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**Community Preservation Committee**

MINUTES  
23 January 2018

The meeting was held on Tuesday, 23 January 2018 starting at 7:00 pm in Newton City Hall Room 204.

Community Preservation Committee (CPC below) members present: chair Peter Sargent and members Mark Armstrong, Dan Brody, Byron Dunker, Beryl Gilfix, Richard Kronish, Susan Lunin, and Robert Maloney.

Community Preservation Program Manager Alice Ingerson served as recorder.

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

Peter Sargent welcomed new CPC members Byron Dunker and Robert Maloney. Sargent also thanked former chair Jonathan Yeo for his service and leadership of the Committee.

Alice Ingerson briefly summarized the program's [currently available funds](#) and the potential impact of the two current funding requests on those funds. She also compared the total cost and allocation by CPA-eligible resource – affordable housing, historic resources, open space and land for outdoor recreation – of the Committee's [current list of possible future proposals and the 5- and 10-year forecasts of Newton's total CPA funding](#). These summaries and comparisons are attached at the end of these minutes.

## **PUBLIC HEARINGS**

[JACKSON ROAD/HAYWOOD HOUSE](#) (Newton Corner, new senior housing) – Newton Housing Authority (NHA) request for \$2,500,000 in CPA funding

Vince O'Donnell, a Housing Authority commissioner, made [this presentation, which is online from the CPC's webpage for this project](#). He explained that his professional background was working with nonprofit organizations and public agencies to develop affordable housing. This project has now been officially renamed Haywood House, in honor of longtime Newton housing activist and community leader Reverend Howard Haywood, pastor emeritus of Myrtle Baptist Church in West Newton.

O'Donnell explained that nationally, funding for affordable housing is now more difficult to obtain than it has been in a long time. As the largest provider of affordable housing in Newton, serving 1,300 residents through a combination of subsidized housing it has developed or owns and housing vouchers, NHA identified this site about 2 years ago as an opportunity to add new affordable units. The City's [Newton Leads 2040 Housing Strategy](#) also identified this project as its top priority.

The project site is the sloped, vacant portion of the parcel acquired to develop the Jackson Gardens project on Kennedy Circle in the 1960s. All 55 one-bedroom units at Haywood House will be for residents over the age of 62; 32 units for households with incomes below 60% of the Area Median Income (AMI), including 11 for households below 30% AMI; 10 units for households with incomes up to 99% AMI; and 13 units without income restrictions, with below-market rents that are affordable for moderate-income households. All units in this elevator-served building will be adaptable and visitable, with 3 units fully accessible for individuals with

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mobility impairments. 6 units will be for individuals who are homeless or at risk of homelessness. Within the legal requirements for fair housing, NHA is asking to give preference to Newton residents for 70 percent of the units. All units will have the same designs and finishes, regardless of the income levels targeted. The new building will have laundry facilities for the residents of both Jackson Gardens and Haywood House, as well as a community center that will host both supportive services for NHA residents and activities for the community. In response to a question from former City Councilor Amy Sangiolo, O'Donnell confirmed that all 55 units will be listed on the state's Subsidized Housing Inventory.

O'Donnell described the building's orientation on the site. The curved, 4-story side facing Kennedy Circle will include the main entrance and only vehicular access. The taller side facing Jackson Road will have pedestrian access only for residents of the ground-floor units. The building will be set back from the wide area inside the Jackson Road sidewalk that is controlled by Newton's Parks & Recreation Commission.

O'Donnell concluded by summarizing the project's major funding sources, including low-income housing tax credits (LIHTC), a bank loan, about \$4 million from various state programs, the \$2.5 million CPA request, and having NHA collect \$710,575 of the allowable developer fee gradually rather than up front. This fee will be used for resident services. Of the project's total \$26,060,575 in costs, about \$20 million are for design and construction. At about \$474,000 per unit, the total development cost is at the high end the state will consider for funding, even when the project's high excavation and foundation costs are divided among 55 units. If the cost of the community center is excluded, the per-unit cost for the housing alone is about \$445,000. Though the state Dept. of Housing and Community Development is supporting the project in concept, it recently decided not to accept an application for state funding of Haywood House until 2019. To strengthen that application, NHA is seeking from the City of Newton an amendment of its Special Permit for Jackson Gardens, to allow use of the site, and a Comprehensive Permit for the new building itself.

### **public comments**

Sami O'Reilly, 239 Watertown Street, praised the Housing Authority's mission but questioned several aspects of the project. She believed Haywood House construction should be coordinated with several major City construction projects in the neighborhood, for which schedules have not yet been set, including repair of the Laundry Brook culvert along Jackson Road, the new elementary school at Aquinas and renovation of the existing Lincoln-Eliot school. She was not sure the neighborhood's water and sewer infrastructure could accommodate 55 more units or that the project budget included the cost of infrastructure improvements. She believes the site's soils were affected by underground [Nonantum TCE plume](#). Based on a project with a similar site in Brighton, she expected significant cost overruns on Haywood House and suggested that it might be better for NHA to hire a developer rather than serve as the developer. She believed the proposal's visual images exaggerated the building's setback from Jackson Road. Based on living near the Nonantum Village Place senior development, she also thought this project would eventually generate a demand for emergency vehicle access and curb cuts on Jackson Road.

Sue Flicop, 145 Florence Street, spoke on behalf of the League of Women Voters. The League was concerned to see two projects on the same agenda each requesting about \$2.5 million. They would like to make sure CPA funds are also available for smaller, community-based groups and not just for City projects. They applauded the significant leverage of non-CPA funding in the Haywood House CPA request. As in their review of a prior version of the proposal, they remained concerned about the loss of green space and about potential flooding from Laundry Brook, even though it is culverted. They were puzzled by the project's high total development cost per unit. Overall, however, the League continued to support the proposal.

Victoria Bacanurschi, 198 West Street, was concerned about the additional traffic this project might create on streets connected to Kennedy Circle, including Green Street where she and her children walk to and from school. A traffic guard was hit by a car last year in a nearby intersection.

Terry Sauro, 50 Cook Street, is head of the Nonantum Neighborhood Association but spoke on her own behalf. She agreed there was a great need for senior housing, but she felt this project site was inappropriate for 55

units. She was also concerned about traffic, once the new elementary school opens at the Aquinas site and the old Lincoln-Eliot school becomes School Dept. swing space.

Lois Margaret Dominique, 38D Ash Street, lives in senior housing and agreed it was a great need in Newton. As a retired nurse, however, she believed many current residents of NHA senior housing really needed a different type of housing, with mental health services. She felt many of NHA's current developments needed significant repairs, including her own, where the heating system could not get the temperature above 60° F. on very cold days. She was concerned about NHA's management of Haywood House after the initial, federally required 10-year private management contract expired. Her apartment was in very poor condition when she moved in. She felt NHA should take care of its existing tenants before building new housing.

Tim Snyder, 341 Linwood Ave., Newtonville, spoke on behalf of [Our Revolution Newton](#) in support of the project because, unlike some other recent projects, it is majority affordable and moderate-income housing, because of its 70% preference for Newton residents, and because its community center would build a sense of community both within and around the project. Using land NHA already owns was efficient, since buying land for housing was very difficult and expensive in Newton. The group recognized that federal and state cutbacks had hurt people that need housing assistance.

Student Logan Rabe and his father Art Rabe, both of 171 Old Farm Road, both supported the project. Logan believed affordable housing was a great need in Newton. He understood concerns about the site and the condition of existing NHA units, but he believed the project would use its site efficiently. His father agreed that opportunities to address Newton's affordable housing needs were rare. Rabe supported this project because of its location and its nonprofit developer. He also felt the project would not generate major traffic.

Wendy Plesniak, 38 Waban Street, sent a letter to the CPC ahead of the hearing on behalf of the Jackson Historic Homes Neighborhood Association, but spoke on her own behalf. Many neighbors strongly supported affordable housing for Newton seniors but felt that both this project and a luxury senior housing project also proposed nearby would strongly change the character of the neighborhood by adding tall, light-industrial style buildings that were too large and dense for their sites. She considered NHA an excellent provider of housing and services but was disappointed to see them defending this inappropriate site.

Nancy and Robert Patriacca of 110 Nevada Street, Newtonville, shared prior speakers' concerns. They still own Mr. Patriacca's childhood home at 56 Cook Street in Nonantum. He felt the Haywood House proposal did not include enough parking and needed a traffic study. In combination with other large, dense projects recently approved in Newtonville, both felt that Newton was losing its "village" feel. They called for more coordinated planning of projects for the neighborhood as a whole. They supported an alternative suggested at a recent neighborhood meeting with NHA: using the City-owned site on the east side of Jackson Road, the former Aquinas College, not only for the planned new elementary school but also for open space, a new senior center, and new senior housing. Having voted for the CPA to preserve open space, they saw such a multi-purpose project as a more appropriate use of CPA funds than the Haywood House proposal.

Anita Sheehan, a resident of the NHA Echo Ridge project on Thurston Road in Newton Upper Falls, said she had experienced no problems with initial conditions or maintenance. Of that project's 18 parking spots for 40 units, 2 spots have long been vacant. She supported Haywood House as an opportunity to provide desperately needed senior housing that would be built correctly.

### **CPC discussion**

As no one else had signed up to speak about Haywood House, Sargent closed the public hearing and opened the CPC working session.

In response to a question from Dunker, Ingerson explained that, based on past discussions, the CPC and NHA had agreed that if the requested CPA funds were recommended and appropriated, the City would reserve those funds for the project but would only execute the grant agreement required to release the funds once the project had secured all other funding needed. If the project had not started within 2 years after the initial CPC

funding recommendation, NHA would need to start the CPA proposal process over.

Sargent explained that most first applications for housing tax credits were not funded. Since NHA was not invited to submit a full application in 2018, its first application would probably be invited in 2019, and it was likely to receive an allocation of credits only in 2020. State approval of the credits is more likely if there is a local funding commitment first. He felt the conditional CPA commitment under discussion was important to help the project move forward. He also felt the support services hosted at Haywood House would help other seniors beyond this specific site.

In response to Robert Maloney, O'Donnell explained that NHA would appear before the City Council's Land Use Committee on February 13, to request the changes to the 1960s Jackson Gardens special permit required for the Haywood House project to go forward, including the new parking plan for both developments. After that, they would appear before the Zoning Board of Appeals to request a Comprehensive Permit. The state has issued the site eligibility letter required to start the Comprehensive Permit process.

Beryl Gilfix recalled that in its December 2017 discussion with the CPC, NHA had estimated that Haywood House was about 5 years away from construction. During this long lead time, she felt the project's numbers and even its location might change.

In discussion with Maloney, project architect Ahmed Idris said the project's cost estimates were based on the 50% schematic design and the current, revised design and reflected the combined work of the owner's project manager (Pinck & Co.) and general contractor/construction manager (Colantonio, Inc.), each of whom had been hired through a competitive process and based on their expertise in the type of site work this project needs. The project will have a guaranteed maximum construction price.

Dunker sympathized with the neighbors' concerns about the project's size, but he felt the permitting process could require additional changes to mitigate those concerns. Susan Lunin agreed that the CPC could support the project conditionally, while letting other City bodies and expert reviewers work to improve the project.

Mark Armstrong applauded the Haywood House design for mitigating the building's bulk while accommodating the maximum number of units. He felt the 4-story side of the building facing Kennedy Circle would be more compatible with the existing Jackson Gardens development than some people might fear. Even if the elevation drawings are not perfectly accurate, he was confident that the site plans did show the full setback from Jackson Road described in the proposal.

Sargent supported the project partly because it would highly leverage CPA funds, which would be a bit less than 10% of the project's total budget. In response to Maloney, he noted that the \$710,000 developer fee that NHA proposed to defer was only a portion of the total developer fee, which is regulated and capped by the state. For projects with very high development costs, such deferrals were a standard way to fill funding gaps.

Maloney noted that recent federal tax changes would depress the value of the project's hoped-for housing tax credits. Sargent felt that the project budget's estimates for the final market value of the federal credits were slightly high, but its estimates for state credits were credible. After great volatility following the 2016 national elections, the value of tax credits now seemed to be stabilizing. Though overall demand for these credits has been reduced, Sargent believed there would be high demand for credits from a Newton project.

Christine Long, NHA capital improvements coordinator, joined O'Donnell in thanking the public and CPC members for their comments. They noted that the project's high per-unit costs mostly reflected the challenges of its site. They believed the current project team's engineering, project management and housing finance expertise more than made up for NHA's own lack of recent development experience. In response to comments about NHA's current properties, Long said she was writing a grant to replace the heating systems at 4 projects, and O'Donnell said NHA was developing a long-term plan for applying its total reserves to the needs of its entire portfolio. Haywood House would be designed to minimize maintenance costs, and its development and operating budgets would include replacement reserves. Both stressed that NHA was also working to improve services for its current residents, including non-seniors with special physical or emotional needs.

Finally, both Long and O'Donnell emphasized that the other City bodies involved in permitting for Haywood House would require careful study of both traffic and drainage and would also provide additional opportunities for public comment. They hoped that the final project would be acceptable to the neighbors and would blend into the neighborhood. Long had been assured by the state Dept. of Environmental Protection that the site was not affected by the Nonantum TCE plume.

VOTE Gilfix moved and Armstrong seconded recommending the requested \$2.5 million in CPA funding for Haywood House, with the conditions below. The motion was adopted by a vote of 7 -0-1, with Maloney abstaining because he preferred to reserve judgment on the project until its design was finalized in response to other required City reviews.

Funding conditions:

1. The CPC recommendation will be valid for two years. If tax credits have not been committed for the project within that time, the Housing Authority must re-start the CPA funding process.
2. If project construction has not begun within 3 years after the CPC recommendation, the Housing Authority must request a written extension from the CPC.
3. The release of CPA funds will be governed by a grant agreement governing the phased release of CPA funds, with the usual conditions for past housing projects, including a final report to the CPC and return of unspent funds.
4. The grant agreement should also require an independent audit of the project's accessibility features, to ensure they are both designed and built to the applicable standards.

[CRESCENT STREET](#) (Auburndale, affordable housing & playground) –request for \$2,575,000 in additional CPA funding for final design & construction

### **presentation**

As chairman of the Crescent Street Working Group (WG), Councilor Leonard Gentile asked all members of the WG and the design team to introduce themselves: Shule Kapanci and Elaine Rush Arruda, WG neighborhood representatives; Rudy Barajas, Alyssa Languth, and Michelle Ciccolo for the Owner's Project Manager (OPM); David Eisen, architect; Deneen Crosby, landscape architect; Commissioner Josh Morse and project manager Rafik Ayoub of the Public Buildings Dept.; Director Barney Heath and housing planner Amanda Berman of the Planning Dept.; Parks & Recreation Commissioner Bob DeRubeis; City of Newton Chief Financial Officer Maureen Lemieux; and City of Newton ADA Coordinator Jini Fairley. In response to Rick Kronish, Morse confirmed that the project's consultants had been hired through competitive bidding.

As when the group most recently presented to the CPC on 28 November 2017, the project includes 8 rental apartments, evenly split between 2- and 3-bedroom units. 6 units will have income restrictions for households with between 60 and 120% of the area median income (AMI). There has been some change in total square footage, and utilities costs have been reallocated between the park and the housing. After the City declared the site surplus over 6 years ago, a 2015 order governing its reuse was adopted by 22 of the 24 aldermen, with the only 2 opposing votes from aldermen who wanted the site to be used entirely as a park.

For [the presentation, which is online from the CPC website](#), Crosby summarized the basic site plan, with the housing near the Turnpike and the site's remaining 1.3 acres as a "park with a playground in it." The park will have three planted entrances, from Crescent Street, Myrtle Baptist Church, and possibly from Auburn Street through the Eversource site. The park will be multigenerational, with a perimeter path, exercise area, separate play areas for older and younger children, a picnic grove, and an outdoor platform or stage for events and activities. The park will also honor the history of the neighborhood, especially before a portion of it was taken for the Massachusetts Turnpike, in an interpretive plaque and maps, in quotes and in other features that capture playful childhood memories of the neighborhood.

Michelle Ciccolo, whose firm was working on the project's housing component as part of the OPM team, acknowledged that the project's process was lengthy, but she felt the results would ultimately be a model of how to use CPA funds effectively for affordable housing. The location is ideal, both near transit and on a park. Unusually, these affordable units will be large enough for families. They will also be permanently affordable at a range of income levels. All 8 units will count toward Newton's total on the state Subsidized Housing Inventory (SHI). The project will also revitalize an under-used public site.

### **public comments**

On behalf of League of Women Voters, Sue Flicop thanked the group working on the project. A larger group of League readers had evaluated this proposal than had read proposals for earlier phases of the same project. They supported both affordable housing and parks as uses of CPA funds but would like the City Council to review its limit of 8 housing units, and the City to revisit its decision to act as the developer. Adding more units could reduce the project's high per-unit cost, and partnering with a non-City developer could give the project access to funding sources other than Newton public funds. They felt the project needed more work.

Elaine Rush Arruda, 192 Commonwealth Avenue, spoke as a WG member. She felt the combination of community feedback and work by City staff and the consultants had made the project the best it could be. She believed a private developer would not have made 6 out of the 8 units income-restricted, and that the outdoor space assigned to each unit truly made these apartments homes. After paying off the non-CPA City bonds used to finance it, the project would continue to generate income for the City, but a private company would handle all maintenance. The expanded park would be both larger and more accessible than the current playground and would be used by residents from throughout the City. The park would honor the history of Newton's first black neighborhood and remember the taking of land for the Turnpike. The project's site plan and design fit in context of the neighborhood. The project had both broad Citywide support and support from abutters and neighbors.

Lynn Weissberg, 5 Alden Street, summarized the letter submitted to the CPC by U-CHAN, Engine 6 and Livable Newton, with 60 signatures. The letter's signers strongly supported affordable housing but agreed with both the original Joint Advisory Planning Group and the Design Review Committee that the site could and should accommodate more than the proposed 8 units of housing. They were concerned about the high cost of the proposed housing, especially since the project had no site acquisition costs. They saw it as a bad precedent for the City to serve as the developer. They believed many people throughout the City did not support the project. They urged the CPC not to recommend funding for the project in its current form.

Judy Jacobson, 289 Cypress Street, deputy director of the Mass Housing Partnership, had served as vice chair and chair of Newton's CPC and thanked the current CPC members for their service. She spoke as a resident of Newton for 28 years. She thought projects that addressed more than one CPA category were exciting and was very happy that this project would provide much-needed rental housing for families. However, the current proposal would not use CPA funds efficiently, and the project's economic viability had not been demonstrated. Of the 68 companies invited to bid on property management services for the project, none had submitted a bid, she believed because they did not consider the project viable as currently framed. She urged the current CPC to follow the past CPC practice of commissioning an independent, expert review of the project's finances, and to have the operating budget vetted by an outside property manager. As a housing professional, she had never funded a project without this vetting. She hoped the CPC would decline to recommend funding for the project as currently proposed.

Catherine Jordan, 13 Prospect Street, has used the playground for her home daycare business for 25 years. She did not feel the current park plan included a large enough playground and was uncertain whether it would include facilities for toddlers. She and her husband Albert Quern were concerned about traffic and safety issues, including ensuring safe access to the park through the Myrtle Baptist Church parking lot and possible undesirable uses of the park at night.

Sandra Lingley, 24 Curve Street, a new member of the Commission on Disabilities, had benefited from CPA housing funds as a resident of Myrtle Village. However, her brand-new unit, which was advertised as fully accessible, had required multiple interior and exterior changes after she moved in, to meet accessibility standards. She wanted to ensure full accountability for meeting these standards at Crescent Street.

City Councilor Jim Cote represents Ward 3, which includes most of the Crescent Street site. He had met many neighbors distressed by the huge new projects being built around the neighborhood, with attached units turning their sides to the street front and occupying nearly all land on their long, narrow lots. Although the 70 Crescent Street site might have the capacity to accommodate more units, the neighborhood as a whole did not. Though many neighbors originally wanted this site to be used entirely as a park, the neighborhood now supported the compromise initiated by Councilor Gentile to allow 8 housing units. If the requested funding was not approved, he was not sure what would happen to this compromise.

Kathleen Kouril-Grieser, 258 Mill Street, Newtonville, felt the proposed use of public land for housing at Crescent Street was much less contentious than it had been at Austin Street. It was unusual for her, as a Newton Villages Alliance board member, to support affordable housing, but she felt the proposed Crescent Street project had been reviewed thoroughly and was being managed by very competent City staff, with relevant design and construction management experience from public school projects. She urged the CPC to support this project's new open space and new housing.

Former Councilor Amy Sangiolo, 389 Central Street, thought that the 8 units of 2- and 3-bedroom housing now proposed for this site were remarkable, given that the Parks & Recreation Commission had originally recommended that the site be used entirely for open space. She noted that the CPC had just voted to support the Housing Authority's Haywood House project, despite neighbors' concerns about its potential impacts, because those impacts would be addressed through project review by other City bodies. She hoped the CPC would apply similar reasoning to the Crescent Street project and recommend the requested funding.

Simon French, 47 Glen Avenue, supported the points made by Kouril-Grieser and Sangiolo. He believed the proposed approach to Crescent Street was preferable to a project that included a developer fee, such as the CAN-DO project on Auburn Street in Auburndale.

City Councilor Barbara Brousal-Glaser also spoke as a WG member. She hoped for a conversation about the project's numbers that went beyond the points made by its critics. She had originally voted against any housing on the site but considered the current plan a wonderful compromise. She was also excited that many more people would use the expanded and renovated park.

Shule Kapanci, 98 Crescent Street, also a WG member, thought the current Crescent Street plan illustrated how the City and community could work together to address both housing and open space needs. As with Haywood House, neither the development nor the operating costs were final for the Crescent Street project. She felt that if \$472,000 per unit was an acceptable cost for 1-bedroom units at Haywood House, \$590,000 per unit should be acceptable for 2- and 3-bedroom units at Crescent Street.

Parks & Recreation Commissioner Bob DeRubeis said the Parks & Recreation Commission fully supported the current plan, especially with the addition of two new park entrances. He thanked the neighborhood for graciously tolerating the Parks & Recreation Department's heavy equipment yard on Crescent Street for 41 years. He hoped the CPC would support the project as proposed.

City Councilor Chris Markiewicz from Ward 4 lives near the site and hoped the CPC would support the project. He hoped the City would evaluate the long-term impacts of different land use decisions, such as the multi-use zoning approved for Austin Street and the Orr Block/Washington Place, so it could use Newton-specific data to inform future decisions. He agreed with previous speakers that the estimated per-bedroom costs of the Crescent Street housing were reasonable, and that a private Comprehensive Permit project at the site would build many more market-rate units to create the same number of affordable units.

City Councilor Deb Crossley from Ward 5 spoke as the chair of the Council's Public Facilities Committee, which will resume its public hearing on this project on February 7. Though in 2015 she had supported the City Council's decision to limit the number of housing units at Crescent Street to 8, she now regretted that decision. She felt the City should revisit the project's basic requirements, to improve it. She was extremely concerned about the project's current costs, with or without the elevator, and about its complete reliance on Newton public funds, in contrast to past projects that had leveraged Newton funds by meeting the requirements of other funders. She had worked on getting the CPA adopted in Newton and saw the CPA program as a source of great pride. She hoped the CPC would look more deeply at this project as currently proposed.

Julia Malakie, 50 Murray Road, West Newton, is a member of both the Newton Tree Conservancy and the Newton Villages Alliance. She was concerned about the reduction of open space in the Crescent Street neighborhood though both by-right and special permit developments. She originally wanted this project site to be all open space but was pleased with the current housing design, as well as with the plans for the park. She felt housing advocates would never be satisfied, but that once the currently proposed housing was built, people would be grateful for the project's enhanced and expanded park.

In response to some of the public comments, Councilor Gentile said that the requirements the then Board of Aldermen had imposed in 2015 on the reuse of 70 Crescent Street could not be revised without starting the City property re-use process over again from scratch. The original development cost estimates by the firm National Development had been thoroughly reviewed and revised by the current consulting team. After the project's rental income had paid off the tax-exempt City bonds used to fund the project, the City would then own a revenue-producing asset. Finally, he felt that the Public Buildings Department's success in completing \$170 million of school and other construction projects on time and on budget qualified them to manage the Crescent Street project.

### **CPC discussion**

After confirming that everyone who had signed up to speak about Crescent Street had spoken, Sargent closed the public hearing and opened the CPC working session. He admired the project's broad community and interdepartmental cooperation but wondered who the final decisionmaker was. Would all 3 City departments have to meet to make each decision or answer each question that arose during construction? Since the public funds will be appropriated to the Public Buildings Department, Councilor Gentile and Commissioner Morse said Morse was the final decisionmaker.

Armstrong, Lunin and Kronish supported the project's basic design. Armstrong had served on the original Joint Advisory Planning Group that had recommended 8-20 units of housing on the site, without investigating financial feasibility. He liked the current plan because it was simpler than the advisory group's suggestions, and because the simplicity of the building benefited the site's open space. Lunin felt that the project was a nice compromise. Though the housing was costly, she felt the project's overall community benefits were worth its total cost. Kronish might have preferred 12 units of housing but could live with 8 units because that increased the site's open space. He supported the process used to plan the project and was not distressed by having the City serve as both developer and owner. He supported public ownership of the housing, with state monitoring of its permanent affordability.

Gilfix did not believe building only 8 units of housing was a good use of the large Crescent Street site. She preferred to see the project design go back to the drawing board.

Several CPC members expressed concern about the project's development costs. In response to Maloney, Morse said the elevator's cost was \$470,000, with half of that requested from CPA. Armstrong was not sure this cost was worthwhile, since the half of the units (the 4 on the first floor) could be accessible without the elevator. Sargent agreed that the goal of having all 8 units accessible was laudable but felt that the elevator should not use CPA funding. Councilor Gentile said he would not mind a CPC recommendation vote that excluded funding for the elevator.



In response to Gilfix, Maloney noted that the Crescent Street project's total development cost per unit was about \$590,000. In response to Maloney, Eisen said the 3-bedroom, 1.5-bath units started at about 1250 square feet. Maloney was surprised that the Crescent Street per-unit costs were higher than those for a very high-end development with which he was involved in Hingham, after factoring out differences in acquisition costs (because Crescent Street has none), finishes and features (for example, the Hingham project includes some covered parking), and economies of scale (the Hingham project has 77 units). Morse said that Newton's new fire stations cost about \$800 per square foot to build and that economies of scale were significant for larger buildings. Kronish and Councilor Gentile both noted that as a City project, Crescent Street must pay prevailing wages, which could make a public project 20% more expensive than a comparable private project. Maloney felt that other differences, such as higher-end finishes in the Hingham project, more than compensated for this wage differential.

Armstrong felt that concerns about per-unit costs at Crescent Street were mitigated by having all 2 and 3-bedroom units. Councilor Gentile and Morse suggested that per-bedroom costs were a fairer standard of comparison than per-unit costs. Using data from the CPC's website for past CPA-funded projects, adjusted for construction cost inflation over time, Morse said his calculations showed that the per-bedroom cost for the Crescent Street housing was about average. In response to Sargent, Morse agreed to share these calculations with the CPC.

In response to Kronish, Morse said the project was too small for a "construction manager at risk," so the contracted construction price would still be subject to change orders. Maloney felt the team could continue to work on reducing costs. In response to Ingerson, he offered to look more closely at the cost estimates in the proposal for possible savings, though he was not sure he would find any. Sargent felt that there was no magic number for per-unit construction costs, and that progress had been made. He noted that the high cost of affordable housing was in part due to soft (non-construction) costs, such as complex permitting processes.

Councilor Gentile and Newton Chief Financial Officer Maureen Lemieux said the City was committed to reviewing and reducing the project's construction costs, which they agreed seemed very high. Councilor Gentile felt that Public Buildings Commissioner Morse and members of the City Council's Public Facilities Committee might suggest further cost reductions. Lemieux felt the City's success in managing costs on other types of projects would be helpful. Morse said the consulting OPM and City staff project manager would work together to control costs.

Sargent asked CPC members to share their views on the project's use of only Newton public funding to cover all development costs. Maloney applauded the collaborative process for Crescent Street but felt it would not be responsible to commit 4.5 times the CPA funding per unit to Crescent Street that the CPC had just voted to recommend for Haywood House. Gilfix also did not understand why the costs and CPA request per unit were so much higher for this project than for Haywood House, which would leverage significant funding from outside Newton. In response to Ingerson, Councilor Gentile agreed that the project team would provide the CPC with their analysis of the non-Newton funding sources they had explored, and which Crescent Street project features had ruled out each of those sources.

The CPC also discussed the project's management and operating budget. Lemieux explained that the Comptroller and bond counsel would work to segregate funding for this debt service within the City's revenue stream. She thought the City could pay a lower interest rate on the bonds than was projected in the current project budgets, thereby reducing the project's debt-service costs.

Dan Brody pointed out that the project's debt coverage ratio was very tight, only 4% above what was required to cover debt service on the City bonds in the first year. Councilor Gentile explained that the operating budget allowed for a 5% vacancy rate. Sargent felt that since the minimum vacancy of 1 unit in an 8-unit project would be a 12% rate, a single vacancy might undermine the project's ability to cover its debt service. Kronish asked whether the City's general fund budget would cover any debt service costs that the project could not pay from its operating revenue in a given year. Lemieux said the final City Council order for the project would clarify this,

but she thought the answer was yes. Maloney felt the operating budget should be revised and resubmitted to the CPC for further discussion.

Maloney suggested that because the purchasers of the City bonds would be relying on the creditworthiness of the City of Newton rather than of the project itself, the CPC might be the only body that would or could commission the kind of arm's length underwriting analysis of the project's own finances that would normally be required by a bank or other lender. Ingerson noted that the CPC could commission such an analysis using its administrative budget. In response to Lunin and Brody, Sargent suggested doing this, aiming to have the analysis available for the February or March CPC mtg. Kronish felt this analysis could not be commissioned and completed in less than 3-4 months and was not sure what the CPC would be asking a consultant to analyze.

Sargent was very concerned about the lack of responses to the property management RFP. He thought potential managers might have felt that the RFP required the manager to assume all of the project's financial risks in return for none of its rewards.

Sargent also noted that the development budget included no initial capitalization of an operating or replacement reserve. It was normal to start with a cushion of 6 months' operating expenses. Lemieux agreed that such a reserve was needed and said it would be capitalized with City, non-CPA funds at the end of construction. She also felt the operating budget's annual contribution to this reserve probably should be increased. Gentile said the City would use for this project the same approach it had used on other projects, such as the Newton South playing fields, to set aside resources for future maintenance.

In response to Kronish's suggestion of a straw vote to give the project sponsors clarity, Sargent asked whether other members would support continuing the discussion at a future meeting. He was conditionally supportive of the project but was not ready to vote in favor of recommending funding for it tonight. Armstrong supported continuation. Maloney said he would appreciate a chance to look at the project's numbers more closely before voting. Councilor Gentile felt the project would not have any new numbers to submit for future discussion and hoped the CPC would vote on funding at this meeting.

VOTE Lunin moved holding the Crescent Street proposal for a continued working session at a future CPC meeting. Armstrong seconded the motion, which was adopted by a vote of 8-0.

## **COMMITTEE BUSINESS**

When former CPC chair Jonathan Yeo accepted his new position as the City of Newton's Chief Operating Officer, vice chair Peter Sargent became the CPC's new chair. The CPC therefore needed to elect a new vice chair. Lunin seconded Kronish's nomination of Armstrong as vice chair. With Armstrong himself abstaining, he was elected as vice chair by a vote of 7-0.

Sargent moved and Armstrong seconded approval of the minutes for 19 December 2017. The minutes were approved by a vote of 6-0, as Dunker and Maloney had not been members in December.

The committee adjourned by consensus at 10:37 pm.

**City of Newton, Massachusetts  
Community Preservation Fund  
AVAILABLE FUNDS**

updated 27 December 2017, A. Ingerson

	Fiscal 2016	Fiscal 2017	Fiscal 2018
<b>EXPENDITURES</b>			
<b>PROJECT APPROPRIATIONS</b> by City Council (chronological order)			
<b>in FISCAL 2018</b> (chronological order)			
236 Auburn Street (CAN-DO/Metro West/Price Ctr) [\$300,000 historic resources, \$677,7000 affordable housing]			-\$977,700
TOTAL Appropriations (By Year)	-\$2,852,160	-\$2,760,000	-\$977,700
<b>AVAILABLE FUNDS</b> after new appropriations	<b>\$8,804,464</b>	<b>\$9,653,216</b>	<b>\$12,144,289</b>
<b>CPC RECOMMENDATIONS</b> pending with City Council (chronological order)			
Newton Cemetery - Whipple-Beal Cast Iron Fence (historic resources)			-\$60,000
TOTAL Recommendations			-\$60,000
<b>AVAILABLE FUNDS</b> if all current recommendations were funded in full	<b>\$8,804,464</b>	<b>\$9,653,216</b>	<b>\$12,084,289</b>
<b>FULL PROPOSALS UNDER CONSIDERATION</b> by CPC			
Crescent Street (City of Newton) final design & construction: \$1,479,930 housing, \$1,095,070 recreation/playground			-\$2,575,000
Jackson Road/Haywood House New Senior Housing (Newton Housing Authority)			-\$2,500,000
TOTAL Proposals			-\$5,075,000
<b>AVAILABLE FUNDS</b> if all submitted proposals were funded in full	<b>\$8,804,464</b>	<b>\$9,653,216</b>	<b>\$7,009,289</b>

**Newton, Massachusetts, Community Preservation Program**  
**Current & Future Proposals Compared to Available Funds & Allocation Targets**

Project Title	Affordable Housing	Historic Resources	Open Space or Recreation Land	
			Acquisition	Rehabilitation
<b>Current Proposals or Pre-proposals, with Related Future Proposals</b>				
✓ = Fy18 appropriation    ? = recommended by CPC but not yet funded    * = cost revised or estimated by CPC staff				
70 Crescent Street	\$1,479,930			\$1,095,070
New Art Center *		\$2,250,000		
Jackson Road Senior Housing	\$2,500,000			
✓ 236 Auburn Street (CAN-DO)	\$677,700	\$300,000		
? Newton Cemetery - Whipple-Beal Historic Railing		\$60,000		
<b>Subtotal ≈ (including debt service)</b>				
	<b>\$8,362,700</b>	\$4,657,630	\$2,610,000	\$0
	% Allocation by Resource	<b>56%</b>	<b>31%</b>	<b>0%</b>
<b>TOTAL Current Proposals + Pre-proposals &amp; Related Proposals + Other Future Proposals ≈</b>				
	<b>\$34,018,300</b>	\$4,657,630	\$14,090,600	\$5,000,000
	% Allocation by Resource	<b>14%</b>	<b>41%</b>	<b>15%</b>
<b>CPC target allocations by resource, ± 5%:</b>	<b>30%</b>	<b>25%</b>	<b>20%</b>	<b>20%</b>
<b>FIVE-YEAR FORECAST: Total Available Funds for Fy18-22 ≈</b>				
	<b>\$26,546,042</b>			
	target allocations – 5%	\$6,636,510	\$5,309,208	\$3,981,906
	target allocations + 5%	\$9,291,115	\$7,963,812	\$6,636,510
<b>TEN-YEAR FORECAST: Total Available Funds for Fy18-27 ≈</b>				
	<b>\$39,882,155</b>			
	target allocations – 5%	\$9,970,539	\$7,976,431	\$5,982,323
	target allocations + 5%	\$13,958,754	\$11,964,647	\$9,970,539