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Community Preservation Committee

MINUTES

9 September 2015

James Freas
Acting Director

The meeting was held on Wednesday 9 September 2015 at 7:00 pm in the basement Art Room of the Newton Senior Center, 345 Walnut Street, Newtonville.

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

Community Preservation Program Manager Alice Ingerson served as recorder.

In response to Rick Kronish, Feinberg explained that pre-proposals helped project sponsors learn through discussion with the CPC whether the significant work required for a full proposal would be worthwhile. The CPC may ask the sponsor to provide information in addition to the standard requirements in the full proposal, or may suggest requesting only a planning grant, to develop the information needed for a credible construction proposal to be submitted later. Jim Robertson noted that a pre-proposal was shorter and easier to write than a full proposal. Alice Ingerson added that since the form was the same, preparing a pre-proposal gave sponsors a head start on their full proposals. Pre-proposal discussions also allow the CPC to deliberate on whether and why to accept sponsors' requests to be exempted from the regular annual funding deadline, and give the public early notice of new proposals.

PRE-PROPOSAL DISCUSSION

10-12 Cambria Road, West Newton (Housing)

Josephine McNeil, Executive Director of Citizens for Affordable Housing Development in Newton (CAN-DO) explained that the proposed project would rehabilitate an existing 2-family house as two, 2-bedroom rental units, permanently affordable to households at 50% and 80% of the area median income (AMI).

CAN-DO hoped to find a property with at least one 3-bedroom unit but could not. As of today, the Multiple Listing Service only has two multi-family properties listed in Newton. This property's asking price was about \$650,000, but after the home inspection CAN-DO negotiated the price down to \$610,000. The project's rehab budget is about \$150,000, including a new roof, de-leading – though there is surprisingly little lead paint, mold remediation in the basement, and replacement of rotted sills and wood with past termite damage. There is no evidence of a current termite infestation. The scope of work was determined by CAN-DO's architect and property manager, and reviewed by Doug Desmarais, the City's CDBG rehabilitation construction manager.

The unit designated at 50% AMI of the units will house one of the over 2,000 homeless families housed in hotels and motels in Massachusetts. About 72 of these families are in the hotel/motel program administered by the Metropolitan Boston Housing Partnership (MBHP), which will help CAN-DO identify potential tenants, run a lottery for tenant selection. Supportive services will be provided partly by referrals to other agencies and partly through a new CAN-DO workforce development initiative, based on the model created by the Crittenton Women's Union for helping people achieve economic self-sufficiency and eventually move into unsubsidized

(Minutes continue on next page.)

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housing. CAN-DO's services will initially be provided by a volunteer social worker, but the organization hopes eventually to pay for that service.

The other unit will house a family moving out of CAN-DO's transitional housing, which serves households previously assisted by the Second Step's program for survivors of domestic violence. Though these families have a Section 8 voucher through the Newton Housing Authority, they still have difficulty locating housing in Newton, due both to the area's high market rents and to discrimination by landlords.

The total cost of the proposed project is \$905,410, including \$471,117 in CPA funding. As noted in the memo from the City of Newton Housing staff, emailed to the CPC after the regular meeting packet was mailed, the requested subsidy is lower than for CAN-DO's previous project at Taft Avenue:

Projects	Newton-Controlled Public Subsidies:		
	Project Total	Per Unit	Per Bedroom
Cambria Rd (10-12) – proposed	\$780,410	\$390,205	\$195,103
Taft Avenue – recently funded	\$1,059,029	\$534,515	\$213,806

Kronish asked that the full proposal for this project clarify the population to be served, since the listed income ranges seemed too high for families moving from transitional housing or from hotels and motels. McNeil acknowledged that this was probably true, but explained that these families were unlikely to have incomes above 50% of AMI, but would have vouchers allowing them to pay the rents listed in the operating budget.

Feinberg asked McNeil to confirm whether past CAN-DO units had not been counted on the state's Subsidized Housing Inventory, because as with this project, the units had been designated for specific populations rather than allocated by lottery. McNeil explained that CAN-DO had submitted an affirmative marketing plan, including a limited lottery, to the state Dept. of Housing & Community Development (DHCD) for its already funded Taft Avenue project. If DHCD approves that plan, the same plan will be used for Cambria Road; and the units in both projects can be listed on the SHI. McNeil believes the City's housing staff can apply to DHCD to add other past CAN-DO projects to the SHI as well.

Laura Fitzmaurice asked CAN-DO to re-evaluate the amount budgeted for a survey, which she felt was very high at \$2,000. She also urged CAN-DO to budget for a specialized pest inspection in addition to the regular home inspection. McNeil said that, though past termite control measures appeared to have been successful, the property's current owner had no written record of that work.

In response to Robertson, McNeil acknowledged that there were no plans to make the first-floor unit accessible. She said such modifications would be very costly, and she was not sure there was a demand for fully accessible units, since no households with accessibility needs had applied for the accessible units created in two recent CPA-supported affordable housing projects -- the Lexington Street ownership project, and CAN-DO's Pearl Street rental project.

Finally, McNeil and Ingerson drew the Committee's attention to the September 8 memo from the City's Planning & Development Dept., announcing that Newton's currently available federal housing funds (CDBG and HOME) would be allocated through a Request for Proposals (RFP) to be released in spring 2016 as part of an overall housing strategy, currently under development with a consultant.

At the Newton Housing Partnership's morning meeting on September 9, the City's Housing staff clarified that HOME funds must be allocated before spring 2016, so these funds could be substituted for some of the CDBG funds requested in the Cambria Road pre-proposal, apart from the RFP process. The Housing Partnership had voted to recommend allocating to the Cambria Road project the full amount of federal funding requested. McNeil and Ingerson noted that for this recommendation to take effect, it must be approved by both the Planning & Development Board and Mayor, who has the final authority to allocate Newton's federal funds.

In addition to asking whether the CPC would consider a full proposal for this project outside its regular annual funding round and deadline, McNeil also asked whether the CPC would consider a request for \$189,690 in additional CPA funds, to fill the gap between available HOME funds and the total federal funding request described in the pre-proposal, for a total CPA request of \$660,807.

Robertson felt that if the CPC was unwilling to consider filling this gap, it should say so clearly at this meeting. Feinberg and Sender both wondered whether willingness by the CPC to consider filling this gap would effectively discourage the allocation of federal funds to the project. As the Planning & Development Board's appointee to the CPC, Jonathan Yeo felt that this would not be that Board's intention. Though McNeil predicted that the planned RFP might delay the allocation of Newton's CDBG funds sufficiently to risk the loss of those funds, Yeo believed that the Mayor would not run this risk. He saw the RFP as moving Newton in the right long-term direction, though he recognized that its timing could present the CPC with a difficult decision about the Cambria Road proposal.

Based on his work throughout the state with the funding of affordable housing, Kronish was concerned about the related issues of the Cambria Road project's small scale, high per-unit cost, and heavy reliance on local public funds. Though he very much respected the work done by CAN-DO, he did not favor using CPA funds to fill this project's potential funding gap, or even using Newton's CDBG/HOME funds to fill it.

Robertson noted that the CPC had made points similar to those made in tonight's discussion by Kronish and Yeo when discussing each of CAN-DO's previous funding proposals, questioning both the cost-effectiveness and the long-term viability of the organization's longstanding focus on small, infill projects. After further discussion, by sense of the meeting the committee accepted the suggestion by Feinberg and Robertson to address the question of whether CPA funds should be considered to fill any funding gap for this project only when a full proposal is submitted, confirming the existence and size of such a gap.

Though the meeting was not a public hearing, Feinberg asked if any members of the public wished to comment. Both supported the project. Kathy Laufer of 26 Mosman Street, West Newton, who had served the City of Newton as a social worker for 13 years, felt that small, pocket projects such as this one helped to integrate the occupants of affordable housing into the community, including the schools. She saw this project as worthwhile, especially in the absence of any other current affordable housing proposals. Pia Bertelli of 31 Locke Road, Waban, also favored supporting CAN-DO's small, infill model for affordable housing development until a better model is developed.

Ingerson reminded McNeil that if the CPC agreed to consider an off-cycle full proposal for the project, the proposal would be due 1 month prior to CAN-DO's preferred public hearing date. November 5 and November 19 are currently possible hearing dates, but the CPC may cancel one of those dates.

VOTE: Beri Gilfix moved encouraging CAN-DO to bring in a full proposal, with the changes suggested in tonight's discussion and any additional changes required by decisions about federal funding made before the deadline for submission to the CPC. Don Fishman seconded the motion. The motion was adopted by a vote of 6 in favor, 2 abstaining (Yeo and Kronish).

As context for the Cambria Road pre-proposal, the Committee also discussed at some length the broader challenges of affordable housing development in Newton. Kronish said his own survey of all Massachusetts Low-Income Housing Tax Credit (LIHTC) projects in 2015 suggested that \$1 million was the typical amount of local funding for projects with 30 units or more, which usually relied mostly on state and federal funding. McNeil indicated that a recent Supreme Court decision allowing litigation based on the "disparate impact" of concentrating affordable housing in lower-cost neighborhoods and communities might lead to new policies making tax credits more available in high-cost, high-opportunity communities such as Newton.

In response to Robertson, Kronish acknowledged that although high land costs were a challenge for affordable housing in Brookline as well as Newton, a recent project in Brookline had used tax credits and a relatively small

proportion of local public funds. In a similar way, the Newton Housing Authority is considering a potential project with about 30 units for low-income seniors, using tax credits plus about \$1.5 million in local funds, which they might request through the CPA. Yeo hoped that the planned housing RFP would elicit more housing proposals on this relatively larger scale.

Feinberg and Gilfix observed that most recent, relatively large development proposals that included affordable housing had faced significant opposition in Newton. Robertson, Sender, Feinberg and Gilfix agreed that the CPC faced a difficult question about what to do while waiting for larger, more cost-effective housing proposals to be submitted: whether to recommend funds for small projects, or to hold those funds for future projects.

In response to Robertson, Ingerson noted that it was difficult to answer questions about how much CPA funding was available for housing. She could cite the CPC's flexible target for this purpose, but that was less definite than the fixed amount of funding dedicated to housing by Newton's CDBG program.

Ingerson believed that the CPA funds mentioned in the RFP announcement were intended as an alternative, rather than an addition, to the possible \$1.5 million allocation for an Affordable Housing Trust listed on the CPC's current "available funds" report since the spring 2012 discussion of a pre-proposal for a Trust. The idea of a Trust for Newton had made little noticeable progress since 2012. Robertson recalled that the CPC had questioned whether a Trust would be worthwhile, if it would not speed up the funding process.

Ingerson thought that the City's new housing strategy would aim to identify both clearer criteria and potential sites for affordable housing projects around the City. The Newton Community Development Foundation's similar effort in the late 1960s had been more controversial than NCDF had hoped, but it had ultimately resulted in several successful projects, including fairly large ones in former public schools. There may be few if any public buildings available for this purpose now, but the new housing strategy might identify other key public resources, such as sites already in public ownership or private sites for which the City would facilitate permitting for affordable housing.

Ingerson noted that the CPA statute specifically allows CPCs and local legislatures to delegate to an Affordable Housing Trust final decisions about which projects receive CPA housing funds; she would have to inquire about how this could be handled through an RFP. However, the RFP would raise another question also raised by the Trust proposal: whether the CPC and the Board of Aldermen are willing to delegate these decisions. The one precedent for this in Newton is the Homebuyer Assistance Program, for which the CPC and the Board have always approved program guidelines but have not approved the specific addresses or units.

COMMITTEE BUSINESS

Ingerson briefly reviewed the financial information in the meeting packet, including currently available funds and the funding forecast (both online from www.newtonma.gov/gov/planning/cpa/reports/default.asp). She had recently reviewed this same information, along with the *Community Preservation Plan's* funding guidelines and list of potential future projects, with the City's *Capital Improvement Plan (CIP)* working group. The combined total cost of projects for which the CPC has received pre-proposals, plus the CPA-eligible projects listed in the current *CIP*, did not differ significantly from the forecast of available funds. However, the combined lists of possible future projects allocated far more funding to historic resources (primarily for historic City buildings) and open space or recreation land rehabilitation (primarily for existing public parks), and far less to affordable housing and land acquisition, than is suggested by the CPC's funding guidelines.

Ingerson also updated the Committee about key current projects and expected or possible proposals. The Museum Archives & Fire Suppression project may request either further supplemental funding or revisions to the project scope. The Newton Highlands Playground project may submit a CPA construction funding request with a much smaller proportion of non-CPA matching funds than previously indicated. Allen House is updating plans for a final CPA funding request while considering an opportunity to receive donated interior improvements by serving as a Junior League "show house." CPA funding has been mentioned during discussions of two potentially large new projects: to develop affordable housing and an expanded park on the

City property at 70 Crescent Street (Auburndale) and to preserve open space associated with 300 Hammond Pond Parkway (Chestnut Hill).

Ingerson suggested that the CPC might want to recommend debt financing for some new projects, since Newton's CPA program's current debt will be entirely paid off at the end of fy17. In response to Yeo, Ingerson promised to inquire about state guidelines or other communities' averages for debt service as a proportion of annual CPA revenue.

The Committee thanked outgoing Chair Joel Feinberg for his service for two years as vice chair and two years as chair. Feinberg felt the CPC had accomplished some very important things during this time. He had very much enjoyed working with his fellow members and was always impressed that highly qualified people would take time out of their busy lives to volunteer for the CPC. He encouraged the Committee to continue its past willingness to collaborate with elected officials throughout the funding process but also felt that CPC funding recommendations could and should be guided by the members' own judgment and deliberations.

Vice Chair Jim Robertson explained that the CPC has relied on willing members to serve in succession for a year as vice chair, then for the next year as chair. These terms of office had recently expanded to two years for various reasons. Robertson recommending going back to one-year terms if possible. He explained that the officers participated in a monthly conference call to plan future CPC agendas and attended about 6-10 additional meetings a year of the Aldermanic committees that review CPC funding recommendations.

VOTE Robertson said he was willing to begin serving as chair and nominated Jane Sender as vice chair. Sender confirmed she was willing to serve in that position. Fishman seconded both nominations. The nominated slate of officers was elected unanimously, by a vote of 8-0.

Fitzmaurice noted one typographical error in the minutes for the 11 June 2015 meeting. Based on a motion by Feinberg, seconded by Gilfix, the minutes were approved with the noted corrections by 8-0.

After a motion by Robertson, seconded by Kronish, the meeting was adjourned by consensus at 8:30 pm.