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Community Preservation Committee

MINUTES
31 May 2017

The meeting was held on Wednesday, 31 May 2017 at 7 pm at the Newton Senior Center, 345 Walnut Street, Newtonville.

Community Preservation Committee (CPC below) members present: chair Jonathan Yeo, vice chair Peter Sargent, and members Mark Armstrong, Dan Brody, Susan Lunin, Jim Robertson, and Rick Kronish. Members Beryl Gilfix and Don Fishman were absent.

Community Preservation Program Manager Alice Ingerson served as recorder.

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

POLICIES & PROGRAM

Alice Ingerson reviewed current program finances, particularly the [Currently Available Funds](#) report and the comparison in the [Community Preservation Plan](#) between possible future proposals and the program's revenue forecast for the next 5-10 years. The program currently has approximately \$8.3 million available for project funding. The Fy18 budget recently approved by the City Council will add about \$3.3 million of new funds. Ingerson noted that the total cost of possible future requests listed in the [Community Preservation Plan](#) is closer to 5 than to 10 years' worth of forecast program funding, and the distribution of future proposals among the CPA-eligible resources -- affordable housing, historic resources, open space and recreation land -- differs significantly from the CPC's target funding percentages for those resources. Finally, Ingerson also suggested scheduling a future discussion of the [Plan's](#) guidelines for "CPA appropriateness," which suggest that the rehabilitation of public assets that the City would have to maintain even if Newton had not adopted the Community Preservation Act (CPA) should be funded from non-CPA sources.

PROPOSALS & PRE-PROPOSALS

[PUBLIC HEARING on Full Proposal, 236 Auburn Street](#) (Auburndale), CAN-DO/Metro West Collaborative Development/ Barry Price Center – \$977,700 (\$300,000 historic resources, \$677,700 housing) to create 8 rental units affordable at up to 50% of area median income (AMI): 3 family units and 5 units in a group home for adults with disabilities, through modular new construction and rehabilitating an 1860s Italianate home

Project manager Linda Moody and project architect Terry Heinlein presented the proposal. Since CAN-DO's new executive director, Jennifer Van Campen, was unable to attend tonight's hearing due to a conflicting meeting in Norwell, they suggested that the CPC postpone its funding vote until its meeting on 8 June 2017, so Van Campen could answer then any questions that Moody and Heinlein were unable to answer.

CAN-DO is the proposal sponsor. It is a private nonprofit founded to create and preserve affordable family housing in Newton. For this project, it is partnering with the Price Center. Price Center president Justin Sallaway explained that his organization was founded in 1977 to support individuals with developmental and intellectual disabilities. They currently serve about 200 people and operate 3 group homes in Newton. The residents of the Auburn Street house would also participate in the Center's day programs.

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Preserving the Past  Planning for the Future

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In addition to the Price Center house for 5 developmentally disabled adults, the project would create 2 new attached units for families – one with 2 and the other with 3 bedrooms – and would rehabilitate the existing historic home as another 3 bedroom affordable unit. Residents in the congregate home will have incomes at or below 30% of the Area Median Income (AMI). Residents in the family units will be at or below 50% AMI. The project's total development budget is about \$3.5 million. In addition to CPA funding, CAN-DO is seeking funds from Newton's federally funded CDBG and HOME programs and the state's Facilities Consolidation Fund (FCF), which can only support the congregate home. A pre-application has been submitted to FCF, but the state is waiting to see if local funds will be committed.

Once construction is complete, the Price Center will use a mortgage to purchase the 5-bedroom home for about \$450,000. This will be the project's only debt. The property will then become a 2-member condominium association, with CAN-DO and the Price Center as the 2 members, and all residents as rental tenants.

Heinlein explained the project's key design goals. Later additions to the historic home will be removed, and the home will be moved closer to the front of the lot and placed on a new foundation, still facing the street. The new buildings will be behind and have lower rooflines than the historic home. The congregate home, closest to the rear lot line, will be a single story. Exterior ornaments and trim on the historic house will be restored or exactly reproduced, depending on their condition. The new buildings will be modular, built off-site but assembled on-site. Existing mature trees will be retained but will receive restorative pruning. There will be new plantings around the buildings' foundations and along the fence between the parking lot and the adjoining property. Along with down-lighting, a fence will minimize the visual and other impacts of the parking lot on neighbors. Josephine McNeil, Executive Director Emeritus of CAN-DO, noted that this plan had been approved by the Newton Historical Commission and was under review by Mass Historic Commission.

Dan Gaulin (Elmwood Homes/FinePoint Associates) summarized his underwriting analysis for Newton's HOME program, as required by the federal Dept. of Housing and Urban Development. The project's acquisition costs are high by statewide standards because the site is in Newton, but they seem reasonable in that context. The operating budget is sound as presented, but Gaulin recommending raising projected tenant income limits slightly within the federal HOME guidelines to strengthen the project's bottom line. He also suggested that the proposal might underestimate real estate taxes; these should be confirmed with Newton's Assessing Dept.

The project is unusual in involving 3 separate nonprofits. The newly affiliated CAN-DO and Metro West Collaborative Development, which now share staff, offices and a board of directors, are experienced developers of affordable housing. CAN-DO has done many projects comparable in scale to this one. Metro West's portfolio includes about the same number of units as CAN-DO's, but in fewer, larger buildings. The Price Center is financially strong and can comfortably carry the debt envisioned for the congregate house. CAN-DO's scattered-site portfolio might require some adaptation of Metro West's existing property management but is large enough for Metro West to attract and retain a competent 3rd-party property manager if desired. In response to Jonathan Yeo, Gaulin concluded the project's overall, basic finances were sound.

CPC COMMENTS

In response to Mark Armstrong, Heinlein confirmed that the cost estimates in the proposal had been prepared by an independent estimator, with a higher construction contingency for the historic home due to its many unknowns, and a lower contingency for the new, modular buildings.

In response to Rick Kronish, Heinlein said each bedroom in the congregate house would have about 120 square feet, in a total house of about 2500 sq. ft. The modular 3-bedroom unit would have about 1300 sq. ft., the modular 2-bedroom unit about 1000 sq. ft., and the 3-bedroom unit in the historic home about 1500 sq. ft.

Jim Robertson asked whether the modular family units could be accessible or visitable, since new construction is an opportunity to do that. Heinlein said additional accessibility would raise project costs, and that ramps would reduce open space on the site. Sargent agreed that more accessibility was desirable but noted that the project's per-unit total development cost (just over \$440,000) already exceeded the state's desired maximum.

In response to Kronish and Robertson, Sallaway said that the anticipated \$450,000 cost for the Price Center to purchase the congregate house reflected the difference between that building's total development cost and its anticipated public funding. Also in response to Kronish, Peter Sargent said he thought the project's historic preservation component was too small to use historic tax credits.

Kronish noted that CAN-DO's own balance sheet is not strong, and that older CAN-DO projects carry some debt. Though no permanent debt is envisioned for CAN-DO's part of the current project, that might change in response to future vacancies or for other reasons. He asked how the permanent affordability of these units would be assured. McNeil explained that the CPC had required City-held perpetual affordability restrictions for all past housing projects; Ingerson confirmed that would be true for this project as well. Gaulin said the requested state funding would require a restriction of its own, and that HOME/CDBG funding will also involve a mortgage. CAN-DO will not be able to add debt or refinance the project without City permission.

In response to Dan Brody, Ingerson explained that any CPC recommendation to the City Council could impose basic conditions for funding, but a detailed grant agreement would then impose additional conditions for the phased release of funds. If the project sponsor cannot meet any of these conditions, the CPC and City Council must be asked to revise the conditions or approve project changes, or may choose instead to cancel the project's CPA funding. Sargent said that although the underwriting analysis showed the project budget was feasible, two important conditions for CPA funding would be the commitment of state funds and receipt of the Comprehensive Permit. In response to Kronish, Moody said CAN-DO hoped to apply for the Comprehensive Permit in summer 2017.

PUBLIC COMMENTS

John and Lucia Bastianelli, lifelong Newton residents, said their twins were slated to go into the project's congregate house. They were ecstatic about the possibility of having their children live close to home. Their experience working with the Price Center had been wonderful, and they would very much like to see the project move forward.

Fran Godine saw the project as a wonderful opportunity. She has heard strong opposition to large-scale development, including affordable housing, at many public hearings in Newton, but this project seems just the scale people want. She also worked in special education for 30 years. Finding ways for those students to continue living in their communities as adults is the responsible and honorable thing for the community to do.

Sue Flicop spoke on behalf of the League of Women Voters, which submits comments on each proposal to the CPC, after review by a team of volunteer readers and the League's board. The League strongly endorsed this proposal, which was complete, thorough, clear, and supported by the Newton Historical Commission. Their one concern had also been raised by the underwriting analysis: whether the operating budget had projected future property taxes accurately.

Kathy Laufer agreed with the previous supportive comments. The integration of the Price Center's target population into the community at large is very important, and small-scale development seems to be the only option for adding more affordable housing in Newton.

City Councilor Susan Albright also supported the project because it will provide both desperately needed affordable family housing and the kind of community-based care that was supposed to – but had not always -- succeeded the closing of centralized state institutions for the disabled.

John Pelletier supported the project as a resident of Newtonville. As a project manager for Harvard University, he felt the project had a workable budget and a qualified team. He applauded the mix of affordability and supportive services and the village-center location, so residents could get around without cars, if they either could not afford them or preferred not to drive.

Kathleen Hobson expressed her strong agreement with all the previous positive comments.

City Councilor Alison Leary said she had not been following this project but had been impressed by the description and comments at this hearing. Based on her past experience managing a group home for mentally

ill adults, she felt it was very important to have independent living opportunities for disabled adults, which also provided peace of mind for their parents. It would reflect well on Newton to provide those opportunities.

City Councilor Amy Sangiolo said an option like the planned congregate home would have been very helpful for her own aunt. She supported the project both because of its plans to save the historic house and as an example of small-scale, dispersed affordable housing. In response to her question, Gaulin confirmed that the project would count as 8 units on the state's Subsidized Housing Inventory (SHI).

City Councilor Jay Harney also endorsed the project and reported that all attendees at a recent neighborhood meeting had also been supportive, including the immediate neighbors. He hoped the project team would consult with the abutters and address their concerns about edge landscaping and the height and materials of the parking lot fence.

Kathleen Kouril Grieser identified herself as a board member for the Newton Villages Alliance but spoke only on her own behalf. She supported the project, especially because it was also supported by the abutters. The project will integrate both its residents and its architecture into the neighborhood. In response to the interest expressed in the past by some CPC members in supporting larger projects that would use Newton's public funds more efficiently, she felt the externalities of such projects outweighed their advantages. Finally, she also suggested that a condition of CPA funding for the Auburn Street project be that not only its 8 units but all past affordable housing units developed by CAN-DO be added to the SHI.

Michael Lepie was critical of both the project and of CAN-DO as an organization, though not of the Price Center. He said that CAN-DO's two most recently CPA-funded projects were overdue for completion and still unoccupied. He noted that some past CAN-DO projects had not been added to the SHI and have a negative cash flow. He believes CAN-DO projects should and will continue to pay the same property taxes as comparable rental properties without affordability restrictions, whereas the Price Center's properties are tax-exempt because they serve a special population. He did not feel the developer fee for CAN-DO in the Auburn Street project budget was justified, since CAN-DO will no longer have its own staff and office after July 2017. Finally, he felt that since the property would remain in private ownership, this project did not provide sufficient public benefit to justify its request for CPA historic preservation funding.

FURTHER CPC DISCUSSION

Robertson noted that, based on the CPC's funding forecast and target allocation for affordable housing, Newton's CPA program could create only about 3 units per year at the per-unit cost and per-unit CPA subsidy for this project. This seemed very little compared to the need. Kronish recalled that the City's [Housing Strategy](#) set a target of creating 800 new units. As another measure of that need, Moody reported that about 290 households had applied to the lottery for CAN-DO's newest 2-unit affordable housing project. Yeo said the CPC saw a need for a variety of approaches to housing, some at this project's small scale, and some at a larger scale that could leverage a much higher proportion of public funds from outside Newton.

Planning & Development Director Barney Heath confirmed that Newton's Planning & Development Board would be discussing the overall finances of the CAN-DO/Metro West affiliation, as well as the CDBG and HOME funds requested for Auburn Street, on Monday, June 5.

VOTE Based on a motion by Robertson, seconded by Sargent, the Committee voted unanimously 7-0 to close the public hearing and hold a working session and possible funding vote for the Auburn Street project at its next meeting on June 8, after hearing a summary of the Planning & Development Board's June 5 discussion of CAN-DO/Metro West organizational finances.

Pre-proposal discussion for [Newton Cemetery/Whipple-Beal Cast Iron Fence](#) (Newton Centre) –\$60,000

Cemetery president Mary Ann Buras and board chair Larry Burdick summarized the mission, history and activities of Newton Cemetery, which is private. It is highly ranked on TripAdvisor and hosts walking tours focused on trees, birds, and history for about 900-1,000 people a year. The staff and board see it as a 100-acre

park, with free admission for the public. Brody noted that the cemetery is listed in the Newton Conservators' guide to Newton parks and conservation areas.

Buras summarized the historic significance of this elaborate historic cast iron fence, which surrounds the family plot containing the cemetery's first burial. Such fences were popular during the Victorian era, when the cemetery had many of them. This is now the cemetery's last remaining example. In response to Sargent, Buras said a 3-D laser scan would be used to determine what can be restored and what must be recast/replaced. Ingerson confirmed that "reconstruction" was an allowable treatment under federal preservation standards, if the original historic fabric could be documented precisely, as in this case.

In response to Brody, Buras and Ingerson said the cemetery would like to request 100% CPA funding of the project's design, manufacturing and construction costs, but that cemetery staff would provide some oversight and do as much of the work as they could. The newly created Friends of Newton Cemetery planned to raise funds for interpretive signage. Buras said the proposed CPA request was based on cost estimates by experts recommended by Mount Auburn Cemetery.

Armstrong felt that the project's scope of work and budget were clear and sound. Robertson and Kronish noted that the major expense would be generating a cast of the original fence, and recommended that the cemetery itself own that cast.

In response to Susan Lunin, Buras said the cemetery would prefer to do all the work on this fence at once, rather than phase the project. Lunin asked how long the restored fence would last. Buras said the cemetery would cover the cost of annual inspections and periodic repainting to maximize the fence's useful life.

Ingerson noted that the CPC usually made CPA funding for non-City historic properties contingent on granting a City-held preservation restriction, recorded at the Registry of Deeds, but that the cemeteries' lots were not recorded at the Registry. Cemetery board member Barbara Huggins Carboni said that as a land use lawyer, she believed there would be a way to record a restriction at the Registry if this project received CPA funds.

Kronish said he had very positive personal experiences with Newton Cemetery. Robertson also had very positive feelings toward the cemetery, which he considers a gem. However, he was not sure that as a private site, the cemetery should receive public CPA funds. In response to Yeo, Burdick said the cemetery had not sought funding from any source other than Newton's CPA fund. Kronish said he was less concerned about leveraging other funds for this project because of its small anticipated CPA request.

Robertson asked how the cemetery normally funded maintenance and repairs, and whether it had done or needed to do other, similar historic projects. Buras explained that the cemetery's structures and monuments are owned by families, who are obligated to maintain them. Families that erect mausoleums must create permanent trusts to cover maintenance costs. However, the Whipple-Beal family is now 5 generations removed from the people who built this fence. In response to Sargent, Burdick noted that the only currently living member of the Beal family, who is not interested in being buried in the family lot, is nevertheless willing to make a donation to the project.

Burdick and Buras said the cemetery currently draws income from its \$30 million endowment of about 4.5% annually. That income covers about one-third of the cemetery's \$3 million annual operating budget, with another third from selling lots and the rest from providing services. Burdick said the cemetery was working to double or triple its endowment, so endowment income could cover all operating costs once there are no new lots to sell, about a century from now. With board member Sara Goldberg, Burdick and Buras explained that the historic Mt. Auburn Cemetery's huge endowment covers its operating costs, but Mt. Auburn seeks outside funds for special projects. The Newton Cemetery sees the Whipple-Beal fence restoration as a special project.

VOTE Sargent's motion, seconded by Robertson and Kronish, to consider a full proposal on-cycle, at the upcoming early October 2017 deadline, was approved by a vote of 7-0. Robertson reminded the presenters that agreement to consider a proposal is not a commitment to recommend funding.

Ingerson said she would work with cemetery staff to arrange a site visit.

Committee Business

STAFF UPDATES

Ingerson had received a draft pre-proposal from the Suzuki School of Newton for funding improvements at 1615 Beacon Street, a City historic landmark for which the school currently has a signed purchase & sale agreement. She had also received an initial inquiry from the private Jackson School. She suggested it might be helpful to have more detailed guidelines than those in the current very brief [Community Preservation Plan](#) for evaluating the "CPA appropriateness" of private historic projects, including these two possible future requests as well as the request from Newton Cemetery.

Ingerson noted that the Newton Homebuyer Assistance Program has a balance of approximately \$1.5 million in unspent CPA funds. This program has been on formal hold since 2015 and completed its last new homeowner case in 2012. In December 2016, the Planning Dept. had indicated to the CPC their hope of submitting a detailed proposal for using some of these CPA funds to preserve existing affordable housing, revising the program's purpose from its original intention to create new units. Since that detailed proposal has not yet been submitted, Ingerson suggested putting this program on an upcoming CPC agenda to set a firm deadline for either revising it or returning its remaining CPA funds for use by other housing projects.

Finally, she noted that the CPC's 2003 open space funding recommendation for Kessler Woods had been conditioned on the City also requiring its private bidding partner to include at least 11 affordable units in its multifamily housing development. The 2015 special permit for this development required 13 affordable units in the new, multi-family development off LaGrange Street in south Newton. The developer is now seeking an amended special permit from the City Council allowing it to substitute for those on-site units a larger number of affordable units in an older building with smaller units, on Newton's north side.

Kronish proposed that the CPC adopt a policy for monitoring and enforcing compensation, health and safety standards for construction projects that are funded by or otherwise associated with Newton's CPA program.

After noting several needed corrections, Sargent moved and Armstrong seconded approval of the minutes from the CPC's 6 April 2017 meeting. The minutes were approved as corrected by a vote of 5-0, with Robertson and Kronish abstaining because they had not attended that meeting.

The Committee then adjourned by consensus at 8:55 pm.