

The meeting was held on Wednesday 19 January 7 2011 at the Newton Senior Center, 345 Walnut Street, Newtonville.

Attending members of the Community Preservation Committee (CPC): Nancy Grissom, Thomas Turner, Walter Bernheimer, Zack Blake, Leslie Burg, Joel Feinberg, Michael Clarke, Dan Green (arr. 8:30 pm, left 9:15 pm).

Program manager Alice Ingerson served as recorder.

Committee Chair Nancy Grissom opened the meeting at 7:05 pm.

UPDATE ON CURRENT PROJECT:
PARKVIEW HOMES (192 Lexington Street) – housing

Rob Muollo, Housing Planner, & Frank Nichols, CPA Engineer in the Dept of Public Works, updated the Committee on this previously funded project, now called Parkview Homes. Project construction is now about 1/3 complete. The lottery to select owners from among the 50 people who submitted full applications will be held January 20th.

Nichols has been reviewing reimbursement requests for this project, as he generally does for CP-funded projects. He checks for compliance with the original project design and does site visits to confirm that work being charged to the grant has actually been done. Muollo worked on the grant agreement and deed restriction for the project, also reviews reimbursement requests, and steers approved requests through the City payments process. Muollo and Nichols summarized the following key points in the project's evolution:

- ◆ Remediating environmental hazards on the site required realigning the funding sources, because the federal funds originally intended for site acquisition could not be used for that purpose until the site was certified as free of environmental hazards, and CP funds may only be used for acquisition of if the property will be owned by the municipality. The developer therefore had to take out a bank acquisition/bridge loan. Carrying costs for that loan were covered by additional federal funds.
- ◆ Muollo spent considerable time reconciling state (Dept. of Housing & Community Development) vs. federal (Dept. of Housing & Urban Development) requirements for the permanent deed restrictions on these properties. State legislative action would be required to make the state's standard deed restriction satisfy HUD requirements.
- ◆ As allowed by state law, the developers had adjusted the final sales prices of the units upward slightly from the original development budget, in response to changing market conditions. The additional sales revenue is going into project improvements that will improve sustainability/durability or otherwise decrease long-term costs for the future owners.

Alice Ingerson explained that the similar ownership project proposed for 112-116 Dedham Street had requested only CP funds, which would therefore have to cover any time required from both Muollo and Nicholas for that project. On prior projects, most Housing staff time (Muollo) had been covered by requested CDBG and HOME funds. Nichols felt that any of his time required for Dedham Street could be covered by the amount already included in the CPC's proposed fy12 administrative budget. Muollo estimated that any of his time required for Dedham Street would cost at most \$2,500 - \$3,500. Ingerson noted that this amount should therefore be added to any CPC funding recommendation for that project.

STAFF PRESENTATION:
OVERVIEW OF HOUSING GOALS & CURRENT PROPOSALS

Alice Ingerson presented an overview of Newton's affordable housing needs, the CPC's stated goals for affordable housing, and the issues raised by ownership vs. rental and rehabilitation vs. new construction, as illustrated by the current proposals for 61 Pearl Street (rental & rehabilitation) and 112-116 Dedham Street (ownership & new construction).

WEBSITE: www.newtonma.gov/cpa

CONTACT: *Alice E. Ingerson, Community Preservation Program Manager,*
aingerson@newtonma.gov, 617.796.1144

**WORKING SESSION ON CURRENT PROPOSAL:
61 PEARL STREET – housing**

Josephine McNeil, executive director of CAN-DO, summarized changes in the project since the December 2010 public hearing with the CPC. CAN-DO had closed on its purchase of the house, financed with a bank loan, in early January 2011. CAN-DO's Board had voted to convert this building from all 1-bedroom units to all 2-bedroom units to satisfy both their own mission and the focus in Newton's citywide plans on housing for families. The Board had also decided to include wheelchair accessibility in the organization's next project, because CAN-DO's current rental inventory includes only 1 such property. The development budget had been revised to show that initial tenants will be below 60% of area-wide median income, as required by the project's federal HOME funding, but subsequent tenants may have up to 65% of the area median income. Finally, the revised budget includes relocation costs for the current tenants, and requires future tenants to pay their own utilities.

Nancy Grissom noted that the home inspector used is known as thorough, and that his full report is on the CPC webpage. McNeil explained that the inspector had not provided a summary of that report.

In response to questions from Joel Feinberg, McNeil explained that the reconfigured building will include separate heating and hot water for each unit, plus utilities for the common areas. There will be shared laundry facilities in basement, but private ones in the accessible unit. McNeil also explained that the project's federal funding requires reducing the maximum allowable rent by a locally-adjusted utility allowance, when the rent does not include utilities.

In response to questions from Wally Bernheimer, McNeil explained that the interest rate on the bank acquisition loan 4% for the first 5 years, and for the second 5 years was tied to the Federal Home Loan Bank rate, with a 5% cap; in year 10, the rate can be adjusted again. She noted that CAN-DO's next annual financial statement would be available in March 2011. Ingerson pointed out the link on the CPC webpage for this proposal to CAN-DO's 6 December 2010 current-year financial statements and operating budgets, submitted to the Planning & Development Board, and agreed to forward that to Bernheimer.

Zack Blake asked whether this project was at the top of the CPC's priority list, given limited funds, and whether the CPC wanted to keep its historic pattern of relatively equal funding for all eligible resources. Leslie Burg felt that the past balance had been fine, but it would now be appropriate to shift funding toward housing and historic resources. She supported this proposal because all units were affordable.

Mike Clarke reminded the Committee of its stated goal to reserve funds for future open space or recreation land acquisitions. As examples, he mentioned potential additions to the City-owned land near Pine Street in Auburndale; and conservation restrictions on small wetlands currently divided among abutting private back yards. Burg felt the Committee's prior goal of reserving about \$2 million for such purposes was too high. Clarke felt that amount was appropriate. All members agreed that the City needed to set clear priorities for future open space acquisitions by updating its now-expired *Open Space Plan*, and hoped that the City would soon assign staff to complete the new plan.

The sense of the meeting was to accept the suggestion by Grissom, Blake, and Bernheimer to defer voting on the Pearl Street proposal until after discussion of the proposal for Dedham Street.

**WORKING SESSION ON CURRENT PROPOSAL:
112-116 DEDHAM STREET - housing**

Geoff Engler and Bob Engler from SEB provided an update on this proposed project. SEB has the effective control of the site required by the CPC for proposal submission because they are paying the current owner's interest and taxes, under the terms of their original, accepted offer, but the price is being renegotiated. A full purchase-and-sale agreement will probably be concluded by mid-February, when the bank will also appraise the property. They are waiting out rather than appealing the 1-year demolition delay imposed on the property by the Newton Historical Commission in the fall of 2010.

Floor plans have been revised to include one 3-bedroom affordable unit and three 2-bedroom unit. There will be one 3-bedroom market-rate unit, but all others will have 2 bedrooms.

WEBSITE: www.newtonma.gov/cpa

CONTACT: *Alice E. Ingerson, Community Preservation Program Manager,*
aingerson@newtonma.gov, 617.796.1144

All units in the proposed building will meet the Group 1 standards of the Mass. Architectural Access Board, with low thresholds and elevator access. Three units will meet the higher, Group 2 standards, with wider entries, bathrooms, & kitchens. SEB received no applications from potential owners needing the one, fully wheelchair accessible unit included at the City's request in the Lexington Street project, and felt that providing more Group 2 access at Dedham Street was unnecessary and would make the project harder to market. However, they would provide additional Group 2 units if market demand appeared for them.

They still plan to rehabilitate the barn on the site for supportive use but not as residential space. They know that preservation of the barn has been important to the City, the Planning Dept., historic preservationists, and some neighbors. But with limited funds, they feel the barn is not essential.

Rob Muollo distributed to the Committee a letter from the Newton Housing Partnership, submitted earlier that day and not included in the pre-meeting packet. The Partnership supported the project as modified in response to their comments. Their letter will be posted on the CPC webpage for this proposal.

Initial Committee discussion focused on the site's stone barn:

- ◆ In response to Zack Blake, SEB defended their rehabilitation estimate of \$300,000, including insulation, updated electrical service, and clearing out the interior. Blake predicted that any costs exceeding this estimate would not come from profits, but from some other source.
- ◆ In response to Mike Clarke, SEB explained that using the barn for residential space was inappropriate because it was right on the property line and would intrude on the neighbors' privacy.
- ◆ Grissom, Bernheimer, and Feinberg all asked how maintenance costs for the barn would affect the owners of the affordable units. Grissom noted that condo fees would have to cover maintenance of the grounds, driveway, and elevator as well. Bernheimer was reluctant to support the project without knowing estimated condo fees.

Engler acknowledged that no condo association budget had yet been submitted, and that the barn would have some continuing costs. The barn will not be open to the public and cannot be seen from the public way, so the CPC and Board of Aldermen must decide whether to fund the additional cost of rehabilitating it. He also noted that condo buyers are generally more enthusiastic about expensive amenities at first than over the long term, as maintenance costs become apparent.

This led to a general discussion of condo fees. Owners of the affordable units collectively will own roughly 16% of all space, and 20% of the residential/occupied space. Geoff Engler said that basing fees on square footage would reduce sales revenue, since HUD guidelines lowering sales prices to keep units with higher fees affordable. However, SEB feels using square footage puts the owners of the affordable units and of the market-rate units on a more equal footing, compared to other ways of setting fees.

Joel Feinberg questioned whether there was demand for the proposed units, given the narrow window between the minimum income required to qualify for a mortgage, and the maximum income allowed by federal and state guidelines. Based on the strong demand for units at Lexington Street and phone inquiries already received, SEB felt there would be strong demand for these Dedham Street units.

The next discussion focused on neighbors' concerns. Grissom assured the neighbors present that the CPC had received in its packet, and had read, their many emails criticizing or opposing the project. Bernheimer expressed concern about the scale of the project on the context of this neighborhood.

Aldermen John Freedman and Mitch Fischman, speaking also on behalf of Alderman John Rice (who had to leave the meeting early), asked the developers to summarize their responses to neighbors' concerns. These Aldermen had supported the SEB project on Lexington Street in part because it was across the street from apartments with an even higher density than the new project, but this new proposed project would be denser than anything within several blocks. Alderman Fischman felt that the steep grade of the existing driveway made the site unsafe for the additional traffic the proposed development would generate. Aldermen Freedman and Fischman felt that any new use of this site should be similar to existing, surrounding uses and as low-density as possible. Ald. also Fischman noted that he had recently supported a rear-lot subdivision on Goddard Street, to allow for two smaller homes, but the neighbors there had preferred a single "monster" home on an undivided lot.

SEB felt that the proposed project was more appropriate than the other possible uses of the site:

WEBSITE: www.newtonma.gov/cpa

CONTACT: *Alice E. Ingerson, Community Preservation Program Manager,*
aingerson@newtonma.gov, 617.796.1144

- ◆ by-right subdivision for 4 very large single-family houses, which SEB felt would be more disruptive of neighborhood character than the proposed development
- ◆ building the same number of units as proposed (16) but as townhouses, which SEB said would leave no open space on the site
- ◆ a 20-unit Chapter 40B project with 5 affordable units and no public subsidy; this option is one reason why SEB is not requesting a Chapter 40B permit until it has a decision on its CP funding request
- ◆ given the cost of the site, decreasing the total number of units or increasing the proportion of affordable units would require a much higher public subsidy; for example, a 12-unit project with 4 affordable units would probably need a subsidy of about \$2 million
- ◆ finally, SEB's traffic consultant study concluded that there were adequate sight lines from the property to make the proposed use safe; SEB can submit that report to the CPC.

SEB also addressed other concerns expressed by neighbors, about:

- ◆ potential impact on Countryside Elementary School: expert John Connor had estimated that the proposed development would house 2-3 children of elementary-school age, 1 of high-school age, and 1 at another level; and that 4 single-family homes on the site would have more children than this
- ◆ no net gain of affordable units: the 4 current units on the site are inexpensive but not up to code and not deed-restricted to be permanently affordable; rehabilitating these units would require a greater public subsidy than the one requested, and would not provide as much wheelchair access
- ◆ potential impact on neighborhood property values: realtors consulted by SEB, including Hammond, believed that the proposed market-rate units will sell for more than most existing single-family homes in the neighborhood, primarily to empty-nesters who already live in Newton; SEB has an incentive to estimate sales prices conservatively, since their profit depends on sales revenue
- ◆ visual impact: the building will be visible to immediate abutters but will be visible from the street only when there are no leaves on the street-side trees

SEB noted that there had also been strong neighborhood opposition to Lexington Street, where their project increased the density of use by a factor of 10. The proposed Dedham Street project only increased density by a factor of 4. They feel strongly that mixed-income development can be good for neighborhoods, and offered to attend any meeting organized by the neighbors, to answer other questions.

Bernheimer was skeptical of the proposed project for several reasons but disagreed that neighborhoods should have a single uniform density, which he felt was not necessarily good planning.

Leslie Burg sees Newton as more urban than many residents like to acknowledge. She noted that neighbors oppose most affordable housing projects on the same grounds as expressed for this proposal. The *Comprehensive Plan* favors multi-family housing in village centers, but there is opposition there as well. She sees a general need for single-floor, elevator-serviced buildings for the people expected to buy the market-rate units proposed on Dedham Street, who are currently forced to move out of Newton.

Alice Ingerson recommended that the CPC commission an analysis of the proposal and any economically viable alternatives for community housing on the same site. Alderman Fischman suggested that such an analysis should address the neighbors' concerns. Joel Feinberg clarified that a CPC consultant would look mostly at project economics, since the public might not understand why a profitable private development needed a public subsidy. SEB said they were willing to discuss revenue-sharing, as suggested by the Housing Partnership, in which profits above a certain level would be used to refund part of the project's public subsidy, as was done with CP funding at 33 Commonwealth Avenue (Covenant Residences).

After some discussion, the Committee asked Ingerson to commission a consultant analysis based on the draft scope of work she had circulated to the committee, which would focus on the need, amount, and terms of any public subsidy for the project, and on identifying economically feasible alternatives.

Grissom and Bernheimer felt the consultant should analyze the project as proposed, with rehabilitation of the barn, Burg, Blake, Feinberg and Green felt that the analysis should assume demolition of the barn, since the barn would not be used for housing and was not eligible for funding as a historic resource because it had not been declared historically significant by the Newton Historical Commission, would not be open to the public, and was not visible from a public way.

WEBSITE: www.newtonma.gov/cpa

CONTACT: *Alice E. Ingerson, Community Preservation Program Manager,*
aingerson@newtonma.gov, 617.796.1144

VOTE Mike Clarke moved, and Dan Green seconded, commissioning an analysis of the project that assumed demolition of the barn.

This motion was adopted by a vote of 7 in favor, 1 opposed (Bernheimer).

SEB indicated they would be happy to provide any data requested by the CPC's consultant.

WORKING SESSION ON CURRENT PROPOSAL (continued):
61 PEARL STREET – housing

VOTE Leslie Burg moved to recommend the \$665,000 requested, plus \$500 for a site sign acknowledging support from Newton's Community Preservation Fund. Joel Feinberg seconded the motion.

The motion was adopted unanimously, 8-0.

The Committee directed Ingerson to circulate for Committee review & approval a draft funding recommendation with additional preconditions for release of CP funds, such as confirmation of any funding needed from other sources to complete the project as described.

PRE-PROPOSAL discussion:
CITY HISTORIC BUILDINGS SURVEY as part of CAPITAL NEEDS ASSESSMENT

Stephanie Gilman, Public Buildings Commissioner, presented the Mayor's request for the CPC to accept this anticipated request off-cycle, and to hold both a public hearing and working session/ funding vote at its next meeting, on February 16th. She described the anticipated request for approximately \$94,000 to assess historically significant municipal buildings, as part of an overall assessment of all public buildings. Such a study had already been done for school buildings, which were excluded from this project.

Wally Bernheimer emphasized that the project's final report should include objective criteria for ranking the historical significance and funding priority of City buildings. Alice Ingerson noted that these criteria were not fully spelled out for the list of historically significant City buildings in the final report of the 2004 Public Buildings Preservation Taskforce. Gilman emphasized that prioritizing was a key goal for the City's emerging capital plan. This project would add a historic preservation component to that plan. The RFQ for the overall capital needs assessment says this historic component can either be subcontracted or done in-house, if bidders have staff qualified to do the work. Responses to the RFQ are January 21st.

Nancy Grissom noted that previous, CP-funded studies of public buildings had focused on deferred maintenance needs and not on the Secretary of the Interior's *Standards*, as now required by the CPC. Zack Blake and Leslie Burg felt the new consultant could save time by simply assessing City buildings from scratch through site visits, without reviewing prior studies.

Mike Clarke, Wally Bernheimer, and Zack Blake all emphasized that the historic buildings survey should consider future uses as well as current condition.

Blake suggested that the survey could be done by the City's current preservation planners. Grissom and Ingerson believed that staff did not have the time available to complete the project as scheduled.

Bernheimer and Joel Feinberg requested more backup and clarification for the cost estimates in the pre-proposal. Gilman noted that the "testing" estimate was for any special work required to assess lead paint and structural soundness. The "document preservation" estimate included scanning of historic plans, even if these are only for the buildings as designed, not as built or modified. For some buildings, Gilman feels it may be worth scanning every plan available. In response to Mike Clarke, Gilman noted that based on working with archivists at Harvard in her previous position, she believed that standard practice was now moving away from requiring microfilm as well as scanning.

Bernheimer said that he was highly inclined to recommend funding for this survey, which would be very helpful to the CPC. Blake noted that the requested CP funding would leverage an additional \$395,00 from general City sources.

WEBSITE: www.newtonma.gov/cpa

CONTACT: *Alice E. Ingerson, Community Preservation Program Manager,*
aingerson@newtonma.gov, 617.796.1144

The Committee unanimously agreed to honor the Mayor's requests to consider this proposal off-cycle, and to hold the public hearing and working session on February 16th..

COMMITTEE BUSINESS

After a short discussion, the Committee unanimously agreed to include the requested change of scope for the Museum Exterior Preservation project on their 16 February 2011 agenda, but to defer working sessions for all other current proposals to later meetings.

Alice Ingerson then summarized the proposed fy12 program administrative budget, based on an assumed 2.5% increase in local CPA surcharge revenue and an assumed decrease in the state match to 22% for fy11 local surcharge revenue. She reminded the Committee that they would almost certainly have to submit a revised budget to the Board of Aldermen in late October, once the final state match was known, and suggested not allocating any discretionary funds in this budget before that date. Wally Bernheimer moved, and Zack Blake seconded, approval of the budget as submitted. The budget was approved unanimously.

Zack Blake moved, and Leslie Burg seconded, approval of the minutes for the 15 December 2010 meeting, subject to several needed corrections noted by Nancy Grissom. The minutes were approved unanimously.

Nancy Grissom and Wally Bernheimer reminded the Committee that they would meet with the Mayor on January 31st, to clarify how best to coordinate the CPC's work with the City's new capital planning process.

Nancy Grissom then described the need to choose Committee officers for fy12. Traditionally, these duties rotated annually in descending order of seniority on the Committee. Each member served for a year as vice-chair, and the following year as chair. Since 2008, however, the vice-chairs have been unable to take on the responsibility of chairing. Grissom and Bernheimer have worked closely together over the past 2 years, almost as "co-chairs." They feel this arrangement has worked well but cannot continue it for a 3rd year. Zack Blake and Dan Green had considered serving as officers in a similar arrangement but concluded they were simply not able to take on this responsibility. Grissom asked all members to think about when they would be willing to they serve as officers, and about a new system for choosing officers, given most current members' limited available time. In response to Joel Feinberg's comment that he did not feel qualified to chair because of his short time on the Committee, Grissom said no chair probably felt qualified in advance, and that each new chair really learned the job by doing it. Ingerson noted that the burden of work for Committee officers and CPC staff might be significantly reduced in future, if more funding decisions could be based on multi-year program proposals covering multiple individual projects.

With unanimous approval, Chair Nancy Grissom adjourned the meeting at 10:10 pm.

PRE-MEETING PACKET & MEETING HANDOUTS

Available online:

- ◆ Current pre-proposals, proposals & funded projects, from www.newtonma.gov/cpa/projects.htm.
- ◆ Future meeting schedule, from www.newtonma.gov/cpa, click on "Calendar."
- ◆ Full meeting agendas & minutes, from www.newtonma.gov/cpa/committee.htm, click on "Full Agendas & Minutes."
- ◆ Staff presentation on housing goals, from www.newtonma.gov/reports.htm, scroll down to "Special Reports."

Available by request:

- ◆ Proposed fy12 administrative budget

WEBSITE: www.newtonma.gov/cpa

CONTACT: *Alice E. Ingerson, Community Preservation Program Manager,
aingerson@newtonma.gov, 617.796.1144*