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Barney S. Heath
Director

Community Preservation Committee

MINUTES

8 December 2016

The meeting was held on Thursday, 8 December 2016 at 7:00 pm in City Hall Room 204.

Community Preservation Committee (CPC below) members present: chair Jane Sender, vice chair Jonathan Yeo, and members Jim Robertson, Peter Sargent, Mark Armstrong, Beryl Gilfix, Don Fishman, Mike Clarke. Member Rick Kronish was absent.

Community Preservation Program Manager Alice Ingerson served as recorder.

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

Jane Sender welcomed Mark Armstrong as the CPC's newest member. Armstrong was recently appointed by the Newton Historical Commission as their required representative, succeeding Laura Fitzmaurice, who resigned following the July 2016 CPC meeting.

PROGRAM FINANCES

Alice Ingerson reported that the final fy17 state match for Newton's certified fy16 funds, confirmed by the state Dept. of Revenue on 15 November 2016, was 20.6%. In spring 2016, the Dept. of Revenue required Newton to budget only a 15% state match in fy17, so \$181,657 of the final fy17 state funds will become available for appropriations only after inclusion in the fy18 budget.

Many new communities adopted the Community Preservation Act in November 2016, including the city of Boston. Once they have collected and certified their local revenue, their shares of state matching funds will definitely reduce the percentage match for all CPA communities. After a short discussion, the Committee accepted Ingerson's suggestion to revise her current 5-year funding forecast to show a more rapid decline in state funding, and only minimal state funding (\$100/year) starting in fy19.

Finally, over the past few years, the CPC has made case-by-case decisions to consider far more proposals "off-cycle" than during the annual funding round. In this situation, Ingerson hoped the members would use the 2-page list of possible future proposals in the [Community Preservation Plan](#) to evaluate whether currently available funds were best used for current proposals or reserved for future ones.

PROPOSALS & PROJECTS

236 Auburn Street, Auburndale (Citizens for Affordable Housing Development in Newton Organization [CAN-DO], \$1,724,210: \$1.2m for housing, \$524,210 for historic preservation)

Executive Director Josephine McNeil explained that, a few days before tonight's meeting, CAN-DO had learned the state would not invite an application for any of the state funding listed in the pre-proposal as submitted. Reasons cited for this decision included not having the local, Newton-controlled public funding already committed, and the project's high per-unit development costs. With the preservation costs associated with the 1868 house included, that total development cost for each of the proposed 6 units was about \$650,000; with

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the preservation costs excluded, the per-unit cost was about \$570,000 per unit. The state's maximum is just under \$400,000 per unit. As a result of this state decision, CAN-DO was withdrawing the original pre-proposal.

However, McNeil noted that it was very rare to find a parcel of this size in Newton -- almost 19,000 square feet. CAN-DO is therefore exploring other ways to redevelop the property for affordable housing, which might qualify for other sources of state funding. If an alternative plan can be developed, CAN-DO will submit a revised pre-proposal for discussion at a future CPC meeting.

Peter Sargent said the project was not large enough to use affordable housing tax credits but asked whether McNeil had considered applying for historic tax credits. McNeil was not sure enough funding was available from that source to be worth the work of applying.

Jackson Road New Senior Housing, Newton Corner (Newton Housing Authority, \$1 million) – update and request for off-cycle consideration of full proposal for 32 new units

Amy Zarechian, the Housing Authority's executive director, was unable to attend tonight's meeting. However, her letter explained that the Newton Housing Authority now planned to apply for affordable housing tax credits in December 2017, but would like to get its local funding committed first. This will be possible only if the CPC is willing to consider the project's full proposal ahead of its regular annual deadline in early October 2017. The project's intended per-unit subsidy from Newton CPA funds would be less than \$50,000, out of a total development cost per unit of about \$350,000.

Ingerson said that this project was the example that had led to the CPC's 6 October 2016 vote to make the potential for leveraging substantial non-CPA funding a reason to consider proposals outside its regular annual rounds. Jim Robertson noted that the CPC had discussed a pre-proposal for this project at some length during its 10 March 2016 meeting.

VOTE Beryl Gilfix seconded Peter Sargent's motion to consider this proposal off-cycle, ahead of the fall 2017 regular annual funding round. The motion was adopted unanimously, 8-0.

Newton Homebuyer Assistance Program (Newton Planning & Development Dept.) – update on planning for program closure and possible restructuring

Housing development planner Nathan Robinson explained that, as Planning & Development Director Barney Heath had stated at the CPC's July 2016 meeting, the dept. put the program on hold in 2015, after several years in which the program had been unable to create new units because real estate prices in Newton had outpaced the program's maximum per-unit subsidies.

However, the program has already subsidized a total of about 50 units, using a combination of federal (CDBG and HOME) and CPA funds. When an owner wants to resell one of these units, that unit's specific affordability restriction determines how its resale price must be calculated. That resale price is not always affordable to a typical household at the stated level of the Area Median Income (AMI), in part because some existing restrictions focus less on preserving affordability than on allowing the owner to recover his or her down payment and on recapturing for the City both the original subsidy and any equity appreciation realized through market-rate sales.

Robinson asked whether the CPC might consider a proposal to retain some of the program's current approximately \$1.5 million balance in already appropriated CPA funds, to preserve the affordability of the program's existing units by offering additional subsidies to new buyers, in return for granting the City new restrictions designed explicitly to ensure permanent affordability. Ingerson thought that if new restrictions were granted in return for some new funding, it might also be possible to advertise the program in a way that allowed for adding these re-subsidized units to the state's Subsidized Housing Inventory for Newton.

Robinson proposed to evaluate which of the existing units are both most worth preserving and at the highest risk of loss, and identify how much total funding would be required to preserve their affordability. Rather than

a one-time retention of already appropriated funds, he might propose to return most of the existing balance and request new funding, phased over time, based on the average number of resales expected per year.

Ingerson had advised Robinson that, even if no new funding were requested, both the CPC and the City Council should be asked to approve this change in the program's purpose, from creating new units of affordable housing to preserving existing ones. Jane Sender saw this change as a fundamental policy decision.

Robertson wondered whether the City could induce current owners to accept new, permanent affordability restrictions without resales, by offering them an additional subsidy directly. Robinson thought this would probably require refinancing these owners' first mortgages, held by banks, which might be a significant disincentive for some current owners. Ingerson observed that in the past, the City had never been able to persuade the owners of existing, unsubsidized units to sell affordability restrictions; the City's only successful strategy for restricting the future sales prices of existing units had been by offering financial assistance to new buyers in exchange for restrictions.

Robertson and Beryl Gilfix suggested that it might make sense to apply the program's remaining balance and captured appreciation from resales not only, or not at all, to the preservation of existing homebuyer units, but to other affordable housing projects. Ingerson said many of the program's most recent cases had been studio or one-bedroom apartments, which it had been possible to make affordable with the program's maximum per-unit subsidy. However, she thought the program was intended primarily to help families, who needed 2- or 3-bedroom units. If so, it might make sense to let the smaller units go and focus on preserving affordability for the larger ones, which would be the most difficult and costly to replace through new housing projects.

Sender noted that an analysis of the program's current portfolio and risks would be needed to decide between applying the current program balance and any future captured appreciation to other kinds of housing projects and applying at least part of those same funds to the affordability preservation strategy Robinson had outlined. After a brief additional discussion, the Committee agreed that Robinson should submit for future discussion his analysis of the program's current portfolio and a proposal for a restructured homebuyer assistance program focused on preserving affordability.

Echo Bridge Historic Railing, Newton Upper Falls and Needham (Massachusetts Water Resources Authority – MWRA below), \$500,000 in Newton CPA funding – pre-proposal and request for off-cycle consideration

Ingerson explained that if the Newton CPC agrees to consider a full proposal for this project, it will coordinate its requirements and schedule with those of the Needham Community Preservation Committee. Since they were first contacted about this potential project in 2007, the two communities' CPCs have agreed to support the project jointly or not at all. Ingerson also distributed and reviewed the attached summary of Needham's CPA process and current proposals, including a \$250,000 Echo Bridge railing request.

Marianne Connolly, Senior Program Manager, and Paul Rullo, Engineer, presented this pre-proposal on behalf of the MWRA, along with Lee Fisher, a resident of Newton Upper Falls who chairs the volunteer Echo Bridge Railing Committee. Connolly requested off-cycle consideration of a full proposal to align funding decisions in Needham and Newton. The earliest Needham could appropriate the requested CPA funds would be at its May 2017 town meeting. If Newton considers the proposal on its regular annual schedule, the earliest it could appropriate CPA funds for the project would be in December 2017 or January 2018.

The MWRA owns Echo Bridge because it carries the 19th-century Sudbury Aqueduct across the Charles River between Needham and Newton Upper Falls. Since the MWRA's capital budget prioritizes active water and sewer facilities, reconstructing the historic railing on Echo Bridge simply does not rise to the top of the agency budget. Shortly after the agency commissioned and received a historic preservation study of the railing in 2007, \$250,000 of state funding was committed to the railing. The MWRA has held those state funds since that time. These funds could be used either to construct an appropriate, long-term but non-historic railing (described as Option 4B in the submitted materials), or to restore or reconstruct the historic railing.

In response to Jonathan Yeo, Connolly explained that if CPA funds were not appropriated for the historic railing by Needham and Newton, the MWRA would discuss next steps with the volunteer Echo Bridge Railing Committee, but would most likely proceed to construct a long-term, non-historic railing. The \$250,000 in already available state funding would be enough to cover the cost of that railing.

Connolly and Lee Fisher encouraged people to visit the site to understand the importance of the railing to the historic character of Echo Bridge, and to the community. On the Newton side, the bridge is within the Newton Upper Falls Local Historic District. As part of its mandate to review and approve or disallow changes to the bridge, that district commission made its approval of the potential non-historic railing (Option 4B) contingent on the MWRA working in good faith to raise the necessary additional funds to reconstruct the historic railing. Fisher said this commission ruling enjoyed broad support in the neighborhoods on both sides of the bridge, though Newton Upper Falls has both a larger population and stronger historical associations with the bridge. Fisher's committee has set a goal of at least \$200,000 in private donations. Two anonymous individual donors have already pledged \$50,000 each. They will also pursue corporate donations. For example, TripAdvisor has been based in both Newton and Needham, and this project might appeal to that company's interest in local and regional tourism. If the committee can raise more than \$200,000, the combined CPA request to Newton and Needham would be reduced accordingly.

In response to Robertson, Ingerson explained that a key difference between the non-historic railing and the historic one was that the non-historic railing would not include the diagonal bars (in an "X" shape) that connected the horizontal and vertical supports of the historic railing. Either railing would be required to include 1x2 inch mesh panels, for safety reasons. If it proceeded with the non-historic railing (Option 4B), the MWRA had agreed to design these panels so they could be removed and reused for a reconstructed historic railing, if funds later became available for the historic option.

Mark Armstrong wondered why the agency was proposing to use galvanized steel for the horizontal supports in the historic reconstruction. He noted that long-term maintenance, including periodic repainting to prevent rust, would be higher with steel than with aluminum. Paul Rullo thought initial manufacturing and construction costs would be higher for aluminum. Michael Clarke suggested weathering steel ([cor-ten steel](#)), which over time develops a reddish or dark brown coating that protects against rust and eliminates any need for repainting. Armstrong thought this material would stain the bridge's concrete surface. Connolly thought the reconstructed railing must be black, to comply with the federal historic preservation standards required by the Community Preservation Act. Fisher called the Committee's attention to the analysis of alternative possible materials in the 2007 report.

Ingerson thought the pre-proposal's listed estimates for MWRA staff design and project management time (\$240,000) and the 25% design and construction contingency (\$230,000) seemed high, since only two basic designs -- one for the main section and a slightly different one for the ends -- were repeated across the length of the bridge; the reconstruction designs will be based on castings of the originals; and the railing's components were both clearly visible and had already been studied in depth. Rullo responded that the agency typically allows a 20% contingency for projects at the conceptual stage, and believes that this small project will be very time-intensive for its staff.

Ingerson also explained the CPC's general policy of requiring current construction estimates based on completed designs. This policy was introduced in response to successive construction cost increases for past projects that had initially received design and construction funding simultaneously. Sargent thought the pre-proposal's overly optimistic timeline might lead to similar cost increases, as a result of delays. Connolly said the MWRA would discuss with the Echo Bridge Railing Committee how to cover any such cost increases.

Sender thought \$500,000 might be a larger request than the Newton CPC would like to consider for this project and asked for other Committee members' views. Yeo felt that a large proportion of Newton's CPA funds had been dedicated to historic resources recently, and the CPC needed to think about reserving available funds for other CPA-eligible purposes, especially in light of anticipated proposals for affordable housing. To accomplish this, the Committee should accept proposals off-cycle only in genuine emergencies. Sender said

she would support consideration of a request for significantly less than \$500,000, in the regular fall 2017 funding round. Yeo also supported fall 2017 consideration.

Beryl Gilfix was encouraged by the community fundraising commitments reported by Fisher and the hope of increasing these commitments and thus reducing the CPA request. However, she and Clarke both noted that the CPC was somewhat skeptical of community fundraising commitments, since community groups had backed away from their initial fundraising commitments to some past Newton CPA projects after the CPC had agreed to consider the proposals or had actually recommended CPA funding.

Clarke and Gilfix both thought Newton should make its agreement to consider a full proposal off-cycle contingent on the Needham CPC agreeing to consider the proposal further as their December 2016 meeting. In a straw vote, Clarke, Fishman and Gilfix supported off-cycle consideration of the current \$500,000 request; Yeo, Sargent, Armstrong and Sender supported considering only a reduced request in Newton's fall 2017 regular funding round. Sargent, Yeo and Sender all favored considering a request of no more than \$250,000. Robertson abstained from the straw vote.

All members of the CPC acknowledged the historic importance and appeal of Echo Bridge, which Fishman characterized as a "signature site." Clarke felt that since the project's main purposes were beautification and tourism, it seemed appropriate to support it with CPA and community funds rather than MWRA funds.

VOTE Robertson moved and Clarke seconded agreeing to consider a full proposal for the Echo Bridge Historic Railing reconstruction in Newton's regular fall 2017 annual funding round, if the project's sponsors reduce their Newton CPA request as much as possible by both re-examining the project's projected costs and setting higher targets for community fundraising. The motion was adopted unanimously, 8-0.

COMMITTEE BUSINESS

Ingerson briefly reviewed current and potential future projects for the Committee. The public hearing and potential CPC funding vote on design funding for the Crescent Street affordable housing and park project are now scheduled for 12 January 2017. The Planning & Development Dept. is reviewing a draft report of the appraisal commissioned by the City of Webster Woods (300 Hammond Pond Parkway).

Yeo, as the Planning & Development Board's representative on the CPC, reported that an additional \$299,000 of CDBG funding had been approved for the restoration of the historic pond and construction of a new pedestrian bridge in [Farlow Park](#), and that the nonprofit Friends of Farlow Park had agreed to hold the approximately \$60,000 they had raised for the project privately as an operating reserve to support management and maintenance of the park. The CPC had asked the Friends to create such an operating reserve in its original funding recommendation for this project, but the Board of Aldermen (now City Council) had set that requirement aside in its CPA appropriation vote.

Finally, to support the Committee's evaluation of current projects, Ingerson also recommended inviting City department heads to review informally with the CPC at one or more future meetings the future projects that they had listed for potential CPA funding in the *Capital Improvement Plan*.

After a motion by Yeo, seconded by Sender, the Committee approved the minutes for its 8 November 2016 meeting by a vote of 8-0, with corrections as noted by Kronish and Sargent.

The Committee then adjourned by consensus at 8:45 pm.

ECHO BRIDGE RAILING Potential Newton/Needham CPA Schedule–

updated 8 December 2016 based on email from

Patricia Carey, Needham Park & Recreation Director/CPC Staff

~~initial submission (Newton's "pre-proposal," Needham's "eligibility application" – use same form and attachments for both):~~

- ~~• Newton: due by 14 November 2016~~
- ~~• Needham: due by 1 December 2016~~

CPC decisions on whether to invite a full submission (please note that these decisions are procedural, they are NOT funding recommendations):

Newton: 8 December 2016 (including CPC decisions on both whether to consider a full submission, and if so, whether to consider that submission "off cycle")

Needham: 14 December 2016 At this meeting, the CPC votes on what applications are “eligible” to continue in the process, but nothing beyond that. Each [eligible] project will have a CPC member liaison appointed. The liaison meets separately with the proponents to start putting together relevant information.

If a full submission is invited (again, same form and attachments for both -- the two CPCs will try to agree on a single, final list of attachments):

Newton, if the CPC invites an off-cycle full proposal:

- due 12 December 2016 for 12 January 2017 public hearing, or
- due 9 January 2017 for 9 February 2016 public hearing

Needham CPC meets twice a month in January, February, March – typically 2nd and 4th Wednesdays:

- 11 January 2017 – CPC liaisons give overviews of the projects and collect questions from the other members to give to the proponents
- 25 January and 8 February 2017 – proponents' presentations
- 22 February 2017 – follow-up
- 8 March 2017 – public hearing on ALL proposals
- 22 March 2017 – CPC vote on ALL current-yr recommendations to Town Meeting.

Appropriations decisions, if each CPC votes in spring 2017 to recommend funding:

Newton:

- March-April 2017 City Council committee meetings
- April-May 2017 full City Council appropriation vote

Needham:

- Town Meeting starts on the first Monday in May and continues on the following Wednesdays and Mondays until business is complete.
- It is hard to predict when CPC articles will come up, but often it happens during the 2nd week of Town Meeting.

NEEDHAM CPA "Eligibility Proposals"
(roughly equivalent to Newton's "pre-proposals")
under review as of December 2016
www.needhamma.gov/index.aspx?nid=450

*As context: Needham's approx. annual new CPA funding ≈ \$2+ million
(vs. Newton's ≈ \$3+ million).*

FY2017-01 Rosemary Recreation Complex Park and Recreation, Town Manager	potential CPA request \$12,000,000
FY2017-02 Rosemary Lake Sediment Removal - Removal Activities Park and Recreation, Town of Needham DPW	potential CPA request \$2,100,000
FY2017-03 Cricket Field Renovation Park and Recreation, Town of Needham DPW	potential CPA request \$285,000
FY2017-04 Hillside School Walking Trails Needham Public Schools, Needham Board of Selectmen	potential CPA request \$210,000
FY2017-05 Needham Accessible Reservoir Trail (NART) Board of Selectman, Town Manager, Conservation Commission, Park and Recreation	potential CPA request \$860,000
FY2017-06 Echo Bridge Railings Massachusetts Water Resources Authority (MWRA)	potential CPA request \$250,000
FY2016-07 Preservation of Open Space - Purchase of Land Town Manager, Board of Selectman, Conservation Commission, Park and Recreation	potential CPA request TBD, total project cost \$1,000,000