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**NEWTON AFFORDABLE HOUSING TRUST  
MEETING MINUTES  
November 16, 2023 at 4:00 P.M.  
Room 204, Newton City Hall**

The hybrid meeting was held on Thursday, November 16, 2023, beginning at 4:05 PM. Newton Affordable Housing Trust (NAHT) members Mayor Ruthanne Fuller, Councilor Alicia Bowman, Ann Houston, Jason Korb Peter Sargent and Judy Weber were present at City Hall in Room 204. Trust Member Tamirrashe Gambiza attended virtually.

Staff present in Room 204 included Director of Planning and Development Barney Heath, Housing Program Manager Shaylyn Davis-Iannaco and Director of Housing & Community Development Lara Kritzer. Councilor Julia Malakie also joined via Zoom.

Chair Ann Houston called the meeting to order and asked those present to introduce themselves. She then noted that there were two projects for review at this meeting.

**Review of Application for Funding of the FamilyAid West Newton Family Navigation Center**

Mr. Gambiza stated that FamilyAid was a client of his employer and that he would be primarily listening to this discussion. Ms. Houston noted that the Law Department was available to any members who had concerns about conflicts of interest and suggested that he discuss it with them if more concerns came up in the future. Mr. Gambiza also noted that his firm worked with 2Life Communities and that he would recuse himself from that discussion.

Ms. Davis-Iannaco presented FamilyAid's application requesting \$500,000 in Housing Trust funds for the West Newton Navigation Center. The funds would be used to create 42 units of transitional housing at that location. Ms. Davis-Iannaco provided a brief history of the organization, noting that their work was focused on education and training. She explained that each of the 42 transitional units would include a private bathroom and that the facility would have communal gathering and kitchen space, as well as 24/7 staffing and some office space. The facility would provide moderate rehabilitation programs managed by the Office of Urban Affairs. Ms. Davis-Iannaco reviewed the interior and exterior rehabilitation needs of the site and noted that 62% of the project's funding was coming from the state at an estimated cost of \$245,000 per unit. She noted that the Trust funding request represented 4% of the total project and explained that FamilyAid was also requesting CDBG funding for an accessible pathway. Staff recommended full funding of the request as it fully aligns

with Newton's housing strategies and plans and will provide 42 new units for extremely low-income residents.

Present on behalf of the project were Bill Grogan from the Office of Urban Affairs and Larry Seaman from Family Aid. Mr. Seaman explained that this project had been fast tracked and that they appreciated the opportunity to come before the Trust for funding. He added that he was a 37-year resident of Newton and appreciated the wonderful support that they had received from the City. He explained why they were requesting funding now. He noted that they had originally not planned to request City funding for the project but that as they had finished the Dover review process and began working with the City and abutters to address their concerns, they recognized that additional funding would be needed to address the City's environmental ordinances, abutter requests, energy efficiency requests, and the ADA requirements for both residents and volunteers. As the budget increased, they had started by going back to the Executive Office of Housing and Livable Communities (EOHLC). EOHLC had increased their portion of the project's funding but FamilyAid also realized that it would be helpful to seek City funding to match the state funds. Mr. Seaman stated that they had received an outpouring of support for this project and discussed how the funding was invested in the project and highly leveraged. He reiterated that the state funding would cover the vast majority of the costs and that they were turning to other foundations and funding sources as well. Mr. Seaman also noted a number of City plans which supported the work to be done with this project and gave page numbers for where those goals were noted.

Ms. Houston recognized Councilors Crossley and Malakie who had joined the meeting during the presentations. She opened the discussion to questions from Trustees at this time.

Ms. Weber stated that she is currently the president of the Newton Community Development Foundation (NCDF) which is a neighbor to this parcel and asked how the building was now used. It was noted that the building had been a nursing home but was now vacant.

Mr. Korb stated that he had joined the Trust to support this type of project. He asked how the resident selection process would be done. Mr. Seaman explained that this site would be part of the larger state system. Families would initially go to a local center, the closest one being in Nubian Square, and the state will then look for places where there are vacancies. Mr. Seaman noted that the state would prioritize this site for families and those with connections to the community. The site would then get a notice when there was a new family on the way to the site.

Mr. Korb asked how the individual units would be sized. Mr. Seaman explained that each unit had a living area and bathroom. The families would also have access to shared instructional and kitchen space, communal living rooms and study space. While the rooms are all 250 sf., he noted that there was a lot of additional building space for families to use. Mr. Korb asked how many units FamilyAid operated in the area. Mr. Seaman answered that they currently had 150 units in the greater Boston area and noted that this site would add another 42 units to their portfolio.

Mr. Korb noted that they already had Davis Square Architects and the contractor in place. He asked about the status of the construction budget and if they had estimates. Bill Grogan stated that they have continually gone out to their subcontractors throughout this process to check on costs and that the final plans would be issued tomorrow by Davis Square. Their contractor was also getting real-

time updates on pricing so they felt comfortable that they would be ready to apply for permitting soon.

Mr. Korb asked if a 5% contingency would be enough for the project. Mr. Grogan explained that there were additional contingency costs built into the contractor's numbers and that they did usually plan for a 10% contingency when doing rehabilitation work. Overall, their budget was right at 10% which he thought felt right. Mr. Grogan added that they wanted to be respectful of the resources going into the project and that they were comfortable with their funding at this time.

Mr. Korb asked about the \$150,000 developer fee and if the remainder of it would be deferred. Mr. Grogan answered that all of the fee would be deferred as they were just going to cover their overhead. Mr. Korb stated that he had wanted to take note of this as it was unheard of in his experience. Ms. Houston asked if they were only covering the costs of doing this project. Mr. Grogan answered yes, noting that the Office of Urban Affairs was a charity organization that existed to do this work. Mr. Korb stated that he thought this was remarkable.

Councilor Bowman noted that the project still needed to raise \$2.5 million and asked if the applicants felt confident that they could raise those funds. Mr. Seaman answered yes and explained their plans. Mr. Gambiza asked how much they had planned for cost overruns and to clarify their anticipated donations. Mr. Seaman answered that \$1.1 million was already committed and that another \$1 million was still in play. He explained that these donations would cover things such as rocking chairs for mothers and other building amenities. They felt good about the community support for the project and noted that long term supporters of their programs were also stepping up. Ms. Houston asked what would happen if they did not raise the additional funds. Mr. Seaman answered that they did have lines of credit available as well as their long-time supporters and that they had regular fundraising programs that they had used for many years. Their program had grown 12-13% in recent years and they felt their donors were positioned to do more. He added that anecdotally they had had a great response to their fundraising and were totally confident that they would get to the required number.

Mr. Sargent stated that he had no questions. He understood that they had originally planned to reach their goal using other identified sources until the costs had increased and thought that the Trust existed to meet these types of challenges. Mr. Sargent noted that they were asking for only 4% of the project costs and believed that using Trust funds to fill in project funding gaps was a great way for the Trust to operate. He added that he believed this was the first of a few such projects that will be coming in.

Mayor Fuller expressed her pleasure to be present and thought this was an important night. She noted that Planning and ISD staff had been attentive to the importance and speed of the project. Mayor Fuller stated that the concept behind the Trust was that they would be able to make these funding decisions more quickly and with more expertise in the housing market. She noted that Trust members had a deep understanding of how to look into these projects and thanked Councilor Bowman for serving as their City Council representative and working for so many years towards the City's affordable housing goals. She was grateful that the City was on this journey and thanked Councilors Deb Crossley and Julia Malakie for their support. Mayor Fuller noted that such significant leveraging, 96% of the funds coming from state and other sources, was rare and that she wanted to make this happen in Newton. She thought that the amount requested was appropriate and was a

small dollar amount which would have a huge impact. She added that she was grateful to Family Aid and their team for developing this project.

Ms. Houston stated that she agreed with all the sentiments expressed. She added that she had one technical question and asked about the timing of the project funding. Mr. Seaman stated that EOHLIC had indicated that they will be ready to move forward on the full \$7 million in funding in the next 30 days. Mr. Korb asked if this funding was a loan or a grant. Mr. Seaman answered that it would be a grant. There were no further questions from Trust members at this time.

Ms. Houston opened the discussion for public comment. She noted that the Trust had previously received several letters on the project including those from Jeffrey Freudberg and Phylis Cafman.

Jeffrey Freudberg was present via zoom and asked that the applicant address the three questions that he had raised in his letter. First, that the applicants had not previously mentioned this request for City funding during their administrative site plan review with the City. He felt that this was a big change to the process and that the City may have looked at the review differently if this had been known. Ms. Houston explained that the Admin Review process is totally unrelated to the funding requested at this time. She stated that the Administrative Review only looks at the use of the site and does not consider how the project will be funded.

Mr. Freudberg stated that his second question was that the total funding shown in the application was for \$16 million over 15 years. He asked for more specific details of how the \$500,000 from the Trust would be used. Ms. Houston stated that the City's funding was not dedicated to one specific use and could be used for any element of the rehabilitation project.

Mr. Freudberg raised his third question, noting that he was not opposed to helping people but thought that the Trust funds should be used to help people with connection to Newton, the state or the area. He stated that 50% of the potential future residents of this facility were anticipated to be migrants or asylum seekers and asked if this was an appropriate use of the Trust's funds. Mayor Fuller answered that the City of Newton's residents, CPC, and NAHT are committed to helping people no matter their country of origin, religious beliefs, etc. She stated that the Trust was intended to support anyone dealing with homelessness or housing troubles - sometimes those people happen to already live in Newton, sometimes they come from elsewhere. but we do not distinguish where they are from. She noted that the state tries to keep those in need of housing within their community of origin whenever possible. She also noted that the state will be working with Family Aid and that if a Newton family needs assistance they will be prioritized but otherwise the City will welcome whoever needs help at that time.

Ms. Houston observed that for a long time Newton residents have had to go to other communities and stated that she was glad to see that they will now have an opportunity to stay here. Mr. Korb noted that he saw this as an opportunity for his son to be in school with children from other backgrounds and for there to be more diversity. He stated that he would be honored to have people from other locations come here. Councilor Bowman reminded everyone that a little more than two years ago the City changed its local preference requirements in the Inclusionary Zoning Ordinance from 75% to 25% because they recognized a need to be more welcoming and diverse. She thought this was an amazing project and was excited to see it coming to Newton. She also noted that today's paper included an article highlighting the need for these units.

Ms. McNeil stated that she was thrilled about this project and will do everything she can to see it succeed, particularly for people who are not from Newton. She noted that the money that goes into the Trust is from the CPA fund which includes both local and state funding sources.

Deborah Stolbach, Horizons for Homeless Children, stated that they would be working closely with Family Aid at this site. She expressed her support for the project and noted that what they were offering was so much more than a place to stay. She noted that they would be helping families at the site and were ready to begin building out the playspaces and training volunteers.

Ms. Weber moved to recommend full funding in the amount of \$500,000 according to the staff recommendation. Mayor Fuller seconded the motion. It was suggested that the grant be contingent on the project receiving its final \$2 million in funding from the state. Members agreed that there would be no restrictions at this time. The motion passed by unanimous vote.

### **Review of Application for Funding of the Coleman House Senior Affordable Housing Preservation**

Ms. Davis-Iannaco reviewed the application from 2Life Communities for additional funding of the Coleman House Preservation and Rehabilitation project. She noted that the building included 144 affordable senior housing units and that the project had previously received CPA, CDBG and HOME funding. The original project had received 17% of its funding from the City with the rest coming from the project sponsor. The current application requested an additional \$2.5 million from the City's Housing Trust funds to address condition found in the building during construction which staff had not anticipated, including the removal of asbestos from the building, which had been outlawed prior to its construction, and addressing updated building code requirements. Ms. Davis-Iannaco stated that staff recommended that the Trust provide \$1.5 million to cover the outstanding costs of the project minus the future electrical transponder work that was planned for next fall.

Lizbeth Heyer and Elise Salinger from 2Life Communities presented their application at this time. Ms. Heyer noted that Coleman House was their first community and was built in the 1980s. All of its units were available to households below 60% AMI, but over 90% of residents were actually below 30% AMI and would not be able to remain in Newton without Coleman House. She stated that they were reluctantly here to request more funding as their project had hit some extraordinary issues during construction, including new determinations made after the project was scoped. They had done as much pivoting as possible and had cut as much as they could along the way while also trying to seek other potential funding resources. Ms. Heyer noted that the ongoing support they received annually went towards programs and services which were largely funded through philanthropy. She stated that all of the work done had been necessary for the core scope of the building and that if they did not receive this additional funding, they would need to use funding that would otherwise be used for programs.

Ms. Heyer reviewed 2Life Communities mission and history, noting that the organization had 1,450 senior apartments in the Boston area. Coleman House's preservation scope included maintaining the affordability of the building in perpetuity while also making it universally adaptable so that residents could remain in place as long as possible. They had also worked to reduce the building's carbon emissions. The new project total was \$33 million with 76% of the funding coming from owner funds, 16% from prior City funding, and the remaining 7% to hopefully come from the current Trust request.

She noted that they needed \$1,573,715 now to complete the existing work and an additional \$973,000 in 2024. Ms. Heyer reviewed photos of the structure and noted the structural problems and repairs as well as the adaptable changes in the unit's designs. The building now has all electric heating and cooling systems which would reduce gas and carbon emissions and had added a cooling system to the corridors. She explained that they had designed the new systems to have sufficient capacity for the existing structure but had not built in the excess capacity that the building code now required, which is why they were now dealing with additional electrical system expenses.

Ms. Houston opened the discussion to Trust member questions. Councilor Bowman thought that this was a great project and appreciated the opportunity to keep all of these units online. She asked if the changes were due to fire and electrical code requirements. It was noted that the issue was not that the code had changed but that the project had been fully scoped out under one set of assumptions and these assumptions had changed during construction.

Councilor Bowman asked what had been removed from the original scope. Ms. Heyer stated that the interior of the elevator was not updated, and that they had eliminated other changes which were aesthetic in nature, such as the curved shelves in the hallway which were sanded instead of being replaced as originally planned. They had also used a less expensive flooring and lighting fixture package and significantly changed the scope of the exterior patio area. In addition, their original roofer had declared bankruptcy during the first month of the project. With prices doubling on that work since the original bid, they had ended up only doing one of the two roofs at this time.

Ms. Weber noted that she had commented on this project when it first came before the CPC for funding. She stated that the CPC had found the project to be very impressive because of the owner's funding commitment. The size of funding request was considered to be relatively modest in comparison to the match from the owner as this level of leveraging is rare. She noted that the CPC had met two nights ago to review the close out report on the new construction at the Golda Meir building. She noted that that project had come in completely on budget and thought that that comparison could be seen as a comment on the uniqueness of the situation at Coleman House. She did not think the cost overruns were a reflection on the developer but spoke to the unique situation at the site. Ms. Weber also raised the question of how the City worked to cover the costs of keeping a resource in place versus the costs of creating new ones.

Mr. Sargent thought that the application really included two proposals. The first was for \$1.4 million which was for perfectly reasonable issues that had come up during construction. He thought that in hindsight, the applicants would have incorporated the additional code requirements into the project if they had been aware of them. Ms. Heyer stated that the project was really a pretty basic renovation and that the biggest aesthetic changes were to the façade as they had had to replace some of the brick panels which changed the color of the brick. She noted that they probably would have asked for more if they had realized these issues were out there, but that they had not wanted to put tax credits into this project.

Mr. Sargent stated that this was a very large request when considered against what the known and potential project pipeline could bring in and questioned whether it should be fully funded. He had no issue with funding \$1.4 million of the work but asked if 2Life could do a time note or cash flow note to spread out the costs so that they did not need all of the funding at once.

Mayor Fuller noted that the fact that the Inspectional Services Dept. was paying close attention to the code requirements for these buildings was important, necessary, and good. She added that 2Life Communities' work was world class and appreciated that they were considering all aspects of the building, from emissions and staffing. She thought that the community these sites create was critically important and noted the significance that so many of its residents were living on incomes below 30% AMI. Mayor Fuller was very comfortable with the \$1.5 million recommended by staff but suggested that the applicants look at other philanthropic sources for the remaining funds rather than coming back to the City. She was thrilled that the City was in a position to support up to 24% of the project but urged 2Life Communities to look for other support as well. She added that they could certainly apply again and that the Trust would consider it, but she did not recommend it at this time. Mayor Fuller stated that she had to leave the meeting at this time and designated Mr. Heath to vote at her representative.

Ms. Houston stated that she entirely agreed with Mayor Fuller that they never wanted to shortchange life safety requirements and felt that these should have been thoroughly vetted. She thought that the current situation was the result of a number of things and that there was no one answer to them. Mr. Sargent expressed his reluctance to make a forward commitment of nearly \$1 million and thought this could become a policy issue. Ms. Heyer noted that the project was already fully leveraged and could not support a loan. She added that it was built under different eras of the subsidy program and was hard to fundraise for.

Ms. Houston opened the meeting to public comment. Councilor Gentile stated that he had arrived late to the meeting and asked if the Trust was discussing the Coleman House funding. He stated that he had really wanted to hear about the FamilyAid project and had no comments on the current project. There were no further comments at this time.

Ms. Weber moved to allocate the amount of \$1.5 million as recommended by staff but not to address future requests at this time. Mr. Sargent seconded the motion. Mr. Sargent noted that staff had rounded the funding request off and asked if the Trust should actually provide \$1.471 million to save some of the existing funds. Ms. Weber asked if there was a reason that the staff had chosen \$1.5 million. Mr. Heath explained that that would use up the funding available at this time. He added that the FY24 funds would hopefully be approved by City Council on Monday and added to the Trust. Members unanimously voted to provide \$1.5 million in funding as recommended.

### **Status of the CPC FY24 Funding Recommendation**

City Council is anticipated to vote on the FY24 funding on Monday night. Ms. Houston encouraged everyone to reach out to their representatives for support for this request which had been previously approved by both the Zoning and Planning and Finance Committees.

### **Discussion on approaches to encouraging deeper affordability than IZ requires.**

Postponed to a future meeting.

### **Report on the Housing Priorities task force**

The task force will hold its first meeting in early December.

## **Other**

Ms. Houston thanked Councilor Bowman for her work in establishing the Trust.

Ms. Houston moved and Mr. Sargent seconded a motion to adjourn the meeting. The meeting was unanimously adjourned at 5:55P.M.