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Candace Havens
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Community Preservation Committee

MINUTES

24 April 2012

The meeting was held on Tuesday 24 March 2012 at 7:00 pm in City Hall Room 202.

Community Preservation Committee (CPC) members present: Leslie Burg, Joel Feinberg, Zack Blake (dep. 7:30 pm), Michael Clarke, Nancy Grissom, Thomas Turner, and Jim Robertson. Absent: Dan Green, Wally Bernheimer.

Program manager Alice Ingerson served as recorder.

Committee Chair Leslie Burg opened the meeting at 7:05 pm.

PROGRAM FINANCIAL OVERVIEW

Alice Ingerson's presentation summarizing currently the program's currently available funds, funding forecast, and options for long-term planning is appended to these minutes.

PUBLIC HEARING on Off-cycle Full Proposal for City Civil War Monument in Newton Cemetery

Brian Lever, Senior Preservation Planner in the Planning Dept., and Frank Nichols, Project Engineer in the Dept. of Public Works, presented the proposal. The monument was originally constructed by public subscription in 1864. Weather has steadily worn away at the memorial plaque and its supporting infrastructure in the last few decades. Some portions have had to be removed and put into storage. The wall is now failing structurally and is a hazard to passing pedestrians. In Lever's and Nichols' opinion, it may not survive another winter. The obelisk on the higher ground behind the wall is structurally sound and only needs cleaning.

Lever and Nichols presented three options: recommended option A, approving \$134,000 for design and construction simultaneously, allowing construction to be completed before next winter; option B, approving design funding first, hoping that the monument would survive another winter in place, and approving construction funding based on final design estimates, in time for work to be done in the spring or summer of 2013, for a cost of \$154,000; and option C, funding deconstruction and winter storage, restoration design, and construction separately, for a cost of \$166,000. Options A and B would allow restoration of the monument in time for its 150th anniversary; option C might not.

In response to Zack Blake, Nichols thought that the restored monument would need no care beyond the regular grounds mowing provided by Newton Cemetery staff for the next 100 years.

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In response to Nancy Grissom and Jim Robertson, Lever and Nichols explained that only three or four companies in the New England area are qualified to do this kind of work. Only the construction phase would have to be bid out. The proposal was based on estimates from the firm that had created the specifications for CPA-funded work at the City's three Historic Burying Grounds. If actual construction bids come in lower than the estimates, some appropriated funds will be returned. If bids come in higher than the estimates, the project team will present a supplemental funding request.

In response to Alice Ingerson, Nichols explained that the RFP could be structured to avoid being forced to choose an unqualified firm, simply because they were the low bidder.

Mike Clarke thanked the two presenters and City Clerk David Olson for providing such thorough documentation of the monument's history, and the Law Department for its memo confirming the City's ownership and responsibility for the monument.

Alderman Brian Yates said he was very pleased with Lever's and Nichols' work on this project, since it had now been 5 years since the initial CPA-funded assessment of the monument's condition. He felt this was exactly the kind of project the CPA is for.

Veterans Dept. director John McGillivray also strongly supported the proposal, and would like to include it in the City's Memorial Day celebrations in the year when restoration is completed. High school students or Civil War re-enactors might create a special presentation at the site. Joel Feinberg noted that there had been surprisingly little attention paid in New England to the anniversary of the Civil War, given the high number of casualties.

In response to Ingerson, Lever suggested that a permanent, interpretive sign would be more appropriate at this site than a temporary sign acknowledging CPA funding. Nancy Grissom encouraged the project team to form a volunteer committee to work on that.

Leslie Burg then declared the public hearing closed.

Burg and Grissom expressed their support for option A, feeling it was best to get the project done as quickly as possible. Zack Blake was also concerned about the risk of further damage and the higher costs of both options B and C.

VOTE Zack Blake moved to recommend the funding for option A, \$134,000. Mike Clarke seconded the motion.

Members also supported Alice Ingerson's suggestion that the project team be required to report back to the CPC in person when the design phase is completed, about the amount of the construction bid, prior to executing a construction contract.

The motion to recommend passed by a vote of 7-0.

WORKING SESSION on PRE-PROPOSALS

Newton Homebuyer Assistance Program Pre-Proposal

Housing Planner Rieko Hayashi presented this pre-proposal to fund another phase of the first-time homebuyer program, which began in 2002, and to increase the maximum subsidy per household from \$115,000 to \$150,000. This would bring Newton's program in line with similar programs in Cambridge and Brookline, two communities with housing prices comparable to Newton's.

Newton's program serves households with up to 80% of the area-wide median income (AMI). In return for assistance to one homebuyer, each home is permanently deed-restricted to remain

affordable to households at that income level. Most households currently served have 1 or 2 people, and staff would like to assist more families with children. Under federal guidelines limiting housing costs to about 1/3 of household income, 80% AMI households cannot afford homes that cost just under \$400,000, even with help from both Newton's homebuyer program and the Mass Housing Partnership's Soft Second program. Yet almost no homes are available in Newton below that price.

Currently, 3 buyers are pre-approved, but the program has enough funds only for 2 more cases that need the maximum subsidy. Over 1,000 households are on Newton's affordable housing notification list. People are very interested in the program. In response to questions from Mike Clarke and Jim Robertson, Hayashi explained that homebuyers are assisted on first-come, first-served basis.

In response to questions from Joel Feinberg, Jim Robertson, and Nancy Grissom, Rob Muollo explained that the City must approve any major capital improvements that might make the subsidized home unaffordable in future, as well as any second mortgage on the property; monitors all properties for adequate maintenance; and sets the resale price for each unit based on regional incomes at the time of the resale. In theory, resale prices could allow the original buyer to capture some appreciation on the home, but in practice regional incomes have increased so much more slowly than real estate prices that there hasn't been any significant appreciation.

Feinberg expressed his "deep skepticism" about homebuyer programs in general. He felt they were expensive and misleading, because the buyers get all the responsibilities and risks of homeownership, but not the benefit of full appreciation. He would prefer to invest Newton's CPA funds in well-maintained rental housing. Ingerson asked him to explain why he felt the program was expensive, since most people seemed to consider it inexpensive because it created permanently affordable housing for a maximum subsidy of \$115,000 – or under the proposed new guidelines, \$150,000 per unit – whereas the recent average subsidy requested per unit for multi-unit developments in Newton had been more than twice that. Feinberg explained that he felt the homebuyer program helped a fairly small number of people over a long period and clustered subsidized units in the least expensive neighborhoods. He also acknowledged that his concerns were based partly on experiences in other communities.

Muollo noted that the homebuyer program attracted people burdened by high rent. In recent years, rents had been increasing faster than sales prices.

Ingerson reminded the CPC that to date, this program was the only housing investment that the Board of Aldermen had been willing to support on a program rather than project basis. The Board had always wanted to review the details of multi-unit developments, even those with only 2 units, but had approved funding for the homebuyer program based on its overall guidelines, rather than approval of each unit.

Burg expressed the sense of the meeting that a full proposal should be invited in the next funding round. She suggested that any further specific questions be submitted to Hayashi through Ingerson. Robertson asked the Housing staff if they could provide any data on the total carrying cost for ownership vs. rental units, over the long term.

Affordable Housing Trust Pre-Proposal

Housing Program Manager Trisha Guditz presented this pre-proposal to allocate \$1.5 million to a 2-year pilot program. She noted that the state enabling legislation for municipal housing trusts specifies the trust's basic governance structure, broad purposes, etc. 66 other communities have such a trust.

Guditiz believed that a Housing Trust would meet the Newton Housing Partnership's and Housing staff's goal of getting funds to housing developers more efficiently and creating a more cohesive review process for housing proposals. She acknowledged that Newton's CPA funding process had on average taken only 3-5 months longer than Newton's CDBG/federal funding process for housing, but felt that the current process required explaining proposals over again from scratch to multiple committees, all of which could request project revisions. The cost of this process increases the cost of the projects, and therefore the amount of public subsidy projects request.

The pre-proposal identified 2 options: make the trust the primary mechanism for allocating CPA housing funds during the pilot period; or channel some CPA funds through the trust, but disburse others through the existing process. Guditiz felt a mixed process would be harder to manage but would also allow the CPC to retain its current direct role in proposal review for some funds. The trust's board could include both some CPC members and some Aldermen.

In response to Joel Feinberg, Guditiz noted that some preliminary program design could be built into the full proposal, but that the Housing staff and Housing Partnership preferred to give the trust's own board the maximum possible discretion in setting program goals and parameters. Ingerson noted that the Board of Aldermen might make specific mandates or constraints a condition of their support for a trust, so both the proposal sponsors and the CPC should think about how much the trust's scope of action could be narrowed or specified before eliminating its predicted benefits.

In response to Jim Robertson, Guditiz explained that only a very small proportion of trust funding would come from non-CPA sources, such as inclusionary zoning payments. Newton could not put its federal housing funds into a trust.

Most other CPC questions focused on whether a trust could make the review process for housing proposals more efficient, and if so, whether the Board of Aldermen would consider establishing a trust in a way that would realize that efficiency.

In response to Robertson, Josephine McNeil of CAN-DO estimated that it could take a year to get from identifying a site to starting construction in Newton, if CPA funds were involved. McNeil and Guditiz agreed that affordable housing developers in Newton often had to take out bridge loans from banks and add the resulting loan interest to their requested public subsidies, in order not to lose access to good sites while waiting for public funding decisions.

Guditiz emphasized that even if a trust did not reduce that year to the current 3-4 months required to allocate Newton's federal housing development funds, a trust would foster a more coordinated and principled, and a less repetitive and contradictory, proposal review process.

Robertson and Joel Feinberg both felt that creation of a trust would require the CPC as well as the Board of Aldermen to cede control over some portion of CPA funds to another group of citizens not very different from the CPC or the Aldermen. The trust's own administrative costs would also reduce any gains in efficiency achieved by creating the trust in the first place.

Rather than support a trust, Robertson felt the CPC should just simplify its own review process. Joel Feinberg and other CPC members felt that the CPC's own part of the process was fairly efficient, so any potential gains in efficiency were mostly in the Aldermanic part of the CPA review process. Ingerson noted that the CPC could not alter the Aldermanic part of the process.

Guditiz reported that several Aldermen approached informally by the Housing Partnership had been interested in learning more about the idea of a trust. She also noted that if CPC the invited a full

proposal, Housing staff and the Housing Partnership would use the time before submitting that proposal to provide more information and education to the public and the Board.

Ingerson noted that many Aldermen probably had the same doubts as Robertson and Feinberg, but in reverse: why should the Board consider creating a trust unless they knew the CPC was willing to recommend funding for it? She thought the feasibility of the idea had to be tested with both groups more or less simultaneously. Planning Director Candace Havens noted that the Board already had a docketed discussion item about the idea of trust, which would be taken up at the Zoning and Planning Committee. Members of the CPC should attend that discussion. Burg believed there was more support for the idea of a trust on the Board of Aldermen now than there had been before. If CPC took the first step, that would increase chances that the Board would consider it. She also endorsed the idea of funding a trust as a pilot project, then re-evaluating it.

Ingerson noted that housing developers had often criticized the CPC's annual funding deadline and/or requested off-cycle consideration of their proposals. On the other hand, the annual deadline was useful for weighing the relative merits of other proposals. She felt that the CPC needed to set a more specific allocation target for housing, to ensure there would be funds for housing proposals received after each year's annual deadline; and to ensure there would be funds for other resources, if housing proposals were submitted before the annual deadline. Under the current system, housing could receive from 10 to 75 percent of each year's funds. An explicit allocation strategy would set a higher minimum but a lower maximum. Robertson suggested an allocation with a $\pm 5\%$ range for each resource, or a 3-year rolling average target allocation for each resource.

Guditz felt that clearer allocations by the CPC might encourage more housing proposals. Burg and Tom Turner felt that many good affordable housing developers will not do business in Newton because of the complexity and cost of Newton's funding process. A trust might encourage more competition. Ingerson suggested that a trust board might also have a higher proportion of members with experience or expertise in affordable housing than the current CPC or Board of Aldermen, so a trust might actually set higher standards of efficiency, or lower maximum subsidies, for projects.

Ingerson described as the "flabby alternative" Robertson's suggestion that, rather than fund a trust, the CPC simply set its own allocation of funds for housing, without Board action. Burg felt that the current review process for housing proposals would not be significantly improved by the CPC acting on its own.

Tom Turner felt the CPC should encourage a full proposal, rather than discuss the pre-proposal at greater length.

VOTE Nancy Grissom moved encouraging submission of a full proposal, which should flesh out the details of the proposed pilot program, based on early feedback from the Board of Aldermen. Tom Turner seconded the motion.

Burg and Feinberg asked that, in contrast to the pre-proposal, the full proposal not present multiple options, but zero in on what the sponsors felt was the best one.

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

COMMITTEE BUSINESS

Revised Fy13 Administrative Budget

The CPC originally voted on its fy13 budget in February. Ingerson explained that in mid-April the City had adopted new compensation policies that implied a small salary increase for Ingerson's staff position. Ingerson had agreed to include this change in the proposed City budget presented to the Board of Aldermen, on the condition that it be implemented only if the CPC voted to approve it.

VOTE Nancy Grissom moved approval of the proposed new fy13 administrative budget. Jim Robertson and Tom Turner seconded the motion, which was approved by a vote of 6-0.

Summer 2012 Paid Internship

Ingerson explained that she would like to use up to \$6,000 from the \$30,000 budgeted in fy12 for consulting, none of which had been spent, to hire students to complete the conversion of the program's project webpages to the City's new web system, verify the project information in the state CPA database, take more project photos for the website, and generally enhance the program's online outreach.

VOTE Nancy Grissom moved approval of this staff proposal. Mike Clarke seconded the motion, which was approved by a vote of 6-0.

Revised 2012 Schedule The sense of the meeting accepted Ingerson's request to revise the Committee's schedule for the rest of 2012, with final dates to be chosen by polling all members.

CPA Amendment Update Leslie Burg summarized an email she had received from Community Preservation Coalition Executive Director Stuart Saginor about the version of the long-pending amendment to the CPA that had just passed the Massachusetts House of Representatives. Burg had expressed disappointment that the new version had reduced the proposed guarantee of a 75% state match to the option of adding \$25 million annually to the state fund when the state had an available surplus. Saginor had defended the new state funding provision, suggesting it would have a more positive impact than might be apparent at first glance.

Approval of minutes for 27 March 2012

Nancy Grissom moved approval of the minutes as submitted. Tom Turner seconded the motion, which was approved by a vote of 6-0.

By consensus, the Committee adjourned at 9:05 pm.

Project Materials Online

Presentations at this meeting for both pre- and full proposals are online by project title from the "Reports and Presentations" page of the program website, www.newtonma.gov/cpa.