, or a law degree from a law school that is New England Association of School and Colleges accredited or approved by the Massachusetts Board of Higher Education, under General Laws Chapter 41, Section 108L (the Quinn Bill) shall be entitled to educational incentives from the City. Such educational incentives shall be in amounts no less than 10% of regular weekly compensation for

¹ Additions to existing contractual language are reflected by **bold type**. Deletions are reflected by ~~strikethroughs~~.

an associate's degree, 20% of regular weekly compensation for a bachelor's degree and 25% of regular weekly compensation for a master's degree or a law degree (upon passage of the Massachusetts bar examination). For purposes of this educational incentive provision, an employee who earns sixty (60) credits toward a bachelor's degree shall be deemed to hold an associate's degree.

(b) Although the City may apply to the Commonwealth of Massachusetts for reimbursement of its payments under this provision to the extent allowed under the Quinn Bill, the failure of the Commonwealth to reimburse the City for any or all of the amounts requested by it shall not diminish the City's obligation to pay 100% of the benefits set forth herein. Further, such obligation shall continue in full force and effect as an independent contractual commitment of the City notwithstanding any amendment or repeal of the Quinn Bill and/or a rescission of the Quinn Bill by the City, if any, or any other action that diminishes the benefits available to officers or the City under the Quinn Bill. Further, it is the intention of the City and the Union that, as a matter of contract, all members of the bargaining unit, regardless of date of hire by the City, shall receive 100% of the benefits set forth herein, any provision of the Quinn Bill to the contrary notwithstanding.

(c) Employees who receive payments under this section shall not be eligible for and shall not receive educational incentive payments under any other section of this Article.

(d) Employees who anticipate receiving a qualifying degree, or a change in the level of an existing qualifying degree, shall notify the City of their anticipated degree by December 15, of the prior year.

(e) If for any reason the Massachusetts Board of Higher Education declines to certify, and/or no longer certifies, institutions, programs or credits for purposes of qualifying any employees for educational incentives under c. 41, s. 108L, the City shall so credit employees with qualifying educational credits upon completion of degree programs at any public or private colleges or universities that are the same or similar to degree programs previously qualified by the Board of Higher Education and shall pay such employees the educational incentives for which they so qualify as set forth above. Under no circumstance shall an employee receive benefits for any program which grants credits for the following: life experience; courses taught by instructors lacking appropriate educational degrees; and courses lacking appropriate concentration on academic and scholarly research.

2. Article XXXVI, Duration, shall be amended to read:

36.01 This AGREEMENT is effective from July 1, ~~2006~~, **2009**, for a period ending June 30, ~~2009~~ **2011** and shall remain in effect from year to year hereafter unless either party hereto, desiring to terminate or amend any provisions of this Contract, sends written notice to the same no later than one hundred twenty (120) days prior to the termination date hereof or any succeeding anniversary date.

36.02 In any event, if sixty (60) days prior to June 30, ~~2009~~ **2011**, the UNION has given notice to the City that it intends to renegotiate a new agreement, then the terms and conditions of this AGREEMENT will continue in full force and effect during the negotiation process of that new AGREEMENT. ~~but no later than January 1, 2009.~~

B. The 2011 - 2014 Collective Bargaining Agreement

1. Article IVA will be amended to read:

4A.01 An employee shall be entitled to paid bereavement leave during absence from work for a period not exceeding ~~three-(3)~~ **five (5)** days due to the death of a parent, step-parent, husband, wife, child, step-child, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, grandparent, grandchild, brother-in-law, or sister-in-law. Every absence shall be approved and certified by the Chief of Police.

2. Article VI, Paid Details and Overtime Assignments, shall be amended at Section 6.10 by rewriting the third sentence to read:

Effective October, 15, 2005 the hourly rate for police detail assignments, except for regular City details, shall be \$40,00; **effective thirty days after the ratification of this Agreement the hourly rate for police detail assignments, except for regular City details, shall be \$45.00.**

3. Article XX, Wages shall be adjusted by deleting the existing language at Section 20.01 and substituting the following:

20.01 (a) Salary rates at all steps shall be increased by one percent (1%) across the board effective July 1, 2011. Upon implementation of the health changes to be effective August 1, 2011 all employees will receive a lump sum payment of seven hundred dollars (\$700). Salary step advancement for employees with an anniversary date on any day from July 1, 2011 - December 31, 2011, who are eligible for step advancement on such anniversary date, shall be delayed until January 1, 2012, at which time each such eligible employee shall advance one step, and January 1st shall become those employees' new anniversary date for

future step advancement. Salary step advancement for employees with an anniversary date from January 1, 2012 – June 30, 2012, who are eligible for step advancement on such anniversary date, shall advance one step on that date and shall retain that date as their anniversary date for future step advancement.

(b) Effective July 1, 2012, seven hundred dollars (\$700) shall be added to each step of the salary scale across the board. Thereafter, also on July 1, 2012, all salary steps shall be increased by an additional one and one-half percent (1½ %) across the board.

(c) Effective July 1, 2013, all salary steps shall be increased by an additional one and one-half percent (1½ %) across the board.

(d) Effective June 30, 2014, the then current salary scale will be replaced by a new step scale as set forth below.

Current Scale²

1	2	3	4
906	971	1036	1055

New Scale³

1	2	3	4	5	6	7	8
906	942	980	1019	1060	1102	1135	1164

(e) Slotting onto the new scale shall occur as follows:

Officers newly hired on or after June 30, 2014 shall be hired at Step 1 of the new scale and shall move from step to step on their anniversary date in each succeeding year until they have reached the top step.

² As adjusted by the increases provided in subsections 2(a) to 2(c).

³ Steps 1 – 6 are 4% steps; Step 7 is a 3% step; and Step 8 is a 2.5% step.

On January 1, 2015, officers hired prior to July 1, 2014, who are at Steps 1 through 3 and who have a normal anniversary date between July 1st and December 31st will move to the step on the new scale that provides an increase in pay and will move to the next step on January 1st in each succeeding year until they reach the top step. Officers hired prior to July 1, 2014, who are at Steps 1 through 3 and who have a normal anniversary date between January 1st and June 30th will move to the next step that provides an increase in pay on their normal anniversary date between January 1, 2015 and June 30, 2015 and will move to the next step on their normal anniversary date in each succeeding year until they reach the top step.

Officers who have been at Step 4 for at least one year and who have 25 years or more of service as of June 30, 2014 will move to Step 6 of the new scale on July 1, 2014, and will move to the next step on July 1st of each succeeding year until they reach the top step. Officers who have been at Step 4 for at least one year and who have between 15 and 25 years of service as of June 30, 2014 will move to Step 6 on October 1, 2014, and will move to the next step on October 1st of each succeeding year until they reach the top step. All other officers who have been at Step 4 for at least one year as of June 30, 2014 will move to Step 6 on January 1, 2015 and will move to each succeeding step annually on January 1st of each succeeding year until they reach the top step.

Officers who have been at Step 4 for less than one year as of June 30, 2014 shall move to Step 6 on the anniversary of the date they moved to Step 4, or January 1, 2015, whichever is later, and shall move from step to step each year thereafter on the anniversary date of their move to Step 6 until they reach the top step.

4. Article XX, Wages shall be adjusted by deleting the existing language at Section 20.07, Longevity, and substituting the following:

Any full time employee covered by this Agreement who shall have completed the following requisite years of continuous employment with the City by June 1st of any year shall be entitled to receive an annual non-cumulative longevity payment in the following specified amounts for that calendar year:

Effective July 1, 2011

<u>Years of Continuous Employment</u>	<u>Longevity Pay</u>
10 - 14 years	\$650
15 - 19 years	\$750
20 - 24 years	\$1100
25 + years	\$1300

Effective July 1, 2012

<u>Years of Continuous Employment</u>	<u>Longevity Pay</u>
10 - 14 years	\$650
15 - 19 years	\$800
20 - 24 years	\$1500
25 + years	\$2000

Effective July 1, 2013

<u>Years of Continuous Employment</u>	<u>Longevity Pay</u>
10 - 14 years	\$650
15 - 19 years	\$800

20 - 24 years	\$2000
25 + years	\$2500

In return for the foregoing increases in longevity pay, effective July 1, 2011 the Exceptional Service Recognition Plan at Article XXVII will be eliminated, except that employees presently participating in that Plan will be grandfathered until they have finished the three year program. No other employees will be added to the Plan for FY12 or thereafter.

5. Article XXIV, Medical and Dental Insurance, shall be amended at Section 24.01 to read:

Medical Insurance – The CITY will continue to provide the current Group Health Coverage Plans with the existing level of benefits, including the modifications in the Flexible Spending Program. ~~the amount of co-pays for prescriptions and for doctor's visits that are described in Appendix B and modified in Attachment A thereto, both of which are attached hereto.~~ The CITY will pay eighty percent (80%) of the premiums due thereon, **except as provided below for new employees.** The CITY may provide additional group health plans and, if it does, it will pay the same eighty percent (80%) of the premiums for any such additional group health plans as it pays for the current Group Health Plans, **except as provided below for new employees. Effective July 1, 2011 the following changes will be implemented by the City:**

- **75%/25% contribution rate for all new employees;**
- **New specialist visit co-pay of \$35/visit;**
- **Mandatory mail order for all maintenance drugs;**
- **A one-time payment of \$500 to current subscribers of the POS individual plan, and a one-time payment of \$1,000 to current subscribers of the POS family plan to switch to an EPO or HMO**

plan by August 1, 2011 for the duration of the agreement;

- **Deductible of \$250/\$500, with an annual out of pocket max of \$1,000/\$2500;**
- **Physician office visits - increase of \$5 from \$15 to \$20/visit;**
- **Preventive care - \$0 co-pay;**
- **Emergency Room co-pay increase of \$50 to \$100/visit;**
- **Outpatient day surgery co-pay - new \$100 co-pay;**
- **30 day prescription drug co-pay increases:**
 - **Tier 1 - \$15**
 - **Tier 2 - \$30**
 - **Tier 3 - \$50**

Effective July 1, 2012, the POS contribution rate of the City shall equal the flat dollar value of its contribution to the corresponding HMO. Also effective July 1, 2012, the City may introduce a limited network plan in addition to its existing plans subject to the recommendation of the IAC.

The City agrees that in return for the changes listed above, it will not seek further changes in the terms and conditions of the health insurance plans offered by it to its bargaining unit employees without the express written assent of the Union until, at the earliest, negotiations for a successor to the 2011 - 2014 collective bargaining agreement. Further, should any federal or state law be enacted purporting to allow any such changes prior to the negotiations for a successor agreement, the City will not pursue any such changes unless it is legally compelled to do so.

6. **Article XXVI, Educational Incentive Pay, shall be amended by adding a new Section 26.06(i) to read:**

Effective July 1, 2011, educational credits earned toward a Quinn Bill eligible degree will be paid at the rate of \$35.00 per annum hourly

credit until the degree is achieved from a Quinn Bill approved school. Officers must be enrolled in a Quinn eligible degree program and provide proof of successful completion of such courses by submitting a certified copy of their transcript with grades. Only course taken at Quinn approved colleges and universities shall be approved.

Once enrolled in a Quinn approved course, officers will become and remain eligible not only for the credits newly received from such program, but also for any Quinn eligible credits previously taken by them. If for any reason the Massachusetts Board of Higher Education declines to certify, and/or no longer certifies, institutions, programs or credits for purposes of qualifying any employees for educational incentives under c. 41, s. 108L, the City shall so credit employees with qualifying educational credit obtained, or previously held from any public or private colleges or universities that are the same or similar to degree programs previously qualified by the Board of Higher Education and shall pay such employees the educational incentives for which they so qualify as set forth above. Under no circumstance shall an employee receive benefits for any program which grants credits for the following: life experience; courses taught by instructors lacking appropriate educational degrees; and courses lacking appropriate concentration on academic and scholarly research.

7. The City and the Association agree to execute a side agreement, effective upon the approval of the funding vote of the Board of Aldermen, to read:

"The Association accepts General Order # 565, dated 5/1/11 with the following provisos, all of which are agreeable to the City.

1. Body armor may be worn in an external carrier at the option of the officer.

2. If an officer is injured in the line of duty, and is not wearing body armor, the City will nonetheless treat the officer as carried in injured on duty status for all purposes provided that he/she is otherwise eligible for such coverage unrelated to the wearing of the body armor.

3. Officer shall not be required to wear body armor when performing details that are not classified as high risk, but shall have their armor available to wear if circumstances develop that warrant high risk precautions.

For the Newton Police Department

For the Newton Police Association

Matthew A. Cummings, Chief

John Daly, President

8. Article XXXVI, Duration, shall be amended to read:

36.01 This AGREEMENT is effective from July 1, 2009, 2011, for a period ending June 30, 2011 2014 and shall remain in effect from year to year hereafter unless either party hereto, desiring to terminate or amend any provisions of this Contract, sends written notice to the same no later than one hundred twenty (120) days prior to the termination date hereof or any succeeding anniversary date.

36.02 In any event, if sixty (60) days prior to June 30, 2011 2014, the UNION has given notice to the City that it intends to renegotiate a new agreement, then the terms and conditions of this AGREEMENT will continue in full force and effect during the negotiation process of that new AGREEMENT, but no later than January 1, 2009. If for any reason this AGREEMENT

cannot be so extended, then the parties agree that on or before June 30, 2014 they shall execute a Bridge Agreement extending all terms and conditions of the AGREEMENT in effect during negotiations for a new AGREEMENT.

Agreed this 27 day of June 2011, on behalf of:

The City of Newton

By: Maureen Lemieux
Maureen Lemieux, CBO

Newton Police Association

By: John M. Daly
John Daly, President

By: Dolores Hamilton
Dolores Hamilton, Director of
Human Resources



Setti D. Warren
Mayor

DOCKET ITEM
103-11

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Candace Havens
Director

Community Preservation Committee
MEMORANDUM

date: 15 July 2011
from: Alice Ingerson, Community Preservation Committee Program Manager
to: Board of Aldermen, Finance Committee
about: table of contents for Dedham Street proposal (docket 103-11) materials
in the packet for your 1 August 2011 meeting

At the request of your chairman Alderman Gentile, this packet focuses on the most current financial information related to this proposal.

Earlier financial information and documents/comments about project design from all stages of the proposal process are available online, including documents related to land use, zoning, drainage, traffic, & schools. This packet includes a snapshot of the proposal webpage, to help you find additional information of particular interest to you.

document	starts on page
CPC funding recommendation	1
Newton-controlled public funds used for recent affordable housing projects	4
Snapshot of project webpage, including older financial information & project design documents/discussions: www.newtonma.gov/cpa/projects/dedham-st/dedham-st.htm	5
CPC-commissioned independent consultant analysis of project finances, assessing sponsor's cost & revenue projections, need for requested subsidy, & alternative options for affordable housing on this site	8
Project development budget, unit pricing, and condominium operating budget/fees	17
Sponsor's summary of most recent changes to this proposal	28
Most recent site & floor plans	35
Recent additional comments by sponsor's consultant on his earlier analysis of projected fiscal impacts (full earlier analysis available from proposal webpage)	40

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



Setti D. Warren
Mayor

City of Newton, Massachusetts
Department of Planning and Development
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103-11

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Candace Havens
Director

Community Preservation Committee
FUNDING RECOMMENDATION

date: 6 April 2011, corrected 13 April 2011
from: Community Preservation Committee
to: The Honorable Board of Aldermen
for: **112-116 DEDHAM STREET** (community housing)

PROJECT GOALS & ELIGIBILITY

This project will create 4 units of fully accessible ownership housing, permanently affordable to households at 70 percent of area median income, in a 16-unit building with underground parking and an elevator. The site is not in a traditional village center but is within walking distance of an elementary school, shopping, restaurants, and the Newton Highlands stop on the D line of the MBTA.

The project is eligible for funding under the Community Preservation Act as the creation of affordable housing. It satisfies the CPA's emphasis on using previously developed sites for affordable housing, as well as priorities set by Newton's *Comprehensive Plan, Community Preservation Priorities & Funding Guidelines*, and *Consolidated Plan for Housing & Community Development*.

RECOMMENDED FUNDING

On 16 March 2011 the Community Preservation Committee recommended by a vote of 5 in favor, 1 opposed, 1 abstaining that \$1,103,500 be appropriated for this project, drawn first from the fy11 community housing reserve and then from the fy11 general reserve, and allocated 100% to community housing. Member Wally Bernheimer was opposed because he preferred more stringent profit-sharing requirements (see following page). Member Jim Robertson abstained because he would have preferred to encourage an unsubsidized 20-unit Comprehensive Permit project on the same site, with 5 affordable units.

Appropriated funds may be used for all eligible purposes, explicit or implied, in this summary budget:

Development Budget for 112-116 DEDHAM STREET			
USES		SOURCES	
HARD COSTS		CP funds	\$1,103,500
site acquisition	\$1,680,000	PROJECTED SALES REVENUE:	
site work & construction (incl. contingency)	\$6,150,900	affordable units (3 @ 2 bdrms, 1 @ 3 bdrms)	\$579,400
SOFT COSTS		market-rate units (11 @ 2 bdrms, 1 @ 3 bdrm)	\$9,350,000
general (accounting, architect, construction mgr, engineering, insurance, legal, marketing, etc.)	\$1,362,367	TOTAL SOURCES, including CP funds \$11,032,900	
bank charges & interest	\$652,199	PROJECTED PROFIT	\$1,183,934
CPC costs: housing planner assistance, site sign	\$3,500	% PROFIT	12.0%
TOTAL USES \$9,848,966			

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

6 April 2011

CPC Funding Recommendation for 112 DEDHAM STREET

page 2 of 3

SPECIAL ISSUES CONSIDERED BY THE CPC

Profit/Revenue-Sharing The independent analysis commissioned by the Committee concluded that the requested subsidy for the 4 affordable units was necessary and appropriate. However, the consultant agreed with the Newton Housing Partnership that some of the subsidy could probably be recaptured from profits on the sale of the project's 12 market-rate units. CPC member Wally Bernheimer urged the Committee to require profit-sharing after the developer received the 13% profit projected in the original proposal. The developer counter-proposed a threshold of 16% but ultimately accepted the proposal by the majority of CPC members to set this threshold at 14%. When reviewing projects proposed under MGL Chapter 40B, state regulators generally treat 15% profit as the minimum needed for economic viability.

Populations Served /Accessibility The project's underground parking, elevator, and floor plans meet all legal requirements by providing Group I accessibility for all units. However, the project far *exceeds* requirements in providing Group II accessibility for 2 affordable units and 1 market-rate unit. Opportunities to achieve this level of accessibility at a reasonable cost are extremely rare in Newton, because they require finding sites for new construction. Some CPC members felt that even the project's market-rate units also met an important community need, by allowing older residents with mobility concerns to downsize but still remain in Newton.

Design & Land Use Issues The developer's original funding request included \$300,000 to subsidize preservation of the existing stone barn on this site. Many CPC members endorsed this goal. However, after lengthy discussion the Committee concluded that this funding could not be justified as affordable housing, because maintaining the barn as common space would increase the cost of ownership for the affordable units. The Committee also determined that the barn was not a priority for historic resources funding, because it would not be open to the public. At the CPC's request, the developer eliminated this item from the budget.

Most neighborhood concerns focused on land use issues, which will be fully explored by the Zoning Board of Appeals during the Comprehensive Permit process. Many CPC members felt that limited, well-designed multifamily housing could be a justifiable or even desirable addition to a primarily single-family neighborhood. However, the majority of Committee members also agreed that a 16-unit, subsidized building was preferable to a 20-unit, unsubsidized building on this particular site.

KEY OUTCOMES

The Community Preservation Committee will evaluate this project based on these key outcomes:

1. on-time, within-budget completion of the scope of construction described in the proposal and its attached supplemental information
2. partial recapture of the initial public subsidy, based on state-certified costs and returns and the City's grant agreement with the developer (see next section)
3. ownership & occupation of the 4 affordable units, through both initial and subsequent sales as verified by the City of Newton, by households with up to 70% of the area-wide median income

ADDITIONAL RECOMMENDATIONS

1. SPENDING AUTHORITY: All funds should be appropriated to the spending authority of the Director of Planning and Development, for disbursement to the developer through a legally binding grant agreement.
2. GRANT AGREEMENT: The agreement should include, but not be limited to, these provisions:
 - pre-conditions for the initial release of funds, including submission of: commitments for all other funds needed to complete the project; executed contracts finalizing all development costs; all required permits; final approval and recording of the regulatory agreement and perpetual affordable housing deed restriction; mortgage securing the developer's obligations under a revenue-sharing agreement; and City approval of the project's affirmative marketing plan.
 - procedures for the release of construction funds on a reimbursement basis only, and of funds for any other project purposes

6 April 2011

CPC Funding Recommendation for 112 DEDHAM STREET

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- requirements to assist in publicizing the project and to provide progress reports as requested by the Community Preservation Committee or Board of Aldermen
 - pre-conditions for releasing the final 10 percent of funds, including verified completion of construction through the standard process under MGL Chapter 40B, and a final report/presentation on project costs & results to the CPC
3. REVENUE-SHARING: The grant agreement should allot an absolute amount of profit to the developer equivalent to 14% of costs, finalized as noted above, and adjusted if necessary once state-audited costs are confirmed; and should require returns above that amount to be shared equally by the developer and Newton's Community Preservation Fund until the 20% threshold is reached, at which point MGL Chapter 40B requires all returns to be paid to the City of Newton (not the CP Fund).
 4. DEADLINES: All funds must be spent within 24 months after they become available, or by any extension of that deadline granted in writing by the Director of Planning and Development
 4. RETURN OF UNSPENT FUNDS: Any CP funds not used for the purposes stated in the attached proposal or this recommendation should be returned to the Newton Community Preservation Fund.

ATTACHMENT

March 2011	public funds for recent housing projects in Newton
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See also project webpage from: www.newtonma.gov/cpa/projects.htm.

Base data from City of Newton Housing Office, reformatted & updated by A Ingerson, 31 March 2011

COMMUNITY HOUSING in NEWTON, Massachusetts Public Funding of Recent Projects

Project	Year First Funded	Total Units	Affordable		Total Project Funding & Cost			Per Affordable Unit		
			Units	Bed-rooms	CP funds	Total Newton Public Funds	Total Development Cost	CP funds	Total Newton Public Funds	Total Development Cost
unmarked = rehab only ▶ = included some new construction ▼ = all-new construction ▲ = group home / congregate living facility										
112 Dedham Street	funds recommended	16	4	7	\$1,103,500	\$1,103,500	\$9,848,966	\$275,875	\$275,875	\$2,462,242
61 Pearl Street	funds recommended	3	3	6	\$665,000	\$1,145,000	\$1,370,000	\$221,667	\$381,667	\$456,667
Covenant Residences	2006	44	11	17	\$907,825	\$907,825	\$17,430,711	\$82,530	\$82,530	\$1,584,610
▶ Millhouse Commons	2005	6	4	10	\$738,383	\$1,130,566	\$3,922,000	\$184,596	\$282,642	\$980,500
▶ Linden Green	2004	5	3	6	\$618,600	\$912,940	\$2,261,394	\$206,200	\$304,313	\$753,798
Falmouth Road	2005	2	2	5	\$275,000	\$651,202	\$1,178,933	\$137,500	\$325,601	\$589,467
Jackson Road	2005	2	2	5	\$275,000	\$650,317	\$1,178,048	\$137,500	\$325,159	\$589,024
▼ Parkview Homes	2009	10	10	30	\$2,046,000	\$3,086,727	\$5,322,027	\$204,600	\$308,673	\$532,203
Veteran House	2010	2	2	5	\$375,000	\$675,000	\$950,000	\$180,000	\$337,500	\$475,000
Cambria Road (18-20)	2003	2	2	6	\$200,000	\$532,461	\$922,461	\$100,000	\$266,231	\$461,231
Forte Property (Dolan Pond) \$300,000 of Habitat for Humanity donations & sweat equity incl. in costs, not counted as subsidy	2003	3	3	10	\$991,010	\$991,010	\$1,291,010	\$330,337	\$330,337	\$430,337
Wyman Street	2005	10	10	20	\$1,000,000	\$2,567,995	\$3,567,995	\$100,000	\$256,800	\$356,800
Cambria Road (11-13)	2006	2	2	5	\$351,025	\$631,025	\$610,500	\$175,513	\$315,513	\$305,250
▲ Pelham House	2003	10	10	10	\$311,936	\$1,748,593	\$2,841,460	\$31,194	\$174,859	\$284,146
▼ ▲ Nonantum Village Place	2003	34	34	34	\$850,000	\$1,712,000	\$6,213,100	\$25,000	\$50,353	\$182,738
West Street	2004	5	5	5	\$263,000	\$600,000	\$676,400	\$52,600	\$120,000	\$135,280

112-116 Dedham Street Community Housing

location: 112-116 Dedham Street
Newton Highlands, MA 02461

goals: Create 4 home-ownership units, three with 2 bedrooms and one with 3 bedrooms, permanently affordable to homeowners at 70 percent of the area-wide median income, in a 16-unit, mixed-income development. All units will meet Group 1 architectural accessibility standards; three units (two affordable and one market-rate) will meet Group 2 standards.

<i>project funding:</i>	\$1,100,000	<i>requested CP funds</i> (community housing)
	\$6,465,698	<i>private bank loan</i> (acquisition & construction)
	\$1,794,886	<i>developer equity</i>
	\$9,360,583	TOTAL PROJECT COST

contacts: Geoffrey Engler, Vice President
SEB, LLC
165 Chestnut Hill Avenue, No. 2
Brighton, MA 02135
email: gengler@s-e-b.com
phone: 617.792.2300 x202
website: www.s-e-b.com

PROPOSAL REVIEW & APPROPRIATIONS

15 October 2010
original proposal
& attachments

[proposal](#): front cover, summary, community needs & outreach

[sponsor's qualifications & past projects](#)

project finances:

[budgets & funding](#): development budget, funding sources, condominium association operating budget, offer to purchase

[appraisal](#) (long file, may take time to load)

project design:

[accessibility](#) & fair housing considerations

[neighborhood context & zoning](#)

[site plan](#)

[specifications](#)

[traffic impacts](#)

Note: This study assumed all residents would be 55 or older, but the development as proposed is not age-restricted.

CPC review process:

November 2010 public hearing	<p>project finances & design:</p> <p>presentation, including floor plans (<i>long file, may load slowly</i>)</p> <p>additional elevations (<i>long file, may load slowly</i>)</p>
December 2010- February 2011 updates	<p>project finances & design:</p> <p>sponsor's summary, 16 December 2010 (including response to comments at public hearing)</p> <p>sponsor's summary, 7 January 2011</p> <p>project finances:</p> <p>development budget, updated 7 January 2011</p> <p>cost estimates - sponsor's analysis, 8 February 2011, incl. comparisons with similar projects</p> <p>project design:</p> <p>site & floor plans, updated 7 January 2011</p> <p>simulated views from street & abutting properties, 7 January 2011 (<i>long file, may load slowly</i>)</p>
January-March 2011 City boards & committees	<p>letters of support from:</p> <p>Newton Housing Partnership, 19 January 2011</p> <p>Mayor's Committee for People with Disabilities, 15 March 2011</p>
March 2011 updates	<p>project finances:</p> <p>sponsor's summary, updated 4 March 2011, including revised funding request, response to neighborhood concerns</p> <p>budget & funding, updated 4 March 2011: development budget, condominium association operating budget, percent interests assigned to affordable vs. market-rate units</p>
March-April 2011 CPC actions	<p>project finances:</p> <p>independent economic analysis commissioned by the CPC, 4 March 2011</p> <p>CPC funding recommendation, 18 April 2011, including table comparing public funding of recent affordable housing projects in Newton</p>
<hr/> <p><i>Board of Aldermen review process:</i></p>	
March-April 2011 updates	<p>project finances & design:</p> <p>sponsor's summary, 19 April 2011, including response to neighborhood concerns and intent not to propose a 20-unit, unsubsidized bldg as an alternative to 16-unit, subsidized bldg</p> <p>project finances:</p> <p>fiscal impacts - sponsor analysis, 28 March 2011 (anticipated property tax revenues & cost of public services)</p>

[bank letter of interest](#) in providing construction funding, 21 April 2011

project design:

[neighborhood context - sponsor analysis](#), updated 19 April 2011 (maps & aerial photos)

[site & floor plans](#), updated 26 April 2011

sponsor analyses of [sight lines](#) & [lot coverage](#), 26 April 2011 (compares proposed development with current bldgs on & around the site, alternative future uses of the site)

June-July 2011 updates

project finances:

[fiscal impacts - sponsor analysis](#), additional comments 6 July 2011

project design:

[accessibility - sponsor summary](#), 10 July 2011

[site drainage - sponsor analysis](#), 8 July 2011

[site drainage - City staff comments](#), 14 July 2011

site drainage - history

For nearby streams & wetlands that may have been culverted or diverted, see maps link under "Project News" below.

[traffic impacts - sponsor analysis](#), 30 September 2010

[traffic impacts - City staff comments](#), 2 June 2011

zoning & by-right uses - City staff comments

2011 Board order (appropriation)

GENERAL BACKGROUND INFORMATION

Massachusetts Chapter 40B/ Comprehensive Permits

The project as proposed requires a Comprehensive Permit. Release of any CPA funds appropriated would be contingent on the granting of that permit.

[Newton's Comprehensive Permit process](#), as of 2005

[state guidance on local Comprehensive Permit review](#), including land use & environmental impacts, as of 2005

[state guidance on design review as part of local Comprehensive Permit review](#), as of 2011

school impacts

[Housing School-Age Children](#), 2006 Rutgers study (cited in CPC-commissioned independent consultant report)

accessibility

[Massachusetts state standards](#)

PROJECT NEWS

ca. 1700-1946

project [site history](#) (historic maps)

CONTACT:

Alice E. Ingerson, Ph.D., Community Preservation Program Manager

City of Newton



Setti D. Warren
Mayor

City of Newton, Massachusetts Community Preservation Committee



REQUEST for QUOTATIONS

DATE: 24 January 2011

TO: Affordable Housing Consultants

FROM: Alice Ingerson, Community Preservation Program Manager, for the CPC

DEADLINE for QUOTATIONS 12:00 pm (noon) on Tuesday, 1 February 2011 by email to Alice Ingerson Community Preservation Program Manager, aingerson@newtonma.gov. The CPC expects to award a contract by Wednesday, 3 February 2011.

DEADLINE for REPORT Please submit a short analysis (3-5 pages) of the issues below by 25 February 2011, to inform the CPC's final deliberations on this proposal at its March 2011 meeting.

PROJECT SUMMARY online: www.newtonma.gov/cpa/projects/dedham-st/dedham-st.htm

NOTE: The proposal is still evolving. The developer has agreed to provide additional information reasonably requested by the CPC's consultant, including updated development & operating budgets. At 112-116 Dedham Street, Newton Highlands, MA 02461, developer SEB, LLC proposes to construct a 16-unit, 3-floor condominium project with elevator and underground parking, including 4 units affordable to households at 80% of AMI. In anticipation of applying for and receiving a comprehensive permit, they have also requested a direct public subsidy of between \$1.1 and \$1.4 million from Newton's Community Preservation Fund. Based on information submitted to date, the CPC has indicated it prefers the lower-cost option of demolishing rather than rehabilitating the existing barn on the site.

SCOPE OF SERVICES

ECONOMIC FEASIBILITY & PUBLIC SUBSIDIES How realistic is the latest development pro forma, in the context of current industry standards and market conditions? What total return is the project likely to generate for the developer, including all charges allowable under MGL Ch. 40B (profit, marketing, overhead, etc.)?

How realistic is the latest proposed operating budget? What is the impact of both the proposed basis (square footage of units, as allowed by MGL Ch. 183, Acts of 2010) and estimated cost of condo fees on the project's economic feasibility & sustainability, especially for the affordable units?

How necessary and appropriate is the requested direct public subsidy, in addition to the implicit subsidy of a comprehensive permit? What feasible alternatives, if any, could achieve equal or greater affordable housing on the same site for a smaller direct public subsidy?

FUNDING TERMS How should any grant agreement for CP funds be structured to: (a) ensure that CP funds do not subsidize any market-rate units; (b) require revenue-sharing as recommended by the Newton Housing Partnership, based on the tiered model used for Covenant Residences/33 Comm (see link from www.newtonma.gov/cpa/projects.htm)?

PROJECT IMPACTS These fall outside the scope of the requested analysis, but please review & comment very briefly on the predictions commissioned or obtained by the developer of this project's potential traffic impacts and number of school-age children. These materials are available upon request.

The final report commissioned to address these questions appears on the following pages.

WEBSITE: www.newtonma.gov/cpa

CONTACT: Alice E. Ingerson, Community Preservation Program Manager,
aingerson@newtonma.gov, 617.796.1144

To: Newton Community Preservation Committee
From: Dan Gaulin, Elmwood Homes
Re: **Analysis of Proposal for 112-116 Dedham Street, Newton**
Date: March 4, 2011

The CPC engaged Elmwood Homes to review the development proposal submitted for CPC funding by SEB LLC, with instructions to focus on the Economic Feasibility and Public Subsidies, Funding Terms and Project Impacts. SEB originally requested \$1,400,000 in order to subsidize 4 low-income condominium units (\$1.1 of the \$1.4 million) and to restore an old barn onsite (\$300,000 of the \$1.4 million). It subsequently presented an alternative scenario which indicated a willingness to demolish the barn at a cost of \$50,000 and reduce the request for CPC funding to \$1,100,000 (\$275,000) for the 4 low income units alone. This analysis is based on a revised development budget (proforma) sent to me by SEB LLC dated January 31, 2011. This proforma also noted a reduction in the proposed acquisition price.

*Q's asked in the CPC Scope of Work are marked ** below.*

Economic Feasibility and Public Subsidies

**** *How realistic is the latest development proforma, in the context of current industry standards and market conditions?***

In order to answer this question, one must take a closer look at the four main components of the project costs (acquisition, hard cost, soft cost and developer profit) and the two components of project revenue (sales prices and subsidy funding).

The acquisition cost of \$1,680,000 is based on an appraisal of the property that concluded that the highest and best use of the property under current zoning would be as a subdivision of 4 lots. Originally, the appraiser assumed a second means of egress which would have allowed a highest and best use as a 5-lot subdivision. This is the developer's estimate of what a revised appraisal would conclude. I reviewed the appraisal and concur with SEB that a reduction of \$475,000 is appropriate for the one lost lot (see page 31 of the Mulhern appraisal which valued the last two lots at \$939,000 or \$469,822 each). I also concur with the conclusion that the highest and best use is as a 4-unit subdivision, but it would have been better if the appraiser tried to find comparable sales of multifamily properties and then had made a determination what the value would be as an ongoing rental property or as a conversion back to a single-family. That said, the value that the appraiser used (i.e. the City of Newton's assessed value of \$1,092,000) strikes me as in the right ballpark, and it is unlikely that the property would be worth more than \$600,000 above the assessed value to someone continuing to operate it as a rental or as someone converting it to one large estate-type home.

The hard costs of \$150/sq ft were provided by Landmark Structures, which is currently working on the Lexington Street development for SEB. This figure is a reasonable estimate at this stage of the project's development. For comparison, I worked on a 24-unit affordable non-elevator rental building in Worcester that started construction in early 2010; it will cost of \$135/sq ft, and it is a

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Analysis of Proposal for 112-116 Dedham Street, Newton

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for Newton CPC

prevailing-wage job. The Dedham Street building will be more expensive due to a later starting date, its location nearer Boston, the inclusion of an elevator, and a higher level of finishes in the market units. The only thing that makes it a little less expensive is that it will not be a prevailing-wage job. I also asked for the opinion of an estimator for a large general contractor, who indicated that a similar project that they just completed was closer to \$200/sq. ft. A third point of comparison is the QuickEstimate provided by RS Means which suggests a range from \$4,827,600 to \$6,705,000 for a union-built 3-story brick-faced building in Boston of 32,200 sq ft. As in the case of the comparable building in Worcester, a more detailed cost estimate would take into account the key differences from the simple model: non-union labor, an elevator, and higher-than-average finishes.

The three data points that I have provided suggest that the construction estimate is reasonable. If it were to change in the future, it is more likely to go up than down.

The soft costs (defined for this analysis as including all sales and marketing costs) run approximately 20.5%, which is lower than the 28% allowable under Chapter 40B guidelines. None of the line items are unreasonable; all will be subject to a strict cost review audit if a comprehensive permit is granted.

The Comprehensive Permit Regulations restrict developer profit on ownership projects to 20%. The projected developer profit is defined as 20% of all allowable development costs. There are three important nuances to this rule.

1. The developer can include a cost for overhead of \$4,000/unit for a project of 5-20 units. SEB has included a \$64,000 overhead cost (\$4,000 x 16) in its proforma, as is permitted by the regulations.
2. If a third party performs a task that is traditionally done by the developer, then the cost would no longer be an allowable development cost. Rather, it would be deducted from the developer fee. SEB is proposing to do all traditional developer tasks itself.
3. A developer (or a related party of the developer) is allowed to perform and receive compensation for performing tasks that are not traditionally considered developer tasks. For example, a developer could also be the contractor, architect, marketing agent, etc. The cost charged for those services must be in line with what non-related parties would charge. SEB is planning to market the affordable units, at a cost to the project of \$17,382. That is 3% of the affordable sales prices, which is the fee allowed by the regulations. I am not aware if SEB is planning to perform any other services or to use any related parties on this project.

(discussion continued on following page)

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	SEB Proposed (based on 1/31/11 proforma)	Maximum Allowable
Developer Overhead	\$ 64,000	\$ 64,000
Marketing Affordables	\$ 17,382	\$ 17,382
All Other Dev. Costs	<u>\$9,764,083</u>	<u>\$9,764,083</u>
Total Development Cost	\$9,845,565	\$9,845,565
Development Fee	\$1,183,935	\$1,969,113
Development Fee %	12%	20%

The total projected developer fee is \$1,183,935 or 12%. This is on the low side of allowable developer profit under Chapter 40B, which limits profit to 20%.

The affordable sales prices are calculated using the formula used by the Massachusetts Department of Housing and Community Development Local Initiatives Program, which takes into account the median income in the metropolitan area, the projected condo fees, the local tax rate, and prevailing interest rates. HUD tends to publish new median incomes in the late winter or spring so there may be a change in that number and interest rates are constantly changing. The developer used a slightly higher interest rate than the prevailing (5.75% vs 5.12%), but [at that time](#) he had not updated the condo fees on the price calculator to reflect his February 16, 2011 condo budget. It turns out that these differences almost cancel out each other and the projected affordable sales prices (\$154,000 for the 3BR and \$141,800 for the 2BR) are within a few thousand of the updated prices (\$159,000 for the 3BR and \$145,250 for the 2BR). Should the CPC recommend funding the project, and should it require the developer to use value-based condo fees, then the affordable sales prices would need to be recalculated to account for the lower condo fees. A fuller discussion of condo fees appears later in this report.

The developer obtained a Brokers Price Opinion (BPO) from Hammond Residential. The list of comparable sales used in the analysis is found in the attached table labeled "Comparable Analysis." The property at 629 Hammond Ave in Brookline is an excellent comparable sale, as it is a newer building with units that are nearly identical in size, with a similar condo fee and amenities to the proposed development for Dedham Street.

CONCLUSION – The development proforma is realistic. At the proposed profit of 12%, the project is on the low side of what developers typically aim for (15-20%) on a project of this size and risk.

****** [What total return is the project likely to generate for the developer, including all charges allowable under MGL Ch. 40B?](#)

The developer profit is projected at \$1,183,935, or 12%. Additional fees that the developer is projecting to earn that are not counted against the 20% profit limitation will be a \$64,000

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Analysis of Proposal for 112-116 Dedham Street, Newton

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developer overhead charge and a \$17,382 marketing charge, if SEB handles the marketing of the affordable units itself. This would amount to \$1,265,317, or 13% on all other costs.

CONCLUSION – Even if the committee wished to consider developer overhead and marketing costs as additional profit, this project is still on the lower end of the fee schedule. Please note that the marketing cost for the affordable units represents fair compensation for the work involved. I consulted on a similar project with 4 affordable units, and that is what it cost us between my time and that of the outside marketing firm we hired.

**** How realistic is the proposed operating budget?**

The original operating budget appeared low, primarily due to the lack of an elevator maintenance contract. I asked the developer if he had a more recent version, and he sent one dated February 16, 2011. The updated budget added lines for elevator maintenance and common area cleaning, and it increased the budget for repairs. The updated budget assumes that the barn will be demolished.

CONCLUSION – The updated budget with condo fees ranging from \$253 to \$440 (as opposed to the earlier one projecting \$225 to \$297) is realistic. Please note that these condo fees are based on square footage, as this is the method proposed by the developer.

**** What is the impact of both the proposed basis and estimated cost of the condo fees on the project's economic feasibility and sustainability, especially for the affordable units?**

I'll address the cost question first. In the long term, condo fees are subject to adjustment in both directions; therefore, if the projected condo fees were insufficient to pay the bills, the condo association could vote in higher fees. In other words, a condominium association is as sustainable as it wants to be. If the condo budget does not adequately provide for major capital replacements, there will be special assessments when the time comes to replace the roofs, furnaces, elevator, etc. Since condo fee increases and special assessments are painful to both affordable and market owners, the most important thing a developer can do is to get the budget right from the beginning, which appears to be the case here.

The condominium would be better served in the long-term by determining the condominium fees on the basis of value rather than square footage, since this would have the effect of transferring the cost of operations from those least able to pay for extraordinary increases to those who are able to do so. In the case of Dedham Street, the affordable buyers will likely have annual incomes between \$40,000 and \$64,400, while the market buyers would typically have annual incomes in excess of \$160,000.

Another way of looking at it is that on a square footage basis, the affordable owners are responsible for 25% of the units and 20.7% of the operating costs and special assessments. A value-based approach would reduce this percentage from 20.7% to 6.9%. Since any future special

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assessments would be 75% less under the value approach, affordable buyers would more likely be able to pay those assessments. Moreover, even if the affordable buyers could not afford these assessments, the association would be able to move forward with any given project, assuming that it would be obtaining 93.1% of the revenue needed from the wealthier owners.

There are two benefits to the affordable buyers of basing condo fees on unit value.

1. As described above, in the context of the benefit that basing condo fees on value has for the long-term feasibility of the project, any future increases on either the basic fee or any special assessments will be much lower, which is clearly a benefit to the affordable buyer.
2. Resale prices are a function of the initial price. So the higher the initial price, the higher the profit an affordable buyer could make when they sell. In this case, basing condo fees on value would allow the affordable units to sell for roughly \$25,000 more (e.g., if you sell a \$145,000 condo five years from now at a restricted appreciation of 10%, that is a profit of \$14,500, versus a profit of \$16,900 for the same 10% profit on a \$169,000 initial price). It is important to note that even though the initial price is higher, the exact same buyer can afford it, since the savings in condo fees are put into a larger mortgage payment.

It is important to note that the benefits described above come at some cost. The higher condo fees (and the larger responsibility for future operations) that the market buyers would be assuming most likely would have a negative effect on the price the potential buyers of these units would be willing to pay. Value-based condo fees have the potential to increase the market-rate unit owners' resentment of the affordable-unit owners, even though market-rate buyers know the price and condo fee going in, and that price is determined by supply and demand.

If condo fees are based on:	% beneficial interest	est. sales price	est. condo fee
SQUARE FOOTAGE			
2BR	4.96%	\$145,250	\$253/mo
3BR	5.78%	\$159,000	\$298/mo
VALUE			
2BR	1.69%	\$169,000	\$87/mo
3BR	1.88%	\$188,000	\$95/mo

CONCLUSION – The proposed condo budget appears to be reasonable. This is important as the more accurate the developer's initial condo budget, the less likely that there will be a need for large increases or special assessments in the near future. The affordable-unit buyers should be able to handle reasonable increases in condo fees over time, whether those fees are based on value or square footage. The assumption is that affordable buyers' incomes will increase as they advance in their jobs, or as wages increase generally. However, special assessments would be much harder for affordable buyers to pay, as the amount of income they have left over after paying all housing expenses is much lower than that of the market buyers. Therefore, the CPC should seriously consider requiring a value-based condo fee schedule.

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Analysis of Proposal for 112-116 Dedham Street, Newton

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****** *How necessary and appropriate is the requested direct public subsidy, in addition to the implicit subsidy of a comprehensive permit? What feasible alternatives, if any, could achieve equal or greater affordable housing on the same site for a smaller direct public subsidy?*

The requested direct public subsidy is absolutely necessary to build the proposed 16-unit condominium containing 4 affordable units. The developer's numbers are reasonable, and the developer fee is well below the maximum allowed by the comprehensive permit law.

The developer submitted a proforma indicating that a 20-unit development would provide an additional affordable unit and require no subsidy. I concur with those projections.

Since the acquisition cost is a fixed cost, running the proforma at 12 or 8 units would require more subsidy and deliver fewer units than the proposed 16-unit case.

In order to determine if the requested direct public subsidy is appropriate, the committee should consider the possible implications of its decision whether or not to fund this project.

If the CPC approves the funding for the proposed 16-unit development, the developer would then start the comprehensive permit process. The city's permitting authority would then decide to approve, approve with conditions, or deny the application for a permit. If the permit were denied, or if it was approved with conditions that the developer believed made the project uneconomic, the developer could appeal the decision to the state Housing Appeals Committee, which may uphold the city's decision, overturn the city's decision and require that a permit be issued, or require that a permit be issued with the unreasonable conditions amended.

If the CPC does not recommend funding for the proposed 16-unit development, SEB could apply for a comprehensive permit for a 20-unit (or larger) development, or it could attempt to develop the site in compliance with the current zoning, which appears to allow a 4-unit subdivision. The buildings could be renovated and continue to operate as a 4-unit rental, or the site could be converted to some less intensive use, e.g. a single-family estate or development/renovation of 2-3 ownership units.

Should SEB not desire to pursue any of these options, another developer could.

Funding Terms

****** *How should any grant agreement for CP funds be structured to: (a) ensure that CP funds do not subsidize any market rate units; (b) require revenue-sharing as recommended by the Newton Housing Partnership, based on the tiered model used for Covenant Residences (the B'nai B'rith project at 33 Commonwealth Avenue)?*

The best way to ensure that CP funds do not subsidize any market-rate units happens prior to the grant agreement. In ownership deals, the CPC should compare the overall Total Development Cost (TDC)/unit to the average sales prices of the market-rate units. If the TDC/unit is lower than the

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Analysis of Proposal for 112-116 Dedham Street, Newton

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 for Newton CPC

average market sales prices, then the market-rate units are not receiving any benefit from the CP subsidy. In the case of the proposed 16-unit development, the overall TDC is roughly \$689,000, and the projected market sales prices are \$779,000.

The tiered revenue-sharing model used at Covenant Residences (33 Commonwealth Avenue) is an effective method to ensure that projects are given enough subsidy to induce private developers and lenders to put their money at risk, while balancing the public's interest in keeping the subsidy to the minimum needed to complete the project. All real estate projects take on a life of their own once construction starts – some go smoothly and do not utilize any of the contingencies that are part of every prudent development budget, and some hit more than their share of unforeseen issues. On the revenue side, especially with ownership housing, our real estate market has experienced large swings in both directions over the past 30 years. The basic structure of the Covenant Residences deal should continue to be utilized – the first increment of profit to the developer, the next increment split 50/50 between the developer and the CPC, the next increment to the developer, and if needed the next increment split between the developer and other lenders. However, the numbers (both absolute and percentage) of the first and second increments should be flexible from project to project, based on

- ◆ the size of the project (smaller projects should have more of the initial fee going to the developer)
- ◆ the perceived risk/difficulty of a project (risky or difficult projects should have more of the initial fee going to the developer)
- ◆ the split between the first increment and the second (a developer who can make a greater % of his fee in the first increment may be more likely to agree to splitting a larger amount in the second increment), and
- ◆ potential upside (if there is a bigger possibility of windfall, the CPC may want to consider building in an ability to recapture more than the 25% it did on Covenant House).

Project Impacts

**** Review and comment on the predictions commissioned or obtained by the developer of this project's potential traffic impacts and number of school-age children.**

The original traffic report was prepared under the assumption that the project would be age-restricted. While the type of units that are being proposed will appeal to buyers 50+, the development will not be age-restricted, and the traffic report will be amended to reflect that. If my reading of the traffic report is correct, the proposed use would be the same category as the current use; thus it would generate 4 times as much traffic, or an increase from 26 trips per day to 104 per day. I am not qualified to make a judgment as to the significance of that increase.

The developer's consultant estimated that the proposed development would house 4-5 school-aged children, and that an as-of-right development of 4 single-family houses would contain more

March 4, 2001, D. Gaulin / Elmwood Homes
Analysis of Proposal for 112-116 Dedham Street, Newton

p. 8 of 8
for Newton CPC

school-age children than the proposed project. This appears to be a fair assessment. For the proposed 16-unit condominium development, that suggests an estimated .25-.313 children per unit. The overall number of school-age children per housing unit in Newton is roughly .354. Multifamily properties (both rental and ownership) tend to have fewer children than the average. As the value of the units increases, the number of school-age children decreases, and these market units are priced above the Newton average condo value. Therefore, predicting a number of children per unit that is somewhat below the city-wide average appears appropriate.

The same conclusion is supported by the attached study by Rutgers University for the Connecticut Partnership for Balanced Growth, which derived factors for estimating school-age children. The study estimated that

- ◆ single-family detached 4BRs valued at more than \$554,500 would average just over 1 child per unit;
- ◆ a single-family attached 2BR valued above \$257,500 would have .07 children/unit;
- ◆ a single-family attached 3BR would have .34 children/unit;
- ◆ 2BR units valued at less than \$178,500 would have .53 children/unit;
- ◆ 3BR units valued at less than \$178,500 would have 1.34 children/unit.

Applying these factors to the Dedham Street unit distribution would result in a prediction of 4.04 children ($11 \times .07 + 1 \times .34 + 3 \times .53 + 1 \times 1.34$) school-age children for the proposed 16-unit development.

Attachments:

- ◆ consultant scope of work

The following attachments are posted separately on the Newton CPC website:

- ◆ comparable analysis (sales prices & constr. costs) & site work estimates, 8 February 2011
- ◆ updated development & operating budgets:
 - ◇ development budget (pro forma), 31 January 2011
for 16-unit development with CP funding
for 20-unit development with no CP funding
 - ◇ prices for 2br & 3br units under varying assumptions
 - ◇ condo assoc. operating budget & schedule of beneficial interest, 16 February 2011
- ◆ "School Age Children Per New Housing Unit," Rutgers study

Available online, from www.newtonma.gov/cpa, "Proposals & Projects":

- ◆ property appraisal submitted 15 October 2011,
www.newtonma.gov/cpa/projects/dedham-st/10Oct15-112DedhamSt-appraisal.pdf

Dedham Street - Development Budget for 16-unit Project with CP Funding			31 January 2011
Project Inputs		Average Price Per Unit	
Total Units	16		
2BR Units @ 70% of AMI	3		
3BR Units @ 70% of AMI	1		
2BR Units Market Units	11	70% AMI (3BR)	\$154,000
3BR Units Market Units	1	70% AMI (2BR)	\$141,800
		FLOOR	
Unit Type A	1,656 1st	Unit Type A	\$750,000
Unit Type A	1,656 1st	Unit Type A	\$750,000
Unit Type A	1,656 1st	Unit Type A	\$750,000
Unit Type A	1,656 1st	Unit Type A	\$750,000
Unit Type B	1,293 1st	Unit Type B	\$141,800
Unit Type C	1,334 1st	Unit Type C	\$141,800
Unit Type A	1,656 2nd	Unit Type A	\$750,000
Unit Type A	1,656 2nd	Unit Type A	\$750,000
Unit Type B	1,293 2nd	Unit Type B	\$141,800
Unit Type F	1,522 2nd	Unit Type F	\$154,000
Unit Type A	1,656 2nd	Unit Type A	\$750,000
Unit Type A	1,656 2nd	Unit Type A	\$750,000
Unit Type D	2,134 3rd	Unit Type D	\$875,000
Unit Type E	1,618 3rd	Unit Type E	\$775,000
Unit Type G	1,636 3rd	Unit Type G	\$775,000
Unit Type H	2,252 3rd	Unit Type H	\$925,000
Livable Square Feet	26,330		
Common Area - Floors 1-3	5,890		
Garage/Basement	10,740		
Gross Livable Square Feet (main bldg)	32,220		
Hard Cost Variables			
Construction Cost Per SF (livable)	\$150		
Basement/garage cost	\$525,000		
Hard Cost Contingency	5%		
Land Value	\$1,680,000		

Dedham Street - Development Budget for 16-unit Project with CP Funding		31 January 2011
USES		
Site Acquisition	PER UNIT	TOTAL
Land Value	105,000	1,680,000
HARD COSTS		
SITE DEVELOPMENT		
roads, drainage, landscaping, utilities, grading	31,250	500,000
CONSTRUCTION		
construction -main house	302,063	4,833,000
construction - garage		525,000
contingency @ 5%	18,306	292,900
Sub-Total Hard Costs	489,431	7,830,900
SOFT COSTS		
building permits	4,688	75,000
Asbestos Inspection & Removal	813	13,000
DHCD Site Approval Letter Application architectural	250	4,000
landscape architect	11,250	180,000
Oil Tank removal and clean-up	938	15,000
Mechanical Engineering	0	0
LEED Certification consultant	1,563	25,000
Geo-technical engineering	938	15,000
Civil engineering	2,188	35,000
condo document preparation (legal)	5,625	90,000
Contract documents for home Owners	438	7,000
Legal	313	5,000
deed stamps, recording and legal closing	2,500	40,000
insurance (general liability, builders risk, workmans' comp)	3,386	54,176
taxes	1,875	30,000
bonds (<i>performance and sidewalk</i>)	1,563	25,000
bond (40B cost certification)	1,563	25,000
Bank (loan origination fee)	4,188	67,000
Bank - Closing Costs	938	15,000
construction manager	3,750	60,000
utilities-back charges	1,563	25,000
traffic consultant	250	4,000
Appraisal	125	2,000
accounting	625	10,000
construction loan interest	20,937	334,999
acquisition loan interest	14,700	235,200
soft cost contingency @ 5%	2,644	42,309
developer overhead	4,000	64,000
marketing -Outreach - direct advert costs	438	7,000
Sub-total Soft Costs	95,605	1,529,683
SUB-TOTAL DEVELOPMENT COSTS		
	585,036	9,360,583

Dedham Street - Development Budget for 16-unit Project with CP Funding				31 January 2011
SOURCES				
CPA Funding - affordable units			4	275,000
CPA Funding - barn				0
2BR Units @ 70% of AMI			3	141,800
3BR Units @ 70% of AMI			1	154,000
Market Units			12	779,167
GROSS SALES REVENUES				9,929,400
marketing market units @ 5.0%				467,500
marketing/lottery all units @ 3.0%				1,086
NET SALES REVENUES				9,444,518
NET REVENUES				10,544,518
PROFIT (LOSS)				1,183,935
% PROFIT				13%
Construction Loan @ 70% L-T-V	6,465,698	(net sell-out)		
TDC	9,360,583			
Equity Required	2,894,885			
less CPA funding	(1,100,000)			
less closing related costs	(54,176)			
Cash Equity Required	1,740,710			
Construction Loan Interest acquisition	1,680,000	7%	24 months	235,200
construction (1/2 ave balance)	2,392,849	7%	24 months	334,999

Dedham Street - Development Budget for 20-unit Project without CP Funding		31 January 2011	
Project Inputs		Average Price Per Unit	
Total Units	20		
2BR Units @ 70% of AMI	4		
3BR Units @ 70% of AMI	1		
2BR Units Market Units	13	70% AMI (3BR)	\$154,000
3BR Units Market Units	2	70% AMI (2BR)	\$141,800
		FLOOR	
Unit Type A	1,656 1st	Unit Type A	\$750,000
Unit Type A	1,656 1st	Unit Type A	\$750,000
Unit Type A	1,656 1st	Unit Type A	\$750,000
Unit Type A	1,656 1st	Unit Type A	\$750,000
Unit Type B	1,293 1st	Unit Type B	\$141,800
Unit Type C	1,334 1st	Unit Type C	\$141,800
Unit Type A	1,656 2nd	Unit Type A	\$750,000
Unit Type A	1,656 2nd	Unit Type A	\$750,000
Unit Type B	1,293 2nd	Unit Type B	\$141,800
Unit Type F	1,522 2nd	Unit Type F	\$154,000
Unit Type A	1,656 2nd	Unit Type A	\$750,000
Unit Type A	1,656 2nd	Unit Type A	\$750,000
Unit Type D	2,134 3rd	Unit Type D	\$875,000
Unit Type E	1,618 3rd	Unit Type E	\$775,000
Unit Type G	1,636 3rd	Unit Type G	\$775,000
Unit Type H	2,252 3rd	Unit Type H	\$925,000
4th Floor 2BR	1,636	TBD	\$141,000
4th Floor 2BR	1,618	TBD	\$875,000
4th Floor 2BR (big)	2,134	TBD	\$925,000
4th Floor 3BR	2,252	TBD	\$925,000
			12,075,000
Livable Square Feet	33,970		
Common Area - Floors 1-3	8,990		
Garage/Basement	10,740		
Gross Livable Square Feet (main bldg)	42,960		
Hard Cost Variables			
Construction Cost Per SF (livable)	\$140		
Basement/garage cost	\$525,000		
Hard Cost Contingency	5%		
Land Value	\$1,680,000		

Dedham Street - Development Budget for 20-unit Project without CP Funding			31 January 2011
USES	PER UNIT	TOTAL	
Site Acquisition			
Land Value	84,000	1,680,000	
HARD COSTS	PER UNIT	TOTAL	
SITE DEVELOPMENT			
roads, drainage, landscaping, utilities, grading	25,000	500,000	
CONSTRUCTION			
construction -main house	300,720	6,014,400	
construction - garage		525,000	
contingency @ 5%	17,599	351,970	
Sub-Total Hard Costs	453,569	9,071,370	
SOFT COSTS			
building permits	4,750	95,000	
Asbestos Inspection & Removal	650	13,000	
DHCD Site Approval Letter Application	200	4,000	
architectural	9,000	180,000	
landscape architect	750	15,000	
Oil Tank removal and clean-up	0	0	
Mechanical Engineering	1,250	25,000	
LEED Certification consultant	750	15,000	
Geo-technical engineering	1,750	35,000	
Civil engineering	4,500	90,000	
condo document preparation (legal)	350	7,000	
Contract documents for home Owners	250	5,000	
Legal	2,000	40,000	
deed stamps, recording and legal closing	3,482	69,648	
insurance (general liability, builders risk, workmans' comp)	1,500	30,000	
taxes	1,250	25,000	
bonds (<i>performance and sidewalk</i>)	1,250	25,000	
Bank (loan origination fee)	3,350	67,000	
Bank - Closing Costs	750	15,000	
construction manager	3,000	60,000	
utilities-back charges	1,250	25,000	
traffic consultant	200	4,000	
Appraisal	100	2,000	
accounting	500	10,000	
construction loan interest	23,282	465,637	
acquisition loan interest	11,760	235,200	
soft cost contingency @ 5%	2,142	42,832	
developer overhead	4,000	80,000	
marketing -Outreach - direct advert costs	350	7,000	
Sub-total Soft Costs	84,366	1,687,318	
SUB-TOTAL DEVELOPMENT COSTS	537,934	10,758,688	

Dedham Street - Development Budget for 20-unit Project without CP Funding				31 January 2011
SOURCES				
CPA Funding - affordable units			4	0
CPA Funding - barn				0
2BR Units @ 70% of AMI			4	141,800
3BR Units @ 70% of AMI			1	154,000
Market Units			15	805,000
GROSS SALES REVENUES				12,075,000
marketing market units @ 5.0%				12,796,200
marketing/lottery all units @ 3.0%				30,188
				1,082
NET SALES REVENUES				12,170,814
NET REVENUES				12,170,814
PROFIT (LOSS)				1,412,126
% PROFIT				13%
Construction Loan @ 70% L-T-V	8,331,954 (net sell-out)			
TDC + commissions	10,758,688			
Equity Required	2,426,734			
less CPA funding	0			
less closing related costs	(69,648)			
Cash Equity Required	2,357,085			
ROE	985,000			
Developer Profit	427,126			
Construction Loan Interest acquisition	1,680,000	7%	24 months	235,200
construction (1/2 ave balance)	3,325,977	7%	24 months	465,637
IRR	(2,357,085)	0	3,342,085	
	19.08%			

112-116 Dedham Street Pricing

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2 Bedroom Affordable Units

Purchase Price Limits	
Housing Cost:	
Sales Price	\$141,800
5% Down payment	\$7,090
Mortgage	\$134,710
Interest rate	5.75%
Amortization	30
Monthly P&I Payments	\$786.13
Tax Rate	\$10.41
monthly property tax	\$123
Hazard insurance	\$47
PMI	\$88
Condo/HOA fees (if applicable)	\$225
Monthly Housing Cost	\$1,269
Necessary Income:	\$50,759
Household Income:	
# of Bedrooms	2
Sample Household size	3
80% AMI/"Low-Income" Limit	\$58,000
Target Housing Cost (80%AMI)	\$1,450
10% Window	\$50,750
Target Housing Cost (70%AMI)	\$1,269

3 Bedroom Affordable Units

Purchase Price Limits	
Housing Cost:	
Sales Price	\$154,000
5% Down payment	\$7,700
Mortgage	\$146,300
Interest rate	5.75%
Amortization	30
Monthly P&I Payments	\$853.77
Tax Rate	\$10.41
monthly property tax	\$134
Hazard insurance	\$51
PMI	\$95
Condo/HOA fees (if applicable)	\$275
Monthly Housing Cost	\$1,409
Necessary Income:	\$56,352
Household Income:	
# of Bedrooms	3
Sample Household size	4
80% AMI/"Low-Income" Limit	\$64,400
Target Housing Cost (80%AMI)	\$1,610
10% Window	\$56,350
Target Housing Cost (70%AMI)	\$1,409

112-116 Dedham Street Pricing

4 March 2011,
assuming condo fees based on square footage

2 Bedroom Affordable Units

Purchase Price Limits	
Housing Cost:	
Sales Price	\$145,250
5% Down payment	\$7,263
Mortgage	\$137,988
Interest rate	5.12%
Amortization	30
Monthly P&I Payments	\$750.90
Tax Rate	\$10.41
monthly property tax	\$126
Hazard insurance	\$48
PMI	\$90
Condo/HOA fees (if applicable)	\$253
Monthly Housing Cost	\$1,268
Necessary Income:	\$50,720
Household Income:	
# of Bedrooms	2
Sample Household size	3
80% AMI/"Low-Income" Limit	\$58,000
Target Housing Cost (80%AMI)	\$1,450
10% Window	\$50,750
Target Housing Cost (70%AMI)	\$1,269

3 Bedroom Affordable Units

Purchase Price Limits	
Housing Cost:	
Sales Price	\$159,000
5% Down payment	\$7,950
Mortgage	\$151,050
Interest rate	5.12%
Amortization	30
Monthly P&I Payments	\$821.98
Tax Rate	\$10.41
monthly property tax	\$138
Hazard insurance	\$53
PMI	\$98
Condo/HOA fees (if applicable)	\$298
Monthly Housing Cost	\$1,409
Necessary Income:	\$56,364
Household Income:	
# of Bedrooms	3
Sample Household size	4
80% AMI/"Low-Income" Limit	\$64,400
Target Housing Cost (80%AMI)	\$1,610
10% Window	\$56,350
Target Housing Cost (70%AMI)	\$1,409

112-116 Dedham Street Pricing

4 March 2011,
assuming condo fees based on value

2 Bedroom Affordable Units

Purchase Price Limits	
Housing Cost:	
Sales Price	\$169,000
5% Down payment	\$8,450
Mortgage	\$160,550
Interest rate	5.12%
Amortization	30
Monthly P&I Payments	\$873.68
Tax Rate	\$10.41
monthly property tax	\$147
Hazard insurance	\$56
PMI	\$104
Condo/HOA fees (if applicable)	\$87
Monthly Housing Cost	\$1,268
Necessary Income:	\$50,719
Household Income:	
# of Bedrooms	2
Sample Household size	3
80% AMI/"Low-Income" Limit	\$58,000
Target Housing Cost (80%AMI)	\$1,450
10% Window	\$50,750
Target Housing Cost (70%AMI)	\$1,269

3 Bedroom Affordable Units

Purchase Price Limits	
Housing Cost:	
Sales Price	\$188,000
5% Down payment	\$9,400
Mortgage	\$178,600
Interest rate	5.12%
Amortization	30
Monthly P&I Payments	\$971.90
Tax Rate	\$10.41
monthly property tax	\$163
Hazard insurance	\$63
PMI	\$116
Condo/HOA fees (if applicable)	\$95
Monthly Housing Cost	\$1,409
Necessary Income:	\$56,350
Household Income:	
# of Bedrooms	3
Sample Household size	4
80% AMI/"Low-Income" Limit	\$64,400
Target Housing Cost (80%AMI)	\$1,610
10% Window	\$56,350
Target Housing Cost (70%AMI)	\$1,409

February 16 2011

116 DEDHAM STREET
 PROJECTED 16 UNIT
 CONDO BUDGET

EXPENSESAdministrative expenses:

Management fee	5,600
Legal	400
Tax return/prep work	700
Misc. Admin.	480

TOTAL ADMINISTRATIVE EXPENSES: **7,180**

Maintenance expenses:

Landscape Contract (plus additional landscaping)	13,600
Electrical Repairs	800
Misc. Repairs/including labor	5,500
Cleaning of Common Areas	5,000
Snow Plowing	8,000
Trash Collection	3,200
Annual Elevator Maintenance/Repair	2,500

TOTAL MAINTENANCE EXPENSES: **38,600**

Utility expenses:

Electricity (common street lighting)	<u>2,500</u>
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TOTAL UTILITY EXPENSES: **2,500**

Insurance:

Condominium Master Deed Insurance Policy	5,500
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TOTAL INSURANCE EXPENSES: **5,500**

TOTAL EXPENSES: **53,780**

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RESERVE ACCOUNTS

Deposit to Replacement Reserve (1)	8,000
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TOTAL OPERATING BUDGET **61,780**

1) Reserves for 112 Dedham Street Lexington are estimated based on \$500 per unit per year

112-116 Dedham Street - Draft Schedule of Beneficial Interest (Updated February 16 2011)

Unit # Household	Unit Price	Square Footage	Interest based on square footage	Estimated Monthly Homeowners' Expense based on Square Footage	Annual Homeowners' Association Budget	
1 Unit Type A - Market	750,000	1,656	6.29%	324		
2 Unit Type A - Market	750,000	1,656	6.29%	324		
3 Unit Type A - Market	750,000	1,656	6.29%	324		
4 Unit Type A - Market	750,000	1,656	6.29%	324		
5 Unit Type B - Affordable	138,000	1,293	4.91%	253		
6 Unit Type C - Affordable	138,000	1,334	5.07%	261		
7 Unit Type A - Market	750,000	1,656	6.29%	324		
8 Unit Type A - Market	750,000	1,656	6.29%	324		
9 Unit Type B - Affordable	138,000	1,293	4.91%	253		
10 Unit Type F - Affordable	150,900	1,522	5.78%	298		
11 Unit Type A - Market	750,000	1,656	6.29%	324		
12 Unit Type A - Market	750,000	1,656	6.29%	324		
13 Unit Type D - Market	875,000	2,134	8.10%	417		
14 Unit Type E - Market	775,000	1,618	6.15%	316		
15 Unit Type G - Market	775,000	1,636	6.21%	320		
16 Unit Type H - Market	925,000	2,252	8.55%	440		
TOTALS		\$9,914,900	26,330	100.00%	\$5,148	\$61,780

SEB LLC



"...the right to a decent, safe and suitable living environment..."

April 19, 2011

Susan Albright - Chairperson
Committee on Community Preservation
Newton Board of Alderman
100 Commonwealth Avenue
Newton, MA 02459

Dear CCP:

We have developed some additional material relevant to our pending 112-116 Dedham Street CPA funding application since the submission of our formal application to the Community Preservation Committee. We intend to bring hard copies of this material to the meeting on April 26th. We believe it could be helpful to members of the Board if this material is circulated prior to the scheduled meeting.

Please find attached:

- 1 Development Summary
- 2 Summary of Issues
- 3 Fiscal Impact Analysis Transmittal Letter
- 4 Fiscal Impact Analysis

All of the other materials that we have been discussing have been previously submitted as part of the public record. Please let us know if you have any questions or require additional information.

We continue to be quite excited about this development and look forward to moving forward in the approvals process.

Sincerely,

Robert Engler



"...the right to a decent, safe and suitable living environment..."

April 27, 2011

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

Re: 112-116 Dedham Street CPA funding

The purpose of this brief letter is to clarify the issue of whether we will attempt to construct a 20 unit development (with 5 affordable units) rather than the proposed 16 unit development (with 4 affordable units) if we do not receive the requested amount of CPA funds.

We will not pursue that option if our funding request is rejected.

Respectfully,

A large, stylized handwritten signature in black ink, appearing to read 'Bob & Geoff Engler'.

Bob & Geoff Engler

112-116 DEDHAM STREET

OUR OBJECTIVE

TO PROVIDE ATTRACTIVE AND HIGH QUALITY HOUSING FOR WORKING HOUSEHOLDS CURRENTLY PRICED OUT OF THE NEWTON MARKET, SENIORS WHO WISH TO DOWNSIZE AND REMAIN IN NEWTON AND PERSONS WITH DISABILITIES WHO CAN NOT SECURE SUITABLE HOUSING TO FIT THEIR NEEDS.

FINANCIAL HIGHLIGHTS

- A TOTAL DEVELOPMENT COST OF \$585,000 PER UNIT
- CPA FUNDING REQUEST OF \$275,000 PER UNIT
- REQUIREMENT FOR 50/50 PROFIT SHARING WITH THE CITY ON ANY PROFIT OVER 14%.

NEWTON COMPREHENSIVE PLAN

“We want our stock of housing to match the social and economic diversity of our population” which “requires home ownership opportunities for the entire range of low, moderate and middle income families, for starter households as well as senior citizens.”

CITY OF NEWTON FY11-15 CONSOLIDATED PLAN

Objective: “...Improve access to an quality of affordable homeowner housing. **Strategies:** “Work with developers to subsidize rental and homeownership units.”

DEVELOPMENT HIGHLIGHTS

- 16 TOTAL UNITS
(12 market & 4 affordable)
- ALL UNITS SINGLE-LEVEL LIVING
- ALL UNITS GROUP I HANDICAP ACCESSIBLE WITH 3 ADDITIONAL UNITS (2 AFFORDABLE AND 1 MARKET) GROUP II ACCESSIBLE
- ALL UNITS WITH DIRECT ELEVATOR ACCESS
- ALL UNITS WITH TWO DEEDED PARKING SPACES
- THREE STORY BUILDING
- 14 TWO-BEDROOM / 2 BATH UNITS
- 2 THREE-BEDROOM / 2.5 BATH UNITS
- ENVIRONMENTALLY SENSITIVE, HIGHLY EFFICIENT DESIGN FEATURES
- MAXIMIZES OPEN SPACE
- PROXIMATE TO NEWTON HIGHLANDS T
- AFFORDABLE UNITS PRICED BETWEEN \$135,000 AND \$150,000



“the right to a **decent, safe and suitable** living environment”

Dedham Street Development

IMPACT ON NEIGHBORHOOD PROPERTY VALUES

The proposed sales prices of the twelve market units at 112-116 Dedham will significantly exceed, on a sales per square foot basis, ALL recent sales or listings of other homes in the immediate neighborhood.

COMPARABLE PRICE PER SQUARE FOOT ANALYSIS

<i>Property</i>	<i>Sold</i>	<i>SQ FT</i>	<i>Sales Price</i>	<i>\$ per SF</i>
112-116 Dedham Street		1,656	\$750,000	452.90
156 Dedham Street	5/14/2010	1,232	393,000	318.99
119 Dedham Street	4/30/2010	2,800	660,000	235.71
95 Dedham Street	6/18/2010	3,078	942,000	306.04
32 Vernadale	11/10/2010	1,887	737,000	390.57
20 Stony Brae Road	8/7/2008	3,187	1,280,000	401.63
27 Stony Brae Road	On Market	4,134	1,150,000	333.49
Average		2,720	\$860,333	331.07

SCHOOL-AGE CHILDREN

According to the fiscal impact analysis prepared by Connery Associates, the proposed building program should produce a total of 5 children, or .31 children per unit. Of those 5 children, approximately 3 will be elementary school age. Families do not tend to buy single floor units in an elevator building. By comparison, the as-of-right plant(4 houses with 5 bedrooms each) would produce almost double the number of school aged children; estimated at 8 to 10.

COMPARISON OF SCHOOL AGE CHILDREN

	<u>As-of-Right Plan</u>	<u>Proposed Use</u>	<u>Fewer School Age Children in Proposed Development When Compared to As-Of-Right Plan</u>
<i>School Age Children</i>	8 TO 10	5	3 TO 5

BUILDING HEIGHT

The proposed building of 41 feet (to the peak roofline) is only 5-6 feet taller than the existing three story barn on the site and the existing two family, both of which are approximately 35 feet (36 feet is allowed by right in an MR3 district). Moreover, the proposed building height would only be approximately ½ story (5-6 feet) taller than the closest abutter due to the differences in topography (neighboring home is at a higher grade).

Dedham Street Development

TRAFFIC

As summarized in the table below, a 16 unit age-targeted adult housing complex is expected to generate approximately 4 vehicle trips or less during peak weekday morning and evening periods. The proposed project will generate approximately 60 vehicle-trips per day on weekdays. These totals are NOT materially different than the existing use. Moreover, 100% of the trips will be entering/exiting Dedham Street, not Ledgewood Road or other local streets.

112-116 DEDHAM STREET TRIP GENERATION COMPARISON - ITE (1) BASIS

<u>Peak Hour/ Direction of Travel</u>	<u>Existing Use (2)</u>	<u>Proposed Use (3)</u>	<u>Difference</u>
<i>Weekday Morning Peak Hour</i>			
Entering	0	1	1
Exiting	2	3	1
Total	2	4	2
<i>Weekday Evening Peak Hour</i>			
Entering	1	2	1
Exiting	1	2	1
Total	2	4	2
<i>Weekday Daily (24 Hour)</i>	26	60	34

(1) ITE stands for "Institute of Transportation Engineers"

(2) Based on ITE LUC 220 trip rates applied to 4 units

(3) Based on ITE LUC 251 trip rates applied to 16 units

BUILDING SET BACKS

As the table below indicates, the proposed building will be much farther from abutting property lines than the 4,000 to 5,000SF houses allowed under the as-of-right plan.

COMPARISON OF BUILDING SETBACKS FROM ABUTTING NEIGHBORS' PROPERTY LINE(S)

<u>Abutter Address</u>	<u>As-of-Right Plan (4 Large House Lots)</u>	<u>Proposed Use</u>	<u>Difference</u>
20 Ledgewood	10 ft.	30 ft.	20 ft.
7 Ledgewood	15 ft.	50 ft.	35 ft.
20 Shady Hill	15 ft.	88 to 90 ft.	73 to 75 ft.
24 Shady Hill	15 ft.	88 to 90 ft.	73 to 75 ft.
30 Shady Hill	15 ft.	88 to 90 ft.	73 to 75 ft.
60 Stony Brae	10 ft.	66 to 70 ft.	56 to 60 ft.

Dedham Street Development

FISCAL IMPACTS

As reported in the Fiscal Impact Overview provided by Connery Associates, the proposed development has the following characteristics:

- The proposed development will have an ANNUAL NET fiscal benefit to the City of approximately \$34,600 AND will be sustainable over time on an annual basis.
- The proposal generates 10 times the annual revenue as is generated by the current site.

DEVELOPMENT BUDGET

The Newton Community Preservation Committee hired an independent consultant to review the development budget for 112-116 Dedham Street. The City's consultant confirmed that the budget was both realistic and accurate; a copy of that report is available on the City website. Some of the budget highlights include:

- A CPA funding request of \$275,000 per affordable unit; a request in the middle of previous public subsidy requests for affordable housing.
- A total development cost of \$585,000 per unit.
- An estimated profit of 13%

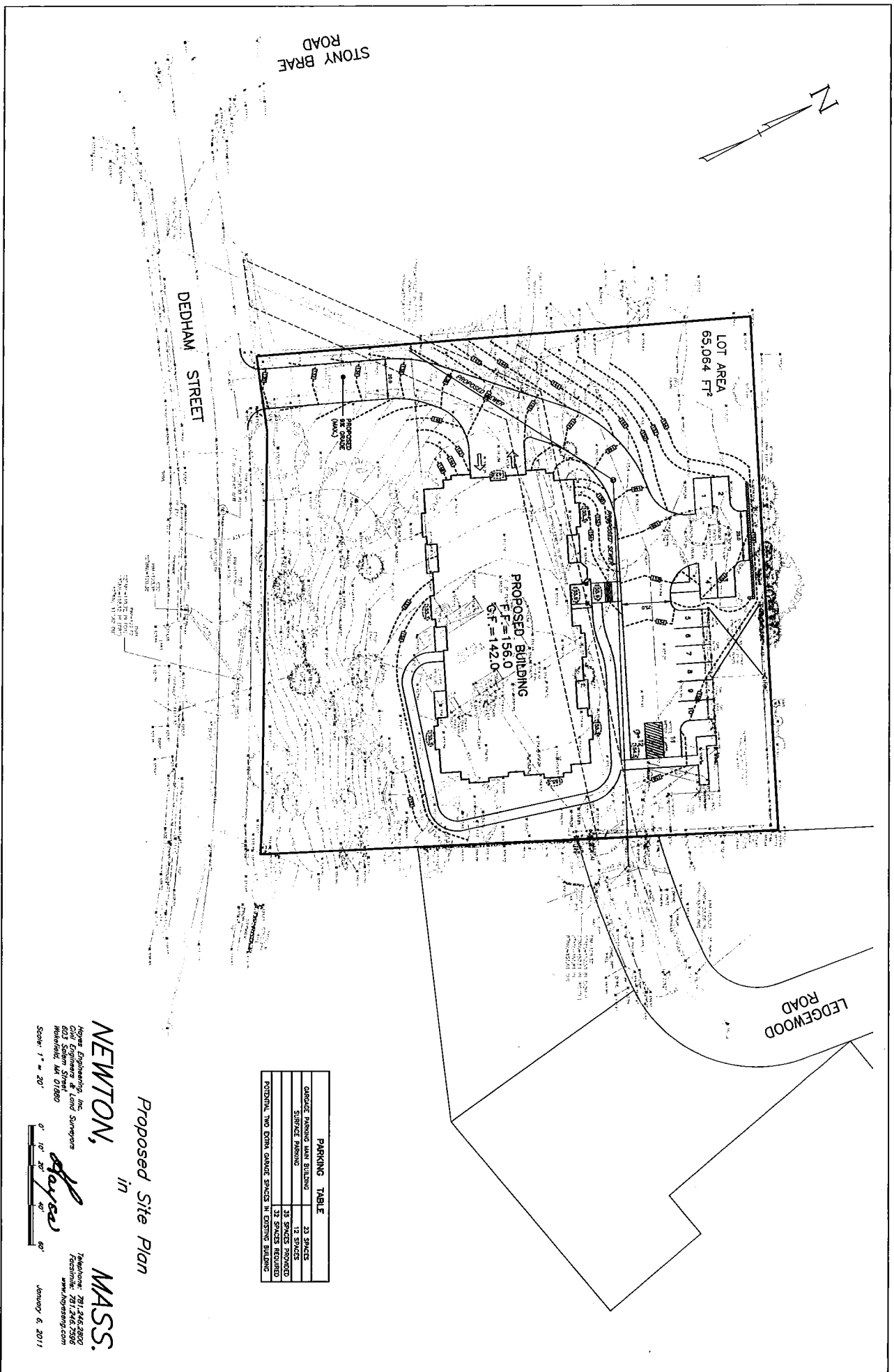
PROFIT SHARING

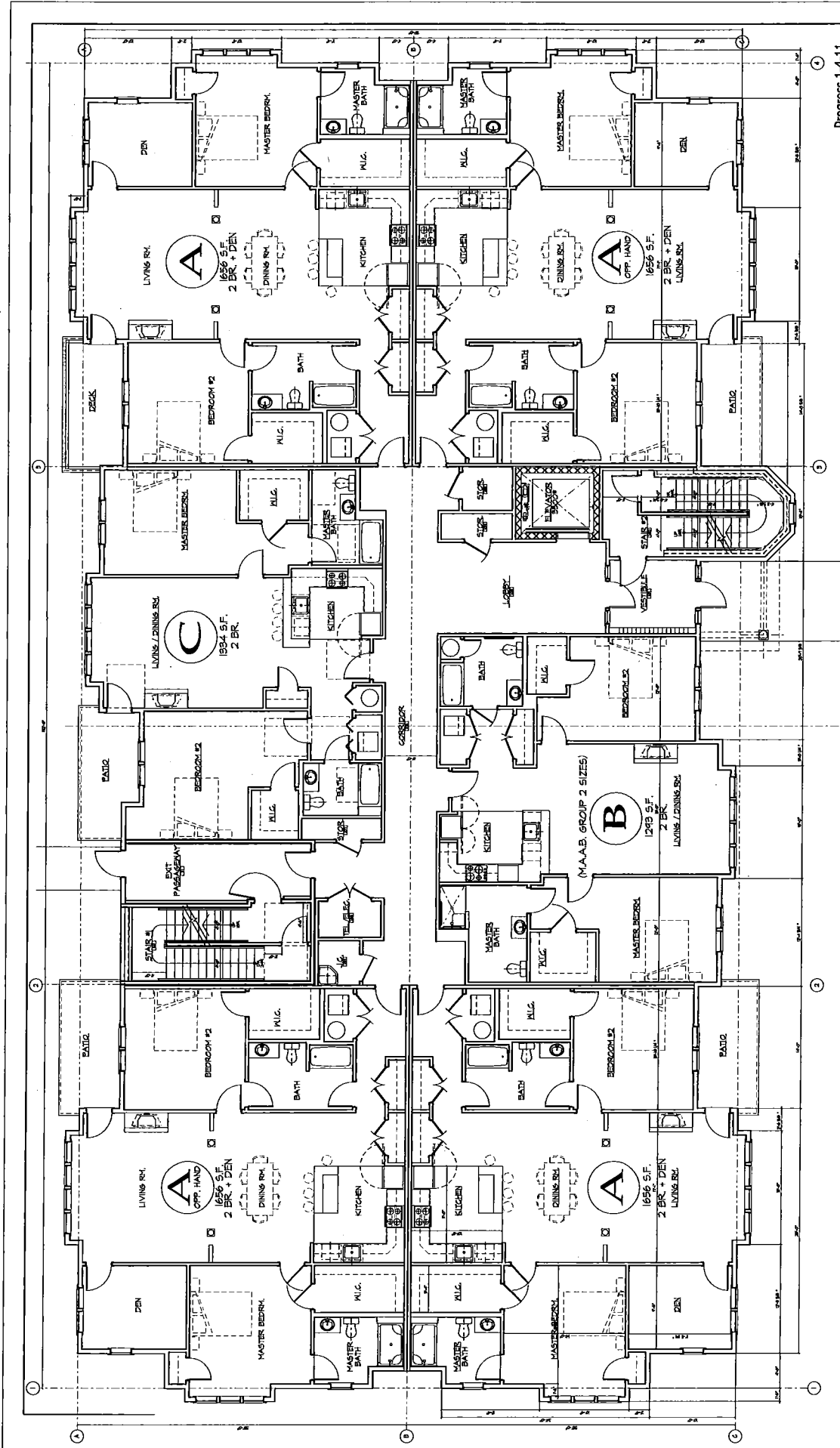
The applicant, per a condition voted by the Newton CPC, has agreed to a 50/50 split of ALL profits over 14%.

MOST COMMON 40B COMPLAINTS

Issue	Current Plan	Explanation
Excessive Traffic Impacts	NO	Traffic study submitted by MDM Transportation indicates NO impact of any statistical significance to Dedham Street traffic. And 100% of traffic will be entering and exiting on Dedham Street, not Ledgewood Road or the surrounding neighborhood.
Environmentally Insensitive	NO	The proposed plan will remove significantly fewer trees in comparison to the as-of-right plan. Moreover, almost no trees will be removed as part of the proposed plan.
Setbacks are Much closer than what is allowed under current zoning	NO	The proposed setbacks to ALL neighbors will be greater than what is allowed by right. With the exception of one neighbor, the building will be no closer than 50 feet to the nearest abutter.
The Plan "Fills Up" the Site	NO	The proposed plan was developed to maximize open space and does so particularly in comparison to the as-of-right plan. Moreover, the hillside will remain undisturbed in the proposed plan.
School Impacts Will be Huge	NO	All statistical data on this subject indicate that the proposed plan will have significantly fewer school-aged children than the as-of-right plan
The development will hurt the values of the houses in the surrounding neighborhoods	NO	The estimated sales price of the market units will be greater on a square foot basis than most of the recent single family sales in the surrounding neighborhood, and in some cases greater in total price.
The proposed plan is not consistent with the surrounding use	YES	The proposed plan is a larger structure and a higher density than what would be allowed as-of-right. However, the density is required in order to provide four high quality affordable units and pay the appraised as-of-right market value of the land (which is higher on the South Side of the City of Newton)

HYDROLOGICAL CONSULTING, INC. 1/10/11 7:52 AM, 2011





Progress 1-4-11

DEDHAM STREET HOUSING
 Newton MA.

FIRST FLOOR PLAN Schematic

A1.1

S.E.R. 166 Chestnut Hill Ave. Unit 2 Brighton, MA 02135

ARCHITECTS:
 11 BROADWAY STREET
 BOSTON, MA 02108
 TEL: 617-252-5333
 FAX: 617-252-5331
 WWW: WWW.SERARCH.COM

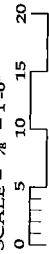
DATE: 08/23/11

SCALE: 1/8" = 1'-0"

DATE: 08/23/11

10,957 GSF

FIRST FLOOR PLAN (Schematic)
 SCALE = 1/8" = 1'-0"

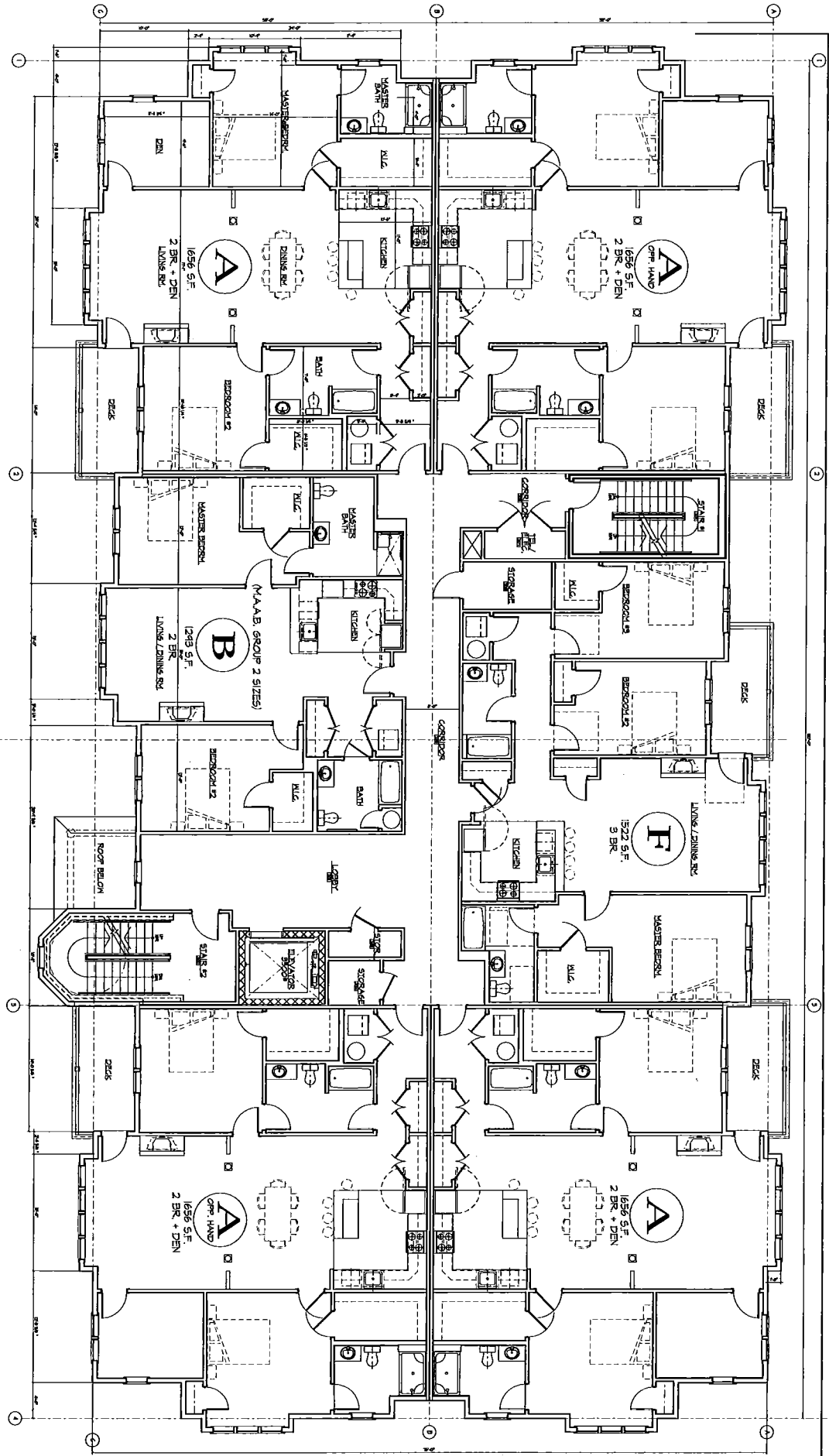


SECOND FLOOR PLAN (Schematic)

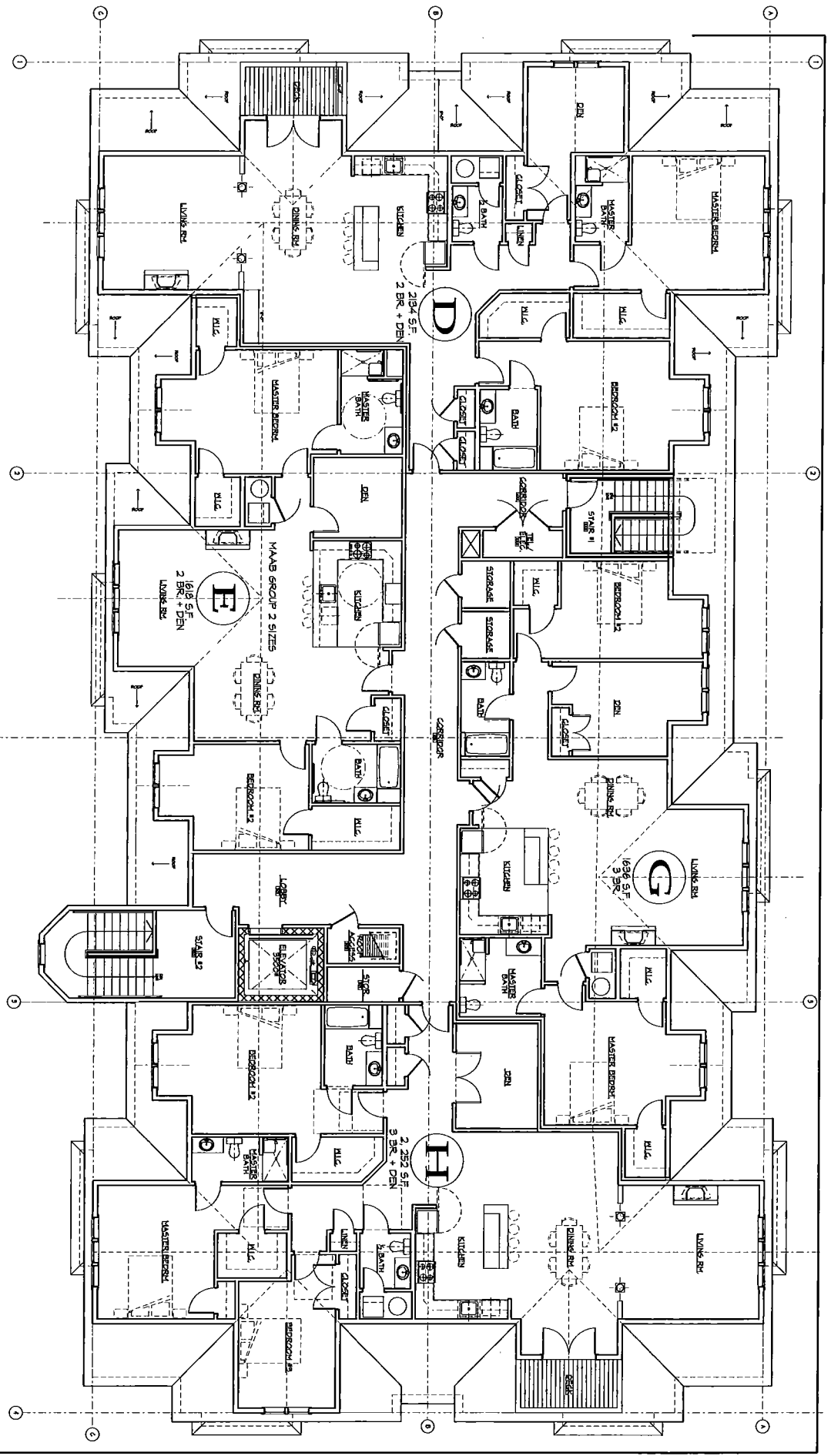
SCALE - 1/8" = 1'-0"
0 5 10 15 20

10,896 GSF

Progress 1-4-11



STATUS		ARCHITECT		SEA	
NO. BR.	NO. UNITS	1. PROJECT STREET	2. PROJECT NO.	105 Chestnut Hill Ave	Dedham Street Housing Newton MA.
NO. BR.	NO. UNITS	3. PROJECT NO.	4. PROJECT NO.	Brighton, MA 02135	
		DATE		SECOND FLOOR PLAN	
		11/11/10		(Schematic)	
				A1.2	



THIRD FLOOR PLAN
 SCALE = 3/8" = 1'-0"
 0 5 10 15 20

(Schematic)

8.907 GSR

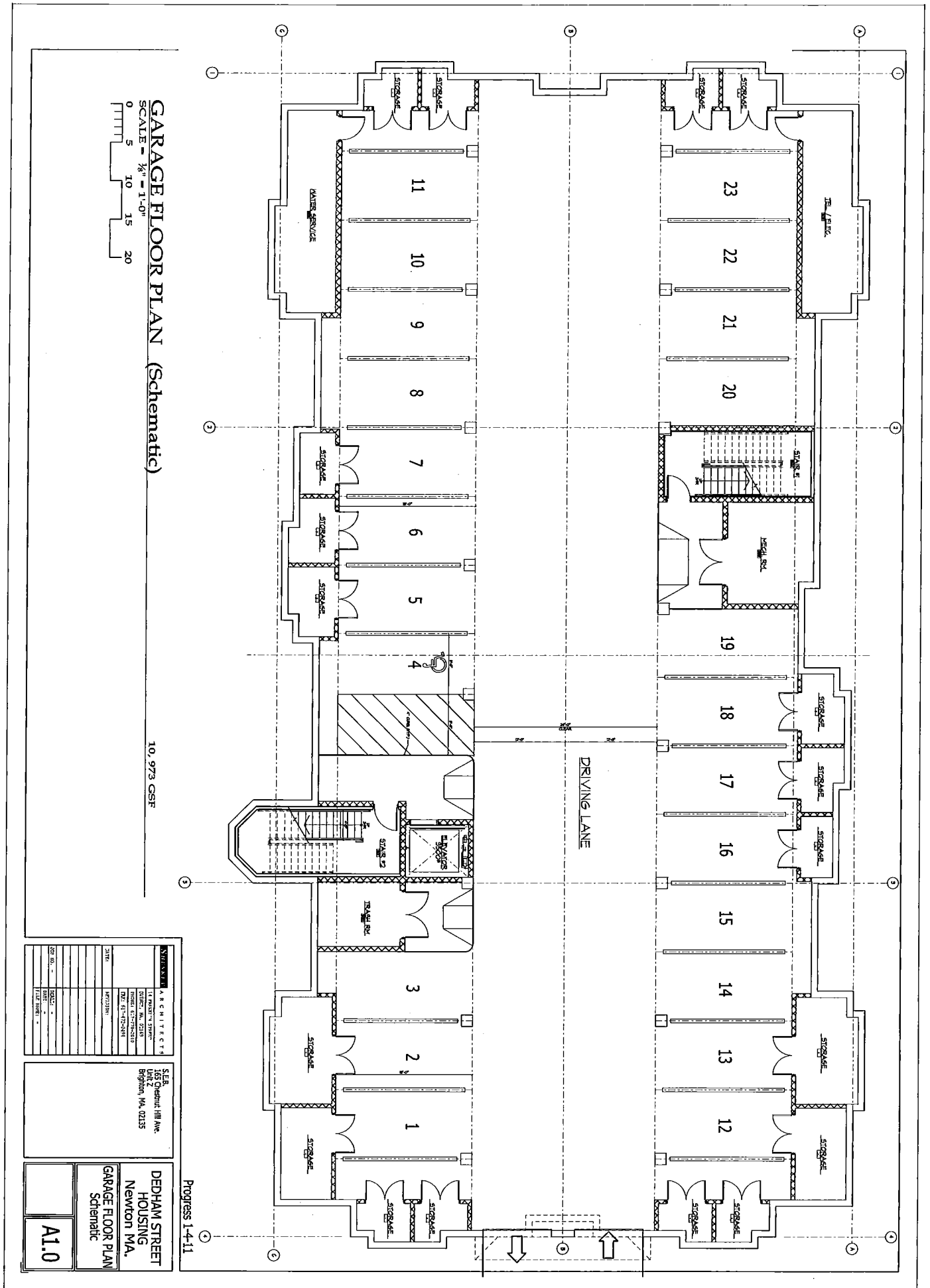
SYNOPSIS	PROJECT
34 BRIGHTON ST	34 BRIGHTON ST
BRIDGEVIEW, MA 02135	BRIDGEVIEW, MA 02135
DATE: 11/11/10	DATE: 11/11/10
SCALE: 3/8" = 1'-0"	SCALE: 3/8" = 1'-0"
DATE: 11/11/10	DATE: 11/11/10
SCALE: 3/8" = 1'-0"	SCALE: 3/8" = 1'-0"
DATE: 11/11/10	DATE: 11/11/10

S.E.A.
 105 Chestnut Hill Ave.
 Unit 2
 Brighton, MA 02135

DEDHAM STREET HOUSING NEWTON MA.
 THIRD FLOOR PLAN Schematic

A1.3

Progress 4-25-11



GARAGE FLOOR PLAN (Schematic)

SCALE - 1/4" = 1'-0"
0
5
10
15
20

10,973 CSF

DATE	BY	REVISION

S.E.B.
Architect
118 Main Street
North Andover, MA 01861

DEDDHAM STREET HOUSING NEWTON MA, GARAGE FLOOR PLAN Schematic

A1.0

Progress 1-4-11

For full-length fiscal impact analysis by this consultant, submitted in March 2011 by the project sponsor, see:

www.newtonma.gov/cpa/projects/dedham-st/11Mar28-112DedhamSt-fiscal-impact.pdf

Connery Associates

19 Parker Street.

Melrose Massachusetts 02176

617 835 3956

johnconnery@comcast.net

Memorandum

July 6, 2011

To: City of Newton Finance Committee

Fr: John Connery

Re: Thoughts on CPA Funds and the 112-116 Dedham Street Proposal

It is traditional that CPA funds are used to assist in the development of affordable housing, as is the case in the 112-116 Dedham Street project. However, in this instance due to the fundamentals of this specific proposal the City of Newton has an opportunity to re-coup its CPA investment, or at the very least invest CPA funds for affordable housing in a highly effective and fiscally conscious manner.

Due to the fact that that the 16 total units can be limited to two bedroom units (as SEB has agreed to eliminate 2 three bedroom units, if requested.) and the proposal is a home-ownership community, the number of school-aged children will average approximately 4 per year. In some years it may generate 3 school-aged children other years 5, but the average will be four if not less given the restricted number of bedrooms. It is also important to recognize that this school-aged children estimate considers all grades, so it is highly unlikely all of the estimates school-aged children will be at Countryside school. Further, depending on the lottery results of the affordable units it is very conceivable that some of the affordable units will generate no school-aged children, as single floor two bedroom units frequently attract applications from older individuals.

As a result, after taking into account school and public safety service costs, the Dedham Street proposal *has a somewhat unique fiscal profile for an affordable housing development in that it will clearly generate a sustainable net fiscal benefit for the City of Newton.* The project is small,

accordingly the total annual fiscal benefit is small; approximately \$48,000 per year, but due to the overall nature of the project (high end condominiums with limited bedrooms), it will generate an annual positive benefit that will be sustainable for the long term.

While I understand that the revenues generated from the development will flow into the general fund, it is interesting to note that because this affordable housing proposal has a positive fiscal profile it will “return” approximately 5% of the CPA monies that are being requested every year. Therefore, in a 20 to 22 year time span the CPA monies could be seen to be “recouped”. At the very least investing CPA monies in a sustainable fiscally positive affordable housing development needs to be seen as an extremely cost effective way of using CPA finds to produce affordable housing.



Setti D. Warren
Mayor

DOCKET ITEM
192-11

City of Newton, Massachusetts
Department of Planning and Development
1000 Commonwealth Avenue Newton, Massachusetts 02459

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Telephone
(617) 796-1120
Telefax
(617) 796-1142
TDD/TTY
(617) 796-1089
www.newtonma.gov

Candace Havens
Director

Community Preservation Committee

MEMORANDUM

date: 15 July 2011

from: Alice Ingerson, Community Preservation Committee Program Manager

to: Board of Aldermen, Finance Committee

about: table of contents for Open Space Plan proposal (docket 192-11) materials
in the packet for your 1 August 2011 meeting

At the suggestion of your clerk Shawna Sullivan, this packet includes only the CPC funding recommendation for this proposal, plus a snapshot of the proposal webpage:

www.newtonma.gov/cpa/projects/open-space/open-space.htm

to help you find additional information of particular interest to you, including:

- full proposal, with projected timeline and resumés for the project manager & consultant
- links to the full text of Newton's most recent *Recreation & Open Space Plan*
- a series of color maps related to Newton's recreation land and open spaces

website www.newtonma.gov/cpa

contact Alice E. Ingerson, Community Preservation Program Manager

email aingerson@newtonma.gov phone 617.796.1144



Setti D. Warren
Mayor

City of Newton, Massachusetts
Department of Planning and Development
1000 Commonwealth Avenue Newton, Massachusetts 02459

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Candace Havens
Director

Community Preservation Committee
FUNDING RECOMMENDATION

date: 13 June 2011

from: Community Preservation Committee

to: The Honorable Board of Aldermen

about:: **Recreation & Open Space Plan**

PROJECT GOALS & ELIGIBILITY

This project will accelerate completion of the new edition of Newton’s *Recreation & Open Space Plan* to replace the previous *Plan*, which expired in 2007. The City needs a current *Plan* to qualify for grants administered by the state’s Executive Office of Energy and Environmental Affairs, including Self-Help, Urban Self-Help, and the Land and Water Conservation Fund. The *Plan* also helps Newton to allocate its own scarce operating and capital funds for conservation, recreation, and natural resources.

This project is eligible for funding under the Community Preservation Act as a critical prerequisite for the “acquisition, creation and preservation of open space,” and for the “acquisition, creation and preservation of land for recreational use.” Newton’s 2007 *Comprehensive Plan* also counted on the next *Recreation & Open Space Plan* to “recognize, preserve and maintain the City’s important natural assets and resources; ensure an adequate amount, variety, and distribution of open space for both public benefit and biodiversity; integrate compatible recreation and conservation uses; protect and preserve remaining large open spaces; and assure well-informed and well-coordinated stewardship” for these resources.

RECOMMENDED FUNDING

On 18 May 2011 by a unanimous vote of 9-0, the Community Preservation Committee recommended that \$4,000 be appropriated to the control of the Director of Planning & Development, to hire a consultant to assist in completing a new *Recreation & Open Space Plan*. These funds should be drawn from the open space reserves of the Community Preservation Fund and may be used for any purpose listed or implied below:

SOURCES	
Community Preservation funds (recommended)	\$4,000
Planning Dept. staff time (from fy11 & fy12 General Fund budgets)	\$14,200
Total Sources	\$18,200
USES	
Data collection & analysis (work largely completed)	\$9,200
Community participation, report drafts & report distribution (remaining)	\$8,900
Total Uses	\$18,200

website www.newtonma.gov/cpa

contact Alice E. Ingerson, Community Preservation Program Manager

email aingerson@newtonma.gov phone 617.796.1144

13 June 2011, Newton CPC funding recommendation for Open Space Plan

page 2 of 2

SPECIAL ISSUES CONSIDERED BY THE CPC

Evaluating the Costs and Benefits of Land Acquisition Purchases of land for open space or recreation have been among the most expensive projects supported by Newton's Community Preservation Fund: over \$6 million for Kessler Woods, over \$4 million for land at Crystal Lake, over \$2.5 million for Angino Farm. There are many reasons for this: Land in Newton is expensive. The CPA requires communities to pay full market value unless a seller voluntarily accepts a lower price. When a priority parcel comes on the market, the need for a quick response often requires the City to use debt financing, making the acquisition even more expensive.

In short, high costs make it important, but time pressures make it difficult, to evaluate land acquisitions thoughtfully. Newton's thorough community participation process for its *Recreation & Open Space Plan*, which far exceeds state requirements, is critical for careful but quick action on individual acquisition proposals.

Obstacles to Completing & Implementing a Recreation & Open Space Plan Since the last *Plan* expired in 2007, the CPC has often noted the need for a new *Plan*. Recognizing competing demands for staff time in the Planning and Development Department as a significant obstacle to meeting this need, the CPC encouraged the department to submit this off-cycle request, which the Committee then recommended unanimously.

Several members, including Wally Bernheimer, Mike Clarke, Zack Blake, and Dan Green were concerned that this additional funding could not remove what was probably the greatest obstacle to creating a current, valid *Plan*: that City government as a whole, beyond the Planning Dept., did not see such a *Plan* as a top priority. Similarly, some CPC members, including Nancy Grissom, were concerned that future City budgets might not provide the resources needed to implement the *Plan's* recommendations for the ongoing management and maintenance of the City's open spaces, recreation land, and natural resources.

ADDITIONAL RECOMMENDATIONS & KEY OUTCOMES

The Community Preservation Committee will evaluate this project based on these key outcomes:

1. Funds will be appropriated to the spending authority of the Director of Planning and Development, with Chief Planner for Long-term Planning Jennifer Molinsky as the project manager.
2. The project manager will provide the CPC with regular updates upon request and with a final, in-person and written report summarizing the project's planned vs. actual expenditures, process, and results.
3. Newton's 2012-17 *Recreation & Open Space Plan* will be completed and approved by the state by the end of June 2012, or by any extension of that deadline granted in writing by the Community Preservation Committee.
4. The final *Plan* will be widely publicized and distributed, and will be posted online, linked to the CPC's website and other City webpages.
5. Any portion of the Community Preservation Fund grant not used for the purposes stated herein will be returned to the Newton Community Preservation Fund.
6. The Planning & Development Department will work with the Conservation Commission and Parks & Recreation Department to update the CPC, upon request, on the implementation of the 2012-17 *Recreation & Open Space Plan* and on steps taken to avoid any time gap between this *Plan* and its successor.

ATTACHMENTS online from www.newtonma.gov/cpa/projects/open-space/open-space.htm and delivered to the clerks of the Committee on Community Preservation and Finance Committee

- Proposal & attachments
- CPC staff presentation of open space & recreation maps, including selected maps from the 2003-07 *Recreation & Open Space Plan*

[Newton, Massachusetts](#) >> [Community Preservation Program](#) >> [Proposals & Projects](#)

Recreation & Open Space Plan for 2011-2016

location: Citywide

goals: Hire a consultant to help the City of Newton complete a new *Recreation & Open Space Plan* to guide acquisition, management, & funding decisions; and to qualify for state and federal grants.

total funding: **\$4,000** *CP funds requested (open space)*

contacts: Jennifer Molinsky, Chief Planner for Long-Range Planning
Newton Dept. of Planning & Development
1000 Commonwealth Avenue
Newton Centre, MA 02459
email: jmolinsky@newtonma.gov
phone: 617.796.1130

PROPOSAL REVIEW & APPROPRIATIONS:

2003-07 previous [Recreation & Open Space Plan](#)

7 March 2011 [letter from Director of Planning & Development](#)

28 March 2011 [pre-proposal](#), including tentative timeline

3 May 2011 [proposal](#), including:

- timeline
- project manager & consultant resumes
- budget
- list of participating City depts. & community groups

18 May 2011 [public hearing presentation](#)

18 May 2011 supplemental [maps](#) presentation by CPC staff
(*large file, may load slowly*)

Includes maps from 2003-7 *Recreation & Open Space Plan*, map of open space & recreation projects supported with CPA funds, and historic maps related to open space & parks.

13 June 2011 [CPC funding recommendation](#)

2011 Board order (appropriation)

PROJECT NEWS:

2011

CONTACT:

Alice E. Ingerson, Ph.D., Community Preservation Program Manager
[Newton Planning & Development Department](#),
City Hall, 1000 Commonwealth Ave., Newton, MA 02459
phone 617.796.1144, *email* aingerson@newtonma.gov, *TDD / TTY* 617.796.1089