

The meeting was held on Wednesday 15 April 2009 in Newton City Hall, Room 209.

Attending members of the Community Preservation Committee (CPC): Joyce Moss, Judy Jacobson, Zack Blake, Nancy Grissom, Dan Green (arr. 7:20), Tom Turner, Ken Kimmell.

Program manager Alice Ingerson served as recorder.

CPC Chair Joyce Moss called the meeting to order at 7:05 pm.

7:05

COMMITTEE BUSINESS & UPDATES

Zack Blake moved approval of the 18 March 2009 minutes. Nancy Grissom seconded.

The minutes were unanimously approved

City Solicitor Dan Funk attended the meeting to present an interim statement of year-to-date estimated charges of \$13,875 to the CPC's fiscal 2009 administrative budget for work by the City of Newton Law Department. He explained that the dept. had responded to the Committee's past requests for more detailed documentation of this work. He noted that the Committee's agreement to use its administrative budget to cover the cost of this work dated back several years, and had originally set an annual maximum of \$30,000 for such costs. Much of this work is proposal evaluation, done before any funds are appropriated for the specific project, but some is not attributable to specific proposals or projects. He acknowledged that the Law Dept. had not been asked to do as much CPC work in fiscal 2009 as in some previous years. He noted that the hourly cost of the Law Dept.'s work was approx. \$75/hour, significantly less than might be charged by a private firm.

Joyce Moss noted that the Committee appreciated the detail provided this year, given their concern in previous years about the lack of detail. She then asked why the Law Dept. had spent 51 hours on the issue of how to distinguish CP-eligible preservation work from CP-ineligible maintenance work, as part of evaluating the proposal for preservation of the Newton History Museum exterior (roof and painting). She felt the resulting Law Dept. memo had confirmed that this distinction was not easily made or clear-cut, but also felt that the Committee had already been aware that this was the case.

Funk noted that questions such as this one, with significant "grey areas," take longer to evaluate and analyze. The work on this issue had been done by Associate City Solicitor Ouida Young and himself. They had struggled to place the proposed work in the right category, and in the process had consulted with construction, preservation and maintenance experts, not just with attorneys. This distinction in the CPA required a great deal of interpretation.

Nancy Grissom asked for more detail about the 35 hours listed for "miscellaneous" work. Funk explained that this was work not related to particular items or projects, or that was really attributable to all projects and proposals. It included answering general questions from the Board of Aldermen or City staff about the CPA.

Alice Ingerson noted that the Committee's administrative budget, limited by state statute to 5 percent of current-year revenues, was inevitably shrinking along with the state match percentage, and therefore that administrative funds needed careful management. She felt that many of the major open questions raised by the Act – such as how to define "creation," or make the distinction between preservation and management – had now been explored, and that labor-intensive legal analysis would be required for relatively few of these large questions in the future.

PROGRAM FINANCES

Alice Ingerson distributed updated program financial statements, showing that approximately \$1,136,735 would be available from fiscal 2009 funds if the Committee recommended full funding of the updated request for 192 Lexington Street. This reflected the closure of the Accessory Apartment program and unspent funds returned from several other completed or closed projects. She also noted that the

administrative budget submitted for fiscal 2010 had been fairly conservative, but had been based on an estimated 30 percent state match; in light of the recent Dept. of Revenue recommendation to expect only a 29 percent match, and suggestions by the Assessing Department that fiscal 2009 local revenues might fall short of the budgeted estimate, she recommended that the Committee plan to submit a revised, final budget as soon as possible in the fall, before the tax rate is set, before beginning to recommend appropriations from fiscal 2010 funds.

PROJECT MANAGEMENT

Ingerson also provided a quick overview of management challenges for current funded projects. Newton's CPC has a strong tradition of soliciting public comment, which has often made the Committee and its staff – rather than the funded City departments or nonprofit organizations – the focus of dissatisfaction about the management of funded projects. In contrast to most CPCs around the state, which act solely as funding agents, Newton's CPC has spent a significant proportion of its administrative budget for the past two years on providing project management assistance by staff members in the Planning Department and by the Community Preservation Engineer in the Dept. of Public Works, for projects funded in other departments.

However, the funded departments have sole control of decisions about specifications, bidding, contracting, or payment for services and materials. As a result, the CP staff team cannot manage project directly, but can only offer to assist with specific tasks, mediate disputes, etc. The team has generally proceeded cautiously, recognizing collegial relations with the funded departments and organizations as their primary problem-solving resource. However, in a few cases, the team's efforts to "unblock" projects or resolve disputes have failed. In these cases, Ingerson has chosen – and has advised other members of the team – to end their involvement, and focus their efforts on projects where they can be more helpful.

WARREN HOUSE PROPOSAL & FUNDING RECOMMENDATION

Ingerson explained that the complexity of the ground lease between the City of Newton and NCDF for Warren House, and of the conditions imposed by the Committee on its funding recommendation – and therefore on any grant agreement, she felt the original request and vote for \$1,500 of assistance from the City of Newton Law Dept. was inadequate. She recommended increasing this amount to \$2,500.

VOTE Nancy Grissom moved amending the original Warren House funding recommendation to include \$2,500 for legal costs . Ken Kimmell seconded the motion.

The motion was adopted unanimously.

CHARLES RIVER LOWER FALLS BRIDGE PROPOSAL

Ingerson explained that not all of the information requested from the project sponsors has yet been submitted. The sense of the Committee was that this project could only be taken up at its 20 May 2009 if all the requested information had been submitted by Friday, May 8th. They asked Ingerson to convey this deadline to the project sponsors.

Finally, Ingerson drew the Committee's attention to the 4-page list in their packet of potential future proposals, as context for current funding decisions. She noted that the list provided no total amount for all the potential proposals together, because for some not even an approximate amount of funding was known.

7:30

Fiscal 2010 COMMUNITY PRESERVATION PLAN

Memo on Historic Resources Policy & Priorities
(COMMUNITY ASSETS TASKFORCE)

Ingerson requested the Committee's permission to transmit to the Mayor and Board of Aldermen the previously drafted CPC memo recommending creation of an interdepartmental taskforce to recommend policy & priorities for City-owned historic resources.

Joyce Moss commented that the Board of Aldermen might prefer the flexibility to make policy decisions one proposal at a time. She endorsed the basic idea, however idealistic, of creating a clearer policy for distinguishing maintenance from preservation, and ensuring the future maintenance of City properties that receive CP funds for preservation or rehabilitation. She felt she had learned from the discussion of the Museum Exterior Preservation proposal that sponsors will say whatever they feel is necessary to get a funding recommendation, and realized that the CPC had no way to guarantee that promises made before funding was awarded would be kept afterward.

Judy Jacobson agreed that it was important to set priorities for City owned properties, rather than make decisions on each proposal and then find that there were no funds available for later, equally worthy or worthier proposals.

Zack Blake, Nancy Grissom, and Dan Green agreed that the memo was worth sending, to see what sort of response it would get. Green was not wildly optimistic that it would be successful.

Moss, Green, and Kimmell urged Ingerson to shorten the memo and simplify the formatting. Ingerson thought she could probably cut the length in half, after letting the draft rest for a month..

The sense of the Committee was that, with these changes, Ingerson could send the memo to the Mayor and the Board.

LEVERAGE and MATCHING FUNDS

Joyce Moss noted that the Committee had always asked for evidence of community support and for funding leverage, but had not required it. She had heard that the Concord CPC requires a 50 percent match for CP funding, but Ingerson reported that this was not a firm requirement, based on her conversations with that CPC's staff (Lara Kritzer, Newton's former preservation planner).

Moss noted that some projects are narrower geographically, or benefit a smaller group, and asked whether the Committee saw any way to address this issue more systematically. She noted that any policy would need to recognize that some neighborhoods can raise more funds than others.

Ken Kimmell asked for statistics on how much in matching funds past Newton projects had used. Ingerson noted that all housing projects leveraged CP funding, with both federal housing funds and private bank funding. Open space acquisition projects had relied almost entirely on CP funding. Nancy Grissom noted that there had been more leverage with recent projects; for example, the fundraising requirements for the Durant-Kenrick project.

Nancy Grissom suggested that any policy be guidelines rather than rules. For some historic resources projects, work has to be done too quickly to allow for private fundraising, because but if you don't do that work, the resource will be lost.

Ken Kimmell gave the example of a potential open space project in his own neighborhood, where residents had agreed that private contributions should be required in proportion to property values. That idea had been widely accepted, and he suggested it be used as the basis for a CPC policy on local matching funds.

Nancy Grissom agreed that this sounded like a good model.

Alice Ingerson asked whether benefit assessments, which had been suggested but not used for past CP projects, might work, since they were based on a similar principal. Kimmell noted that these were seldom practical, because each benefit assessment district required a separate act of the state legislature.

Kimmell asked how the CPC would measure the extent and amount of neighborhood benefit from a project. He suggested provided target matches as percentages of total project cost, which might differ for different types of projects, and asked Ingerson to report back to the Committee on matching funds used in all past projects, as a basis for setting future policy. Alderman Amy Sangiolo, as a member of the audience, noted that PTOs had often been required to raise matching funds for past playground projects that received CP funding.

Ingerson noted that most past reports of leverage for Newton's program appeared to accept at face value the target amounts described in proposals. She would need some time to research how much of these

matching funds were actually raised and spent for all projects, but would provide those statistics as soon as she could.

The Committee agreed to postpone discussion of future priorities and goals for funding community housing. until its May meeting.

8:00 working session on current proposal for
192 LEXINGTON STREET (COMMUNITY HOUSING)

On behalf of the sponsor, SEB, Geoff Engler used a PowerPoint presentation to highlight changes since January public hearing. The project will create ten, 3-bedroom for-sale units. SEB believes it to be the only project like this with 100 percent affordable housing. The project's 2 single family homes and 4 duplexes will provide 6 units that are permanently affordable at 75 percent of area-wide median income (AMI), and 4 units at 95 percent of AMI. Currently projected prices are based on the state Dept. of Housing and Community Development's formulas, but will be set finally 4-5 months before the units go on sale.

The project includes regrading, repaving, and donating a portion of the existing walkway from Albert Road to the Burr School Playground, where that path crosses the property purchased by SEB.

SEB has spent \$75,000 on site engineering, a chapter 21E study, a preliminary foundation plan (using geo-piers to anchor the foundations), and a grading plan. The use of geo-piers reflects the presence of unstable, filled soil at the southern end of the site, near the playground.

All of these design changes are reflected in the current revised funding request, which SEB sees as final.

The revised budget, which has increased since the original December 2008 submission, has been approved by the Planning Department's Development Review Team and the Newton Housing Partnership.

In addition, the project has been revised since the December 2008 proposal to incorporate more green design/energy conservation elements, to lower the long-term cost of ownership. Detailed specifications for these design elements are available from the architects. SEB hired the Green Roundtable to review the plans and make recommendations, then got bids on those recommendations from 4 contractors, which were used as the basis for the current budget. In response to a request from the Fire Dept., the project's duplexes will have sprinklers, although this is not required by code. This added a total cost of \$100,000-120,000 to the total project. However, the project would also be looping the current water system, which would improve water quality and pressure on Albert Road, where the current water line dead ends.

SEB publicized a 26 March 2009 community meeting about the project ahead of time to a mailing list of 350 people, of whom 60 actually attended. Robert Engler reported that restricting access from Albert Road was an important priority for those who attended the meeting. The plans now include a truck turnaround in the parking area, and limits access to and from Albert Road by a chained gate and lockbox, to which the Fire Dept. will hold the only key. All units face/overlook the school playground and are located as far away as possible from abutters. The project will retain the existing vegetative/tree buffer between this property and abutting private parcels.. A City of Newton drainage easement runs through the site, along the edge of the planned duplexes.

Engler also noted that some neighbors had questioned the potential impact of the project on the elementary school next door. Based on other, similar-sized projects, he believed that there would be at most 5-6 elementary school-age children living in the project at any one time. In response to a question from Joyce Moss, Engler noted that his estimate was based on the actual statistics from SEB's similar-size project at Auburndale Yards. At most 5-6 children living in the development at any one time were of elementary-school age, though there were sometimes additional children of older ages. He felt that neighbors' concerns about the owners of these homes owning 20 cars and adding 20 students to the schools did not match the statistics for past developments of this size.

Finally, Engler also noted that some neighbors would like to see the number of units reduced. SEB's design aims to create some side yards, to provide natural light in each unit. The resulting design provides substantially fewer units per acre than in the facing buildings on the other side of Lexington Street.

Neighbors also wondered if there might be hazardous material in the fill on the site. SEB had read a 1995 City of Newton study of Burr Playground and consulted with Newton Public Health Commissioner David Naparstek, who assured them that there is nothing hazardous on the site. However, SEB's own site engineers noted that the filled soils will not bear full building weights, and the design has been modified to use geo-piers, to reflect that. This information was confirmed by neighbors, who noted that some playground equipment at the Burr School had sunk over last 20 years, because the playground was a filled wetland. In response to a question from Joyce Moss, Engler confirmed that there was no peat on the site; that soils on the Lexington Street (front) side of the site were stable, but that in the back the engineers had done borings to about 30 feet, and found contractor/building debris used as fill to a depth of 10-20 feet. Using geo-piers to support full basements, for utilities and storage, will avoid disturbing this debris layer.

This design change did increase construction costs and therefore the request for CP funding. Any cleanup required will come from the sales price received by the owner selling the parcel to SEB. A full appraisal, valuing the property at slightly more than the agreed sale price in the Purchase & Sale agreement, was available for the CPC to examine. A prior developer had agreed to pay nearly \$1 million for the property, then walked away from the deal.

The total development cost is about \$4.86m, with anticipated sales revenue of about \$1.9m. Sales prices cannot be pushed much higher than this, in SEB's opinion. A \$2.96m subsidy is therefore required, with total requested CP funding of about \$2m.

Engler also noted that SEB has developed or assisted in obtaining permits for 9,000 units of affordable housing in Massachusetts..

Ken Kimmell asked how the affordability restrictions would work on resale. Engler explained that the deed to each property would contain a permanent rider, held by the City of Newton, allowing the owner to recoup the cost of certain capital improvements, but sets a sale price based on the buyers' current incomes at time of sale. For initial sales, SEB will be the lottery agent, and plans to do affirmative marketing, applicant screening, etc.

Joyce Moss asked whether the owners of these homes could build up equity in them. On behalf of SEB, Robert Engler noted that the ceiling set on resale prices made this project a limited-equity form of ownership, and that the primary appeal of these homes would be housing security, and allowing people to live in Newton who could not otherwise afford to.

Nancy Grissom asked about sources of financing for the buyers. Robert Engler explained that buyers were responsible for obtaining their own financing, but SEB knew that local lenders were interested. Village Bank, for example, would like to finance purchases in this project, in part because they would get credited for this toward their obligations under the federal Community Reinvestment Act, and opportunities to meet those obligations were not widespread in Newton. Geoff Engler explained that a workshop would be held to help would-be buyers understand the process, with lenders represented. Sales would require 30-year, fixed-rate mortgages.

Ken Kimmell asked how the total proposed subsidy of nearly \$300,000 per unit compared to past housing projects that used Newton's CP funds. Alice Ingerson reported that it fell in the middle of the historic range, not counting the especially low "per unit" subsidies for congregate housing, where a "unit" consisted of a single bedroom, with shared kitchen and other facilities.

Judy Jacobson noted that each unit in the proposed development would cost about \$500,000 to build, and wondered what would they sell for without deed restrictions requiring affordable sales prices. Robert Engler said that this question was difficult to answer, because units built for sale at market rates would be larger and cost more, which would change the whole site plan. He felt that the neighborhood would not support higher densities, but if it did, market-rate units on this site might sell for \$600,000 each. However, building market-rate units would also involve taking market risks. SEB could work with the planned fee of about 6 percent on this project, because there is no market risk, only a construction risk. He noted that the mix and design of units in this project would resemble another SEB project in the neighborhood, called the Homes at Auburndale Yards, although that project also included rental units.

Nancy Grissom noted that there were 4 market-rate units across the street, that were very tall and took longer than they might have to sell because they back onto the former landfill. She believes these units sold for \$800-900,000 each.

Judy Jacobson noted that there were simply no units like those planned available in Newton, and she was sure there would be a ready market for them at the restricted prices. Joyce Moss noted that she could not remember another community housing project that provided all 3-bedroom units. Grissom expected that there would be huge demand for these units, so the lottery allowing people to purchase them would be complex. Geoff Engler noted that SEB had recently held a lottery for a project with all 2-bedroom units in Hingham. Of the total 5 units, they had received 70 applications for the 2 available units. So SEB does not anticipate any lack of demand for the units in the proposed Newton project. Robert Engler noted that under fair housing guidelines, preference could be given to people with Newton connections (family living in Newton, members working in Newton, or children in Newton public schools) for 7 of the 10 planned units.

In response to questions from Joyce Moss, Geoff Engler noted that development site has about 49,000 square feet; that the planned units will have about 700 square feet per floor, on two floors; and that the average lot size for existing single-family homes in the neighborhood is about 8,000 square feet. Nancy Grissom, who lives just on the other side of the Burr Playground from the planned development, noted that her 1880s home was on a lot of just under 8,000 square feet. Although she had not been able to attend the neighborhood meeting, she supported the project.

Alderman Amy Sangiolo confirmed that neighbors of the proposed project were concerned primarily about: the number of units per acre, controlling access across the site from Albert Road, potential impacts on the Burr Elementary School, possible impacts of construction on any peat and wet or contaminated soils on the site; impacts of traffic to and from the development on the safety of nearby Lexington Street crosswalk and pedestrian light used by students walking to Burr School. Albert Road neighbors were also concerned about the short-term impacts of construction staging and vehicular traffic. She noted that these issues would be dealt with during permitting by the Zoning Board of Appeals, but that neighbors had already objected to trucks that came through from Albert Road during the site engineering studies, and had blocked a neighbor's driveway, though they were glad that the engineers had regraded the site after the borings. She suggested that the ZBA might require SEB to contribute to an improved crosswalk or pedestrian signal as a condition of the permit. SEB noted that they had already retained a traffic consultant to look at this issue. Joyce Moss was concerned that the cost of an upgraded signal might require a higher subsidy, and felt that subsidies from the CP Fund should be kept at approximately the currently requested level.

Ken Kimmell reiterated that there would be additional opportunity to consider and debate neighborhood impacts through the ZBA and 40B permit approval process. He personally felt that the project fit the CPC's vision of a good housing project.

Dan Green asked about the potential impact of removing the green design elements in the current plan. Robert Engler said SEB could look at that option if needed, but it might increase the long-term cost of ownership.

Alderman Sangiolo asked why CP funds could not be used instead to buy down existing housing stock, and spread affordable housing out around the city. She also considered that this project would create a net loss of open space.

Dan Green also asked how this project would compare as a use of CP funds to buying a house in Newton for \$300,000 and making it permanently affordable. Robert Engler felt it was not possible to build units of this size for less than the proposed development cost in Newton, or to find buildable sites this size. Geoff Engler noted that there were significant efficiencies of scale in a project this size, compared to building or rehabilitating 1-2-3 units at a time. Construction costs for this project are about \$130 per sq ft, and it would not be possible to renovate existing homes for that cost.

Nancy Grissom noted that most 2-family homes in Newton were on the market for \$700-800,000 before rehabilitation or remodeling, rather than for \$300,000 per unit. As a neighborhood resident, she also felt that the Homes at Auburndale Yards had not had the negative impact on neighborhood character that

neighbors had originally predicted when that project was proposed. Geoff Engler stated that SEB felt this project would be a point of pride for the city, and would not stick out as “low cost housing.”

In response to a question from Dan Green, Robert Engler noted that it was not economically feasible to develop rental housing at this scale, and still support the staff needed for project operations.

Judy Jacobson noted that, with many of the units priced for households at 95 percent of area income, this project would not create a “concentration of poor people,” but would provide modest housing.

Dan Green liked the design because it would have little visual impact on either Lexington Street or Albert Road. Joyce Moss and Nancy Grissom liked the design because the individual units were varied, so the development would look like a neighborhood.

Ken Kimmell liked that the project would not be age restricted.

VOTE Nancy Grissom moved to recommend \$2,046,000 in total CP funding for this project, including \$5,000 for Newton Law Department. Judy Jacobson seconded the motion.

The motion was approved by a vote of 6 to 1, with Dan Green opposed because he would have liked to delay the vote to allow more time for community comment.

Conditions for this funding:

As usual for housing projects, the release of CP funds would be contingent upon final 40B permit approval.

Recognizing that the permitting process might include suggestions to reduce the number of units to be built on this site, the Committee asked Alice Ingerson to specify in their funding recommendation to the Board of Aldermen that the CPC would not be willing to recommend a higher per-unit subsidy from CP funds, but saw the currently proposed per-unit subsidy as a maximum.

Chair Joyce Moss adjourned the meeting at 9:15 pm.