City of Newton



City of Newton, Massachusetts

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Barney S. Heath Director

Community Preservation Committee

MINUTES

19 December 2017

The meeting was held on Tuesday, 19 December 2017 starting at 7:00 pm in Newton City Hall Cafeteria.

Community Preservation Committee (CPC below) members present: chair Jonathan Yeo, vice chair Peter Sargent, and members Mark Armstrong, Dan Brody, Richard Kronish, Susan Lunin, and Beryl Gilfix. Appointments were in progress as of this meeting for two vacant positions: by the Mayor for outdoor recreation and by the Parks & Recreation Commission.

Community Preservation Program Manager Alice Ingerson served as recorder.

Blue, underlined phrases below are links to additional information online.

PROPOSALS & PROJECTS

<u>Jackson Road/Haywood House</u> (Newton Corner, new senior housing) – update from Newton Housing Authority (NHA), request to submit updated off-cycle proposal for \$2,500,000 in CPA funding

Amy Zarechian, Executive Director, presented the update. As explained in a previous written update to the CPC, NHA had previously increased the number of units in the project to 55. All units will have one bedroom and will be age-restricted to seniors, with the following income restrictions: 11 units for households with up to 30% of the Area Median Income (AMI); 21 units for households with up to 60% AMI; 10 moderate-income units for households with between 81 and 99% of AMI; and 13 units rented at market rates. The update submitted for this meeting also increased the CPA request, from the previous \$2,000,000 to \$2,500,000.

NHA's housing consultant Charles Eisenberg from Housing Partners explained that the increased number of units reflected major increases in the estimated fixed cost of site preparation and the building's foundation. The engineers had recommended removing several feet of the site's existing soil, and the building's foundation needed special supports and a retaining wall. These special costs had pushed the project's total per-unit cost to or past the upper limit for state funding, and the resources available from some non-CPA sources had decreased. NHA had increased its CPA request in response to all these factors.

In response to Dan Brody, Eisenberg said that NHA had also reduced the project's up-front cost by planning to take a portion of the total allowable developer fee out of the first 12 years' cash flow, rather than from the project's development funding.

Eisenberg then walked the committee through a <u>series of images</u> showing the currently proposed site plan, floor plans, and elevations. The building will be built into the site's slope, presenting about 4 stories to Kennedy Circle and somewhat less than 5 stories to Jackson Road. The number of units per floor varies because the ground floor units are only on the Jackson Road side, and the first two floors include space for staff offices and for shared amenities including the community center, kitchen, laundry, library, and some small outdoor decks. Most of these amenities will also be available to the residents of the NHA's existing Jackson Gardens project on Kennedy Circle. All public and vehicle access will be from Kennedy Circle. There will

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be pedestrian access from Jackson Road only for Haywood House residents. Residents will have access to 30 surface parking spots on Kennedy Circle, divided between the reconfigured lot for Jackson Gardens and a small lot that will be built on the site of the current community center, which will be demolished. The public pedestrian path from Kennedy Circle to Jackson Road will be preserved but reconfigured to make it wheelchair-accessible. There may be small gardens or rain gardens facing the Parks & Recreation land along the Jackson Road sidewalk.

City Councilor Alison Leary noted that Newton was moving toward disconnecting parking from units, so residents in multifamily projects would pay separately for parking if and as needed. Eisenberg said federal law did not allow separate parking charges for tax-credit housing units, unless the rent was reduced by the amount of the parking charge. Leary thought the project's increased size and potential impacts on parking and traffic might raise concerns. Jonathan Yeo thought the project was unlikely to generate significant traffic. Leary said she and Zarechian had been discussing shared-transportation and shuttle options for this project and around the city.

Zarechian and Rick Kronish explained that NHA is acting as its own developer so it can apply the project's full developer fee toward supportive services, which will also be open to the community as a whole. NHA recently added a social worker to its staff and is working to professionalize the services it offers for all of its residents, including not only social and arts activities but also pre-dementia services, which are very much needed.

Alice Ingerson noted that the unit mix and funding sources submitted to the CPC differed slightly from the list in NHA's pre-application for tax credits, though the both lists had the same total project cost. Eisenberg confirmed that the information submitted to the CPC was correct and would be used in NHA's application for a Comprehensive Permit, unless the project must adapt to further changes in funding policies or availability.

In response to Brody, NHA Capital Improvements Coordinator Christine Long said the state Dept. of Environmental Protection (DEP) had assured NHA orally that the <u>Nonantum TCE plume</u> (contamination of local groundwater) would not have an impact on the new Haywood House project or the existing Jackson Gardens development. Councilor Leary confirmed that DEP's many monitoring wells have shown the plume stops at about Chapel and Green Streets, and is moving north toward Watertown and Hawthorn Streets, not south toward Jackson Road or Washington Street. DEP has found no issue with the nearby elementary schools, including their indoor air quality. Of 125 homes tested, only 6 needed sub-slab ventilation systems.

In response to Yeo, Eisenberg said the rents projected for this project's "market-rate" units were somewhat below those in other developments surveyed for the project's market study. Peter Sargent preferred the term "unsubsidized" rather than "market-rate" for this project's units without income restrictions.

Yeo also noted that the project planned to save the very large beech tree at the northern edge of the site and to plant new trees to replace some of those that must be taken down, though there was limited space for new plantings. Susan Lunin hoped the new trees would be native species with a 2-year viability guarantee.

Sargent said the project's requested CPA funding of less than \$60,000 per unit was appealing, but thought its total development cost of about \$475,000 per unit might not be persuasive to the state, especially since the project has no site acquisition costs. The state's upper limit is usually \$400,000 per unit. Eisenberg said that unfortunately the project's high site preparation and foundation costs more than compensated for its lack of acquisition costs. Kronish noted that the response so far from the state Dept. of Housing and Community Development had been positive.

Beryl Gilfix thought the project's long lead time made it likely that its costs would rise further and wondered how that would affect its ability to meet state requirements. Eisenberg said the project's projected rents would be adjusted in response to changes in area incomes, the bank mortgage could be increased, and funding available for state housing tax credits could increase as well as decrease.

Eisenberg said that if the project was invited to submit a full application for tax credits in 2018, that application would be due in February, with a final funding decision late summer. Construction could then start in spring

2019. However, few tax-credit projects are approved based on their first submission, and it is more likely that funding and construction would both happen a year later than this schedule.

Ingerson briefly notes that the CPC and NHA had previously agreed that if the CPC recommended and the City Council appropriated the CPA funding requested, that funding would be held in an account earmarked for this project. The phased release of that funding would then be governed by a detailed grant agreement, which would only be executed once the project's key information is final, including unit mix and the required commitments of non-CPA funding.

VOTE Sargent's motion to consider a full off-cycle proposal based on the current project description and funding plan submitted to the CPC was seconded by Mark Armstrong and approved by a vote of 7-0.

COMMITTEE BUSINESS

Lunin moved and Gilfix seconded approval of the minutes for 16 November 2017 and 28 November 2017. The minutes were approved 7-0.

The committee adjourned by consensus at 7:52 pm.