City of Newton, Massachusetts

Department of Planning and Development

1000 Commonwealth Avenue Newton, Massachusetts 02459

Community Preservation Committee
Funding Recommendation for
CRESCENT STREET SITE ASSESSMENT

date: 17 March 2016

from: Community Preservation Committee

to: The Honorable City Council

PROJECT GOALS & CPA ELIGIBILITY

For the City property at 70 Crescent Street, Auburndale, this project will conduct environmental, geotechnical and other site assessments and surveys as needed to estimate costs and inform design for the site's intended future uses. The project's CPA eligibility is based on City Council order 384-11(4), adopted 16 November 2015, which specifies those future uses as affordable housing and a community park, both of which are CPA-eligible.

However, the City's submissions to date also anticipate construction of some CPA-ineligible, market-rate housing on the site. The proportion of pre-development costs attributable to this market-rate housing cannot yet be determined, but the project's final, post-development report to the CPC will need to document the use of CPA funds only for CPA-eligible costs at all stages, from site assessment through construction.

RECOMMENDED FUNDING

On 10 March 2016 April by a vote of 6-2 (member Don Fishman absent, members Joel Feinberg and Laura Fitzmaurice opposed) the Community Preservation Committee recommended appropriating $100,000 for this project from the Community Preservation Fund's general fund balance and reserves to the control of the Public Buildings Dept., for any use included implicitly in this summary budget:

Crescent Street Site Assessment Budget	
Uses	
Phase 1 Environmental Study (Environmental Site Assessment)	$15,000
Phase 2 Environmental Study (if required)	$40,000
Site Civil Survey	$15,000
Geotechnical Survey	$25,000
Contingency	$5,000
Project management (bidding, contracting, oversight)	$10,000
TOTAL USES	**$110,000**
Sources	
CPA funding	$100,000
City General Fund Budget – Public Buildings Dept. (staff time for project mgmt)	$10,000
TOTAL SOURCES	**$110,000**

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SPECIAL ISSUES CONSIDERED BY THE CPC

Market-rate housing: Beyond noting that CPA funds themselves could not be used to subsidize market-rate housing at this site, many CPC members also wondered whether it was appropriate to use City-owned property and non-CPA City funding for that purpose. All members hoped that in the end the project could provide more affordable units than are shown in the preliminary budget and plans.

Funding sources, per-unit costs and management for affordable housing: A majority of CPC members supported CPA funding for this site assessment, as a necessary first step toward both creating affordable housing and enhancing open space at this site. However, all members emphasized that this did not imply support for the tentative full plan in the City's January 2016 pre-proposal, in which: All development costs for the site will be paid from Newton-controlled public funds, including $2 million of bonds for housing, $2 million of CPA funds for the 4 affordable housing units (out of 8 total units), and $1.3 million of CPA funding for the expanded park. Each affordable unit will receive a subsidy of approximately $500,000, comparable to the highest per-unit subsidy in past Newton affordable housing projects that, in contrast to this one, included site acquisition costs. All housing on the site will be developed and owned by the City of Newton, though long-term management and maintenance will be contracted to the Housing Authority or another qualified organization.

All CPC members were concerned about at least some aspects of this plan. Many members urged the City to consider partnering with a private organization experienced in planning, financing, designing and managing affordable housing, to help identify additional funding sources and to reduce both the proportion of local funds and the overall per-unit public subsidy needed to meet the project's housing goals.

ADDITIONAL RECOMMENDATIONS *(funding conditions)*

1. All recommended CPA funds should be appropriated within 3 months, and the project should be completed within 6 months, after the date of this recommendation. If either of these deadlines cannot be met, the Public Buildings Dept. should submit to the CPC a written request to extend that deadline.

2. Based on current estimates that at least half of the site will be used for recreation, for state CPA reporting purposes any CPA funds appropriated for this site assessment should be divided equally between recreation and community housing.

3. Prior to submitting any further funding requests for this project, the Public Buildings Dept. should present to the CPC an in-person and written final report summarizing project results, including budget-to-actual cost comparisons for the site assessment reports and the estimated cost of any remediation required for the site's intended future uses as both housing and a park.

4. In its final report on the completed redevelopment of this site, the Public Buildings Dept. should document that no CPA funds were used for pre-development, design or construction costs attributable to market-rate housing.

5. Any CPA funds appropriated but not used for the purposes stated herein will be returned to the Newton Community Preservation Fund.

KEY OUTCOMES

The Community Preservation Committee will evaluate this project based on how well it meets goals 1, 3 and 4 above.

ATTACHMENTS
(delivered to the clerks of the Council's Public Facilities, Land Use, Programs & Services and Finance committees):

♦ Proposal and supporting documents submitted to the CPC in February and March 2016

These materials and additional documents related to this proposal are available online, in color, from:

www.newtonma.gov/gov/planning/cpa/projects/crescent.asp