

City of Newton



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Community Preservation Committee

APPROVED MINUTES

May 9, 2023

Barney S. Heath
Director

The virtual meeting was held online on Tuesday, May 9, 2023, beginning at 7:02 P.M. Community Preservation Committee (CPC) members present included Dan Brody, Eliza Datta, Byron Dunker, Susan Lunin, Jennifer Molinsky and Martin Smargiassi. Committee Member Mark Armstrong, Robert Maloney and Judy Weber was not present for the meeting. Community Preservation Program Manager Lara Kritzer was also present and served as recorder.

Chair Jennifer Molinsky opened the Community Preservation Committee's public meeting and introduced the CPC members present at this time. Ms. Lunin volunteered to be the first reviewer for the draft minutes of the meeting.

Public Hearing on the Warren House Preservation and Rehabilitation Project

Ms. Weber stated that she was recusing herself from the discussion as she is an officer of NCDF.

Jeanne Strickland, Executive Director of the Newton Community Development Foundation (NCDF), explained that they were seeking \$2.1 million in CPA funds for the preservation of the Warren House. She explained that they were joined by their Housing Consultant, David Levy, and Chris Musorofiti from Gale Associates. The CPA funding was requested to replace the windows and repair masonry and cast stone on the building. Ms Strickland explained that the funding would be used to replace 199 original windows and 49 smaller windows that were added when the building was converted into housing in the 1990s and to make repairs to the building's exterior masonry and ornamental cast stone elements. She explained that the building was constructed in 1927 in the Georgian Revival style which was popular for schools in Newton at that time. Originally constructed as a junior high school, it was converted into rental housing in 1994 and won preservation awards for the restoration at that time. Ms. Strickland noted that that building has an existing preservation restriction in place due to the prior CPA funding awarded to the building and that all of the proposed work would meet the Secretary of the Interior's Standards for Rehabilitation.

Ms. Strickland stated that they had already met with the Newton Historical Commission to review the proposed new windows and that the Commission had approved of the property with the requirement that the final window specifications be submitted for their review. She noted that the school had closed in the 1980s and had sat vacant until the City asked NCDF to convert it into housing in 1992. Their organization had invested significantly in the property over the last 31 years and it was noted

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that while NCDF owned the building, the organization also had a ground lease for the site with the City. NCDF planned to repay \$1.5 million on the ground lease to the City and were up to date on their property taxes. Ms. Strickland explained that it is imperative that they receive the City's support in preserving the building and noted that they were also proposing to make six existing units permanently affordable at 50% AMI and four more units which were currently market rate affordable at 80% AMI. It was noted that the property currently had 21 households living in the restricted affordable units and three in market rate units who had lower incomes. She reviewed the demographics of the households living at Warren House as well.

Ms. Strickland explained that they had approached the City in 2006 for CPA funding to help with water infiltration problems at the Warren House and had received \$1.2 million in funds in 2009 to complete roof work and other repairs to the building. In 2010, they refinanced their second mortgage and received tax credits to complete the roof replacement on the east and west windows of the building. They now needed to complete the cast stone and masonry repairs that were not done in the first two phases of work on the building and to replace all of the existing windows. Ms. Strickland noted that NCDF had recently completed a similar window project at their Weeks House property using Essex Construction and that they had used that company and work to assist in developing their estimates for the current project. They had also docketed their land lease renewal with the City Council and were scheduled to meet with the Programs and Services Committee for that review. In addition to the exterior work, NCDF has completed kitchen and bathroom renovations on $\frac{3}{4}$ of the unit and has rebuilt one of the elevations. Ms. Strickland noted that costs had escalated over the last few years and that Warren House is a valuable resource that is expensive to maintain. She stated that they were asking the Committee for help in maintaining this historic resource and preserving and expanding the affordable housing that it provides.

Mr. Musorofiti explained that Gale Associates was a firm of professional engineers and architects hired to evaluate the Warren House for NCDF. Their review team had included structural engineers, preservationists, and architects who helped to evaluate the damaged and deteriorating masonry and develop a plan to replace the existing windows with new, thermally efficient aluminum window units. He noted that there were multiple manufacturers that they could use for these units but that they Kawner was the one that they were currently planning for as it was easy to use and had narrow site lines. The new windows would meet building code requirements with similar site lines to the existing windows but slightly different frame dimensions. He explained that the new windows would also include a new panning system to surround the sills and heads of the window frame for better insulation and showed photos of unique and typical conditions on the existing building. Mr. Musorofiti noted where the masonry had open joints and broken brickwork. He stated that they would be repairing minor spauling and replacing any stone elements surrounding the windows. He also noted damage to decorative cast stone elements surrounding the roof that would be repaired and replaced as part of this work. He ended by noting that their firm had completed similar projects at the Weeks House, on Massachusetts Hall at Harvard, and on the Winchester Town Hall.

Ms. Molinsky opened the discussion to public comment. There were no members of the public present at this time.

Ms. Lunin asked how long it would take their team to complete this work. Mr. Musorofiti stated that it would depend on how the project was set up. Their current plan was to approach the project in

phases but if they could do it all at once, he estimated it could be completed in 6-8 months depending on the lead times required for the materials chosen to be used. Ms. Strickland added that there was no need for any relocation services to complete this project.

Ms. Molinsky noted that this was the first project that has come in with requests for funding from both the CPC and the Affordable Housing Trust. She pointed out that this was a \$4 million project requesting \$2.1 million in historic resource funding and \$1.9 million in affordable housing funding. She believed that the funding should still be considered CPA funds even if it was coming from another Commission and thought that they needed to address two issues – the historic nature of the property and the appropriateness of using this amount of funding to protect this historic resource. She added that the housing side of this project was also not irrelevant but noted that this was a large amount to request per unit and asked for more information on the project budget.

Mr. Musorofiti stated that they had come out to assess the building in 2019 and developed an estimate for the proposed work. Following Covid, they had updated this estimate to take the current building climate into account. He showed a breakdown of the project scope with all of the tools, and materials accounted for along with the full scope of the work. He explained that the per window cost may seem high but that the cost was really defined by the amount of square footage. He agreed that their estimate might be high but noted that it was a preliminary estimate. He explained that they were still working on the final design so it might yet come down but that he felt like this was a good representation of what the project would require.

Ms. Molinsky asked when the final designs would be available. Mr. Musorofiti stated that they would be ready in 3-6 weeks as most of the field work was complete and they were just starting on the window details. He added that he had sent the quantities and preliminary drawings to Essex Construction who had completed similar work on Weeks House and that their estimate had been very close to the one proposed. He also noted that the project costs could come down if they did it all at one time. Ms. Datta asked why they were considering phasing the project. Mr. Musorofiti stated that it was mainly in case they did not have all of the funding at one time and that they had planned to start with the worst elevations first.

Ms. Molinsky explained that the CPC was responsible for the stewardship of their CPA funding investments and asked for more information on the maintenance costs of the new windows and their anticipated functional life span. She noted that the project's replacement reserves were low and asked if there was enough there to invest in the stewardship of these windows. Mr. Musorofiti stated that the new aluminum windows were anticipated to last 20-30 years. He stated that the painted coating, sealant, and glazing on the windows are guaranteed for 20 years but could last longer with regular maintenance. The window hardware was guaranteed for 10-15 years but could also last longer with regular maintenance. Ms. Molinsky asked Ms. Strickland if there was a sufficient maintenance budget in place to help these windows make it to 30 years. Ms. Strickland stated that they would try for 30 years and might want to refinance the building again then. Mr. Levy stated that he believed that NCDF would be able to reach this goal as the Warren House was a well maintained property. He added that they would need to refinance the property between years 30 and 40 and that they did have a budget in place for window repair and replacement. Ms. Molinsky asked if they would have a reserve in place for repair and maintenance and asking for separate funding in the

future for replacement and Ms. Strickland answered yes. Mr. Levy also pointed out the costs and challenges due to the size of the existing windows.

Mr. Smargiassi stated that he had worked with the Park Service on reviews for other historic sites and asked how much of the funding was for the masonry repairs vs. the windows. Mr. Levy stated that 75% of the project costs were for the windows and the rest would cover the masonry and cast stone repairs. Mr. Smargiassi asked if the Historical Commission had approved the windows and whether they would be competitively bid. Ms. Strickland answered that they were still working on the approval process and that while the current estimate had been prepared in house, they did plan to competitively bid out the project. She added that they would leave the specific window product decision open as that might help with bids.

Ms. Lunin asked how the Weeks House project had been done. Ms. Strickland explained that the Weeks House windows were already aluminum but were old and hard to open. They had had no issues with the quality of the new windows or their operation. Ms. Datta asked about the level of affordability in the building. Ms. Strickland explained that as part of their current funding requests, they were proposing to make six affordable units that were expiring permanently affordable. These six were formerly low income tax credit units and will bring the number of affordable units up to 21. Ms. Datta noted that when the project had come in for pre-proposal funding, the Committee had been curious about the funding sources for the project. She noted that the CPC usually saw more sources leveraged and noted the possibility of tax credits. She asked if they had considered using historic tax credits. Mr. Levy felt that those would be unnecessary do to the extra soft costs associated with them. He added that this would be complicated by the fact that the property already had existing limited partners that have not exited from previous funding rounds.

Mr. Levy stated that he had talked with Ms. Strickland about other funding sources and that they would be happy to look into 4% tax credits or other programs now that the project had become more expensive. He explained that the project had originally been much less expensive to complete and so that funding had not been part of the decision. Ms. Strickland noted that the building had received State tax credits in 2010 and had been told they were not eligible for them in 2015 but could look into them again. Mr. Levy stated that they had also originally been concerned with the timing of that funding but that this was no longer the case.

Ms. Datta asked about the permanent loan for the project. Mr. Levy stated that they were going back to MassHousing or another lender for that loan. He explained that the Massachusetts Housing Partnership (MHP), MassHousing, and Rockport Mortgage were all interested in their project and explained the Phase I constraints that limited the type of loan products they could use. At this time Rockport was no longer competitive but the other sources were options and noted that Mass Housing had a 40 year/ 40 amortization product and that MHP had a 20 year/40 amortization product with more competitive terms. He believed they could generate more with the MHP product but noted that the submitted materials were now out of date.

Ms. Datta stated that she understood that there were possible leveraging options that would use less CPA funding and encouraged them to leverage more of the project as they had an attractive cash flow. Mr. Levy explained the reasons behind the loan amounts and choices and stated that he could

look at those again but believed that the amount they were using in their proposal was the maximum allowed in their term sheet. He added that they were being a little conservative on that point.

Ms. Molinsky asked about the status of the other affordable housing units in the building. Ms. Strickland stated that the other units were affordable through the term of the ground lease. Ms. Molinsky added that they were mindful that this was the first joint CPA/Affordable Housing Trust (AHT) application and thought that given the size and nature of the request it would be helpful to hear from the AHT on this as well. Mr. Dunker asked if there was a reason that the CPC reviewed the project first and the AHT second. Ms. Kritzer explained that this is a new situation and that there is no set procedure in place for multi-committee reviews. Ms. Molinsky thought that there was an argument here for a coordinated review of the project with the AHT. Ms. Lunin asked if it would be helpful to have a straw vote of the CPC at this time to show how supportive they were of the work. Ms. Datta stated that she would also be in favor of finding a way to coordinate with the Trust and would like to get the Trust up to speed on the project as well. Mr. Brody stated that he understood that NCDF would not want the funding to remain undecided and asked if a conditional vote would be helpful. Ms. Datta suggested that the CPC and AHT hold a joint meeting to explore the different scenarios that would make sense here.

Mr. Levy thought that it would be tremendous to have a statement of support from the CPC but agreed that it was too soon for a vote. He noted that if the funding was to cover soft costs, one of the conditions could be that the CPA funds be balanced with funds from other sources. He noted that their additional funding would need to come from several different sources and thought that it made sense to coordinate these reviews but reiterated the NCDF's need for this funding to preserve the existing structure. Mr. Smargiassi asked if the work could be separated into different parts or phases and whether the \$2 million from the CPC would be enough to begin moving forward. Mr. Levy stated that they needed to first balance their budget. He thought that once they had the hard numbers for the bids, that they could potentially complete it in one phase.

Mr. Smargiassi supported the idea of having a joint meeting and encouraged the applicants to look for more ways to leverage the funding and buy down the amount of CPA funds needed at this time. Mr. Levy stated that they had asked for Work Force funds which were not currently available. They were applying for some energy efficiency funding from DOER and noted that that application was due in early June. Mr. Levy stated that their project was not ideal for this program, though, and that that funding also needed matching funds. They had also considered requesting potential ARPA funding for sustainability.

Mr. Heath stated that they could inform the Trust about this discussion and also come back to the next CPC meeting with information on the Trust's discussion. He suggested that either the applicant could come back with a report on the Trust or a joint meeting with the Trust could be scheduled for a future meeting. Ms. Molinsky thought that it would be helpful for the CPC to hear the Trust's discussion of the project. Ms. Datta noted that the Trust was already scheduled to review the project later in May. The applicants were asked if they would have the additional information on the project cost and scope in time for the CPC's next meeting on June 13. Mr. Musorofiti stated that they had completed 90% of the submission materials and were close to being ready to go out to bid. Mr. Levy stated that they would not be ready to bid out the final documents until the funding was in place but agreed that they would have updated information soon.

Ms. Datta moved to hold the public hearing until the CPC's next meeting on June 13 at which time the applicant is expected to have additional project information and feedback from the Trust available so that the Committee can complete its deliberations. Ms. Lunin seconded the motion.

Ms. Molinsky stated that she did think that this was an important project on an important historic resource and appreciated the time and work that had gone into developing the project so far. She added that the CPC wanted to take the time needed to conduct a thorough review of the proposal. Ms. Strickland stated that they had wanted to focus on their historic preservation goals with the CPC and to focus their affordability goals on the Trust. CPC members unanimously voted to continue the discussion at the next available meeting.

Review of Existing and Potential Future Projects

Members briefly reviewed the list of potential future projects and discussed the recent information meeting on May 2. Members agreed that the information meeting had been well attended and a success. Mr. Brody noted that there were several members of the clergy in attendance and that there could be opposition in the community for future projects on historically significant churches and religious use structures. Members briefly discussed the potential applicants and projects that were discussed at the information meeting.

Approval of February 14 and March 14 Minutes

Ms. Lunin moved to approve both the February 14 and March 7 meeting minutes as submitted. Ms. Datta seconded the motion which passed by unanimous vote.

Mr. Brody moved to adjourn. Ms. Lunin seconded the motion which passed by unanimous voice vote. The meeting was adjourned at 8:24 P.M.