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Community Preservation Committee

MINUTES

20 November 2014

James Freas
Acting Director

The meeting was held on Thursday 20 November 2014 at 7:00 pm in Room 209 of Newton City Hall.

Community Preservation Committee (CPC below) members present: chair Joel Feinberg, vice chair Jim Robertson, Laura Fitzmaurice, Jane Sender, Tom Turner, Beryl Gilfix (arr. 7:25 pm) . Members Don Fishman and Mike Clarke were absent.

Community Preservation Program Manager Alice Ingerson served as recorder.

Civil War Monument – Final Report

CPA Engineer Frank Nichols gave a final report on the restoration of this City-owned monument in the private Newton Cemetery on Walnut Street. The restored Monument was formally re-dedicated on 18 May 2014. One final repair was made in summer 2014. From the \$134,000 originally appropriated for the project, an unspent balance of \$35,355 was returned to Newton's Community Preservation Fund.

Affordable Housing Pre-proposal from CAN-DO for 54 Taft Avenue (West Newton)

anticipated CPA funding request \$599,029, total public funding \$964,029, total project cost \$1,134,029

Josephine McNeil summarized the proposed project to rehabilitate an existing single-family home in West Newton to create two rental units, permanently affordable to households at 80% of the area median income: one with 3 bedrooms and one with 2 bedrooms, each with 1 bathroom. The project would require a Comprehensive Permit. She noted that CAN-DO had bid on multiple similar small properties over the past two years, but had often been overbid by buyers who could pay cash and did not impose any contingencies.

Terry Heinlein, the project architect, summarized the proposed scope of work. The existing house has new heating and water systems but needs a new roof and some painting. The major work will be removing the rear porch and adding a two-story addition for the new, 2-bedroom unit. The configuration of the abutting houses will minimize the visual impact of the addition on neighbors. Each unit will occupy two floors. In response to Joel Feinberg, Heinlein confirmed that it would not be financially feasible to create two floor-through units in order to make the first-floor unit accessible. In response to Robertson, McNeil said that since she lived on the street, she thought there would be neighborhood support for the project.

Robertson noted that the public funding request was very large to create only 2 housing units. McNeil felt that CAN-DO's purchase price for this property was below the average for similar properties recently sold in Newton. Referring to the memo in the packet from the Housing division of the Planning and Development Dept., Ingerson noted that unit costs were lower mostly for larger projects, with 10-20 units.

Laura Fitzmaurice agreed with McNeil that smaller projects, such as the one proposed, had less impact on neighborhood character than larger projects. McNeil hoped that this proposal would prompt a much-needed, systematic discussion of whether Newton wants to continue developing affordable housing at this small scale, within minimal impacts on neighborhood streetscapes. If so, the City must accept the cost of acquiring

website www.newtonma.gov/cpa

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property for such developments.

Robertson noted that the draft 10-year operating budget showed expenses outpacing rental income. Ingerson explained that Newton's proposal instructions require this assumption. Feinberg confirmed that this was a standard approach in affordable housing, along with the assumption that the project could then be refinanced after the first 10 years. Ingerson noted that real property acquired with CPA funds must be owned by the municipality, so for housing projects, to date Newton had not used CPA funds directly for property acquisition but instead to write down the developer's mortgage after the purchase. McNeil confirmed that the private bank she had approached was comfortable with the project's proposed debt coverage. She also noted that the Newton Housing Authority had increased its rental payment standard this year for the first time in 5 years.

Robertson felt that the construction contingency of 5% seemed too low. McNeil reported receiving the same comment from the Newton Housing Partnership, though the Partnership had also asked CAN-DO to explore ways of reducing the project's costs.

Ingerson explained that the project's requests for federal (CDBG) and CPA funds would follow parallel tracks: both funding sources require a recommendation from the Housing Partnership and a memo from the Housing staff. The Planning & Development Board then votes on whether to recommend CDBG funds, which only the Mayor can commit. The CPC votes on whether to recommend CPA funds, which only the Board of Aldermen can appropriate. Ingerson reported that the Housing Partnership had discussed the project in November but had deferred its written response and requested more information for discussion in December. Feinberg noted that CDBG funds, even if approved, could not be spent on any project activities prior to acquisition until an environmental review has been completed.

Michael Lepie felt that the past and proposed use of CPA funds to pay CAN-DO a developer fee contradicted Ingerson's explanation that CPA funds had not been used for property acquisition in housing projects. He considered this project's costs too high, since it would neither be accessible nor serve low-income households. He also pointed out that CAN-DO lost money on its last previous project that needed a Comprehensive Permit. Feinberg commented that many housing projects in Newton and elsewhere serve lower-income groups, but that Newton also needed housing affordable at this project's proposed level.

After a short discussion, the Committee asked Ingerson to commission the independent appraisal of the property for this project that the CPC always obtains for housing proposals, to confirm that the developer has not overpaid for the property. The CPC also asked that the final Housing staff memo on the project identify any actions the CPC might require to guarantee that both units in this project would count on the state's Subsidized Housing Inventory.

VOTE Jane Sender moved, and Laura Fitzmaurice seconded, accepting a full proposal for consideration at a CPC public hearing, probably 8 January 2014, subject to the CPC's usual requirement that the proposal be available online to the public for at least 3-4 weeks prior to the hearing.

The motion was adopted by a vote of 6-0.

Working Session on CPC Funding Guidelines & Proposal Requirements

Alice Ingerson gave a short slide presentation (attached) recommending consideration of several revisions to the CPC's current *Funding Guidelines* and proposal instructions, which the Committee discussed as follows.

1. allowing the CPC to play a more active role in identifying qualified and available project sponsors and managers for potential proposals that already have community support

As an example, Ingerson and Beryl Gilfix described the project to restore and display at Newton North High School a mural donated to the original Newton High School in the 1930s. Though current faculty members were enthusiastic about the project, they did not have time to submit a full proposal or manage the actual project. Gilfix explained that after extended conversations with the current faculty and with former CPC

member Claudia Wu, former Newton North principal Jennifer Huntington had agreed to write the proposal and to obtain a commitment of School Department staff time for aspects of the project that must be handled by current City staff.

Ingerson was concerned that taking the initiative might be seen as guaranteeing a CPC vote in support of a project before the full proposal was even submitted or discussed at a public hearing. She was also worried that a City proposal that relied too much on help from people other than City staff might be more likely to get “stuck” after funding because the City department receiving the funds was not sufficiently committed to the project to complete it promptly. In the past, the Board of Aldermen and many community residents had been critical of the CPA program for allowing this to happen.

The Committee did not feel these concerns applied to the mural project, because the CPC had not initiated the project. Instead, it had simply responded positively to the normal submission of a pre-proposal, then sought out someone to move the project along to the full proposal stage. Robertson and Feinberg still felt that the CPC should require a strong commitment from the organization that must manage the project, in this case the School Department, before recommending funding. Ingerson suggested that the Committee wait to see whether the mural project is completed successfully before taking a pro-active role for additional projects.

2. clarifying the CPC’s expectations for “leverage” – the share of project costs that should be covered by non-CPA matching funds

As an example, Feinberg, Robertson and Sender explained that the Board of Aldermen had voted to appropriate the \$476,780 that the CPC had recommended for the Farlow Park pond and bridge only after explicitly setting aside two parts of the CPC’s recommendation: not to substitute federal (CDBG) funds for the bulk of the community fundraising in the original proposal, and requiring the Friends of Farlow Park to create and hold a \$30,000 “operating reserve” for the park. Ingerson noted that in this case, as in the past, the CPC’s intention had been to identify a clear and adequate source of funding for the future maintenance of any project receiving CPA funds, since CPA funds themselves cannot be used for maintenance.

As a second example, Ingerson explained that the Newton Highlands Playground design project had not yet gone out to bid, though the Board had appropriated last May the \$200,000 recommended by the CPC. In large part, this delay was because the \$120,000 of private matching funds promised in the original proposal had not yet been committed. Beryl Gilfix was surprised to hear this, since the private donors had assured the CPC during the proposal’s public hearing that these non-CPA matching funds were already available.

Ingerson felt that most City departments intended to honor all requests in CPC funding recommendations. For example, funds for private projects were generally appropriated to the Planning Dept., which then included all conditions suggested by the CPC in the associated funding agreements. Ingerson thought that the Parks & Recreation Department meant to do the same for projects it managed directly. However, parks projects seem to attract much stronger community interest and advocacy than other City CPA projects. As a result, Parks & Recreation Department staff may not always have the deciding vote on the choice, design, or management of parks projects that request CPA funds.

Robertson emphasized that the CPC could only enforce requirements for non-CPA funding in two ways: by voting to recommend less than the full amount of CPA funding requested; or by not forwarding a CPC funding recommendation to the Board of Aldermen until a target amount of non-CPA funds was actually in hand. Ingerson felt the second strategy, while important, should be used carefully, since in the past a “starter” commitment of CPA funds had often been seen as critical for raising funds from other sources. In response to a question from Gilfix, Robertson and Feinberg emphasized that the CPC was not an elected body, so it could and should make its decisions independently.

Sender suggested that CPC recommendations should continue to include requirements for non-CPA funding, even knowing that the CPC could not enforce these requirements. Most Committee members agreed.

Ingerson also suggested that the CPC might clarify its expectations for non-CPA funding by creating a sliding scale for broad project categories, of target percentages from least to most “leverage.” Feinberg and Robertson thought it was best to continue clarifying these expectations case by case, without setting targets in advance.

3. combining & reformatting information currently divided among the *Guidelines*, funding forecast and future proposals lists into a new, succinct *Community Preservation Plan* that would be updated annually

Ingerson felt that the Committee did not find much of this information useful or easy to integrate in the formats she was currently using. Feinberg felt the least useful information currently provided was the list of “possible future proposals” at the end of the “available funds” report. In his five years on the committee, virtually no project from that list had been submitted as an actual proposal.

Ingerson noted that it was difficult to predict specific future projects for both housing and open space acquisition: housing because specific projects were never listed in advance, open space acquisition because very few if any of the many parcels targeted for acquisition in the *Recreation & Open Space Plan* would ever become available in a given period. The only future projects for which lists would be available were those in the *Capital Improvement Plan* and those for which the CPC received pre-proposals, most of which are for historic resources or the rehabilitation of existing parks or conservation land. She suggested providing very round, five-year estimates of funding by resource, to encourage at least those sponsors with multiple potential proposals to prioritize their requests. Sender and Robertson agreed that this was a worthwhile goal, but most CPC members were skeptical that it could really be achieved.

4. depending on the usefulness of any new *Plan*, accepting full proposals on a rolling basis

Ingerson observed that in theory, the CPC’s annual funding round helped the Committee judge the urgency and merit of each individual proposal against competing uses of the same funds. In practice, however, most funding decisions were made on a rolling basis, because public hearings and working sessions could not be held for multiple proposals simultaneously; and because the CPC agreed to consider many proposals “off-cycle,” in effect exempting these proposals from its annual deadlines. She hoped that a more succinct, integrated *Plan* might allow the CPC to make these “rolling” decisions in a broader context, even without an annual deadline.

Ingerson noted that the Committee rarely turned a proposal down outright. Instead, the CPC used its pre-proposal discussions to identify changes that it would like to see in each project before agreeing to consider a full proposal. In response, some proposal sponsors had simply withdrawn their proposals rather than make the requested revisions or provide the requested additional information.

Overall, members felt that, although the current process was often more “rolling” than might be ideal, the annual funding deadlines should be retained for the time being. However, after further discussion, the sense of the meeting was that Ingerson could draft a new format for further discussion, aiming for a document no longer than the current 4-page *Guidelines*.

Committee Business

Ingerson distributed to CPC members their printed copies of the Waban Hill Reservoir proposal, for the 11 December 2014 public hearing, along with her notes on any differences between the final proposal and the CPC’s proposal instructions or specific requests based on the pre-proposal. The Committee asked Ingerson to arrange a site visit to the Waban Hill Reservoir prior to the public hearing.

Robertson moved and Sender seconded approval of the minutes for 11 September 2014 as submitted. The minutes were approved by a vote of 5-0, as Fitzmaurice had not attended that meeting.

The meeting was adjourned by consensus at 8:40 pm.

Newton, Massachusetts
COMMUNITY PRESERVATION PROGRAM



**Possible Revisions to
Funding Guidelines
& Proposal Instructions**

20 November 2014

Alice Ingerson, Community Preservation Program Manager,
617.796.1144, aingerson@newtonma.gov

Newton's Community Preservation Program

A More Proactive Approach

REVISIONS TO CONSIDER

1. **In special circumstances, take the initiative** by trying to identify qualified, available sponsors & managers for potential proposals that already have community support ...?
2. **Clarify CPC expectations for “leverage” – non-CPA matching funds.**
3. **To provide a more useful context for funding decisions,** combine & reformat the *Guidelines*, target %'s, future proposals list, and funding forecast into a new ***Community Preservation Plan***, about the same length as the *Guidelines* alone.

Decision requested at this meeting:

Should staff create a draft *Community Preservation Plan* for the CPC to discuss and either revise or reject?

4. If the new *Plan* helps the CPC evaluate current proposals more effectively, **consider accepting full proposals on a rolling basis.**

Newton's Community Preservation Program

Revisions to Consider

1. **In special circumstances, take the initiative** by trying to identify qualified, available sponsors & managers for potential proposals that already have community support ...?

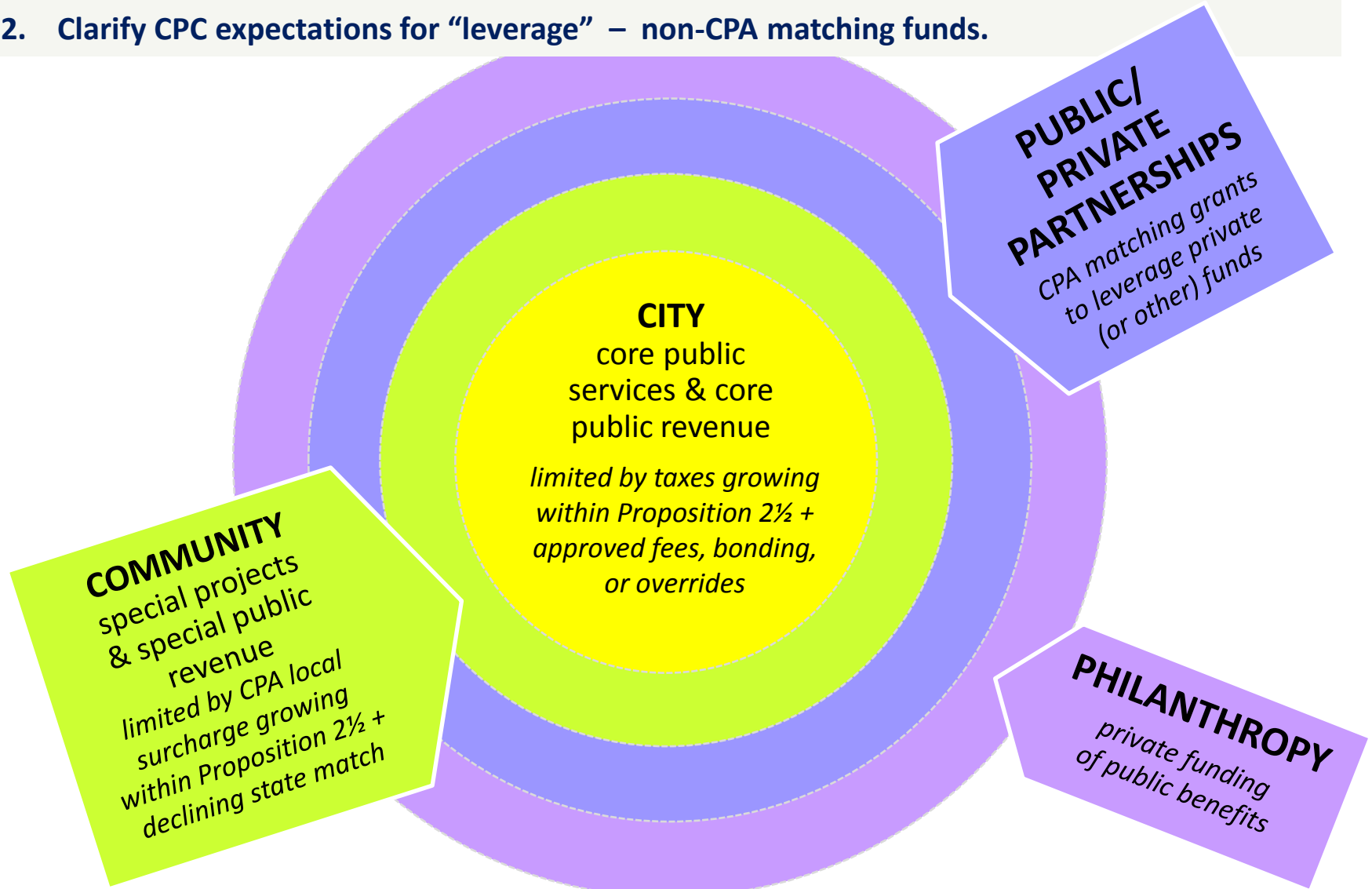
TEST CASE: WPA MURAL at Newton North High School



Newton's Community Preservation Program

Revisions to Consider

2. Clarify CPC expectations for "leverage" – non-CPA matching funds.



Newton's Community Preservation Program

Revisions to Consider

2. Clarify CPC expectations for "leverage" – non-CPA matching funds.

Projects in all of these categories *could* be CPA-funded, but not all of them *should* be CPA-funded.

minimum % of non-CPA funding	Criteria for Leverage (Non-CPA Funding)
≤ 10	on public property with broad or City-wide public benefits
≥ 15	on public property with narrow or neighborhood-only benefits
≥ 25	on private property with broad public benefits (including affordable housing)
	on private property with narrower but still significant public benefits

PUBLIC/PRIVATE PARTNERSHIPS
 CPA matching grants to leverage private (or other) funds

COMMUNITY
 special projects & special public revenue
 limited by CPA local surcharge growing within Proposition 2½ + declining state match

PHILANTHROPY
 private funding of public benefits

Newton's Community Preservation Program

Broad Context for Funding Decisions: Current Approach

Funding forecast:

City of Newton, Massachusetts Community Preservation Fund	Fiscal 2015 *	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Estimated Totals for Fy15-20
FUNDING FORECAST, Fy15-20	<i>Assumptions: Local revenue increasing 2.5% per year; state match declining 3% per year, from 23% in fy15 to 8% in fy20. * State funds available each year are a percentage of the previous year's local revenue.</i>						
NEW REVENUE							
local CPA surcharge	\$2,774,554	\$2,843,918	\$2,915,016	\$2,987,892	\$3,062,589	\$3,139,154	\$17,723,123
state matching funds	\$622,706	\$554,911	\$483,466	\$408,102	\$328,668	\$245,007	\$2,642,860
undesignated fund balance*	\$830,824	\$229,184					\$1,060,008
TOTAL REVENUE	\$4,228,084	\$3,628,013	\$3,398,482	\$3,395,994	\$3,391,257	\$3,384,161	\$21,425,991
BUDGETED EXPENDITURES							
Program Administration & Debt Service							
program administration (<i>fy 15 revised budget; other years as 4.5% of annual new funds; statutory maximum is 5%</i>)	(\$152,559)	(\$152,947)	(\$152,932)	(\$152,820)	(\$152,607)	(\$152,287)	(\$916,152)
debt service for 20 Rogers St. <i>from general reserve</i>	(\$280,000)	(\$269,344)	(\$259,781)	\$0	\$0	\$0	(\$809,625)
AVAILABLE FUNDS after program administration + debt service	\$3,795,025	\$3,205,722	\$2,985,769	\$3,243,174	\$3,238,650	\$3,231,873	\$19,700,214
Budgeted Reserves (min. allocation of available funds required under the CPA)							
affordable housing (10%)	\$422,808	\$362,801	\$339,848	\$339,599	\$339,126	\$338,416	\$2,142,599
historic resources (10%)	\$422,808	\$362,801	\$339,848	\$339,599	\$339,126	\$338,416	\$2,142,599
open space & recreation (10%)	\$422,808	\$362,801	\$339,848	\$339,599	\$339,126	\$338,416	\$2,142,599
general (<i>total revenue minus 10% budgeted reserves, 4.5% program administration, and scheduled debt service</i>)	\$2,526,600	\$2,117,318	\$1,966,225	\$2,224,376	\$2,221,273	\$2,216,625	\$13,272,417

NOTES

* State revenue received each year too late to be included in the current-year budget. These funds becomes available when when the unspent fund balance is forwarded to the following year. In fy15, this was the 1% CPA surcharge on revenue from the property tax override adopted in March 2013 + excess of actual 52.2% state match over the 26% budgeted. In fy16, this was the excess of the actual 31.5% state match over the 23% budgeted.

Newton's Community Preservation Program

Broad Context for Funding Decisions: Current Approach

Possible future proposals listed in "available funds" report:

POSSIBLE FUTURE PROPOSALS , based on City of Newton <i>Capital Improvement Plan, Recreation & Open Space Plan</i> , or inquiries to CPC staff, * = rough cost estimates by CPC staff, in absence of submitted estimates	
<i>NOTE: This list currently includes no affordable housing development projects and no land acquisition for open space or recreation.</i>	
City Archives (scanning & storage)	-\$1,000,000
City Hall (building & landscape - in addition to projects listed above)	-\$2,000,000
Crafts Street Stable	-\$1,600,000
Crescent Street (Auburndale - City parcel in re-use process) *	-\$1,500,000
Crystal Lake Bathhouse - adjusted based on <i>Fy16-20 CIP</i>	-\$5,600,000
Historic Burying Grounds (additional work)	-\$700,000
Kennard Estate *	-\$1,000,000
Newton Centre Library (former Health Dept. - in re-use process)	-\$1,500,000
Newton Centre Playground, J. West Recreation Center ("The Hut")	-\$1,500,000
Senior Center	\$520,000
7 historic City bldgs @ \$200-\$330k each: Auburndale Library, Burr Park Field House, Jackson Homestead, Nonantum Library, Parks & Rec. Headquarters (former Newton Corner branch library), Police Annex (former West Newton branch library), Waban Library	-\$2,100,000
AVAILABLE FUNDS if all listed possible proposals were funded in full	-\$18,269,282

Newton's Community Preservation Program

Broad Context for Funding Decisions: Current Approach

Other lists of possible future proposals :

Newton, Massachusetts Community Preservation Program Fy15-20 Community Preservation Plan					
fy15-20 new funds (rounded) \$19,500,000		one-time fund balance (current funds not yet allocated) \$10,000,000		estimated available funds fy15-fy20 \$29,500,000	
Sources	Housing	Historic	Open Space or Recreation Acquisition	Open Space or Recreation Rehabilitation	TOTALS
Capital Improvement Plan (Fy15-20)	\$0	\$9,340,778	\$405,000	\$10,275,256	\$20,221,034
Recreation & Open Space Plan (Fy 15-20)	\$0	<i>minimal -- counted under recreation for this analysis</i>	\$172,072,800	\$17,450,000	\$189,522,800
Other (Pre-proposals & Inquiries)	\$2,100,000	\$3,295,000	\$0	\$0	\$3,295,000
TOTALS from lists & plans	\$2,100,000	\$12,835,778	\$172,477,800	\$27,725,256	\$215,138,834
%	1.0%	6.0%	80.2%	12.9%	100.0%

Newton's Community Preservation Program

Broad Context for Funding Decisions: Current Approach

Target %'s tracked in "available funds" report:

KEY				open space & recreation combined	
housing	historic	open space	recreation	acquisition	rehabilitation

Target Ranges in Newton CPC Funding Guidelines

25 - 40%	15-20%	no target	no target	20-30%	15-20%
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Project Funding in FY13

18.5%	2.0%	38.1%	33.3%	60.3%	13.1%
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Project Funding in FY14

44.2%	20.4%	16.2%	15.7%	25.6%	6.4%
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Project Funding in FY15 (if all submitted & anticipated proposals were funded)

0.0%	63.1%	0.0%	44.6%	15.7%	30.7%
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Newton's Community Preservation Program

Broad Context for Funding Decisions: Revisions to Consider

3. Reformat existing information as a new *Community Preservation Plan* ...

current format (min. - max.)	Balancing Funds Among CPA-Eligible Resources	new format (approx. ± 5%)
25 - 40%	affordable housing: development	30
15 - 20%	historic resources: all purposes	25
20 - 30%	open space & recreation land: acquisition	20
15 - 20%	open space & recreation land: rehabilitation or facilities development	20
75 - 115%	total/max.	75-115%

Newton, Massachusetts Community Preservation Program

Fy15-20 Community Preservation Plan

fy15-20 new funds (rounded) \$19,500,000	one-time fund balance (current funds not yet allocated) \$10,000,000	estimated available funds fy15-fy20 \$29,500,000
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Newton's Community Preservation Program

Broad Context for Funding Decisions: Revisions to Consider

3. Reformat existing information as a new *Community Preservation Plan* ...

CPC targets, ± 5%	30%	25%	20%	20%	95%
Scenario A. Possible Fy15-20 Totals, based on CPC target %'s	\$9,240,000	\$7,808,361	\$5,864,245.20	\$6,583,070	\$29,495,676
%	31.3%	26.5%	19.9%	22.3%	100.0%

CPC targets, ± 5%	30%	25%	20%	20%	95%
Scenario B. Possible Fy15-20 Totals, based on CPC target %'s (assuming all new land acquisitions would be debt- financed, and an annual debt-service ceiling of \$500,000)	\$10,080,000	\$8,258,843	\$3,310,000.00	\$7,836,988	\$29,485,831
%	34.2%	28.0%	11.2%	26.6%	100.0%

To emphasize that these are targets, not quotas, round to the nearest \$500,000 and 5%?

Newton's Community Preservation Program

Broad Context for Funding Decisions: Revisions to Consider

3. Reformat existing information as a new *Community Preservation Plan* ...

Possible Future Proposals - Sample Format for New List

Title & Location	Summary	Cost	CPA Resource	Source
ABC City Project	Create a new pocket park.	\$750,000	Land Acquisition	Rec. & Open Space Plan, CIP
DEF Private Project	Preserve a historic building.	\$1,250,000	Historic Resources	Pre-proposal
GHI Housing Trust	Develop at least 6 new units.	\$1,500,000	Affordable Housing	Pre-proposal
<i>Cumulative total to here is ≤ 5-year estimate of available funds: \$XX,000,000.</i>				
JKL City Project	Rehabilitate a historic building.	\$1,000,000	Historic Resources	CIP
		\$4,500,000	CUMULATIVE TOTAL	
CUMULATIVE % 's	Housing 33.3%	Historic 50%	Rec/Open Space Acquisition 16.7%	Rec/Open Space Rehab 0%

- ◆ List projects alphabetically – to show that the CPC is not prioritizing proposals before they are submitted.
- ◆ If the only thing we know about a potential project is its title & location, leave it off the list. This might encourage more sponsors to submit pre-proposals.
- ◆ Update list annually using all available information, through discussion at a CPC public hearing or public meeting.

Newton's Community Preservation Program

Revisions to Consider

4. If the new *Plan* helps the CPC evaluate current proposals more effectively, **consider accepting full proposals on a rolling basis.**