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Community Preservation Committee

MINUTES

February 11, 2020

The meeting was held on Tuesday, February 11, 2020 beginning at 7:00 pm in the Function Hall of the Newton Senior Center at 345 Walnut Street. Community Preservation Committee (CPC) members present included Chair Mark Armstrong, Vice Chair Dan Brody, Byron Dunker, Rick Kronish, Susan Lunin, Jennifer Molinsky, Peter Sargent and Martin Smargiassi. Member Robert Maloney was absent. Planning and Development Director Barney Heath and Community Preservation Program Manager Lara Kritzer were present as staff to the Committee and Ms. Kritzer served as recorder.

Planning Board members present for the meeting included Chair Peter Doeringer, Kelley Brown, Sudha Maheshwari, Jennifer Molinsky, Barney Heath, Kevin McCormick, and James P. Robertson Jr. Director of Housing and Community Development Amanda Berman, Housing Development Planner Eamon Bencivengo, Community Development Planner Tiffany Leung, and Community Planner Engagement Specialist Gabriel Holbrow were also present for the discussion.

[Blue, underlined phrases](#) below are links to additional information online.

Proposals & Projects

JOINT PUBLIC HEARING with Planning & Development Board on the [Newton Housing Authority acceptance of CAN-DO portfolio \(affordable housing\)](#) requesting \$1.105 million in CPA funding and \$426,744 in CDBG funding

Mr. Armstrong opened the meeting and reviewed the proposed process for the joint meeting of the CPC and Planning Board. Members of both introduced themselves at this time.

Newton Housing Authority (NHA) Director Amy Zarechian and Housing Authority Commissioner Vince O'Donnell were present on behalf of the application. Ms. Zarechian gave a PowerPoint application explaining the proposed funding request and NHA programs. She explained that the NHA was established in 1959 with a mission to create a high standard of affordable housing and was now the largest provider of affordable housing in Newton. She noted that they had previously been awarded CPA funding for the Hayward House project which had also recently been awarded Federal Tax Credits. Ms. Zarechian stated that the NHA oversees 298 Federal housing units and reviewed their programs, demographics and residential services.

Ms. Zarechian next explained the background behind the proposed acquisition of the CAN-DO housing inventory of deeply affordable housing units. CAN-DO no longer had the capacity to run and maintain this housing stock. The organization had entered into a partnership with the MetroWest Collaborative Development to oversee their housing stock but this ended on January

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30. The NHA planned to buy the units and would be hiring additional staff to accommodate the increase in their inventory. She explained the purchasing process, funding amounts and sources and presented CAN-DO's funding analysis and timeline.

Mr. Brody asked when the NHA would take over the management of the CAN-DO properties. Ms. Zarechian stated that they would take over as soon as they closed on the units, which they hoped to do in April. She added that this was not dependent on having hired for the new position but that they did hope to have someone on board soon. Mr. Doeringer asked about the \$395,000 reduction in the funding requested from the CPA fund. Ms. Zarechian explained that they had reprogrammed the funds to serve additional request from the Housing Partnership, including increasing the amount budgeted for supportive services to \$1000 per unit. Supportive services are not eligible for CPA funding. Ms. Molinsky noted that the 15% increase and scope changes had been made in part based on the suggestions of the City's professional Housing staff and Newton Housing Partnership. Mr. Sargent asked why only six of the properties would have mortgages placed on them. Ms. Zarechian explained that four properties already had State soft debt.

Mr. Sargent stated that it was not typical for the CPA funding to be used to pay down bank debt. Ms. Zarechian noted that CPA funding had been used to pay down the debt at the Wyman Street housing project. Mr. Brody asked to clarify who the CPA funding would be paid to. Ms. Zarechian stated that the CPA funds would be paid directly to the banks to eliminate existing debt. She noted that they were currently working on what that exact process would look like but that no funding would be going to CAN-DO.

Mr. Heath stated that the Planning and Development staff also had a presentation on the funding request. He noted that staff, including former Community Preservation Program Manager Alice Ingerson, had worked hard with the applicants over many months to address the issues and concerns raised by the project.

Mr. Bencivengo reviewed the PowerPoint presentation at this time. He noted that the acquisition included 33 units on 12 sites, all of which were low- to extremely low-income units. They had worked to make sure that the project included a cushion for the future and that the available funding sources were leveraged as much as possible. He reviewed the timeline and noted that the project included a total of \$2.305 million in City funding with \$1.2 million coming from the CDBG program (FY19, FY20, and FY21 funds) and \$1.5 million coming from the CPA fund.

The Chairs opened the meeting to public comment at this time.

Jeanne Strickland, Executive Director of the Newton Community Development Foundation (NCDF), stated that her organization was currently managing the CAN-DO portfolio. She noted the importance of maintaining these units for the families that lived there, some of whom were Newton's most vulnerable. She supported the project and was hoping for a quick sale of the properties to the NHA, which has the knowledge and experience to manage the units.

Lizbeth Heyer, Chair of the Newton Housing Partnership, stated that this low-income housing stock was extremely precious and hard to create. She appreciated the thoughtfulness of the

proposal and thought that planning for their future capital needs was important. She was happy to see this application and thanked the NHA for stepping up to take care of these units.

Kathy Laufer stated that she had sent her comments by letter prior to the meeting. Staff confirmed that both the Planning Board and CPC members had received the letter. A motion was made and unanimously approved by both the Planning Board and CPC to close the public hearing at this time. A joint discussion between the Planning Board and CPC members followed.

Mr. Kronish thought that the application was clear and to the point, explaining the importance of these units and the necessary social services that would be included. He stated that he was a member of the NHA's Board of Commissioners and confirmed that the NHA could handle the additional units and had a contract ready for their management. Mr. Armstrong noted that the CAN-DO portfolio's units wood frame construction located on scattered sites which made them more expensive to maintain. Mr. Sargent applauded the work of the Planning staff on this project. He thought that the project was the highest and best use for CDBG funding and noted that only 32% of the project funding was requested from CPA funds, which showed that the project was well leveraged and a good use of the funds. He agreed that low-income housing was very expensive to develop and noted that the new Village Bank loan would allow them to start anew and well underwritten. He agreed that the proposed operating reserve was necessary for the scattered site housing and allowed for critical needs to be met. He thought that the applicants had addressed the CPC's questions and that the revisions and responses were a big improvement.

Ms. Molinsky asked about technical assistance to the project and why the CDBG funding would require the Consolidated Plan to be amended. Ms. Berman explained that the funds were all previously unallocated CDBG funds that had been set aside in anticipation of this project. Her memorandum showed that the lion share of the funds would come from FY19 funds, but some would also be coming out of the FY20 funds. This project had not been contemplated when the existing Action Plan was written and the proposed change in the use of funds was considered to be a substantial amendment to the Plan. This was a technical requirement of HUD and staff was asking the Planning Board to fund the project and take action to amend the necessary Plans. She added that they were also using FY21 pre-commitment funds and would be coming back to the Planning Board in the next month to review them. It was noted that these funds had been set aside to be used for housing and that the Federal funding timeline required the funds to be used soon.

Mr. Doeringer read a draft motion for the Planning Board's approval of the funding. Mr. Brown asked when the FY21 funds would be available. Ms. Berman explained that they would could be used beginning in July 2020 but that the City did not expect to receive the funds before September or October. This would not be an issue, though because the CDBG funding is a reimbursement program and it was anticipated to take the Housing Authority six to nine months before they would be ready to request the reimbursements. Mr. Brown stated that he would like to see an assessment of how the CDBG funding would be used before the funds were spent. Mr. Doeringer suggested that Mr. Heath could address this information in the reporting required by the proposed motion. Mr. Heath stated that this would not be an issue as the project needed to go out to bid. He suggested that they provide information to the Planning Board throughout the

process. The Planning Board motion was passed by a vote of six to zero with one abstention (Mr. Heath).

Mr. Armstrong asked if CPC members had any other comments on the project. Mr. Brody suggested that the Chair and staff work on finalizing the project recommendations and conditions. Mr. Sargent moved that \$1,105,000 in CPA funds be recommended for use under the support of community housing for the Newton Housing Authority's acquisition of the CAN-DO housing portfolio according to the conditions noted in the recommendation.

VOTE As moved by Mr. Sargent and seconded by Mr. Brody, the motion was adopted by a vote of 8-0.

Committee Business

Approval of January 14, 2020 Draft Minutes – Members had received copies of the draft minutes for review prior to the meeting. Mr. Sargent moved to approve the draft minutes for January 14 as submitted. Ms. Lunin seconded the motion, and ALL VOTED IN FAVOR.

Mr. Sargent moved to adjourn the CPC meeting. Mr. Brody seconded the motion and ALL VOTED IN FAVOR. The meeting was adjourned at 7:50 P.M.