



Setti D. Warren  
Mayor

**City of Newton, Massachusetts**  
Department of Planning and Development  
1000 Commonwealth Avenue Newton, Massachusetts 02459

Telephone  
(617) 796-1120  
Telefax  
(617) 796-1142  
TDD/TTY  
(617) 796-1089  
[www.newtonma.gov](http://www.newtonma.gov)

James Freas  
Acting Director

---

**Community Preservation Committee**

**SELECTED MINUTES**

11 February 2016

... = omitted sections

*The meeting was held on Thursday, 11 February 2016 at 7:00 pm in City Hall Room 204.*

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

Community Preservation Program Manager Alice Ingerson served as recorder.

Note: [blue, underlined phrases below](#) are links to the program website.

**PRE-PROPOSALS**

**Cherry Street** (424-32, West Newton) affordable housing (CAN-DO, potential \$3 million request) . . .

[Crescent Street \(70, Auburndale\) – affordable housing & community park](#) (City of Newton Planning & Development, Public Buildings and Parks & Recreation Depts.)– pre-proposal for \$1.5 million to support partial design & development, out of a total \$3.3 million request

This site was originally part of the historically African-American neighborhood around Myrtle Baptist Church. In the late 1950s/early 1960s, the land was taken and homes on it were demolished for the Massachusetts Turnpike. When the Turnpike Authority decided it did not need the full parcel, it sold this portion to the City of Newton, which used it as the headquarters of the Parks & Recreation Dept.

Acting Director of Planning & Development James Freas and Public Buildings Commissioner Josh Morse summarized the intended use of the site for 8 units of housing, 4 of which would be affordable, and an expanded community park. The project would pilot a new approach to affordable housing, with the City as both developer and owner. The City Council order for the project also calls for it to demonstrate green design and to use “net zero” energy.

This project has been under discussion for a long time. Both housing and parks are critical issues for the City. More parks are needed in the City’s most densely settled neighborhoods. The City is asking the CPC to consider an off-cycle request for \$1.5 million to complete site assessment and design work, so the City can obtain final construction cost estimates and submit a construction funding request in the regular fall funding cycle. Morse explained that the current request also included the cost of hiring a development manager with specific expertise in affordable housing.

City Councilor Leonard Gentile explained that the Council’s Real Property Reuse Committee had debated this site for 3 years. There was considerable support for using it only as a park, both among

*Minutes continue on page 2.*

website [www.newtonma.gov/cpa](http://www.newtonma.gov/cpa)

contact Alice E. Ingerson, Community Preservation Program Manager

email [aingerson@newtonma.gov](mailto:aingerson@newtonma.gov) phone 617.796.1144

abutters and around the City. In the end, the City Council reversed its original decision to surplus the property, with the requirement that it be used for both housing and a park.

#### PUBLIC COMMENTS

Elaine Rush Arruda, a neighbor of the site, has been involved in City discussions about it for the past 2.5 years. She worked closely on the compromise for both housing and a park. The neighborhood as a whole supports that approach.

In response to Michael Lepie, Morse said the project budget included no developer fee.

Julia Malakie of West Newton read an email from Kathleen Kouril Grieser, who supported having a project run by qualified City staff rather than a profit-oriented developer. She was concerned about the funding requested for consultants and about whether fully funding this project would leave adequate CPA funds available for other important proposals. She thought at least some housing at this site should be designated for homeless individuals, to satisfy the City's recent agreement with HUD. Councilor Hess-Mahan noted that the City has a broad obligation to affirmatively further fair housing, beyond the HUD agreement.

Speaking on her own behalf, Malakie had supported the use of this site solely as a park. She would like to see more land dedicated to that use than the minimum required by the City Council.

#### CPC COMMENTS

Yeo, Feinberg and Robertson felt that to justify the proposed total request for \$2 million in CPA funding for housing, the project needed to include more than the proposed 4 affordable units. Morse thought it might be possible to make a higher proportion of the total 8 proposed units affordable. Robertson questioned whether the City should be involved in developing market-rate housing. Councilor Gentile noted that the rent from the market-rate units was intended to subsidize the affordable units, so the project would be self-supporting in the long run.

In response to Kronish, Morse acknowledged that environmental conditions at the site had not been fully assessed, so the costs of any cleanup required were not yet known. Kronish, Robertson, Feinberg and Sender all supported completing a full environmental assessment prior to requesting funds for design or development, since that assessment might determine the site's financially feasible uses. Feinberg felt that it would be appropriate for the City to use non-CPA funds for site assessment, and to request CPA funds only after establishing the feasibility of CPA-eligible uses for the site.

Ingerson noted that both uses required by the City Council for this site are CPA-eligible. Though this has not been done to date in Newton, other communities have invested CPA funds in site planning before knowing the exact proportion of a site that will be dedicated to specific CPA-eligible uses.

Morse suggested that if CPC recommended the full \$1.5 million requested, it could also place conditions on the phased release of those funds. Robertson noted that although the CPC could enforce specific funding conditions through grant agreements for non-City projects, it could not enforce similarly specific conditions for City projects.

Freas explained that if housing was not feasible, the Council would vote again on the site's uses. He presumed one option would be to use the entire site as a park. Councilor Gentile said the City would own any problems associated with the site. At the least, the City would have to cap the site and identify an appropriate use. If cleanup costs are more than expected, the City would cover any extra costs rather than request additional CPA funding for that purpose.

Morse then asked whether the CPC would consider an initial off-cycle request for approximately \$100,000 for site assessment work only, including geotechnical work, civil and environmental engineering, and both a phase 1 and phase 2 environmental assessments.

**VOTE** At Robertson's suggestion, Yeo moved inviting an off-cycle proposal for site assessment costs totaling approximately \$100,000, which should be justified by breaking out the costs of the specific services included. Fishman seconded the motion. The motion was adopted by a vote of 5-2, with Feinberg and Gilfix opposed.

#### **POLICIES & PLANNING / COMMITTEE BUSINESS . . .**

The Committee adjourned by consensus at 9:20 pm.



Setti D. Warren  
Mayor

**City of Newton, Massachusetts**  
Department of Planning and Development  
1000 Commonwealth Avenue Newton, Massachusetts 02459

Telephone  
(617) 796-1120  
Telefax  
(617) 796-1142  
TDD/TTY  
(617) 796-1089  
[www.newtonma.gov](http://www.newtonma.gov)

James Freas  
Acting Director

**Community Preservation Committee**

**SELECTED MINUTES**

10 March 2016

*... = omitted sections*

The meeting was held on Thursday, 10 March 2016 at 7:00 pm in City Hall Room 204.

Community Preservation Committee (CPC below) members present: chair Jim Robertson, vice chair Jane Sender, Mike Clarke, Jonathan Yeo, Joel Feinberg, Laura Fitzmaurice, Beryl Gilfix, and Rick Kronish (dep. 9:25 pm). Member Don Fishman was absent.

Community Preservation Program Manager Alice Ingerson served as recorder.

Note: In online minutes, [blue, underlined text](#) below should link to specific pages on the Newton CPC website.

**PROPOSALS & PROJECTS**

[Crescent Street Site Assessment](#) (Auburndale, affordable housing & recreation) – PUBLIC HEARING on \$100,000 full proposal from City of Newton (out of a potential total \$3.3 million request for this project)

Public Buildings Commissioner Josh Morse summarized the proposal, to assess site cleanup needs and costs for repurposing the City's 70 Crescent Street property as a combination of housing and a community park. After discussing an initial \$1.5 million pre-proposal for this site at its February meeting, the CPC agreed to consider this request off-cycle in part because site assessment was a prerequisite for any future design or construction at the site, regardless of project specifics or funding sources. Morse confirmed that the quotes received from the City's on-call consultants were at or below the estimates for each service that he had included in the proposal. Some initial environmental assessment work has already been done at the site with City (non-CPA) funds. The geotechnical engineering quote was below the proposal's estimate; Morse proposed to retain any CPA funds appropriated but not needed for this work and apply them to future building foundation work.

**PUBLIC COMMENTS**

Shule Kapanci and Elaine Arruda, who both live near the site, explained that though they would have preferred that this site be used only as public open space, after many months of discussion they and their neighbors support the project as currently proposed. In response to their questions, Morse explained that the new site survey would add full topographic/elevation measurements to the "spot survey" already conducted.

On behalf of the League of Women Voters, Andrea Kelley strongly supported the proposal as necessary advance planning and because of its eligibility in two CPA categories (housing and recreation), its consistency with broader City plans, its highly qualified and interdepartmental City management team, and its community support. In response to a League question, Ingerson clarified that the City's larger proposal for the site currently includes 4 affordable housing units and 4 market-rate units, for a total of 8.

As no other members of the public had signed up to speak, Jim Robertson closed the public hearing.

*Minutes continue on next page.*

website [www.newtonma.gov/cpa](http://www.newtonma.gov/cpa)

contact Alice E. Ingerson, Community Preservation Program Manager

email [aingerson@newtonma.gov](mailto:aingerson@newtonma.gov) phone 617.796.1144

Preserving the Past  Planning for the Future

## CPC DISCUSSION

In response to Rick Kronish, Morse confirmed that at conclusion of work funded through this proposal, the CPC would have a final estimate of site cleanup required for housing and the park.

In response to Mike Clarke, Morse explained that Public Buildings planned to manage the process of design and construction for housing on this site.

Beryl Gilfix was concerned to ensure that no CPA funds would be spent on the market-rate housing currently included in the long-term plan for this site, including on site assessment costs for that housing.

Joel Feinberg supported the project's overall goals and applauded the neighborhood's collaboration with the City on its behalf. However, he felt the initial site assessment should be paid for with non-CPA City funds, since the City is retaining permanent ownership of the site. He also considered the plan for the City to develop and own the housing on the site not well-conceived. He would prefer to see the City issue an RFP for a private nonprofit developer, charged both to find other funding sources and manage the housing.

Kronish, Clarke, Robertson and Jane Sender all shared Feinberg's concerns. Kronish and Clarke asked that any CPC recommendation for the site assessment state clearly that the CPC was not committed to further CPA funding for the project as currently conceived. Robertson felt the CPC would need to see that any CPA funds requested for housing on this site would produce a significant number of units at an acceptable per-unit cost. Clarke was also concerned to ensure that CPA funds would be retained for potential open space acquisitions prioritized by the Recreation and Open Space Plan.

In response to these concerns, City Councilor Lenny Gentile explained that the plan for capital funding would cover construction, which would be managed by the City departments, but that the housing on this site will eventually be managed either by a contracted private company or the Newton Housing Authority.

VOTE Jonathan Yeo moved \$100,000 for the site assessment, with the recommendation stating clearly that the CPC reserves judgment on CPA funds for any further phases of the project. Gilfix seconded the motion. The motion was adopted 6-1, with Feinberg and Laura Fitzmaurice opposed.

**Jackson Road Senior Housing** (Newton Corner) – discussion of a pre-proposal for a potential \$1-\$1.5 million request from the Newton Housing Authority . . .

**Allen House** (West Newton, historic rehabilitation) – PUBLIC HEARING on Newton Cultural Alliance Phase 2 request for \$2,000,000 (\$300,000 of CPA funding previously appropriated) . . .

## **POLICIES & PLANNING / COMMITTEE BUSINESS . . .**

The Committee adjourned by consensus at 9:35 pm.



Setti D. Warren  
Mayor

**City of Newton, Massachusetts**  
Department of Planning and Development  
1000 Commonwealth Avenue Newton, Massachusetts 02459

Telephone  
(617) 796-1120  
Telefax  
(617) 796-1142  
TDD/TTY  
(617) 796-1089  
[www.newtonma.gov](http://www.newtonma.gov)

Barney S. Heath  
Director

---

**Community Preservation Committee**

**SELECTED MINUTES**

13 July 2016

*... = omitted sections*

The meeting was held on Thursday, 13 July 2016 at 7:00 pm in City Hall Room 205.

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

Peter Sargent, who has been nominated by Mayor Warren to succeed Feinberg as the mayoral appointee for housing, and from Wards 7/8, also attended.

Community Preservation Program Manager Alice Ingerson served as recorder.

[Blue, underlined phrases](#) below are links to additional information online.

**PROGRAM & POLICIES**

**[Newton Leads 2040: A Blueprint to Promote Affordable, Diverse Housing & Economic Growth](#)**

working discussion with Planning & Development Director Barney Heath . . .

**PROPOSALS & PROJECTS**

[Newton Homebuyer Assistance Program](#) (current program) – managed by Planning & Development . . .

[Crescent Street](#) (future proposal) – cosponsored by Planning & Development, Public Buildings and Parks & Recreation Departments

Summarizing the CPC's past discussions of this project, Robertson said the City's pre-proposal for this project had requested \$3.3 million in CPA funding, \$2 million for 4 units of affordable rental housing and \$1.3 million to rehabilitate and expand an adjacent park. The pre-proposal also included 4 units of market-rate rental housing to be built with non-CPA City funds. In response, the CPC had invited an off-cycle full proposal for a site assessment only, for which it had recommended and the City Council appropriated \$100,000, on condition that if the project proceeded, final project cost statements must document that CPA funds had not been spent on any costs for the market-rate housing, including site assessment costs.

Yeo, Kronish, Sender, Fitzmaurice, Gilfix, Robertson and Sender noted that the CPC had not invited submission of a full proposal based on the City's original pre-proposal for several reasons. A primary reason was the requested CPA-only subsidy of \$500,000 per affordable unit, equal to the total projected per-unit development cost. Although this project would have no acquisition costs, because it would be built on public land, its requested CPA funds per unit of affordable housing exceeded the per-unit request for most recent projects

*website* [www.newtonma.gov/cpa](http://www.newtonma.gov/cpa)

*contact* Alice E. Ingerson, Community Preservation Program Manager

*email* [aingerson@newtonma.gov](mailto:aingerson@newtonma.gov) *phone* 617.796.1144

Preserving the Past  Planning for the Future

Minutes  
continue on  
next page ...

that did have land acquisition costs. Sender, Gilfix and Robertson said the CPC also was not persuaded that including 4 market-rate units to provide an operating subsidy for the 4 affordable units was the best way to make the project work. Sender and Gilfix were also not sure it was appropriate to use City land and City funds for market-rate housing. Although Clarke felt that rethinking the project might re-open the long community conversation that had led to the current approach, Robertson, Sender, Kronish and Fitzmaurice all saw 8 units as too small for economic viability. They reiterated the Committee's past encouragement to consider development at a somewhat larger scale.

Robertson felt the site could easily meet the City's goals for transit-oriented, mixed-use housing without mixing uses on the site itself, by creating a walking path to both the West Newton commuter rail station and West Newton Square, in collaboration Myrtle Baptist Church. Kronish said the Newton Housing Authority and CAN-DO had won a contest for the opportunity to work with a team from MIT's Dept. of Urban Studies and Planning on a design for this site with substantially more than 8 units, which also met other community goals for accessibility, energy efficiency, and open space. He asked Ingerson to share that design with Heath.

In addition, many CPC members were concerned about the pre-proposal's identification of the City itself as the developer, since the City has no track record or expertise in affordable housing development. Sender said a public-private partnership with an experienced affordable housing developer would have more credibility with the Committee. Heath said the City planned to hire an owner's representative with appropriate affordable housing experience to manage the project.

Ingerson and Robertson explained that Public Buildings Commissioner Josh Morse had provided initial results of the site assessment by email on the day of this meeting, too late to be shared with the full CPC. Morse said the site assessment had cost only about \$25,000 of the \$100,000 appropriated, and had shown that cleanup costs would be minimal. Ingerson distributed copies of Morse's email and her response, in which she explained that any already appropriated CPA funds not spend for the site assessment could only be redirected to other CPA-eligible costs of the same project if the CPC voted to approve a formal request to that effect. She said she would post on [the CPC's webpage for this project](#) all the attachments Morse had sent.

Heath asked whether the CPC would support design work on the project, either by allowing unspent CPA funds from the site assessment to be spent on design, or by considering a request for additional CPA funds. He thought a CPA commitment might be required to get additional City funds for this purpose. Clarke and Gilfix were concerned that such other funds might not be forthcoming, since for some other recent City projects, other funding that had helped persuade the CPC to recommend CPA funding had ultimately not materialized.

Ingerson noted that the Comptroller's consultations with the state Department of Revenue had raised questions about the use of non-CPA City funds as envisioned in the pre-proposal. The City's Law Department is looking into this. In the meantime, she had suggested considering non-CPA City funding for the park component, and requesting CPA funds for a reconfigured housing component. All CPC members agreed that they had no significant concerns about the park component of the original plan.

Rather than invite a full proposal for design, Robertson recommended submitting a revised pre-proposal that addressed the CPC's concerns about the per-unit local public subsidy, the market-rate housing, and the project's size. Since the City already owns the site, a slower process would not put the project at risk. Paying 100 percent of the housing's development costs, at \$500,000 per unit, simply did not seem a good use of City funds, including but not limited to CPA funds. Sender, Gilfix and Kronish emphasized that CPA funds could not be used for any design costs associated with the market-rate housing currently proposed for this site.

[Jackson Road Senior Housing](#) (future proposal) – sponsored by Newton Housing Authority (NHA) . . .

## **COMMITTEE BUSINESS . . .**

The Committee then adjourned by consensus at 8:45 pm.



Setti D. Warren  
Mayor

**City of Newton, Massachusetts**  
Department of Planning and Development  
1000 Commonwealth Avenue Newton, Massachusetts 02459

Telephone  
(617) 796-1120  
Telefax  
(617) 796-1142  
TDD/TTY  
(617) 796-1089  
[www.newtonma.gov](http://www.newtonma.gov)

Barney S. Heath  
Director

---

**Community Preservation Committee**

**SELECTED MINUTES**

3 November 2016

The meeting was held on Thursday, 3 November 2016 at 7:00 pm in City Hall Room 204.

Community Preservation Committee (CPC below) members present: chair Jane Sender, vice chair Jonathan Yeo, and members Jim Robertson, Peter Sargent, Rick Kronish, Don Fishman, Beryl Gilfix, Mike Clarke.

Community Preservation Program Manager Alice Ingerson served as recorder.

[Blue, underlined phrases](#) below are links to additional information online.

... = omitted sections below

**review of funding forecast & potential proposals for the next 5-10 years**

...

**Museum Archives, Accessibility & Fire Suppression**

final project report (Public Buildings Dept. & Historic Newton)

...

**Crescent Street (affordable housing & community park)**

continued discussion of pre-proposal from City departments of Planning & Development, Public Buildings, and Parks & Recreation

In addition to other speakers listed below, Parks & Recreation Open Space Coordinator Carol Schein attended for this discussion.

For attendees not familiar with the CPC's funding process, Jane Sender explained that the CPC had received a pre-proposal for this project in January 2016, which it had then discussed at its public meetings in February, March and July 2016. The CPC uses such pre-proposal discussions to determine whether and when to invite a full proposal, on which it then holds a full public hearing before voting on whether to recommend funding to the City Council. During its most recent discussion, the CPC had recommended submission of a revised pre-proposal addressing its concerns, which has not yet been submitted. Tonight's discussion would therefore continue these working sessions but would not include a public hearing or funding recommendation vote.

**statements by City staff and City Councilors**

Barney Heath, Director of Planning & Development, said a Crescent Street working group had been formed to help plan this project. The group includes City staff from Public Buildings, Parks & Recreation, and Planning; City Councilor Lenny Gentile and Ward 3 City Councilors, two residents of the surrounding neighborhood, and a representative of Myrtle Baptist Church. Heath explained that the group had asked for time on this agenda to update the Committee about their work and where they hope to take the project.

The project's two major objectives are to enhance and make great use of City recreation space, and to create

website [www.newtonma.gov/cpa](http://www.newtonma.gov/cpa)

contact Alice E. Ingerson, Community Preservation Program Manager

email [aingerson@newtonma.gov](mailto:aingerson@newtonma.gov) phone 617.796.1144

*Minutes  
continue on  
next page.*



affordable housing through direct City sponsorship, which is unusual and an important step for Newton. The working group sees this project as an exciting opportunity to knit an ugly, underutilized public space back into the fabric of the neighborhood, and to create a place that people can be proud of.

The City is a full partner in this effort and has proposed splitting the project's total cost between CPA funding and general City funds. One important design objective is high energy efficiency, not only to benefit the environment and the housing's residents, but to reduce management and maintenance costs for the City as the housing's developer and owner. Community engagement will be an essential part of the design process. The City would like to hire an owner's project manager as quickly as possible, to get this process started.

Josh Morse, Public Buildings Commissioner, noted that he had previously presented to several other City bodies the information he was about to provide for the CPC. He also hoped the CPC would allow attending members of the public to speak about this item, even though this meeting was not a formal public hearing.

On behalf of the project, Morse requested a CPC vote at tonight's meeting to recommend \$600,000 of CPA funds toward the project's soft (non-construction) costs, including design. Morse said the City would also approve a nominal amount of non-CPA funding toward these same costs. This \$600,000 CPA request was based on the division of costs in the January 2016 pre-proposal, which envisioned using CPA funding of all costs for the project's park and 4 affordable housing units, and non-CPA City of Newton funding of all costs for the project's 4 market-rate housing units. City Councilor Lenny Gentile reported that the City's Chief Financial Officer had identified free cash or overlay surplus as the source of these non-CPA City funds.

Morse also reported that the site studies supported by the \$100,000 of CPA funding appropriated in early April 2016 had found only minor contamination from a heating oil tank. The City has already approved an additional \$100,000 of non-CPA funding for cleanup through chemical injection, a process that takes longer but also avoids sending contaminated soil to a landfill.

Morse agreed with Heath that community involvement will be critical throughout the design process: whatever the community wants will be built, for both the housing and the park. He felt the housing should be designed to blend into the neighborhood. He looks forward to working with Parks & Recreation and Planning on this exciting project.

Councilor Gentile noted that the citizen Joint Advisory Planning Group (JAPG) of volunteers appointed in 2012 to help identify future uses for this site had recommended between 8 and 22 units of housing. In response to the redevelopment of many residential lots in this neighborhood in recent years, some residents felt that 22 units at this site was too many, but the neighborhood did support 8 units, with some affordability.

City Councilor Jim Cote recalled past discussions of building up to 30 or more housing units on the site. He felt that during the discussion about possibly surplus this City property, the neighborhood consensus had been to retain the site entirely as a park, with the possible future addition of the abutting 1.3 acres currently owned by Eversource, which has said it plans to sell that parcel eventually. Based on discussions from 2012 to 2015, the City reversed its initial decision to surplus 70 Crescent Street, and the neighborhood had agreed to a maximum of 8 housing units there, with the City acting directly as the developer to ensure community control.

City Councilor Jay Harney agreed with his City Council colleagues that this project was an opportunity to do something truly new in Newton. He believed a similar approach to the Austin Street parking lot in Newtonville would have produced a better project there than the one currently planned.

### **CPC discussion**

Before asking for questions or comments from other Committee members, Jane Sender summarized the CPC's prior discussions of this project as having supported the project's basic concept, but also having expressed consistent concern about the per-unit development cost and public subsidy for the housing (both \$500,000), and about the plan to cover all development costs for both the affordable and market-rate housing from Newton public funds. To help reduce unit costs and leverage financial resources from outside of Newton, the CPC had urged the City to find a partner organization that had affordable housing development experience and

that would also be eligible for funding from sources the City itself could not access. The CPC also felt that, since Crescent Street had been identified as a model for future affordable housing projects using other publicly owned sites in Newton, it was particularly important for this project to set a precedent of using City funds and land as efficiently as possible.

Sender and Jim Robertson noted that, in an average year, the CPC's allocation targets suggest spending about \$1 million on housing, which made this project's requested subsidy of \$500,000 in CPA funds per affordable unit seem very high.

In response to Gilfix, Morse acknowledged that the City of Newton has never built affordable housing. However, he also felt that having the City act as the developer would eliminate the need for any developer fee; and that using public land would eliminate acquisition costs.

Peter Sargent agreed that the City's offer of a public site was a wonderful opportunity, since land is usually the most expensive component of housing projects. However, Sender noted that \$500,000 a unit was close to the maximum per-unit public subsidy (from all Newton-controlled sources, including but not limited to CPA) for past housing projects in Newton that also had to purchase development sites. If Crescent Street needed \$500,000 of public funding per unit with no acquisition costs, its per-unit costs actually appeared to be higher than for these most heavily subsidized past projects.

Robertson commented that most affordable housing built in Massachusetts uses a capital stack that includes state and federal as well as local public funds. In this case, the citizens of Newton would bear 100% of the cost. Rick Kronish said a public subsidy from any one source of \$500,000 per unit was very uncommon; recent housing projects in Cambridge, Chelmsford, and other communities had been built with much lower local subsidies. Sargent said it was disconcerting to see CPA funds requested for 100% of the affordable units' costs, with no funds leveraged from other sources. Though Kronish and Sargent acknowledged that Newton had invested over \$300,000 of local public funds per unit in some past housing projects, they explained that the CPC was trying hard to encourage new requests for lower per-unit local subsidies, and the use of CPA funds as "gap funding," rather than as any project's sole or primary funding source.

Jonathan Yeo noted the CPC was also hoping that CPA funds might leverage some of the City of Newton's federal (CDBG/HOME) housing dollars for one or more projects submitted in response to the City's current RFP. Heath explained that the deadline for responding to that RFP was November 17.

Robertson, Kronish and Sargent all agreed that several aspects of the current plan for Crescent Street, including having the City serve as the developer, might make it difficult to access other funding sources. Robertson suggested that more affordable units might be built at a larger site somewhere else in the City, with a much lower per-unit subsidy from Newton public funds, by bringing in a developer who could leverage other funding sources. Kronish and Sargent wondered whether the project might qualify for project-based vouchers.

Robertson noted that the Crescent Street project's small size might also contribute to its high per-unit costs. The CPC has been complaining about lack of scale as a cause of high costs for private affordable housing projects, such as those developed by Citizens for Affordable Housing Development in Newton (CAN-DO). Yet this project has a similar problem. Sargent noted that the usual way to decrease per-unit costs is to increase density. At 8 units, the project at Crescent Street is too small to use affordable housing tax credits efficiently.

Yeo noted that one plus for CAN-DO's past small, relatively expensive projects was that all the units were affordable. Kronish commented that CAN-DO's units were also often affordable to families at 60 percent or less of the area median income (AMI), whereas the Crescent Street affordable units were apparently targeted for households at 80 percent of AMI. (Ingerson explained that, although the Crescent Street pre-proposal had not specified an income target for the affordable units, City Housing staff had inferred this 80 percent AMI level from the affordable rents listed in the submitted operating budget.)

Beryl Gilfix agreed with other members' comments about the Crescent Street affordable units but also felt that that Newton non-CPA public funds and public land should not be used to subsidize the 4 market-rate housing units proposed for this site. Robertson agreed that this was a legitimate question to raise.

Robertson wondered whether the best use of the entire Crescent Street site might not be as a park that would expand and improve access to the site's existing small playground. Working with Myrtle Baptist Church, it might also be possible to provide pedestrian access from the site to West Newton Square and the commuter rail stop. Kronish and Yeo agreed that the CPC had no concerns about the project's planned park component.

Councilor Gentile felt the requested \$500,000 public subsidy per unit for Crescent Street was justified because of continuing City ownership. Sender pointed out that the affordable units will be permanently restricted, so they cannot be sold in the future for an appreciated market value. Councilor Gentile noted that the City would not face such constraints on its future choices about the project's market-rate housing. He also felt that the land at this site would always be an economically valuable asset for the City.

Sargent noted that, in an 8-unit rental development, a single vacancy or a single tenant falling behind on the rent could have a major impact on the overall project's operating viability. Kronish noted that if the development subsidy from grants were decreased, the internal operating subsidy – from the market-rate units to the affordable ones – might have to increase.

Heath explained that the housing would be managed not by the Public Buildings Dept. but by another agency or organization, possibly the Housing Authority. Councilor Gentile noted that the operating budget included the costs of property management. Elaine Rush Arruda, a member of working group, explained that the 4 market-rate housing units were intended to subsidize the operating costs of the 4 affordable units. Councilor Gentile acknowledged that since the project's currently envisioned funding sources did not include bonding, the debt service listed in the submitted operating budget might be eliminated as an operating cost.

Morse said the City planned to hire an owner's project manager (OPM) within the next month, and to select a designer through the required City Designer Selection Committee early in 2017. To help address some of the questions raised by the CPC, the OPM would need both housing and park design experience but could also hire additional specialized real estate analysts and consultants. A revised development budget for the project, for example, would be developed by a separate consultant. Though any CPA funds appropriated would be controlled by Public Buildings, Morse said the Crescent Street OPM would report to all three department heads: Public Buildings Commissioner Josh Morse, Planning Director Barney Heath, and Parks & Recreation Commissioner Bob DeRubeis. Councilor Gentile asked Morse to provide the CPC with the working group's draft Request for Qualifications for an OPM.

Morse was confident that his success in working with OPMs on many non-housing projects would help the Crescent Street project succeed as well. Councilor Gentile agreed that Public Buildings' could apply to this project its recent experience in building schools and fire houses on time and under budget. Yeo and Robertson also complimented the project management skills of the current Public Buildings staff.

Kronish noted that the responsibilities outlined by Morse were much broader than those associated with the job title of "owner's project manager" in most development projects. Robertson said he would prefer to spend \$10-\$20,000 to have an experienced affordable housing consultant outline options that might reduce the project's unit costs or help it qualify for additional sources of funding. Yeo thought this might be useful, but he also did not want to set aside any of the work already done by the community. Gentile believed that the pre-proposal's development budget, which was created pro bono by staff at National Development, was highly professional, so there was no need to spend money on an additional housing consultant.

Heath acknowledged that the development costs and per-unit subsidies estimated to date seemed high and said the City would also like to see better participation from other funding sources. Councilor Gentile agreed that it would be difficult for the City to tap other funding sources but thought there might be more sources worth exploring. Heath saw this exploration as part of the scope of work for the OPM.

Morse and Heath felt that to some extent the project had a chicken-and-egg problem: it needed initial funding to begin design work, but it also needed initial designs to provide a clearer sense of both what the project would look like and what it would cost. They hoped the CPC would recommend the requested design funding.

Sender felt that if the designers were told to design a project with 4 market-rate housing units and 4 affordable units, that was what they would design, even if that mix and use might not be the best for this property, or would not help to leverage funding from additional sources. As a developer himself, Robertson said he did not typically start with a budget and ask for a design. Instead he asked the designer to work with a set of goals based on a market analysis – number of units or bedrooms, type of construction, etc. – then to refine the design in response to estimated costs.

Councilor Gentile hoped the CPC would identify a maximum per-unit subsidy it would be willing to support for this project, so the City could then seek other sources to fill any resulting funding gap.

Robertson asked other CPC members whether they could support a subsidy of \$200,000 per unit. Sargent felt that limit would at least give the project team an incentive to find other resources. Yeo said he would be willing to support more than \$200,000 per unit, despite his continuing concern about the requested per-unit subsidy, because this project presented a unique opportunity, and the community and elected officials had thought carefully about it. However, the best choice might be a number in the middle. Robertson felt that \$250,000 or even \$300,000 per unit could be acceptable, if that were achieved by dividing the current \$2 million CPA request among 6 or 8 affordable units rather than 4. After further brief discussion, the CPC decided that it could not set an absolute maximum per-unit subsidy without additional information about options for reducing per-unit costs and for additional funding sources.

Summing up the discussion, Heath said that developing affordable housing in Newton was always difficult. The initiative taken by the City through this project will make an important statement. He did not think the views of the Crescent Street working group and of the CPC were that far apart. He believed the CPC had basically asked the working group to “sharpen its pencils on the budget.” He hoped the CPC would recommend the funding needed for design work that could both help minimize the project’s development and operating costs, and assist in identifying or applying for funding from other potential sources. Heath and Morse both felt that CPA funding for design costs at Crescent Street would be consistent with the CPC’s policy, quoted by Ingerson earlier in the meeting, of requiring completed designs before considering construction funding requests.

Sender and Ingerson asked the Committee to provide clear guidance to the Crescent Street working group about what it wanted to see in a revised pre-proposal or a full proposal, in response to the concerns expressed in its discussions of the Crescent Street project to date. After a brief further discussion,

**VOTE:** Robertson moved to consider off-cycle (ahead of the next annual deadline in the fall of 2017), a full proposal for Crescent Street project design funding, if accompanied by revised full development and operating budgets that address the CPC’s continuing concerns about the original pre-preposal. The motion was seconded by Don Fishman and was adopted by a vote of 7 in favor, 1 opposed (Gilfix).

After the vote, Sender, Robertson, and Yeo emphasized that this off-cycle full proposal should include a revised budget for the full project but should request funding only for design costs. On behalf of the project team, Morse accepted this requirement.

Ingerson reminded the proposal sponsors that an off-cycle proposal must be submitted 1 month ahead of the CPC meeting date requested for the public hearing. For example, a proposal would be due by 12 December 2016 if the project team wanted the CPC to hold a public hearing on that proposal at its 12 January 2017 meeting.

## **COMMITTEE BUSINESS**

...

The Committee then adjourned by consensus at 9:10 pm.



Setti D. Warren  
Mayor

**City of Newton, Massachusetts**  
Department of Planning and Development  
1000 Commonwealth Avenue Newton, Massachusetts 02459

Telephone  
(617) 796-1120  
Telefax  
(617) 796-1142  
TDD/TTY  
(617) 796-1089  
www.newtonma.gov

Barney S. Heath  
Director

**Community Preservation Committee**

**SELECTED MINUTES**

19 January 2017

The meeting was held on Thursday, 19 January 2016 at 7:45 pm in City Hall Room 204.

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

Community Preservation Program Manager Alice Ingerson served as recorder.

[Blue, underlined phrases](#) below are links to additional information online.

**COMMITTEE BUSINESS**

...

**PROGRAM FINANCES**

...

Last updated 16 December 2016, A. Ingerson

Newton, Massachusetts, Community Preservation Program Current & Future Proposals Compared to Available Funds & Allocation Targets				
	Affordable Housing	Historic Resources	Open Space or Recreation Land	
			Acquisition	Rehabilitation
<b>TOTAL Current Proposals + Pre-proposals &amp; Related Proposals + Other Future Proposals ≈</b>				
<b>\$34,568,600</b>	\$2,400,000	\$14,193,600	\$5,000,000	\$12,975,000
% Allocation by Resource	<b>7%</b>	<b>41%</b>	<b>14%</b>	<b>38%</b>
<b>CPC target allocations by resource, ± 5%:</b>	<b>30%</b>	<b>25%</b>	<b>20%</b>	<b>20%</b>
<b>FIVE-YEAR FORECAST: Total Available Funds for Fy17-21 ≈</b>				
<b>\$24,950,149</b>				
target allocations – 5%	\$6,237,537	\$4,990,030	\$3,742,522	\$3,742,522
target allocations + 5%	\$8,732,552	\$7,485,045	\$6,237,537	\$6,237,537
<b>TEN-YEAR FORECAST: Total Available Funds for Fy17-26 ≈</b>				
<b>\$41,670,117</b>				
target allocations – 5%	\$10,417,529	\$8,334,023	\$6,250,518	\$6,250,518
target allocations + 5%	\$14,584,541	\$12,501,035	\$10,417,529	\$10,417,529

**PUBLIC HEARING: [Crescent Street](#)**, West Newton/Auburndale (Public Buildings, Parks & Recreation, Planning & Development Depts.) – full proposal requesting \$316,555 for feasibility & design phase of a project to create 4 permanently affordable rental housing units and expand the Reverend Ford Playground, currently accessed from Curve Street

**Presentations**

City Councilor Lenny Gentile explained this project's overall background and current process. After the City Council voted to retain the property, but transfer it to the custody of the Public Buildings Dept. to plan and complete construction of both the housing and playground components, Mayor Warren appointed a Crescent Street Working Group to advise Public Buildings. The group includes several City councilors and neighborhood residents, as well as City staff from Public Buildings, Parks & Recreation, and Planning & Development. The group has met five times since September 2016, working on the Request for Quotes (RFQ) for an Owner's Project Manager (OPM), and reviewing the two submissions received to that RFQ. Based on in-person presentations and interviews, the City's Designer Selection Committee and the Crescent Street Working Group shared a clear preference for one of the two submitting groups.

Gentile noted that tonight's presentation aimed to summarize the project's finances as clearly and simply as possible. The overall project budget presented to the CPC in February through November 2016 was for \$5.3 million: \$4 million for housing, half of which the City hoped would be CPA-funded, and \$1.3 million for the playground, all of which the City hoped would be CPA-funded. Since November, \$400,000 in savings has been identified, including \$100,000 for site work, \$200,000 for site remediation, and some site improvement, legal, and permitting costs that had accidentally been duplicated in the separately prepared housing and playground budgets. Of the new total \$4.9 million budget, \$200,000 is an in-kind contribution of City staff time, so the project will need cash funding of \$4.7 million. In January 2017 the City docketed a request for \$2 million in non-CPA funding from the 2016 Overlay Surplus Fund, for the project's market-rate housing.

In response to the CPC's less than enthusiastic reception of the previously anticipated request for \$500,000 in CPA funding per affordable housing unit, the new budget anticipates a total CPA request of \$350,000 per unit. The working group sees this as a realistic and final request.

The proposal currently before the CPC was for \$316,555, intended to cover 100% of the feasibility and design costs for the playground and 50% for the housing. If the CPC approves applying to this phase all remaining CPA funds appropriated but not spent on the project's site assessment, the new request will be reduced to \$258,308. Ingerson recommended rounding this up to \$260,000.

Director of Planning & Development Barney S. Heath made [a short slide presentation](#) that reinforced and expanded on Councilor Gentile's summary. He emphasized the significant time already committed to the project by both City staff and the City-community Working Group. To ensure the project's ultimate success, the plan for the feasibility and design phase included many additional community meetings. The preliminary design should be completed by fall 2017, with final design in the winter of 2017-18. Construction should begin by May 2018. The Working Group saw the project not only as an opportunity to expand and improve the Reverend Ford Playground and to create needed affordable housing, but also to reconnect this site to the neighborhood from which it was separated when the land was originally taken by the Turnpike Authority.

### **Public Comments**

Kathy Jordan-Kern, 13 Prospect Street, explained that she had used this playground almost every day since moving into the neighborhood in 1996. Though the Parks & Recreation Dept. did its best to maintain the playground, in the 1990s it was in dangerously poor condition. The neighbors – including Myrtle Baptist Church -- had banded together to improve it themselves. After the church parking lot expanded, kids then had to walk through the parking lot to reach the playground. The neighborhood needs this open space, to counterbalance all of the new development it has recently experienced. She hoped the expanded playground would be simple rather than elaborate, would be safe for younger children—with low rather than tall play structures, and that it would not attract people from outside the neighborhood. She thought public funds should be used to improve the appearance of the sound barrier wall at the end of Prospect Street, and to install the right street lights.

In response to questions from Jordan-Quern, Commissioner of Parks & Recreation Bob DeRubeis said that, although the phrase "Crescent Street community park" had been used in some materials associated with the project, including CPC minutes and agenda announcements, the name would remain Reverend Louis Ford Playground, and that the playground would be well maintained while improvements and expansion were being

planned. The playground currently has 38,000 square feet, but another 20,000 square feet will be added to it. The entrance to the expanded playground may be moved to Robinhood Street. Parks & Recreation agree that traffic is a problem on Curve Street.

Also in response to a question from Jordan-Quern, Housing Planner Nathan Robinson explained that tenants would be chosen through a lottery for the affordable housing units created at Crescent Street.

Elaine Arruda, 1921 Commonwealth Ave., spoke on behalf of the many neighborhood residents who had attended the CPC meeting in November but were unable to come tonight, and as a member of the Crescent Street Working Group. She felt that over the last few years new development had eliminated many of the neighborhood's trees and privately owned open space. Residents had fought hard for 70 Crescent Street to be used strictly as a park. Over many years of discussion, they had agreed to the current compromise plan combining a park and housing. They see this as a win-win, which has everyone's support. In evaluating potential Owner's Project Managers, the Working Group had looked for expertise and experience to help the project address the CPC's emphasis on seeking additional funding sources.

Shule Aksan, 98 Crescent Street, is also a member of the Working Group. Though she can see this playground from her window, it takes her 10 minutes to reach it because the entrance is now on Curve Street. She agreed that the neighborhood needed this open space. She was happy to work with the other committed members of the Working Group on the combined housing and park project. The group is eager to get started on the design phase. They have lots of ideas but cannot move forward without funding.

Anna Maria Abernathy, 45 Islington Road, spoke on behalf of both the Newton Conservators and the League of Women Voters. As the Conservators stated in their February 2016 letter, resubmitted for tonight's hearing, they strongly support this project's combination of housing and open space. The League of Women Voters also very much supports the project. Since the City has never undertaken a project of this type before, they thought it should consider partnering with a nonprofit developer who has affordable housing development experience. They questioned how the City as the owner of the housing would insulate itself from the impact of possible high vacancy rates. The League also thought the square footage of the housing units in the current proposal was larger than normal for affordable housing, and suggested considering smaller, "micro units," to allow for a larger number of units in the same footprint. Finally, they hoped the project's design would make pedestrian connections and encourage non-automobile modes of transportation.

Julia Malakie, 50 Murray Road, had also hoped the entire property at 70 Crescent Street could be a park, one that would be well integrated into the neighborhood, perhaps with a small playing field for children and community gardens. During the several years of discussions about this property by the City Council's Real Property Reuse Committee, she felt that committee had leaned toward maximum housing development on the site, which she saw as inappropriate. She was grateful for Councilor Gentile's leadership in limiting the development of housing on this site, and maximizing the expansion of the park. She hoped that more than the required minimum 20,000 square feet would be added to the playground, and that any green space designated for use by the housing's residents would not count toward the required square footage of public open space. She calculated that the area marked "potential addition to park" on some of the maps in the CPC's meeting packet was much less than the required 20,000 square feet. She also hoped that acquisition of the Eversource-owned parcel between the playground and Auburn Street would be on the CPC's list of proposals for future funding. She understood that Eversource might offer this land for sale to the City in about another 4 years, but in the meantime planned to create a public access path over its property to the playground.

Melissa Wylie, 24 Sharon Avenue, felt that most recent, new development in the neighborhood was not very affordable, so new affordable housing was badly needed. 8 units seemed an achievable number. The neighborhood is already densely developed and diverse, and she would like to ensure its continued diversity.

On behalf of the CPC, both Jim Robertson and Rick Kronish assured the public that there was widespread support on the Committee for this project's park component. They encouraged any additional comments specifically on the housing component, particularly why it was limited to 8 total units and 4 affordable units.

Aksan and Arruda explained that the current plan had been developed through 2-3 years of community- City conversation. Re-examining the number of housing units would require restarting that conversation. Residents understand the need for affordable housing but feel their neighborhood simply cannot accommodate more than 8 new units on top of all the other new development that has happened in the past few years, both by-right and by special permit.

As no one else had signed up to speak, Yeo moved and Fishman seconded closing the public hearing. The CPC then closed the hearing by a vote of 8-0.

### **CPC Questions & Discussion**

Robertson commented that the proposed scale of the project's housing component, at 8 units, had always seemed too small to be economically viable. He was glad to see the proposed CPA request lowered from the previous \$500,000 per unit to the currently proposed \$350,000. Since both the neighborhood and the City's professional planning staff support limiting the project to 8 units, the decision before the CPC really seemed to be whether it could support that \$350,000 per-unit subsidy. He still felt the site would be best used only as a park, but he also understood the long genesis of the current compromise. Compromise sometimes means accepting lower standards, in this case, less-than-ideal efficiency in the use of CPA housing funds. He favored recommending the requested feasibility and design funding. However, he did not favor supporting an 8-unit housing project with 4 fully market-rate units. He would prefer to see additional affordability, such as "workforce housing" for households at 100-120% of the area median income (AMI), which is above the maximum allowed for CPA funding.

Sender agreed that the site would be best used entirely as a park, thought she also thought it was wise to have "eyes on the park" if the park was on a dead-end street, by having some housing in or facing the park. She thought the CPC did not need to decide tonight whether it was comfortable with the proposed \$350,000 of CPA funding per affordable unit, but thought any CPC recommendation for the design funding should convey to the City Council the CPC's strong preference for making all of the housing units affordable in some way. Otherwise, this project will seem like a lost opportunity. She hoped the OPM could come up with a way to accomplish this, and/or with other types of funding to reduce the need for Newton public funds, including but not limited to CPA funds.

Mark Armstrong noted that for the housing component, the City had requested CPA funds for programming and feasibility, rather than final design. This "pre-design" phase of work should outline different options and combinations of units to address the CPC's concerns about costs and subsidies.

Robertson and Peter Sargent both noted that they were also more comfortable than they had been before with the idea of the City managing housing construction. Sargent also felt more positive about the project overall than he had before, after hearing about the extensive community and City staff time already invested in it.

However, he also felt that the total development cost (TDC) per unit for the project's housing was still very high, especially since the project had no land acquisition costs. The proposal seemed to include two possible paths, with and without bond financing. If the project does not incur any debt, there might be a way to further reduce costs and subsidies or increase affordability. If bonding is involved, the TDC per unit will need further analysis to determine what was bondable.

In response to Sargent, Councilor Gentile noted that although the City had docketed non-CPA cash funding for the project, it also believes it can issue tax-exempt bonds for the market-rate housing, based on a recent conversation between Comptroller David Wilkinson, Associate City Solicitor Ouida Young and the City's bond counsel and tax attorney. In response to Sargent's sense that the City itself was not an appropriate long-term property manager for housing, Councilor Gentile also explained that the City would not be managing the property directly. If the City issues tax-exempt bonds for the project, it would be better to have a nonprofit such as the Newton Housing Authority as the property manager.



Along with other members, Rick Kronish very much appreciated the community's investment of time in the project so far, though the current plan for the site would not have been his first choice. Though the current request was for early rather than final design work, he did feel the decision before the CPC was really whether to fund the entire project. He shared other members' concerns about the TDC per housing unit. For low-income housing tax credits, the state's allowable per-unit maximum TDC is usually about \$400,000, which this project significantly exceeds, especially if that calculation includes the value of the land the City is providing. Though the current plan would apparently provide 4 units affordable at 80% of AMI, a category that includes many firefighters, policemen, and teachers, he would rather not support the project with only 4 affordable units. He did not know what additional subsidy would be required to make all 8 units affordable, but he would be comfortable supporting the project if the total CPA request now envisioned were spread over 8 units affordable at a range of incomes.

Beryl Gilfix supported CPA design funding for the project's park component, since City staff has expertise there. However, she was uncomfortable with CPA design funding for the housing component, since the CPC did not support the overall concept for that part of the project, and the City lacks prior experience or expertise in designing and building housing. She also felt the proposed size of the housing component was based on community preferences but not on a full analysis of project costs and economic viability. She also considered it inappropriate for the City to subsidize market-rate housing, regardless of the funding source. Primarily for that reason, she was not willing to support CPA design funding for the project's housing component.

Summarizing CPC comments on the project's housing component, Yeo and Robertson both urged the project's design team to look for ways of increasing affordability benefits, such as by increasing the number of affordable units or increasing the level of affordability, and of decreasing the TDC and Newton public subsidies required per housing unit.

Councilor Gentile explained that the Board/Council order governing the reuse of 70 Crescent Street requires a minimum of 4 affordable units, but there had been extensive discussion in the Working Group about keeping costs as low as possible, in the hope of either creating more affordable units or providing deeper affordability. If it is feasible to make some units affordable at income levels above 100% AMI, the City would be willing to use non-CPA funds for these units, since they would not be CPA-eligible.

Arruda and Aksan commented that reasons one of the OPM submitters clearly seemed preferable was that team's significant experience both with grant writing and with community engagement, which the Working Group thought would help with reducing Newton public subsidies, by finding additional funding sources, and with reducing costs, by considering a range of design options. One such option suggested by the preferred team was modular housing, which the Working Group had not previously considered.

VOTE Gilfix moved to recommend appropriating only that portion of the feasibility and design funding requested for 70 Crescent Street that would be used for the project's park component. The motion was not seconded.

Yeo moved to

- allow the use for feasibility and design work at 70 Crescent Street of all CPA funds remaining unspent from those appropriated by City Council order #119-16 to assess that site for a combination of park and housing uses, and
- recommend appropriating an additional \$260,000 in CPA funds for that feasibility and design work, with the understanding that no CPA funds will be used for costs associated with market-rate housing, and that the final project design will exceed to the maximum extent possible the affordability goals in Board order #384-11(4), which requires making at least 4 of the project's planned 8 housing units affordable.

Fishman seconded the motion.

The motion was adopted by a vote of 7-1-0, with Gilfix opposed and Clarke absent.

Ingerson explained that she would do some calculations for the written CPC recommendation, to determine what percentage of the recommended funding should be allocated to housing vs. to recreation. For the public, she also explained that the recommendation would now be referred to 2 or more City Council committees for further discussion, prior to a full City Council vote on whether to appropriate these funds.

The Committee then adjourned by consensus at 9:05 pm.



Setti D. Warren  
Mayor

**City of Newton, Massachusetts**  
Department of Planning and Development  
1000 Commonwealth Avenue Newton, Massachusetts 02459

Telephone  
(617) 796-1120  
Telefax  
(617) 796-1142  
TDD/TTY  
(617) 796-1089  
[www.newtonma.gov](http://www.newtonma.gov)

Barney S. Heath  
Director

---

**Community Preservation Committee**

MINUTES

28 November 2017

The meeting was held on Tuesday, 28 November 2017 starting at 7:00 pm in Newton City Hall Room 204.

Community Preservation Committee (CPC below) members present: chair Jonathan Yeo, members Mark Armstrong, Dan Brody, Richard Kronish, Susan Lunin, and Beryl Gilfix (arr. 7:15 pm). Vice chair Peter Sargent was absent. Appointments are currently in progress for two vacation positions: by the Mayor for outdoor recreation and by the Parks & Recreation Commission.

Community Preservation Program Manager Alice Ingerson served as recorder.

[Blue, underlined phrases](#) below are links to additional information online.

**PROPOSALS & PROJECTS**

[Crescent Street](#) (Auburndale, affordable housing & playground) – update on design & feasibility, request to submit off-cycle proposal for \$2,675,000 in additional CPA funding for final design & construction

Councilor Leonard Gentile introduced the update. He chairs the Crescent Street working group that has been directing the work of the staff and consultants on this project. The goal of tonight's presentation was to explain briefly the work that has been done since the group last met with the CPC, and to ask the CPC to agree to consider an off-cycle full proposal for additional CPA funding for final design and construction.

The project includes 8 units of housing, 4 of which would be affordable at income levels that make them eligible for CPA funding. When the original estimated cost of the housing was \$4 million, the project team had hoped that CPA funds would cover \$2 million. However, the group heard in its initial discussions with the CPC that a CPA subsidy of \$500,000 per unit was too high. In response, the anticipated CPA housing request has been reduced to \$350,000 per unit, for a total \$1.4 million. The anticipated CPA request for the park remains at \$1.3 million.

The original project plan included two units each with 1 and 3 bedrooms, plus four 2-bedroom units. The bedroom count has now increased to four units with 2 bedrooms and four with 3 bedrooms. Also in its initial discussions with the CPC, the working group heard that the CPC wanted as much affordability as possible. The original plan with 4 market-rate units and 4 units affordable to households at 80% of the Area Median Income (AMI) was revised to one 2-bedroom and one 3-bedroom unit in each of the following categories: affordable to households at 60% AMI, at 80% AMI, at 120% AMI (known as “workforce housing”), and market-rate (no income limits).

All units would be adaptable and visitable for persons with limited mobility, with wheelchair-usable doorways and stud spacing to support grab bars. One unit would be finished as fully accessible, with a roll-in shower, roll-under sinks, and other required features. All first-floor entrances would be directly accessible for wheelchairs. The working group has also endorsed adding an elevator to make the second-floor units accessible, so this

website [www.newtonma.gov/cpa](http://www.newtonma.gov/cpa)

contact Alice E. Ingerson, Community Preservation Program Manager

email [aingerson@newtonma.gov](mailto:aingerson@newtonma.gov) phone 617.796.1144

City-developed project would be 100 percent visitable and adaptable for wheelchair users. The total cost of the elevator was estimated at \$470,000. The working group hoped the CPA share of this cost would be \$235,000, as an addition to the anticipated \$1.4 million for housing.

The expanded Reverend Ford Playground would be accessible from Crescent Street, via a main path south of the housing, from Auburn Street via a new path along the east side of the Eversource site, and from Curve Street via a pedestrian-designated route through the northeast portion of the Myrtle Baptist Church parking lot. Eversource has made a verbal commitment to the access path over their property, and the Newton Law Dept. is working with them on a license agreement to formalize this access. Public Buildings Commissioner Joshua Morse said indemnification was one of the remaining issues for that agreement.

The working group has been exploring ways to create an additional vehicular exit from the Myrtle Baptist Church parking lot, as well as a pedestrian access route to the playground from Curve Street that would not require pedestrians and vehicles to continue sharing the Church's only existing driveway, which is exactly one car wide. Two properties on Curve Street that have recently come up for sale might help with this. The current site plans also show a possible vehicular gate that would allow vehicles to leave the church parking lot via the driveway and parking area north of the new housing on special occasions, if safety can be ensured. The overall boundary between the parking lot and the park would have new plantings but would not be fenced.

Gentile said the project's total new CPA request would be \$2,675,000. If this new request is funded, the project's total CPA funding would be \$3,035,000, including the \$360,000 already appropriated: \$100,000 for site assessment and \$260,000 for design and feasibility. If the CPC agreed to consider an off-cycle full proposal, that proposal would include the updated project numbers that were not available for tonight's meeting. Jonathan Yeo was pleased that project costs being cited tonight appeared to be lower than those in the written submission provided when this discussion was originally scheduled for November 16, but he noted that it might be challenging for the CPC to make decisions tonight without the new numbers in front of them.

David Eisen of Abacus Architects presented a [series of slides illustrating the overall site plan](#), the basic layout of the playground and park, the floor plan, elevations and some interior views of the housing. These images were updated slightly from those submitted in advance for the originally scheduled November 16 meeting.

Moving from north to south, the site plan showed: plantings and bioswales for stormwater management partly on the land owned by the Turnpike Authority; a driveway and parking for the housing; the apartment building itself; and outdoor spaces for the apartment residents, separated by a fence and additional bioswales from the expanded playground and park. Looking north from the park, all parking for the apartment building would be out of view, tucked behind the building itself.

The apartment building roof included some pop-ups to provide relief from the flat roof and to allow additional light into the interior of the building. All mechanical equipment was on one side of the roof, to allow for solar panel installation. The solar panels were not currently included in the project budgets because the project team anticipated these would be installed by a third party. However, the team believed the project could reach "net zero energy," by producing as much electricity as it used. The building would have heat pumps.

A major design goal for the housing was to achieve the economies of scale of an apartment building, while providing many of the amenities enjoyed by the residents of single-family homes. All first-floor units were shown with outdoor terraces, and all second-floor units with balconies. All units had allocated garden space, and a stair directly to grade, providing access to the garden areas and serving as a second means of egress.

In response to Rick Kronish, Eisen said the 2-bedroom units had about 1,000 square feet and the 3-bedroom units about 1,250 square feet. The apartments might get a little bigger or smaller as design work proceeded. In response to a question from Alice Ingerson, Yeo and Mark Armstrong noted that the previously submitted information showed all 60% and 80% AMI units on the first floor, and all higher-income units on the second floor. Public Buildings Commissioner Joshua Morse confirmed that income levels would in fact be distributed randomly between the building's two floors. Eisen emphasized that there would be no differences in square footage and finishes among the units at the different income levels.

All units were designed to face south, to maximize sunlight and views of the park. All units would have small, probably non-operable windows in their kitchens, bathrooms, and other low-use areas on the north side, to minimize noise from the Turnpike. There would be more generous windows in the dining, living and bedrooms on the south side, from which light should reach well back into each unit. Residents should not have to turn their lights on in any room in the middle of the day.

Morse noted that the Board of Aldermen order guiding the reuse of this public property required adding at least 20,000 square feet to the park/playground. Eisen estimated that the current plan added about 21,000 square feet to the playground, on the southern side of the area previously used for Parks & Recreation Department equipment and vehicles.

In conclusion, Councilor Gentile thanked the CPC for setting up this special additional meeting so both he and the City's Chief of Staff and Chief Financial Officer Maureen Lemieux could attend, in lieu of the originally scheduled November 16 discussion they could not have attended.

#### CPC COMMENTS & QUESTIONS

Armstrong commented that the project had been improved through the design review process. He felt the current site plan, including the building orientation and parking, made sense. He was glad to see that the boundary between the abutting Myrtle Baptist Church parking lot and the public site had been clarified. Though he knew that additional design decisions remain to be made, he felt the conceptual design as presented looked out of context with the surrounding neighborhood. He hoped the design team would look for ways to establish connections with the project's surroundings through detailing, scale, or in other ways, to help the residents of this development feel they are part of the neighborhood.

In response to Dan Brody, Eisen explained that the land between the Turnpike sound wall and the apartment parking lot would include planted depressions, also known as bioswales or rain gardens, to filter stormwater sheeting from the parking lot as it percolates back into the ground. The Turnpike Authority would allow this feature to be installed on their property. The existing trees along the sound wall might need to be replaced.

In response to Kronish, Eisen and Planning and Development Director Barney Heath explained that the current construction budget was based on estimates from Tim Brown of North Bay Construction Consultants, a professional cost estimator. The project must be publicly bid and must pay prevailing wages. Gentile, Heath and Housing Development Planner Amanda Berman explained that the City would also be issuing a competitive Request for Proposals from property managers on December 7.

Kronish asked how the proposed division of funding between CPA and non-CPA City funding had been arrived at. Gentile reiterated that the working group had reduced the anticipated CPA share of housing costs from the originally proposed 50% of the total, in response to earlier feedback from the CPC, but hoped the CPC would recommend funding for 50% of the elevator costs, or \$235,000. Ingerson noted that this proportion of CPA funding for the elevator would be the same as the 50% proportion of the project's total 8 housing units that would be CPA-eligible.

Gentile acknowledged that the project's projected construction cost had increased since previous discussions with the CPC, partly because, though the number of units had remained the same, the number of bedrooms had increased. In combination with the reduced total CPA request for the housing, this meant that the City would need to commit more City non-CPA funds than had been shown in previous funding source summaries. Gentile and Lemieux said the City planned to bond \$2.2 million for project costs not covered by CPA funding. Planning and Development Director Barney Heath said the current budget also anticipated approximately \$1.2 million of City non-CPA funding from sources other than bonding.

In response to questions from Beryl Gilfix and Brody, Newton ADA coordinator Jini Fairly listed four accessibility standards the project must meet as a City-owned building, including but not limited to those of the Massachusetts Architectural Access Board and the Americans with Disabilities Act. She clarified that one of the housing units would be finished as fully accessible, with grab bars, low counters, a roll-in shower, etc., but

all units would have the required door widths and clearances, close stud spacing for grab bars, and other features required to accommodate visiting wheelchair users, and to allow future remodeling to accommodate residents with limited mobility. Susan Lunin said though none of initial applicants for these apartments might need full accessibility, having a single fully accessible unit and the ability to make other units fully accessible later at minimal cost seemed to make sense. Ingerson explained that the CPC's housing proposal requirements including submitting the project owner's reasonable accommodation/reasonable modification policy, with including procedures for submitting modification requests and for appealing any requests initially denied.

In response to Armstrong, Fairley said the proposed elevator is not required by law, but the working group felt strongly that this City-built and -owned building should be a model of accessibility for the elevator-served, small-scale residential developments the City would like more private developers to build.

In response to Yeo, Eisen said the design for the expanded playground and park had been a collaborative effort by the project team, the working group, and residents who commented on design ideas at community meetings. The overall goal was to make the park as green and open as possible. Morse said the pathways would be permeable. The perimeter path would be exactly 1/8 mile, for walkers or riders who wish to measure distances. The exercise stations would be designed for seniors but would also be usable by others. The play equipment at the southern side of the park would be much like the equipment being installed at Newton's new elementary schools. There would be new plantings and trees. Carol Schein of the Parks & Recreation Department was also at the meeting to answer any other questions about the park.

Also in response to Yeo, Morse and Gentile said the City would build the stone dust public access pathway from Auburn Street, shown along the east side of the Eversource power substation in the site plan images. Yeo thought this additional access would make the park more visible and increase its use.

Kronish felt that if actual bids came in higher than the construction estimates, the CPC would not welcome a supplemental funding request. Gentile said that the bids received by the City for most recent projects had been in line with construction estimates. When the bids for Fire Station 3 came in higher, the City had to find more money. The City would expect to do the same if bids for Crescent Street exceeded the original estimates, whether by borrowing more or by deferring other projects so the cash designated for those projects could be used at Crescent Street. Armstrong noted that the Crescent Street site did not really include many unknowns.

Yeo noted that the project team and working group had responded to the CPC's previously expressed interest in increased affordability by revising the previous unit mix from a combination of 80% AMI and market-rate to include units at 60% AMI and 120% AMI, and by eliminating 1-bedroom units in favor of all 2- and 3-bedroom units. He commented that, although the new plan reduced the previous anticipated CPA request per unit of housing, the total development cost per unit, and therefore the total per-unit cost from all Newton funding sources, was still very high. The CPC had suggested considering additional units to reduce this cost, but the number of units had not changed. To some extent the project's high costs reflected public construction requirements, such as the payment of prevailing wages.

Yeo explained that the City's request at tonight's meeting was for a CPC vote on whether to consider an off-cycle full proposal submitted by the CPC's normal 30-day deadline, December 11, for a public hearing and potential CPC funding recommendation vote on January 11. The CPC could also decide it needed additional information to make this decision, and therefore to continue tonight's discussion to a future meeting. He noted that the discussion tonight had not reflected any concerns that might have been raised by CPC vice chair Peter Sargent, whose professional work is in affordable housing finance but who was unable to attend.

Yeo emphasized that CPC agreement to consider a full proposal did not imply a commitment to support funding for that proposal. Gentile said the project team fully understood this and would try to make the project less expensive if they could. Morse said any full proposal the CPC agreed to consider would be submitted ahead of the December 11 deadline.

Kronish and Yeo both supported agreeing to consider an off-cycle proposal based on the information presented at tonight's meeting.

VOTE Kronish moved to consider an off-cycle proposal consistent with the information presented at this meeting, if the proposal is submitted by 11 December 2017 for a CPC public hearing on 11 January 2018. Armstrong seconded the motion, which was approved unanimously, 6-0.

After the vote, Ingerson offered a comment not as the CPC's staff person but based on personal experience. She thought parents living in the Crescent Street apartments would probably encourage their children to play outdoors mostly in the apartments' ground-level green spaces or in the park. She also thought that for many households now, kitchens were often the center of family life during daylight hours, whereas living rooms were more often used at night. She understood why the current floor plans for Crescent Street showed all kitchens facing the parking lot and all living rooms facing the park, but she wondered if the reverse could be considered, so parents could see children playing in the park from their kitchens.

Brody's motion to adjourn was seconded by Lunin and approved 6-0. The Committee adjourned at 8 pm.



Ruthanne Fuller  
Mayor

**City of Newton, Massachusetts**  
Department of Planning and Development  
1000 Commonwealth Avenue Newton, Massachusetts 02459

Telephone  
(617) 796-1120  
Telefax  
(617) 796-1142  
TDD/TTY  
(617) 796-1089  
[www.newtonma.gov](http://www.newtonma.gov)

Barney S. Heath  
Director

---

**Community Preservation Committee**

**SELECTED MINUTES**  
23 January 2018

The meeting was held on Tuesday, 23 January 2018 starting at 7:00 pm in Newton City Hall Room 204.

Community Preservation Committee (CPC below) members present: chair Peter Sargent and members Mark Armstrong, Dan Brody, Byron Dunker, Beryl Gilfix, Richard Kronish, Susan Lunin, and Robert Maloney.

Community Preservation Program Manager Alice Ingerson served as recorder.

[Blue, underlined phrases](#) below are links to additional information online.

**PUBLIC HEARINGS**

...

[CRESCENT STREET](#) (Auburndale, affordable housing & playground) –request for \$2,575,000 in additional CPA funding for final design & construction

**presentation**

As chairman of the Crescent Street Working Group (WG), Councilor Leonard Gentile asked all members of the WG and the design team to introduce themselves: Shule Kapanci and Elaine Rush Arruda, WG neighborhood representatives; Rudy Barajas, Alyssa Languth, and Michelle Ciccolo for the Owner’s Project Manager (OPM); David Eisen, architect; Deneen Crosby, landscape architect; Commissioner Josh Morse and project manager Rafik Ayoub of the Public Buildings Dept.; Director Barney Heath and housing planner Amanda Berman of the Planning Dept.; Parks & Recreation Commissioner Bob DeRubeis; City of Newton Chief Financial Officer Maureen Lemieux; and City of Newton ADA Coordinator Jini Fairley. In response to Rick Kronish, Morse confirmed that the project’s consultants had been hired through competitive bidding.

As when the group most recently presented to the CPC on 28 November 2017, the project includes 8 rental apartments, evenly split between 2- and 3-bedroom units. 6 units will have income restrictions for households with between 60 and 120% of the area median income (AMI). There has been some change in total square footage, and utilities costs have been reallocated between the park and the housing. After the City declared the site surplus over 6 years ago, a 2015 order governing its reuse was adopted by 22 of the 24 aldermen, with the only 2 opposing votes from aldermen who wanted the site to be used entirely as a park.

For [the presentation, which is online from the CPC website](#), Crosby summarized the basic site plan, with the housing near the Turnpike and the site’s remaining 1.3 acres as a “park with a playground in it.” The park will have three planted entrances, from Crescent Street, Myrtle Baptist Church, and possibly from Auburn Street through the Eversource site. The park will be multigenerational, with a perimeter path, exercise area, separate play areas for older and younger children, a picnic grove, and an outdoor platform or stage for events and activities. The park will also honor the history of the neighborhood, especially before a portion of it was taken

website [www.newtonma.gov/cpa](http://www.newtonma.gov/cpa)

contact Alice E. Ingerson, Community Preservation Program Manager

email [aingerson@newtonma.gov](mailto:aingerson@newtonma.gov) phone 617.796.1144

Preserving the Past  Planning for the Future

*Minutes  
continue on  
next page.*



for the Massachusetts Turnpike, in an interpretive plaque and maps, in quotes and in other features that capture playful childhood memories of the neighborhood.

Michelle Ciccolo, whose firm was working on the project's housing component as part of the OPM team, acknowledged that the project's process was lengthy, but she felt the results would ultimately be a model of how to use CPA funds effectively for affordable housing. The location is ideal, both near transit and on a park. Unusually, these affordable units will be large enough for families. They will also be permanently affordable at a range of income levels. All 8 units will count toward Newton's total on the state Subsidized Housing Inventory (SHI). The project will also revitalize an under-used public site.

### **public comments**

On behalf of League of Women Voters, Sue Flicop thanked the group working on the project. A larger group of League readers had evaluated this proposal than had read proposals for earlier phases of the same project. They supported both affordable housing and parks as uses of CPA funds but would like the City Council to review its limit of 8 housing units, and the City to revisit its decision to act as the developer. Adding more units could reduce the project's high per-unit cost, and partnering with a non-City developer could give the project access to funding sources other than Newton public funds. They felt the project needed more work.

Elaine Rush Arruda, 192 Commonwealth Avenue, spoke as a WG member. She felt the combination of community feedback and work by City staff and the consultants had made the project the best it could be. She believed a private developer would not have made 6 out of the 8 units income-restricted, and that the outdoor space assigned to each unit truly made these apartments homes. After paying off the non-CPA City bonds used to finance it, the project would continue to generate income for the City, but a private company would handle all maintenance. The expanded park would be both larger and more accessible than the current playground and would be used by residents from throughout the City. The park would honor the history of Newton's first black neighborhood and remember the taking of land for the Turnpike. The project's site plan and design fit in context of the neighborhood. The project had both broad Citywide support and support from abutters and neighbors.

Lynn Weissberg, 5 Alden Street, summarized the letter submitted to the CPC by U-CHAN, Engine 6 and Livable Newton, with 60 signatures. The letter's signers strongly supported affordable housing but agreed with both the original Joint Advisory Planning Group and the Design Review Committee that the site could and should accommodate more than the proposed 8 units of housing. They were concerned about the high cost of the proposed housing, especially since the project had no site acquisition costs. They saw it as a bad precedent for the City to serve as the developer. They believed many people throughout the City did not support the project. They urged the CPC not to recommend funding for the project in its current form.

Judy Jacobson, 289 Cypress Street, deputy director of the Mass Housing Partnership, had served as vice chair and chair of Newton's CPC and thanked the current CPC members for their service. She spoke as a resident of Newton for 28 years. She thought projects that addressed more than one CPA category were exciting and was very happy that this project would provide much-needed rental housing for families. However, the current proposal would not use CPA funds efficiently, and the project's economic viability had not been demonstrated. Of the 68 companies invited to bid on property management services for the project, none had submitted a bid, she believed because they did not consider the project viable as currently framed. She urged the current CPC to follow the past CPC practice of commissioning an independent, expert review of the project's finances, and to have the operating budget vetted by an outside property manager. As a housing professional, she had never funded a project without this vetting. She hoped the CPC would decline to recommend funding for the project as currently proposed.

Catherine Jordan, 13 Prospect Street, has used the playground for her home daycare business for 25 years. She did not feel the current park plan included a large enough playground and was uncertain whether it would include facilities for toddlers. She and her husband Albert Quern were concerned about traffic and safety

issues, including ensuring safe access to the park through the Myrtle Baptist Church parking lot and possible undesirable uses of the park at night.

Sandra Lingley, 24 Curve Street, a new member of the Commission on Disabilities, had benefited from CPA housing funds as a resident of Myrtle Village. However, her brand-new unit, which was advertised as fully accessible, had required multiple interior and exterior changes after she moved in, to meet accessibility standards. She wanted to ensure full accountability for meeting these standards at Crescent Street.

City Councilor Jim Cote represents Ward 3, which includes most of the Crescent Street site. He had met many neighbors distressed by the huge new projects being built around the neighborhood, with attached units turning their sides to the street front and occupying nearly all land on their long, narrow lots. Although the 70 Crescent Street site might have the capacity to accommodate more units, the neighborhood as a whole did not. Though many neighbors originally wanted this site to be used entirely as a park, the neighborhood now supported the compromise initiated by Councilor Gentile to allow 8 housing units. If the requested funding was not approved, he was not sure what would happen to this compromise.

Kathleen Kouril-Grieser, 258 Mill Street, Newtonville, felt the proposed use of public land for housing at Crescent Street was much less contentious than it had been at Austin Street. It was unusual for her, as a Newton Villages Alliance board member, to support affordable housing, but she felt the proposed Crescent Street project had been reviewed thoroughly and was being managed by very competent City staff, with relevant design and construction management experience from public school projects. She urged the CPC to support this project's new open space and new housing.

Former Councilor Amy Sangiolo, 389 Central Street, thought that the 8 units of 2- and 3-bedroom housing now proposed for this site were remarkable, given that the Parks & Recreation Commission had originally recommended that the site be used entirely for open space. She noted that the CPC had just voted to support the Housing Authority's Haywood House project, despite neighbors' concerns about its potential impacts, because those impacts would be addressed through project review by other City bodies. She hoped the CPC would apply similar reasoning to the Crescent Street project and recommend the requested funding.

Simon French, 47 Glen Avenue, supported the points made by Kouril-Grieser and Sangiolo. He believed the proposed approach to Crescent Street was preferable to a project that included a developer fee, such as the CAN-DO project on Auburn Street in Auburndale.

City Councilor Barbara Brousal-Glaser also spoke as a WG member. She hoped for a conversation about the project's numbers that went beyond the points made by its critics. She had originally voted against any housing on the site but considered the current plan a wonderful compromise. She was also excited that many more people would use the expanded and renovated park.

Shule Kapanci, 98 Crescent Street, also a WG member, thought the current Crescent Street plan illustrated how the City and community could work together to address both housing and open space needs. As with Haywood House, neither the development nor the operating costs were final for the Crescent Street project. She felt that if \$472,000 per unit was an acceptable cost for 1-bedroom units at Haywood House, \$590,000 per unit should be acceptable for 2- and 3-bedroom units at Crescent Street.

Parks & Recreation Commissioner Bob DeRubeis said the Parks & Recreation Commission fully supported the current plan, especially with the addition of two new park entrances. He thanked the neighborhood for graciously tolerating the Parks & Recreation Department's heavy equipment yard on Crescent Street for 41 years. He hoped the CPC would support the project as proposed.

City Councilor Chris Markiewicz from Ward 4 lives near the site and hoped the CPC would support the project. He hoped the City would evaluate the long-term impacts of different land use decisions, such as the multi-use zoning approved for Austin Street and the Orr Block/Washington Place, so it could use Newton-specific data to inform future decisions. He agreed with previous speakers that the estimated per-bedroom costs of the

Crescent Street housing were reasonable, and that a private Comprehensive Permit project at the site would build many more market-rate units to create the same number of affordable units.

City Councilor Deb Crossley from Ward 5 spoke as the chair of the Council's Public Facilities Committee, which will resume its public hearing on this project on February 7. Though in 2015 she had supported the City Council's decision to limit the number of housing units at Crescent Street to 8, she now regretted that decision. She felt the City should revisit the project's basic requirements, to improve it. She was extremely concerned about the project's current costs, with or without the elevator, and about its complete reliance on Newton public funds, in contrast to past projects that had leveraged Newton funds by meeting the requirements of other funders. She had worked on getting the CPA adopted in Newton and saw the CPA program as a source of great pride. She hoped the CPC would look more deeply at this project as currently proposed.

Julia Malakie, 50 Murray Road, West Newton, is a member of both the Newton Tree Conservancy and the Newton Villages Alliance. She was concerned about the reduction of open space in the Crescent Street neighborhood though both by-right and special permit developments. She originally wanted this project site to be all open space but was pleased with the current housing design, as well as with the plans for the park. She felt housing advocates would never be satisfied, but that once the currently proposed housing was built, people would be grateful for the project's enhanced and expanded park.

In response to some of the public comments, Councilor Gentile said that the requirements the then Board of Aldermen had imposed in 2015 on the reuse of 70 Crescent Street could not be revised without starting the City property re-use process over again from scratch. The original development cost estimates by the firm National Development had been thoroughly reviewed and revised by the current consulting team. After the project's rental income had paid off the tax-exempt City bonds used to fund the project, the City would then own a revenue-producing asset. Finally, he felt that the Public Buildings Department's success in completing \$170 million of school and other construction projects on time and on budget qualified them to manage the Crescent Street project.

### **CPC discussion**

After confirming that everyone who had signed up to speak about Crescent Street had spoken, Sargent closed the public hearing and opened the CPC working session. He admired the project's broad community and interdepartmental cooperation but wondered who the final decisionmaker was. Would all 3 City departments have to meet to make each decision or answer each question that arose during construction? Since the public funds will be appropriated to the Public Buildings Department, Councilor Gentile and Commissioner Morse said Morse was the final decisionmaker.

Armstrong, Lunin and Kronish supported the project's basic design. Armstrong had served on the original Joint Advisory Planning Group that had recommended 8-20 units of housing on the site, without investigating financial feasibility. He liked the current plan because it was simpler than the advisory group's suggestions, and because the simplicity of the building benefited the site's open space. Lunin felt that the project was a nice compromise. Though the housing was costly, she felt the project's overall community benefits were worth its total cost. Kronish might have preferred 12 units of housing but could live with 8 units because that increased the site's open space. He supported the process used to plan the project and was not distressed by having the City serve as both developer and owner. He supported public ownership of the housing, with state monitoring of its permanent affordability.

Gilfix did not believe building only 8 units of housing was a good use of the large Crescent Street site. She preferred to see the project design go back to the drawing board.

Several CPC members expressed concern about the project's development costs. In response to Maloney, Morse said the elevator's cost was \$470,000, with half of that requested from CPA. Armstrong was not sure this cost was worthwhile, since the half of the units (the 4 on the first floor) could be accessible without the elevator. Sargent agreed that the goal of having all 8 units accessible was laudable but felt that the elevator

should not use CPA funding. Councilor Gentile said he would not mind a CPC recommendation vote that excluded funding for the elevator.

In response to Gilfix, Maloney noted that the Crescent Street project's total development cost per unit was about \$590,000. In response to Maloney, Eisen said the 3-bedroom, 1.5-bath units started at about 1250 square feet. Maloney was surprised that the Crescent Street per-unit costs were higher than those for a very high-end development with which he was involved in Hingham, after factoring out differences in acquisition costs (because Crescent Street has none), finishes and features (for example, the Hingham project includes some covered parking), and economies of scale (the Hingham project has 77 units). Morse said that Newton's new fire stations cost about \$800 per square foot to build and that economies of scale were significant for larger buildings. Kronish and Councilor Gentile both noted that as a City project, Crescent Street must pay prevailing wages, which could make a public project 20% more expensive than a comparable private project. Maloney felt that other differences, such as higher-end finishes in the Hingham project, more than compensated for this wage differential.

Armstrong felt that concerns about per-unit costs at Crescent Street were mitigated by having all 2 and 3-bedroom units. Councilor Gentile and Morse suggested that per-bedroom costs were a fairer standard of comparison than per-unit costs. Using data from the CPC's website for past CPA-funded projects, adjusted for construction cost inflation over time, Morse said his calculations showed that the per-bedroom cost for the Crescent Street housing was about average. In response to Sargent, Morse agreed to share these calculations with the CPC.

In response to Kronish, Morse said the project was too small for a "construction manager at risk," so the contracted construction price would still be subject to change orders. Maloney felt the team could continue to work on reducing costs. In response to Ingerson, he offered to look more closely at the cost estimates in the proposal for possible savings, though he was not sure he would find any. Sargent felt that there was no magic number for per-unit construction costs, and that progress had been made. He noted that the high cost of affordable housing was in part due to soft (non-construction) costs, such as complex permitting processes.

Councilor Gentile and Newton Chief Financial Officer Maureen Lemieux said the City was committed to reviewing and reducing the project's construction costs, which they agreed seemed very high. Councilor Gentile felt that Public Buildings Commissioner Morse and members of the City Council's Public Facilities Committee might suggest further cost reductions. Lemieux felt the City's success in managing costs on other types of projects would be helpful. Morse said the consulting OPM and City staff project manager would work together to control costs.

Sargent asked CPC members to share their views on the project's use of only Newton public funding to cover all development costs. Maloney applauded the collaborative process for Crescent Street but felt it would not be responsible to commit 4.5 times the CPA funding per unit to Crescent Street that the CPC had just voted to recommend for Haywood House. Gilfix also did not understand why the costs and CPA request per unit were so much higher for this project than for Haywood House, which would leverage significant funding from outside Newton. In response to Ingerson, Councilor Gentile agreed that the project team would provide the CPC with their analysis of the non-Newton funding sources they had explored, and which Crescent Street project features had ruled out each of those sources.

The CPC also discussed the project's management and operating budget. Lemieux explained that the Comptroller and bond counsel would work to segregate funding for this debt service within the City's revenue stream. She thought the City could pay a lower interest rate on the bonds than was projected in the current project budgets, thereby reducing the project's debt-service costs.

Dan Brody pointed out that the project's debt coverage ratio was very tight, only 4% above what was required to cover debt service on the City bonds in the first year. Councilor Gentile explained that the operating budget allowed for a 5% vacancy rate. Sargent felt that since the minimum vacancy of 1 unit in an 8-unit project would be a 12% rate, a single vacancy might undermine the project's ability to cover its debt service. Kronish asked

whether the City's general fund budget would cover any debt service costs that the project could not pay from its operating revenue in a given year. Lemieux said the final City Council order for the project would clarify this, but she thought the answer was yes. Maloney felt the operating budget should be revised and resubmitted to the CPC for further discussion.

Maloney suggested that because the purchasers of the City bonds would be relying on the creditworthiness of the City of Newton rather than of the project itself, the CPC might be the only body that would or could commission the kind of arm's length underwriting analysis of the project's own finances that would normally be required by a bank or other lender. Ingerson noted that the CPC could commission such an analysis using its administrative budget. In response to Lunin and Brody, Sargent suggested doing this, aiming to have the analysis available for the February or March CPC mtg. Kronish felt this analysis could not be commissioned and completed in less than 3-4 months and was not sure what the CPC would be asking a consultant to analyze.

Sargent was very concerned about the lack of responses to the property management RFP. He thought potential managers might have felt that the RFP required the manager to assume all of the project's financial risks in return for none of its rewards.

Sargent also noted that the development budget included no initial capitalization of an operating or replacement reserve. It was normal to start with a cushion of 6 months' operating expenses. Lemieux agreed that such a reserve was needed and said it would be capitalized with City, non-CPA funds at the end of construction. She also felt the operating budget's annual contribution to this reserve probably should be increased. Gentile said the City would use for this project the same approach it had used on other projects, such as the Newton South playing fields, to set aside resources for future maintenance.

In response to Kronish's suggestion of a straw vote to give the project sponsors clarity, Sargent asked whether other members would support continuing the discussion at a future meeting. He was conditionally supportive of the project but was not ready to vote in favor of recommending funding for it tonight. Armstrong supported continuation. Maloney said he would appreciate a chance to look at the project's numbers more closely before voting. Councilor Gentile felt the project would not have any new numbers to submit for future discussion and hoped the CPC would vote on funding at this meeting.

**VOTE** Lunin moved holding the Crescent Street proposal for a continued working session at a future CPC meeting. Armstrong seconded the motion, which was adopted by a vote of 8-0.

## **COMMITTEE BUSINESS**

...

The committee adjourned by consensus at 10:37 pm.



Ruthanne Fuller  
Mayor

**City of Newton, Massachusetts**  
Department of Planning and Development  
1000 Commonwealth Avenue Newton, Massachusetts 02459

Telephone  
(617) 796-1120  
Telefax  
(617) 796-1142  
TDD/TTY  
(617) 796-1089  
[www.newtonma.gov](http://www.newtonma.gov)

Barney S. Heath  
Director

---

**Community Preservation Committee**

MINUTES  
13 February 2018

The meeting was held on Tuesday, 13 February 2018 starting at 7:00 pm in Newton City Hall Room 211.

Community Preservation Committee (CPC below) members present: chair Peter Sargent, vice chair Mark Armstrong, and members Dan Brody, Byron Dunker, Beryl Gilfix, Susan Lunin, and Robert Maloney. Member Richard Kronish was present for all votes and most of the discussion but was occasionally called into the adjoining City Council Chamber for a Land Use Committee discussion of Haywood House.

Community Preservation Program Manager Alice Ingerson served as recorder.

[Blue, underlined phrases](#) below are links to additional information online.

**CPC WORKING SESSION**

[CRESCENT STREET](#) (Auburndale, affordable housing & playground) –request for \$2,575,000 in additional CPA funding for final design & construction: \$1,479,930 for the housing project and \$1,095,070 for the playground expansion

Peter Sargent thanked the project team for their hard work on this proposal, and the many others whose letters to the CPC represented varying perspectives on this project, which certainly reflected the many challenges of developing affordable housing. He explained that because the CPC had received so many, complex late submissions after the published deadline for its pre-meeting packet, the Committee had invoked its standing policy for late submissions by asking staff not to distribute to CPC members materials received less than 48 working hours before the meeting, and by choosing to postpone any action on the topic of those late submissions to a future meeting, so the Committee could first read and absorb all the new information it had received. However, since all the late submissions had addressed the project's housing component, Sargent believed the Committee might entertain a partial vote on the park component at this meeting.

Sargent also explained that tonight's meeting was a public meeting rather than a public hearing, and that the project team had asked to make a brief starting presentation. Following that, the CPC members would discuss the proposal among themselves but might also ask the presenting team to clarify particular points.

**project team presentation**

Planning & Development Director Barney Heath, Public Buildings Commissioner Josh Morse, ADA Coordinator Jini Fairley, and Chief Financial Officer Maureen Lemieux each summarized the project's features and strengths. All emphasized that the City was still looking for ways of making all the project's housing affordable, with income-restricted rents at no more than 120% of the Area Median Income (AMI).

Heath expressed his department's pride in its work on affordable housing and hope that the CPC would approve tonight the requested funding for the family-friendly, accessible, affordable housing proposed at 70 Crescent Street. He understood the perspective of those who felt that more than the proposed 8 units could

website [www.newtonma.gov/cpa](http://www.newtonma.gov/cpa)  
contact Alice E. Ingerson, Community Preservation Program Manager  
email [aingerson@newtonma.gov](mailto:aingerson@newtonma.gov) phone 617.796.1144

*Minutes  
continue on  
next page.*

Crescent Street Housing Project						
unit size	income levels (Area Median Income, AMI)				total units	total bedrooms
	≤ 60% AMI	≤ 80% AMI	≤120% AMI	market-rate		
2 bedrooms	1	1	1	1	4	8
3 bedrooms	1	1	1	1	4	12

be built on this site but hoped the CPC would consider the opportunity cost of not proceeding, given the work already done and the funds already invested in the current proposal. Heath highlighted the City’s commitment of Newton public funds for the project, beyond the sources it had previously used for housing: CPA and Newton’s federal housing funds (CDBG/HOME). He felt the CPC could have confidence in the project based on the City’s commitment to provide additional City operating resources as needed, on the review of the project’s financials by the City’s Chief Financial Officer, and on his department’s commitment to ensure the project’s permanent affordability and future maintenance.

Morse reiterated that the project team had responded to the CPC’s previous requests for the project to provide more than minimum affordability by both increasing unit sizes and reducing income levels. He also strongly supported Fairley’s advocacy for more than minimum accessibility, via the elevator.

Fairley had been very impressed with the emphasis on both fair housing and accessibility in the CPC’s proposal requirements for housing projects. Based on this building’s maximum occupancy by 40 residents, the proposed elevator might serve up to 20 additional residents with disabilities. It would also allow residents to remain in their homes if their mobility was reduced either permanently or temporarily after they first moved in. The project team is hoping to find savings in other aspects of the project to balance the elevator’s added cost.

On behalf of Mayor Ruthanne Fuller, Lemieux emphasized that the project was probably the first of its kind. The Mayor wanted to maintain the integrity of the 2015 Board order governing the number of housing units and the size of the park on this property, which had passed after many years of discussion. The many children the City hoped would live in this housing would have access to the Newton public schools, and their families would live near public transportation. The project’s budgets had been revised to maximize affordability rather than profitability. Based on their calculations, the project team believed the current proposal’s total development cost per square foot, per bedroom, and per unit as well as its projected operating costs were all comparable with those of other housing projects Newton had funded in the past. In conclusion, the Mayor believed the project’s benefits outweighed its risks, in this neighborhood and at this time.

In response to Rick Kronish’s questions about the project’s estimating and bidding processes, Morse explained that the project team had employed two private cost estimators, who were working on alternating phases of the project and whose estimates would be reconciled once the City concluded its site plan approval process, as required for all City buildings. Because the project was too small for a “construction manager at risk,” the team could not yet obtain a binding bid from a contractor. Project construction would be competitively bid to state-certified contractors, with filed sub-bids by trade, and that the City must accept the lowest bid from a contractor that met the requirements in the request for bids. Morse said that the City building process required multiple meetings with the City Council and the Design Review Committee, but that the project team would come back to update the CPC on the design once bidding was concluded.

**CPC discussion**

Sargent explained that the major question before the CPC at this meeting was whether to commission an independent, third-party evaluation of the project’s financials, as urged in many of the community letters submitted. He felt the CPC had an extra responsibility to review City proposals carefully before voting on them, because the Committee could not impose for these projects the detailed conditions that it could enforce after its funding votes on non-City projects, through grant agreements.

He asked CPC members to comment on whether the project’s housing fundamentals – the 8-unit limit, the City acting as the developer, and/or City ownership of the housing – must be revisited for them to consider

supporting the project. He also asked members to consider the opportunity cost of *not* funding the project. In a City desperate for affordable housing, what other housing development opportunities would be available? The currently proposed federal budget would eliminate funding for many sources Newton had used in the past, including HOME and CDBG, and would make radical changes to public housing. If some past non-Newton funding sources disappeared, the remaining sources would be more competitive.

Though Sargent was sensitive to the accessibility issue and did not oppose an elevator on principle, he felt CPA funds should not be used to pay for this additional cost.

Robert Maloney applauded the long efforts and hard work that had gone into the proposal, but he believed the Board order governing the site's re-use had been adopted without fully understanding the cost implications of its conditions. He felt the project's costs were far higher than for fully market-rate projects with luxury amenities such as indoor parking, recreation rooms, swimming pools, and elevators with more than 2 stops. He believes the project's high costs resulted from the required conditions, which limit its funding sources to the City of Newton, which in turn meant that Newton public funds were not being used efficiently because they did not leverage funds from other sources. He was concerned that asking an independent consultant to review the project strictly as proposed might foreclose discussion of changes, including a different number of units, that would allow the project to leverage non-Newton funding. He strongly encouraged revisiting the 8-unit limit on this site, though he thought it might also be possible to access other funding by combining a small number of units on this site with additional units to be built on other sites.

Dan Brody was uncomfortable voting on the proposal without some impartial investigation. He agreed with Maloney that if CPA funds would be used much less efficiently on this project than they might be on another project with less challenging constraints, then the CPC should hold CPA funds for future, more efficient projects. He felt that to be fair, a consultant evaluation of the current proposal would have to include the imputed cost of the land and the full cost of City staff time, which he believed was much higher than the already high cost already acknowledged. If an independent consultant said the project's numbers seemed reasonable, the CPC could go forward. Alternatively, if after receiving an independent analysis the CPC voted not to recommend funding the project as proposed, that might persuade the City to revisit some of the conditions that had led to the project's its high costs.

Heath introduced Michelle Ciccolo as the project's affordable housing consultant. She said many of the non-Newton funding sources on the list her staff had submitted at the CPC's request were tax credits, for which this project could not qualify. She thought a private developer could reduce the project's costs only by giving up some features the City wanted, including maximum energy efficiency and the elevator.

Kronish felt a private developer might be able to develop the project at a lower cost only by not paying prevailing wages and meeting the other requirements of public construction laws. He preferred to support a project subject to those rules, even if they made the project more expensive.

Brody felt that, as suggested by many of the letters to the CPC, a different approach to the ownership and management of this housing could reduce the project's need for Newton public funds. He did not feel the list of funding sources submitted by the Ciccolo Group had really answered the CPC's questions, and he wondered whether a consultant could be asked to identify alternative approaches that would allow the project to access additional funding sources while still complying with the re-use Board order. He did not see why the wording of the order prohibited the City as owner from partnering with a developer as the project manager.

Sargent said that the combination of the City's dual role as developer and owner, the project's targeted income levels, and its limited number of units together ruled out many of the funding sources on the list submitted by the Ciccolo Group. He was confident that any consultant asked to consider alternative approaches would recommend that the City not develop the site itself but partner with a private developer. He felt that the approach being taken to Crescent Street might not be taken on any future projects. Gentile agreed that this approach might not be used again, but he was confident that the Board of Aldermen had made a conscious choice to require City ownership for the housing at Crescent Street.



Morse said the only way to qualify for many non-Newton funding sources would be for the City to sell the property. In addition, having treated the project as a City project through the conceptual design phase, the Newton Law Dept. had advised the City that it could not now change its approach and lease the site to a private developer, because that would look like the City was trying to avoid public construction laws.

Sargent acknowledged that the City had done a remarkable job managing the construction of other public buildings, such as schools and fire stations. The main problem with this project was that it was so small. The City already owned the land; if a developer had to purchase the site, that would only make the project even more expensive. He did not think a private developer would really have a very different budget for the project. Heath agreed with this analysis. Sargent also noted that the small scale of some past housing projects in Newton had been even more economically challenging, including some 2- and 3-unit projects sponsored by Citizens for Affordable Housing Development in Newton (CAN-DO).

Sargent and Susan Lunin agreed that the 8-unit maximum in the Board order could not be revisited. Lunin felt that neighborhood residents wanted a large park and a small housing project on the site, partly in response to the many large new private housing developments in their part of the City. She saw Crescent Street as an experiment worth trying, and as a way to recycle some of the taxes paid by those new private developments into more affordable housing. Mark Armstrong felt that the project's very unusual combination of small size and City ownership was an acceptable path.

Sargent noted that that the City still needed to engage an experienced property manager, who should reality-test the project's proposed operating budget. The only plausible candidates were probably organizations that already own or manage affordable housing in Newton and who know what kinds of units can command what kinds of rents in this location. In its memo about why the December property management RFP had elicited no responses, the Planning Dept. had said it would engage a property manager in the next 3 months. Sargent thought any consultant analysis commissioned by the CPC would have a similar timeline, and that an independent consultant and property manager would have to address similar questions.

In response to Kronish, Sargent identified questions about the project's operating budget that he felt any consultant engaged by the CPC should address. For example, the assumed interest rate seemed too low, as rates are now rising. The starting debt service coverage ratio of 1.04 also seemed too low; 1.15 was probably the real-world minimum, and 1.20 would be preferable. The proposal's assumed 5% vacancy rate was less than the practical minimum in this small project, as 1 vacant unit out of 8 would be 12.5%; the budget should probably assume at least a 10% rate. Morse had said the development budget was being revised to include the previously missing initial capitalization of reserves; Sargent suggested a starting level of \$95,000. Finally, the proposed management fee should also be increased somewhat.

Beryl Gilfix was not confident that the proposal team understood that the City must cover any operating shortfall for the project. Brody noted that this might partly mitigate concerns about the debt service coverage ratio, because the City would be obligated to pay any debt service that the project's revenue could not cover.

Sargent asked whether CPC members wished to vote on recommending the requested \$1,095,070 for the playground, omitting the housing component for the time being. Sargent and Armstrong believed the two components could be split. Councilor Gentile said that if the CPC did not approve funds for the housing, the City would just request CPA funding for the park.

**VOTE** Armstrong made a motion to separate the CPC's votes on funding for the project's housing and park components. Gilfix seconded the motion, which was approved 8-0.

In response to Brody's question about how the City had addressed the re-use Board order's requirement to work with and meet the needs of the Myrtle Baptist Church, Heath said the City had discussed with the Church its concerns about parking and access from Curve Street to the park, but solutions to these concerns had not yet been finalized. Gilfix felt that the site plan projected by the landscape architect at the January CPC meeting gave the impression that the Church parking lot would be available to playground users. If the playground is only accessible on foot, with no parking, only immediate neighbors will be able to use it. In her experience, the

tot lot at Webster & Elm Streets in West Newton is underused precisely for this reason. She would like to see a clearer plan for addressing Myrtle Baptist's concerns about liability and unauthorized use of their parking lot.

Myrtle Baptist Pastor Emeritus Howard Haywood spoke on his own behalf. He thought the Church's official representatives would probably express their concerns less forcefully than he would. He explained that a recent rough-draft proposal to the Church, which had outlined possible access easements on the east side of the Church and a possible pedestrian route across the Church parking lot to the playground, did not mention additional parking for the Church, which was an important concern. The Church wanted residents on the Curve Street side to have access to the playground, rather than having the playground blocked from that side, but he was also concerned that having no fence at all between the parking lot and the playground would put children at risk, if they chased balls from the playground into the parking lot.

Reverend Haywood felt the Church's concerns had not been adequately addressed partly because the Working Group included no residents from the Curve Street side of the site. The group's only Church representative does not live in Newton. There are 104 people, scattered across the United States, who are still alive and remember growing up in "the Village," the neighborhood as it was before its land and homes were taken by eminent domain for the Mass Turnpike. He felt the proposed housing project with 2- market-rate units did not really address what that community had lost.

Councilor Gentile said the Church parking lot should be off limits for users of the playground, as 20 parking spaces will be available on the other side of the park, on Robinhood Street. He hoped the City and Church could work out a plan for cars to leave the Church parking lot on overflow days, using the driveway and parking lot of the new apartment building to access Robinhood Street. He explained that a meeting scheduled to discuss creating 7 new parking spaces for the Church itself had been canceled by a recent snow storm.

Sargent believed the neighborhood strongly supported the park. Brody was not comfortable recommending funding for the park yet but was willing to support a vote in moral support of the park. Byron Dunker believed the park could not be built without the housing. Though he was willing to vote for the park tonight, he and Parks & Recreation Commissioner Robert DeRubeis agreed that the park design must be re-thought if the housing was not funded. Ingerson noted that housing facing the park could also help to discourage the undesirable uses that might otherwise be attracted to a park at the end of a dead-end street. After further discussion, no separate motion to recommend funding for the park was made or voted on.

Sargent then asked for a motion making any future CPC funding vote contingent on a limited-scope 3<sup>rd</sup>-party review of the project's financials commissioned by the CPC, and on City engagement of a property manager. He emphasized that the City would need to update the current project budgets before any consultant could review them, and that any consultant the CPC engaged would also need to come from outside the network of housing advocates and professionals in Newton who had already expressed their views on the project.

Armstrong agreed that the intention of such an external review would be to supplement the CPC's own review of the proposal. Lunin supported commissioning a consultant analysis, if it would forward the project. In response to Brody, Sargent clarified that the contemplated consultant review would not deal with the project's architecture or design but would focus on whether the assumptions in the current development and operating budgets were realistic. Brody agreed that such an analysis need not revisit the current requirement for City ownership of the housing.

**VOTE** Gilfix moved that the CPC commission a review of the project's financials by an independent, expert consultant, delegating to members Sargent and Maloney final decisions about the consultant's scope of work and qualifications, the choice of consultant, and the maximum cost for the consultant's review, which should be paid for from the CPC's administrative budget. Armstrong seconded the motion, which was adopted by a vote of 8-0.

After this vote, Councilor Gentile asked Sargent how the CPC's view of the project might change if the City used more direct funding and less debt financing. Sargent and Kronish agreed that such a shift would improve

the project's operating viability. Lemieux suggested that the City might consider only direct funding, with no debt. Armstrong noted that these alternatives were possible only with the City as the project's owner.

In closing the discussion, Sargent thanked the Committee for its hard work and patience with the very difficult process for the Crescent Street project.

## **COMMITTEE BUSINESS**

Ingerson briefly noted that the CPC's March 13 agenda would probably include a public hearing on the proposed revisions to its funding guidelines, which have been online since November 2017, and would also include approval of a draft program budget for Fy19.

Ingerson apologized for the length of the CPC minutes for 23 January 2018, which had been an unusually long meeting with two public hearings. Lunin moved and Armstrong seconded approval of those minutes, which were approved by a vote of 8-0.

A motion to adjourn by Sargent was seconded by Armstrong and adopted unanimously. The meeting adjourned at 8:50 pm.



Ruthanne Fuller,  
Mayor

**City of Newton, Massachusetts**  
Department of Planning and Development  
1000 Commonwealth Avenue Newton, Massachusetts 02459

Telephone  
(617) 796-1120  
Telefax  
(617) 796-1142  
TDD/TTY  
(617) 796-1089  
www.newtonma.gov  
Barney S. Heath  
Director

**Community Preservation Committee**

**SELECTED MINUTES**

21 June 2018

The meeting was held on Thursday, 21 June 2018 starting at 7:00 pm in Newton City Hall Room 204.

Community Preservation Committee (CPC below) members present: chair Peter Sargent, vice chair Mark Armstrong, and members Dan Brody, Byron Dunker, Beryl Gilfix, Rick Kronish, Susan Lunin and Robert Maloney. The Planning & Development Board appointment to the CPC is currently vacant.

Community Preservation Program Manager Alice Ingerson served as recorder.

[Blue, underlined phrases](#) below are links to additional information online.

**Proposal – Working Session**

[Crescent Street](#) (Auburndale, new affordable housing & Rev. Ford Playground expansion) – City of Newton request for \$2,575,000 in additional CPA funding for final design & construction

At Peter Sargent’s request, City Councilor Leonard Gentile summarized the [Crescent Street Working Group’s 18 June 2018 letter asking the CPC to defer its funding vote on this proposal](#) to a future meeting, so the Group could potentially develop a revised proposal in response to both the independent consultant’s report to the CPC and to any comments or concerns expressed by the CPC at tonight’s meeting. The Group planned to submit revised proposal budgets with its request for project site plan approval by the City Council’s Public Facilities Committee. Councilor Gentile hoped the plan with these revisions would be reported out promptly to the full Council. If a 2/3 majority of the Council does not approve the revised plan and budgets, the Mayor’s Office will submit a new proposal for the site to the Council and the CPC, with no housing component.

City Councilor Deborah Crossley, chair of the Council’s Public Facilities Committee, explained that her committee had voted in favor of postponing its vote on the proposal until after the CPC received its consultant report and had weighed in as a committee on whether the proposal should be funded as currently proposed. Public Facilities’ concerns had less to do with the budgets than with the project’s complete reliance on Newton public funds. She believed other Councilors shared these concerns about whether the project was a good use of City funds and about the potential risks to the City of the project’s future operating and management costs. She explained that because this project was a City project, the City Council process for it differed from the one used for past housing proposals to the CPC. Like other municipal buildings, Crescent Street must go through the 558 site plan review process, in which site plans and designs are usually based on clearly stated budgets and programs of municipal services. Councilor Crossley noted that for all past housing proposals to the CPC, the project’s program (site uses) was designed by a private organization with experience in housing development and access to housing funding sources that are not available to the City as a developer.

Sargent then introduced the CPC’s consultant, Gerry Joseph, who provided a [brief summary](#) of [his assignment from and full report to the CPC](#). Joseph explained that the CPC had asked him to provide a financial analysis of the current project’s housing component and to suggest any potential options for improving both its economic feasibility and public benefits. Design review was not part of his assignment. He found that the project was

*website* [www.newtonma.gov/cpa](http://www.newtonma.gov/cpa)

*contact* Alice E. Ingerson, Community Preservation Program Manager

*email* [aingerson@newtonma.gov](mailto:aingerson@newtonma.gov) *phone* 617.796.1144

*Minutes  
continue on  
next page.*

significantly more expensive than a typical affordable housing project, due primarily to the parameters the City established for the project; to design decisions such as including an elevator on a 2-story building, a private exterior entrance for each unit, and all 2- and 3-bedroom units; and to the costs associated with the City's role as a developer and as the housing's owner. These parameters limit the project to local Newton-controlled municipal funding and rule out state funding programs that would typically be available for affordable housing. Crescent Street's per-unit development costs were well above the official maximum of \$355,000 set by the Dept. of Housing and Community Development (DHCD) for state funding. In short, Joseph could not identify any plausible funding sources in addition to those already identified for the project.

Two funding plans were submitted for review, one with and one without general obligation bonds. Joseph assumed that debt financing had been proposed to make the project self-supporting, and that the two units targeted for households at 120% of Area Median Income (AMI) had been included partly to help repay the debt. However, given that the proposed bonds would be backed by the good faith and credit of the City of Newton rather than project revenue, he advised focusing instead on maximizing the project's public benefits by serving households at lower income levels. He felt that households able to pay the rents proposed for the 120% AMI units could find units with roughly comparable rents in developments with significantly more amenities, such as covered parking or swimming pools. The City would therefore face a greater market risk – that is, a risk of vacancies -- for these higher-income units than for the lower-income units at Crescent Street.

Joseph noted that although he had suggested adjusting some of the cost estimates in the development budgets upward, these adjustments would only change the project's overall cost by \$50,000 or \$100,000. The project's main cost drivers were site preparation and construction.

Joseph had reviewed the project's operating budget with an experienced property manager active in Newton's market area. Some of the operating cost estimates seemed slightly high, but Joseph also felt it was prudent to use high estimates, given the project's small number of units. He also noted that the proposed rents assumed tenant household incomes at the maximum of the range for each unit. He recommended the more typical and prudent practice of setting rents based on incomes 5-10% less than the maximum for each unit.

Joseph also reviewed the City's Request for Proposals (RFP) from property managers for this project with two companies that had received the RFP, who provided frank feedback. They felt the RFP asked for more from the property manager than they could justify taking on for the compensation offered. The draft contract included in the RFP was written as a government contract, using language that was not typical for real estate management contracts. Joseph recommended asking a local affordable housing provider with other properties in Newton, such as the Newton Housing Authority, to consider managing the Crescent Street property.

Joseph noted that producing affordable housing requires site, capital, and community support, all of which the Crescent Street project had. Nevertheless, he thought the process required to pull these three resources together had produced a product that might not be as good as could have resulted from another process. The amount of Newton public funding being considered for this project was unprecedented and might not seem reasonable.

Joseph said the state housing funders he had consulted had applauded Newton's willingness to consider committing this level of public funding and other resources for affordable housing, but they also had said they could not consider using state resources for the project as currently configured. He concluded that Newton could get far more than 8 units of affordable housing by using the \$5 million of local public resources proposed for Crescent Street in a different way.

## **CPC DISCUSSION**

Peter Sargent asked all CPC members to assist the Working Group in thinking about what kind of revised proposal, if any, could be supported by the CPC by summarizing how the members saw the current proposal, including whether and how it could be improved, or specific concerns could be addressed.

Mark Armstrong explained that he had been a member of the original Joint Advisory Planning Group that had made recommendations to the Planning Dept. and City Council for the re-use of this site. He believed that the Public Buildings' Department's experience in managing construction and avoiding cost overruns for multimillion-dollar schools and fire stations would allow them to manage this much smaller construction project successfully. He also recognized that Newton has few opportunities to provide small-scale affordable housing and felt that this project's larger (2- and 3-bedroom) units were needed for families. He was disappointed to see the proposed housing's high costs, including the added costs for the private exterior entrances and the elevator, bring the project to this point. He still hoped the Working Group could revise the proposal so the housing could be built. The funding structure seemed like a difficult obstacle to overcome.

Susan Lunin felt that the City of Newton should provide more affordable housing whenever it had the opportunity, especially when the City could contribute land for that purpose. She found this project's small scale appealing, given the many large projects underway in Newton. She did not see how anyone could oppose either a park or affordable housing in principle. At the same time, the thought that with different parameters, \$5 million of funding for affordable housing could provide more benefits for more people also resonated with her. She felt the process of considering this proposal had been long, and she would like to see action on it.

Bob Maloney commended the City for its commitment to creating affordable housing, and the Working Group for the countless hours it had invested in this proposal. However, he shared the concerns expressed by others about the project's high costs. In his experience as a developer, every project starts with a budget, against which a wish list of project features is tested and cut back to fit the budget. It appeared that the Crescent Street project began without a budget, and the budget was then derived from the design, rather than the design being adapted to the budget. He felt this had led to inordinately high requests for CPA funds and for other Newton public funds, which could be used to meet other public needs. If the project's funding and ownership structure could be revised to allow the project to leverage other, non-Newton funding sources, the same amount of Newton public funds might create up to twice as many units of affordable housing.

Rick Kronish agreed with many of the points already made. He also appreciated the work that had brought the project to its current point. Joseph and Sargent agreed with Kronish that in practice, the maximum per-unit cost that the state would consider for state affordable housing funds was closer to \$475,000 than the official \$355,000 limit. Based on his experience in financing affordable housing, Kronish supported Joseph's recommendations to make all units at Crescent Street affordable at lower income levels and to use all cash rather than debt financing. He felt the elevator contributed to the project's high costs and would prefer to see it paid for with non-CPA City of Newton funds. He would also prefer to see significantly more than 8 units of housing, as that small number was another significant driver of the project's high per-unit costs. However, he was comfortable with the City's proposed role as the developer, because this would ensure that workers on the project were paid Massachusetts prevailing wages and received full benefits and insurance. He also felt that City ownership would ensure permanent affordability, in contrast to for-profit projects.

Byron Dunker said that as a new CPC member, he felt somewhat overwhelmed by the proposal, but he too wondered whether the City could accomplish more with an investment of \$5 million in public funds. He agreed with the recommendation to eliminate the 120% AMI units. He had been inclined to vote to recommend the requested CPA funding, but he was rethinking his position in light of the contrast between the original, almost unanimous 2015 Board of Aldermen vote for the project's current parameters and the recent, much more divided City Council vote to remove the project from the City's *Capital Improvement Plan*.

Dan Brody seconded others' appreciation for the Crescent Street Working Group's hard work on the project, but he felt that the constraints imposed by the 2015 Board order made it impossible for the project to use City funds efficiently. He agreed with Kronish that City ownership had some positive effects, but he also felt it had some negative effects, such as eliminating access to affordable housing funds from outside Newton, as well as local tax revenue that might otherwise help to cover the cost of public services for the project and its residents. [His analysis](#), shared in writing with the CPC, showed that the project budgets as submitted did not account adequately for some City costs, such as City staff time and the value of the public land being

contributed. With all of these costs taken into account, the project was far more expensive than it already appeared to be. He estimated a public cost closer to \$8 million than the stated \$5 million. He did not see how the project could be improved within the constraints of the 2015 Board order so that he could support it.

Beryl Gilfix thanked Joseph for his analysis and agreed with him that it would be difficult to attract tenants at the rents projected for the 120% AMI units at Crescent Street, without the amenities available for roughly comparable rents in other, larger developments (swimming pool, covered parking, etc.). She agreed with other CPC members that all of the project's rents should be affordable at lower income levels. She agreed with Brody that the project's actual cost per unit was far higher than it seemed, both because it did not count the value of the City's contributed land and because of potential City costs for future management. She also noted that the proposal did not include the potential cost of supportive services, which were important to pair with affordable housing. She felt the number of units was too small – 16 units would cost significantly less per unit than the proposed 8 units. Overall, she commended the good intentions of the Working Group but thought one reason the project had been designed so it could not access non-City funding might be because the Working Group had not received adequate guidance from affordable housing experts. She would like to see a revised project that validated the work done to date, but with a larger number of units and lower per-unit costs.

Peter Sargent thought the comments of all CPC members reflected a shared desire to revisit the conditions imposed by the 2015 Board order governing this project. He believed that the City Council would not impose the 8-unit limit if they had the chance to start over. All CPC members would like to see all of the project's units affordable, without the 120% AMI units, and all questioned the added cost of the elevator. Sargent was very concerned about the property manager and thought it would be very hard to attract a qualified property manager with the project as currently structured. He also hoped modular construction, which had been presented as an option during the request for CPA design funds, would indeed be considered to lower costs, as much excellent modular construction was being built throughout the Commonwealth. Despite having much to criticize, he noted that the project was also almost the only opportunity in the CPC's current queue for family housing. He reminded the CPC that since this was a City project, they could only enforce conditions to be met before, and not after, their funding vote. Prior to any CPC vote, for example, Sargent would like to see a clear agreement with the Myrtle Baptist Church about access, lighting, fencing, and other issues of concern to the church. In conclusion, he would like to see City government as a whole agree on a reconfigured project before the CPC was asked to vote on funding for that project.

In response to Alice Ingerson, all CPC members agreed that progress in finding a property manager and resolving the concerns of Myrtle Baptist Church would be prerequisites for any future CPC funding vote.

Ingerson recommended generating a memo from the CPC to the Mayor and City Council summarizing the Committee's collective views on this project. As all members appeared to support this recommendation, Ingerson requested a formal motion and vote.

**VOTE** Gilfix moved that the CPC chair and any other member he designates draft a memo summarizing the CPC's comments and concerns about the Crescent Street project, to guide any future revised proposals. Lunin moved an amendment to the motion requiring the memo either to list the Committee's concerns in order of importance, or to state clearly that they are not in order of importance. The amended motion was seconded by Kronish and was adopted by a vote of 8-0.

After the vote, there was a brief CPC discussion of possible key points for this memo, including more affordability, no CPA funds for the elevator, progress in finding a property manager and in addressing the concerns of Myrtle Baptist Church, and increasing the number of housing units. The Committee agreed by sense of the meeting to discuss and approve final wording of this memo at its next meeting on 10 July 2018.

### **Committee Business**

... Sargent's motion to adjourn was approved unanimously. The meeting was adjourned at 8:28 pm.