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Community Preservation Committee

MINUTES

May 4, 2020

The virtual joint meeting was held online on Monday, May 4, 2020 beginning at 7:00 pm. Community Preservation Committee (CPC) members present included Mark Armstrong, Dan Brody, Byron Dunker, Rick Kronish, Susan Lunin, Robert Maloney, Jennifer Molinsky, Peter Sargent, and Martin Smargiassi. Planning and Development Director Barney Heath, Assistant City Solicitor Marie Lawlor and Community Preservation Program Manager Lara Kritzer were also present. 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, Sonia Parisca, 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.

Mr. Armstrong and Mr. Doeringer opened the meeting and all members introduced themselves at this time. Ms. Kritzer briefly reviewed the CPC's proposal review process and the procedures for the virtual proposal review.

Proposals & Projects

COVID-19 Emergency Housing Assistance Program Proposal

Mr. Heath explained the growing need in the community and how they had looked closely at similar programs in surrounding communities in crafting the current proposal. Their team had carefully reviewed these and other similar programs and had considered multiple formulas for determining household eligibility. They had also closely considered how CPA funding could be most effectively used by the program to meet the growing need. He introduced Amanda Berman, Director of Housing and Community Development, who would be presenting the project and Marie Lawlor, Assistant City Solicitor, who was available to answer any legal questions.

Ms. Berman presented a PowerPoint presentation on the proposed program at this time. She explained that they had put a lot of thought into how to best implement the program and had spoken to a number of boards, committees, and agencies to develop a clearer picture of who had been impacted by the current COVID-19 crisis and how best to provide assistance. She explained that there was currently a critical need within the community for housing assistance. Prior to the COVID-19 crisis, 27% of Newton households were considered to be low to moderate income, meaning that they were at or below 80% of Area Median Income (AMI). In addition, 31% of Newton households before

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the current crisis were considered to be Housing Cost Burdened, meaning that they spent more than 30% of their income on housing. This included 30% of all renter households, and 47% of those households who were below 80% AMI. Ms. Berman explained that it was difficult to estimate the current levels, but that as of April 30, 24% of the Massachusetts civilian labor force had filed for unemployment. If that percentage is applied to Newton, it would represent 11,370 residents. Ms. Berman also noted that in their conversations with service providers, rent was mentioned as a major need.

Ms. Berman explained that the proposal called for a short-term housing stabilization program which would assist households that had been negatively impacted by COVID-19 with up to three months of rental assistance. The program would also provide mortgage assistance for those already living in deed-restricted affordable housing. She explained that households would need to meet income requirements and reviewed the anticipated amount of funding. This would be a single program funded by both CPA and CDBG funding and the City would partner with Metro West Collaborative Development (MWCD) to administer the funding. MWCD was already running similar ready renter programs and the City believed that the organization had the capacity and experience to run this program as well. Ms. Berman reviewed the FY20 income requirements and explained that the CPA funding could be allocated to households that made up to 100% AMI, while the CDBG funding could only be used for those below 80% AMI.

The CPA funding proposal requests \$2 million in funds for the program, which would be partially matched with \$500,000 in CDBG funding for a total of \$2.5 million. Households would be limited to a maximum of \$7,500 over three months. Program administration would be capped at 7.5% of the program funds, or \$187,000, which would be split between the two funds. Ms. Berman noted that eligible households were ones that live in Newton, have a financial hardship, make less than 100% AMI, and either rent or own a deed restricted unit. Households receiving other assistance would not be eligible for this program. Ms. Berman reviewed the program's marketing plan, which would run from May 13-27, with the lottery to be held on June 3. She explained that the outreach plan included using City and local resources and partners to reach as many residents as possible. Ms. Berman reviewed the timeline and explained that they were working on a quick turnaround to launch the program in order to have the first wave of assistance ready for July 1st rent deadlines.

Mr. Kronish stated that he appreciated the work that had gone into the program and was impressed and troubled by the difficulty of developing and administering it. He noted that 100% AMI for a family of four would be over \$100,000 and noted the differences of wealth in the community. He thought a person in this income range would be doing relatively well and would typically have other resources to draw from. He noted that many Section 8 and lower income households could not handle an emergency and suggested that the program have a two segment approach with some portion of the funding dedicated to those below 60% AMI. Mr. Heath answered that the intent had been to open the program to as wide a group as possible. He thought that there was a likelihood that lower income households would have a greater hardship at this time but explained that they would not really know until they saw who was applying for the funding.

Mr. Armstrong asked how MWCD had been chosen to work with on this program. Ms. Berman answered that they were selected after discussions with members from other Newton organizations, all of whom either had a conflict of interest in administering the funding or lacked the capacity to run

this type of program. MWCD was a strong partner and they had an already established relationship from other projects. MWCD had also already been working on a template for this type of program before the City began its work, and MWCD understand what can and should be done to effectively implement the program.

Councilor Humphrey stated that he was interested in furthering the program's outreach and noted that there were many renters in Ward 5. He asked if the Planning Department had a list of where renters lived in Newton, and whether flyers would be available that could be dropped off at people's doors. He asked the applicants to consider how they could work to get the word out as widely as possible. Mr. Heath stated that they could identify the multi-family housing in Newton, which gave an idea of where at least some of the rental units might be, but that the City did not keep a specific list of rented properties.

Mr. Doeringer noted that the Planning Board would have a second chance to discuss this item later in the evening when its CDBG funding was reviewed. He noted that the CDBG funding would be restricted to those below 80% AMI and was very enthusiastic about the proposed program. He did like the idea of focusing assistance on those households below 60% AMI and suggested that the program funding could be divided into thirds with one-third to be used for those between 80% and 100% AMI, one-third for those between 50% and 80% AMI, and one-third for those making less than 50% AMI. He suggested that the first name submitted in each category would then be the first funded.

Mr. McCormick expressed concern with getting the word out the program as widely as possible. He noted that there was currently an eviction moratorium in place and wondered if that could provide the program with more time to develop its plans. He noted that the Massachusetts Housing Partnership had also suggested the idea of getting landlords involved in the process and wondered if this should be included in the proposed program. Mr. Heath stated that the department had good contacts with Health and Human Services which would assist in spreading information on the program. He noted that the need for food assistance had increased dramatically, and that this would also be an avenue to get the word out to those in need. He explained that they had discussed landlord participation and that there would be an option on the program's landlord form if they were interested in taking part. However, they also were concerned with the issue of landlords who might not want to participate, as it would not make their tenants less needy. It was decided that landlord participation would not be a program requirement so that tenants of unwilling landlords would not be penalized.

Ms. Parisca asked how the applicants would demonstrate hardship. Ms. Berman stated that the applicants would submit bank statements, pay stubs, and documentation of job termination or unemployment. Mr. Brown asked what the logic was behind restricting mortgage assistance to those who already lived in deed-restricted units. Mr. Heath noted that it was hard to judge the fundamental fairness of aiding those who owned a house or unit that could be sold at market value in Newton. He noted that homeowners had a lot more options than renters and that most CPA communities were focused on the rental market. Ms. Kritzer also noted that the CPA funding was restricted to homeowners who were in deed-restricted units.

Ms. Molinsky asked what the demand was from mortgagees, and whether they were considered to be more affordably housed than others. She asked about the rental eviction versus foreclosure situation but understood that this might make the program harder to manage. She wondered if there was a reason to do this program now versus in a few months when there would be more information available on what types of need were most necessary and whether further federal funds might be available.

Ms. Berman stated that they were proposing to use the majority of the CARES CDBG funding for this purpose as they felt it was the strongest and best use of the federal funds. These funds were in addition to their annual allocation, which they still expected to receive. She noted that the City had approximately 75 affordable deed-restricted homebuyer units but that it was hard to estimate their need as their annual incomes were not monitored once the purchase was complete. She stated that the proposed program was their best attempt to try and support some of Newton's households as much as possible, noting that these households would still need to demonstrate hardship and meet the household income requirements. Mr. Heath noted that households in deed-restricted units were also limited in both who they could sell to and how much they could earn in the sale.

Mr. Maloney noted that the schedule allowed for a very short time period between the opening of the program and the lottery. He asked if the deadline could be pushed back to provide more time for applicants to submit applications. Ms. Berman responded that this was a procedural question, as the program needed time to process applications and issue checks before the first allocation on July 1st. Mr. Dunker asked how the applicants would be chosen for the program. Ms. Berman explained that the lottery would be used to create a wait list to determine the order of funding, which was considered to be the fairest way to make that decision. The plan was to use the CDBG funding, which was more restricted, first, then to move to the CPA funding when the federal funds have been expended. If this funding was not enough to meet the current need, then the program would be reassessed in the future.

Mr. Smargiassi asked what would happen if a vulnerable family applied after the lottery deadline. Ms. Berman explained that applications would still be accepted and would be handled on a first come, first serve basis after the lottery. Mr. Sargent thought that there had been a lot of great thoughts and comments expressed during the discussion. He noted that this was similar to other PPP programs underway and appreciated the thoughtful commentary. He also thought that there was an urgent need for the program and that it needed to be done very quickly. Mr. Sargent agreed with the applicants that the City needed to get the funding out and move forward with the program.

Mr. Sargent left the meeting at this time. The Chairs opened the discussion to public comment.

Janet Sterman asked if the City had already received this federal funding and if it had been previously slated for other uses or was new funding. Ms. Berman answered that this program would use new CDBG funding which was part of the recent CARES Act. Ms. Kritzer confirmed that the CPA funding would come from the CPA program's existing unrestricted reserve funds. Ms. Berman reviewed the funding process and explained that MWCD would release the funding to the applicants. It was also noted that the administrative fee would be \$500 per successful application, with a program maximum limit of 7.5%.

Amy Zarechian, Newton Housing Authority, asked that the CPC consider including households that were already receiving other assistance. She explained that many of their households were at 50% or 30% and that while the Housing Authority could adjust their rent down, in many cases households now had other expenses to deal with due to the emergency. She stated that many already had high credit card debts and low savings and that the average rent paid was \$300. Ms. Zarechian thought that even a payment of \$40 would help in many cases.

Marcia Johnson, Newton League of Women Voters, expressed concern with how word would get out about this program, and how the reporting function would work with MWCD. She was not sure that the need for this program would be over in three months, and wondered what else could be done moving forward. Ms. Berman answered that there were reporting requirements for HUD that were part of the CDBG funding which would be passed on to MWCD. They would be required to produce reports on a monthly basis and review required elements with City staff. She noted that City staff had been meeting on a daily basis with MWCD over the last three weeks and planned to continue these meetings on a regular basis throughout the life of the program. Ms. Johnson asked if the same reporting process would be done with the CPA funding and the Applicants responded yes. Ms. Lunin stated that she thought there would be a need for this funding for a long time and agreed that good reporting would be helpful if they needed to make adjustments in the future.

Josephine McNeil thought that it was a good idea to have three separate pots of funding based on income level. She explained that her primary issue was that the program should be designed to help the most vulnerable. She had reviewed the draft guidelines and program documents and reiterated that the two week period for applications was too short, particularly for engaging with those at the lowest income levels. She questioned the level of household eligibility and the list of documents that would need to be provided. Ms. McNeil asked what the rationale was for asking whether the household had applied for unemployment insurance and asked if the extra \$600 in unemployment and \$1,200 stimulus funds would be considered as well. If the household was selected for the lottery, she did not think that five days was sufficient to get the landlord's required documentation. She also wondered why the program was asking if the applicant was a Veteran.

Ms. Berman explained that the extra unemployment and stimulus funds would be considered as part of a household's eligible income. She discussed how an application would be reviewed and noted that no one would be eliminated from funding just because they had filed for unemployment, but that this was useful information that the program wanted to have. Ms. Berman added that she believed the Veteran question was a HUD funding information request. Ms. McNeil thought that the program agreement with MWCD should be available for review.

Alison Sones suggested that efforts should be made to make the application and program documentation available to the deaf community. Mr. Heath asked what the best way would be to get this information out to the deaf community. Ms. Sones stated that mail, videophone calls, and emailing were the best means for providing the information. Mr. Heath asked if there was a clearing house or organization which the program should contact, and Ms. Sones suggested some of the statewide organizations, including the Massachusetts Commission for the Deaf and Hard of Hearing. Ms. Berman explained the existing reasonable accommodation process that was in place for the program, and that the City's ADA coordinator, Jini Fairly, was also a resource. Ms. Sones stated that she had worked with Ms. Fairly in the past. Ms. Fairly was also part of the meeting and stated at this

time that any standard print material could be made accessible and that it would be good to connect community members through the Mayor's emails. She noted that there was no central database for these materials and that mail was also a good idea.

Ms. McNeil thought that the best way to reach renters would be to contact the City Assessor's office for a list of all the multifamily housing in Newton.

Public Comment was closed at this time.

Mr. Kronish stated that he would like to discuss the structural issues of the program but agreed that the situation was distressing.

Ms. Molinsky suggested that the program should be extended to those households already receiving housing assistance from other sources and that the timeline for applications should be extended. She thought that this was a big step for addressing the crisis but was also concerned that there would be other needs in the future. She thought the program was a good one and supported moving it forward.

Mr. Brody agreed with Ms. Zarechian's comments and thought that a greater portion of the funding should be targeted to lower income households.

Mr. Armstrong also agreed that the funding should be available to subsidized housing recipients.

Members discussed how best to proceed. Mr. Heath thought that it made sense to amend the program to allow funding for those already receiving housing assistance, noting that this was relatively small funding amount. He agreed that the funding deadline should be pushed back and the application period extended from two weeks to three weeks. He was open to considering direct funding to specific incomes. Ms. Berman agreed and stated that she would leave it to the CPC to recommend the household income limits.

Mr. Armstrong asked if all of the lowest income households could be served through this program, and if there was anyway that anyone could be shut out of it. Ms. Berman stated that she was not sure but noted that the \$500,000 from CDBG funding would be restricted to those below 80% AMI. She noted it was possible that they could have more people in this funding range than was available with just the CDBG funds. Mr. Doeringer thought that the issue of directly funding lower income households was important and noted that the lottery would take care of the question of fairness. Mr. Maloney asked about household assets. Ms. Berman explained that this program would not have an asset requirement. She reviewed the criteria and noted that they were trying to strike a balance between getting enough information and not making the process onerous.

Mr. Kronish thought that it was difficult to look at providing funding to those with existing wealth. He preferred to see the funding limited to those below 60% AMI but stated that he could live with 80% AMI. Mr. Smargiassi liked that the funding would be directed to those with greater needs and wondered if the amount given could be based on need and cost as well. Ms. Molinsky asked how the amount of funding would be determined. Ms. Berman confirmed that households would receive 70%

of their monthly housing costs up to \$2,500 per month. Ms. Lunin suggested that they consider a modified lottery that would give more weight to those with the greatest need.

Mr. Brody moved to recommend that \$2,000,000 in CPA unrestricted reserve funding be allocated to the COVID-19 Emergency Housing Program so long as the program is available to households which are already receiving housing assistance from other sources, is limited to households with incomes below 80% AMI, and that the application deadline extended by one additional week, with the additional request that staff explore the possibility of targeting funding more directly to lower income households. Ms. Lunin seconded the motion which unanimously passed by roll call vote, 8-0.

Mr. Maloney moved to adjourn the joint meeting at this time. Mr. Armstrong seconded the motion and all voted in favor by roll call vote. The Planning Board continued their meeting.

As there was no further business at this time, Mr. Kronish moved to adjourn the CPC meeting. Mr. Armstrong second the motion and all voted in favor by roll call vote.

The meeting was adjourned at 9:03 P.M.