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**Community Preservation Committee**

**MINUTES**  
12 February 2015

James Freas  
Acting Director

The meeting was held on Thursday 12 February 2015 at 7:00 pm in Room 204 of Newton City Hall.

Community Preservation Committee (CPC below) members present: chair Joel Feinberg, vice chair Jim Robertson, Laura Fitzmaurice, Jane Sender, Beryl Gilfix, Rick Kronish (left at 8:30 pm), Mike Clarke. Member Don Fishman was absent.

Community Preservation Program Manager Alice Ingerson served as recorder.

**City Archives Strategic Plan** (\$20,000 request, historic resources)

City Clerk David Olson said the strategic plan will identify solutions to the larger problem documented by the archival survey conducted in 2011 with CPA funds. After several years in which Newton had no City Archivist, that survey had made a successful case for the part-time City Archivist position now held by Nancy Kougeas. Kougeas has helped departments reduce their storage needs; for example, in one case she found 23 years' worth of records that only had to be retained for 7 years. In May 2014, Olson asked the CPC to hold the strategic plan proposal temporarily, but new plans for spaces used for archives in both for both City Hall and the Newton Free Library have now made a strategic plan for archives more urgent.

At City Hall, the planned new elevator for the War Memorial Auditorium will go through the basement area where the Inspectional Services Department (ISD) archives approximately 1 million pages of building plans. Olson, Kougeas, Deputy Commissioner Dave Norton of ISD and Public Buildings Commissioner Josh Morse have been working to find alternative space for these records. In addition, City funds are being used for digitization, to reduce wear and tear on the original records. The City Hall basement is adequate for "records management" – the temporary storage of records that can eventually be discarded – but lacks the climate control and fire suppression necessary for permanent archives.

The Library's 1<sup>st</sup> floor includes an area specifically designed to store City records from 1680 to the present, with compact shelving, appropriate climate-control and fire suppression systems, and an office and conservation work space for the archivist. The Library Trustees have been discussing the feasibility of increasing space for the children's program partly by moving half or more of this archives space to the 3<sup>rd</sup> floor, though the compact shelving and vault would be very difficult to move. Jim Robertson felt it would be strange to use CPA funds for a plan that might justify the loss of this purpose-built archives space. Rick Kronish suggested making CPA funding for the strategic plan contingent on the Library retaining this space. Olson preferred not to prejudge the archival consultant's conclusions but felt that a strategic plan might encourage some changes in the Library's current, tentative plans.

In response to Laura Fitzmaurice, Mike Clarke, Kronish and Beryl Gilfix, Olson explained that state requirements applied only to central City records, not to the records currently held in scattered locations by individual City departments. The City's original preference had been to construct a separate archives building on the grounds of the Jackson Homestead, the City's history museum. The state rejected that plan but did allow central City records to be archived at the Library because it was so close to City Hall, the otherwise required location. Clarke hoped the City would consider converting for archives un- or under-utilized City

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buildings other than City Hall and the Library. Fitzmaurice noted that the City of Boston has a separate archives facility in West Roxbury. Olson and Kougeas felt that the state sees Boston as unique and not as setting a precedent for other communities.

In summary, Joel Feinberg and Robertson suggested that the strategic plan might help to defend the City's current archival spaces if no better, economically feasible alternatives could be found, but it also seemed worth doing, even if it had not been prompted by new building plans.

**VOTE** Feinberg moved, and Gilfix seconded, recommending the requested \$20,000 for a City archives strategic plan, with the understanding that the plan will consider both digitization and facilities needs, including the possible use of City buildings other than City Hall and the Library, if permitted by the state. The motion was adopted by a vote of 7-0.

### **Allen House** (West Newton, \$300,000 appropriated, historic resources)

Adrienne Hartzell, Managing Director of the Newton Cultural Alliance (NCA), reported that the CPA grant agreement has been executed, and NCA expects to sign a construction contract next week for replacement or repair of windows, heating system, installation of fire alarms, removal of the deteriorated porch, and installation of an accessible restroom and temporary accessible entrance. In response to Kronish's emphasis on hiring only contractors in full compliance with federal and state labor laws and wage standards. Hartzell explained that all bidding for construction is done through the City. Feinberg noted that contractors hired by NCA would also benefit from NCA's sales tax exemption as a 502(c)3.

NCA hopes some income-generating uses of the building can begin by May 2015, when they also hope to host an open house as part of the City-wide arts festival in May. NCA receives inquiries about using the building almost weekly; recent new ideas have included an after-school program and yoga classes.

The Junior League has inquired about using the Allen House for its annual show house fundraiser, though the League's need for 5 months of full access to the house does not align easily with NCA's plans. The show house would do about \$250,000-\$300,000 worth of interior work and provide valuable publicity for Allen House. Painting done for the show house could be redone if it was not historically appropriate.

In April or May 2015, NCA would like to request another portion of their remaining anticipated total \$1.7 million CPA request, to address long-term needs and allow consideration of the show house opportunity. NCA is also considering a larger kitchen than previously proposed, for events. Hartzell and Ingerson asked the CPC to clarify whether the Committee would extend to this new request their previous exemption of the project's first, partial request from the usual prerequisites of a viable 10-year operating budget and formal commitment of all non-CPA funding required to complete the full project. Hartzell acknowledged that the Allen House project has not yet met either of these requirements to date, and it is difficult to predict when it could.

In response to Robertson, Hartzell said new meetings had been scheduled with the project's structural engineers, but past cost estimates have not yet been updated. In response to Feinberg's questions about the full project's business plan and operating budget, Hartzell noted that NCA had starting strategic planning by meeting with the Ward 3 Aldermen and neighbors. In response to Kronish's request for information about non-CPA funding, Hartzell explained that NCA will ask the Massachusetts Historical Commission about phased use of the \$600,000 of state historic tax credits already committed, and will request additional credits. Other sources include the Massachusetts Cultural Facilities Fund, the Junior League project, and a capital campaign that NCA may be ready to launch by fall of 2015.

Gilfix was encouraged that the project had elicited so much community interest. Robertson favored exempting another partial request from the usual CPC requirements as long as the funds would be used for emergency stabilization of the building. Jane Sender felt the CPC needed more information about the building's actual uses and activities. Feinberg would also like to see more progress on both physical and financial plans for the full project. After further discussion, without a formal vote, the CPC agreed by sense of the meeting to

consider another partial request without a final operating budget and full commitment of all required non-CPA funds. As usual, however, the CPC did not commit in advance to recommending any requested funds.

**Newton Homebuyer Assistance Program** (\$475,000 appropriated, pre-proposal for \$992,000)

Eve Tapper, Acting Associate Director of the Planning & Development Dept. and Rob Muollo, Interim Housing Programs Manager, explained that to date this program has helped about 30 households with incomes up to 80 percent of the area median (AMI) purchase homes in Newton. The \$475,000 CPA proposal funded in 2013 had been submitted in 2012, with subsidy limits based on 2011 market prices. For the first time in the program's history, that proposal also set asset limits for participating households and required choosing those households by lottery, so all units would be added to the state's Subsidized Housing Inventory (SHI).

Unfortunately, none of the 3 households chosen in the August 2014 lottery has been able to find a home they can afford with the current subsidy limits. Market prices simply outran the existing subsidy limits, and the Planning Dept. feels swift action is needed to prevent this from happening again. Staff asked whether the CPC would consider an off-cycle request for an additional \$992,000 and new, higher maximum subsidies, which should allow the program to assist a total of 6 new households. The staff would also like the authority to increase subsidy limits by up to 20% and reduce the number of households assisted to 5, if needed.

In response to Kronish's question about assisting households at a lower income level, such as 30% of AMI, Tapper said that homeownership programs usually target households with higher incomes, who are better positioned to absorb the ongoing costs of ownership, and that lower-income households were typically served by rental housing programs. Also in response to Kronish, Muollo explained that households chosen for this program are required both to use any available additional assistance, such as the Massachusetts Housing Partnership's ONE Mortgage program, and to take homebuyer classes certified by the Citizens Housing and Planning Association (CHAPA). Tapper noted, however, that buyers are entitled to recover their own contributions in full when they sell their units. The program therefore sets upper limits on buyers' contributions, to avoid the need for any additional public subsidy when units are resold.

Fitzmaurice noted that about 7.5% of Newton's housing units are currently listed on the SHI. Given the Mayor's announced goal of increasing that to 10% by 2021, Robertson wondered why the Planning Dept. was not proposing to make this program much larger. Tapper said the homebuyer program was envisioned as making a small contribution toward the 10% goal.

In further discussion, CPC members asked that any full proposal submitted include: current household incomes at 70-80% of AMI, the prices those households can afford with the proposed new subsidy limits, the supply of units at those price levels in Newton, and the program's existing application instructions.

By sense of the meeting, the CPC agreed to consider a full proposal for this program off-cycle, as requested.

**PUBLIC HEARING: Taft Avenue** (West Newton, \$584,029 request, community housing)

Kronish recused himself at this point, because he was discussing other future affordable housing projects with CAN-DO, then left the meeting.

Josephine McNeil, Executive Director of CAN-DO (Citizens for Affordable Housing Development in Newton Organization) and project architect Terri Heinlein summarized the project, which will rehabilitate an existing house to provide one 3-bedroom rental unit and a new, attached 2-bedroom rental unit, permanently affordable to households at 80% and 50% AMI, respectively. The existing house has relatively new systems and is structurally sound. The new addition will have little effect on abutters because it will face the large side yard of the rear abutting property. The project requires a Comprehensive Permit because the property does not meet the by-right frontage or area requirements for a two-family home. The Mayor has approved the requested CDBG/HOME funding. Other funding sources include an expected grant from the Charlesbank Homes Foundation and community fundraising. The project has letters or signatures of support from the ward

aldermen, the Planning & Development Board, Newton Housing Partnership, and neighbors. Feinberg noted that many people living on Taft Avenue had signed the support petition.

McNeil acknowledged that CAN-DO's current portfolio of rental housing has been running a deficit, due to mortgage debt service; to low Section 8 voucher rent payments, which finally increased recently after no increase for 5 years; and to turnover costs at a few properties. CAN-DO has partly covered this deficit through fundraising. The funding request for the Taft Avenue project reflects the Housing Partnership's recommendation that this new project add no additional permanent debt to the portfolio. The project's operating budget also reflects the Partnership's recommendation to provide supportive services. CAN-DO will seek tenants for the project among homeless families now living in shelters or hotels/motels and among families in Newton's transitional housing projects, many of which have a 2-year residency limit.

### **Planning Staff Comments**

Muollo summarized requirements that will be included in the CDBG/HOME funding agreement as conditions for the Mayor's approval of those funds, and which the Planning staff would like to see also included in any CPA grant agreement. Some of these conditions were already imposed in 2009 as a condition for forgiving Newton-controlled federal loans to previous CAN-DO projects, or are required for CAN-DO's periodic recertification for federal operating support as the City's Community Housing Development Organization (CHDO), in partnership with the City. The requirements include: prior to the initial release of funds, receipt of the Comprehensive Permit and building permit; applying for Massachusetts Rental Vouchers to help with the cost of supportive services; at lease-out, a narrative for the project's supportive services, similar to those required for other human services programs receiving Newton's federal funds; prior to release of the final 10% of funds, submission of a strategic plan for strengthening CAN-DO's Board of Directors, for staff succession over the next 5 years, for new sources of operating support and for alternative development models; return of any awarded funds not spent on the project as approved; and twice-yearly reports to the Planning & Development Board on the status of all real estate owned, operating reserves and the administrative budget.

### **CPC Questions & Comments**

Fitzmaurice commented that although the size and massing of the proposed addition seemed appropriate, she would like to see a greater variety of window sizes. Heinlein explained that windows in some elevations not shown would vary, but that bedroom windows must meet minimum size requirements as a means of egress.

McNeil noted that, as was typical for CAN-DO projects, this project budget includes permitting costs. If no public funding could be accessed until after permits were granted, permitting costs would have to be covered by a bridge loan. In response to Sender, McNeil noted that the project budget included 5% interest on a bridge loan, but for acquisition only. The smaller that loan, and the more quickly it could be repaid from public funds, the less the loan would cost the project. In response to Feinberg, McNeil said that CAN-DO planned to convert its price agreement with the seller into a Purchase & Sale agreement if the CPC recommended funding. Robertson noted that the appraisal commissioned by the CPC suggested that, if the required permits were not granted, CPA funds used to write down the acquisition loan could be repaid by selling the property.

### **Public Comments**

On behalf of the League of Women Voters, Pia Bertelli thanked the CPC for its hard work and fairness. The League supported the proposal. CAN-DO is highly regarded and has a good record of creating the kind of small-scale, scattered-site affordable housing that Newton needs. Its last project, on Eddy Street, returned some CPA funds unspent. To address CAN-DO's cash flow issue, the League favored higher developer fees and encouraged CAN-DO to seek donated materials or work through local builders or the Green Decade Coalition. The League was disappointed that so few housing proposals had recently been submitted to the CPC, and noted that the CPA fund's opening fy16 balance would still be healthy if this project were funded.

Fran Godine of Crofton Road was embarrassed as a taxpayer by the conditions imposed for release of the project's federal funds. She hoped the CPC would not impose these same conditions.

As a longtime Newton resident, Doris Ann Sweet appreciated the small, infill affordable housing created by CAN-DO, which she saw as badly needed in Newton and not being developed by anyone else.

Sue Parsons had lived in Newton since 1979, initially as a renter, then as the owner of a 2-family home, and now again as a renter. She was also glad Newton had an organization like CAN-DO and believed some of the conditions imposed for the project's federal funding were not appropriate.

Michael Lepie felt CAN-DO's presentation had not been explained clearly that the project required zoning relief to create a 2-family home in a single-family zone. He objected to a suggestion he has heard elsewhere that CAN-DO should seek property tax relief, since although its properties are owned by a nonprofit organization, its tenants are not nonprofits. He believed that inclusion on the SHI was important for most City bodies, and noted that past CAN-DO units had not been included on the SHI because the tenants had not been chosen by lottery. He felt the 80% AMI unit in the Taft Avenue project departed from CAN-DO's past commitment to serve households at 50% of AMI. He also believed that CAN-DO's last Comprehensive Permit project had lost \$1 million, suggesting that the organization lacked the expertise required to carry out such projects. He favored investing CPA funds in the Newton Homebuyer Assistance Program rather than in this project.

Phil Herr commented that Newton was losing the rich mix of households that originally attracted many residents here, including himself. A fixed number of low-income households lives in subsidized or regulated units, the number of upper-income households is growing rapidly, and the number of middle-income households is shrinking. He felt that nonprofits, citizens and City government all needed to work together, using every possible strategy, to support the strong value that Newton once placed on community diversity. He urged the CPC to support this project on terms that would make it financially feasible.

Howard Haywood would like Newton to focus more on the moral issue of diversity than on reaching the 10% target for the SHI. He noted that relatively few of the people in Newton who say they prefer small, infill affordable housing had attended the hearing to support this small, infill project. He also felt it was unfair to impose special requirements for this project's federal funding unless those requirements were imposed for all projects requesting these funds.

As a 30-year resident of Newton, David Backer urged support for this project. He felt that CAN-DO produced the maximum public benefit with the public funds it requested. CAN-DO was not a big developer that would make a large profit on the project, and its director Josephine McNeil had a lot of personal integrity. Residents of CAN-DO projects get access to a safe community with rich cultural life and high-quality schools.

As a 20-year Newton resident, Nancy Zollers had not intended to speak but was prompted to by hearing the City staff's list of conditions for federal funds. She wanted to live in a City that did not impose conditions like that. She felt City government should at least start by thanking CAN-DO for what it has done for Newton.

As treasurer of CAN-DO, Betsy Harper supported the proposal. She believed this property was a fabulous find after a frustrating 2-year search. She believed that releasing public funds only after all required permits were in hand would make the project \$25,000 more expensive, which seemed inappropriate.

Ward 3 Alderman Barbara Brousal-Glaser thought it was ironic that a City aiming to produce 800 more affordable units in the next 6 years would put up roadblocks to this project. She felt that everyone in Ward 3 welcomed this small, infill project, in contrast to larger projects such as the one proposed for Rowe Street.

Ward 5 Alderman Deborah Crossley supported the project and was impressed by all the people who had come to the hearing in its support. She felt the City was not staffing its own projects and departments well enough to achieve its announced housing goals. She was disappointed by the conditions the City had imposed for this project's federal funding, since CAN-DO is already doing many of these things. In particular, she considered it unconscionable to make the building permit a condition for the initial release of funds. She hoped that the City would not do anything to delay and therefore increase the cost of this project.

Ward 2 Alderman and 50-year Newton resident Susan Albright shared the dismay expressed by others at recent changes in Newton, where people used to move partly because it was more socially diverse than other suburbs with good schools. She felt the conditions imposed for this project's federal funding would keep the

project from working. She noted that in contrast to recent large, commercial Comprehensive Permit projects, residents supported this one.

Ward 3 Alderman Ted Hess-Mahan also supported the project. He felt that the Homebuyer Assistance Program pre-proposal presented by City staff confirmed the dramatic increase in Newton's residential real estate prices that had also affected the Taft Avenue proposal. When the Ward 3 Aldermen asked the Mayor to support this proposal 2 weeks ago, there were only 4 two-family properties on the market in Newton for less than \$1 million. He agreed that CAN-DO needed to consider alternative development models, but small, nonprofit developers are not beating a path to Newton's door to request housing funds because the funding process is so onerous. In contrast to many other current development proposals in Newton, the Taft Ave. project will make a good neighborhood even better. Affordable housing should not be about reaching a quantitative target, but about who we want to live next to and share our schools and parks with.

At this point, the public hearing was closed.

### **CPC Further Discussion**

Feinberg and Robertson had both been initially skeptical of this project because of its extremely high per-unit cost. Fitzmaurice commented that it was hard for a nonprofit organization to compete with developers, who are paying more than potential owner-occupants, and paying cash.

Robertson was relieved to know the Mayor had approved the requested federal funds. He noted that all provisions in the CDBG/HOME funding agreement would still apply, even if they were not repeated in the CPA agreement, so he felt any CPA agreement for this project should include only the same conditions as prior CPA agreements for housing. Though Newton's dramatically "up" market was not CAN-DO's fault, CAN-DO did need to explore alternative models, including working at a larger scale or seeking more volunteer contributions. Public funds for housing are not increasing, so proposals cannot just pass market increases along.

Feinberg commented that it is now normal to see two-family homes in his neighborhood sell for \$1.5 million. He felt that along with CAN-DO, City staff should take a stronger leadership role in addressing the cost of affordable housing development. Tapper noted that the draft new *Consolidated Plan for Housing & Community Development* included not only public funding but also inclusionary housing and zoning.

VOTE Robertson moved, and Gilfix seconded, recommending the requested \$584,029 for affordable housing at 54 Taft Avenue, subject to the same conditions included in past CPA agreements for similar projects. The motion was adopted by a vote of 6-0, with Kronish absent.

### **Committee Business**

In the draft new *Community Preservation Plan*, Feinberg asked Ingerson to add a note that the CPC's requirements for matching, non-CPA funds may vary not only by the type of project, but by the phase of the project. For example, matching funds may not be required for initial land acquisition, but may be required for later site improvements. After a brief discussion, Clarke moved, and Sender seconded, adoption of the new *Plan* as amended. The *Plan* was adopted by a vote of 6-0.

Robertson moved, and Gilfix seconded, approval of the 11 December 2014 minutes with one minor correction. The minutes were approved as corrected by a vote of 5-0.

In Kronish's absence, Ingerson and Robertson summarized concerns he had expressed to both of them about the Committee's meeting procedures, and his question about whether the Committee could or should meet more often in executive session. Ingerson said the Law Dept. had offered to seek advice on this issue from the State Ethics Commission, if the full CPC voted to request that advice. After a short discussion, by sense of the meeting the members present declined to make that request but agreed to Ingerson's suggestion that she ask the City Clerk's office for a short training for CPC members on public meetings, public records, and conflict-of-interest law, just before the Committee's March public meeting.

The meeting was adjourned by Committee consensus at 10:05 pm.