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Community Preservation Committee Funding Recommendation for CRESCENT STREET Feasibility & Design

date: 30 January 2017 (minor revision 7 February 2017)

from: Community Preservation Committee

to: The Honorable City Council

PROJECT GOALS & ELIGIBILITY

For the City property at 70 Crescent Street, Auburndale, this phase will combine professional consultants and community engagement to create design documents for the uses required by City Council order 384-11(4) on 16 November 2015: creating at least 4 units of affordable housing and adding at least 20,000 square feet to the Reverend Ford Playground (currently accessed from Curve Street). The housing will be CPA-eligible if it is permanently affordable to households earning less than 100 percent of the area median income. The playground work is CPA-eligible as the creation and rehabilitation of land for outdoor recreation.

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

RECOMMENDED FUNDING

On 19 January 2017, by a vote of 7-1-0 (members Beryl Gilfix opposed, Michael Clarke absent), the Community Preservation Committee recommended appropriating \$260,000 from the Newton Community Preservation Fund to the Public Buildings Department for all CPA-eligible uses included implicitly in this summary:

70 Crescent Street - Feasibility & Design		
Uses	playground (CPA recreation)	housing
site assessment, feasibility, master plan, final design, construction administration	\$204,930	
architecture, engineering, survey, consultants, materials testing, reimbursable services, etc. (50% CPA eligible)		\$223,250
total	\$428,180	
Sources		
CPA - funds remaining from \$100,000 appropriation for site assessment	\$50,000	\$8,247
CPA - recommended new appropriation (\$260,000)	\$156,622	\$103,378
non-CPA City funds	\$0	\$111,625
total (greater than "uses" because the CPC preferred to recommend a round amount)	\$429,872	
Note: CPA-funded housing must be affordable to households under 100% of area median income.		

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Recommendation
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SPECIAL ISSUES CONSIDERED BY THE CPC: Costs & Benefits of the Project's Housing Component

As in their previous February, March, July and November 2016 discussions of Crescent Street, on 19 January 2017 all CPC members strongly supported this project's playground/park component. The CPC also thanked the City staff, elected officials and community supporters in the Crescent Street Working Group for reducing both the project's overall anticipated costs and the total anticipated CPA funding per affordable housing unit, from \$500,000 to \$350,000.

However, all CPC members continued to express concerns about the project's housing component, which currently anticipates at least \$425,000 of Newton public funding, from all sources, for each market-rate and each affordable unit, in addition to the contribution of public land. Gilfix opposed CPA design funding because she felt that these public subsidies were not appropriate for market-rate housing. Several other CPC members who voted to support the requested CPA design funding also expressed qualms about this issue.

All CPC members welcomed the project sponsors' explicit commitment to using the feasibility and design phase to explore further reducing costs or subsidies and expanding affordability for the project's housing component. Options raised at the public hearing included seeking additional funding sources and/or designing for a more diverse mix of incomes, possibly including households at the CPA-eligible maximum of under 100 percent of area median income (AMI) or CPA-ineligible "workforce" households at up to 120 percent of AMI. Several CPC members stated that they would not be comfortable supporting CPA construction funding for the housing component if the final design still includes 4 fully market-rate housing units out of 8 total units.

ADDITIONAL RECOMMENDATIONS (*funding conditions*)

1. The CPC assumes all recommended funds will be appropriated within 3 months, and that feasibility and design work will be completed within 12 months, after the date of this recommendation. If either deadline cannot be met, the Public Buildings Dept. should submit to the CPC a written request to extend that deadline.
2. For state reporting purposes, CPA funds appropriated through this recommendation should be allocated between community housing and recreation as shown in the summary budget on the preceding page.
3. For the project's housing component, feasibility and design work should exceed to the maximum extent possible the affordability goals in Board order #384-11(4), which requires making at least 50% of the project's housing units "affordable [at] a range of affordability," without specifying income levels.
4. Prior to submitting a construction funding request for this project, the Public Buildings Dept. should present to the CPC an in-person and written final report on the design phase, including budget-to-actual cost comparisons and professional construction cost estimates based on completed designs.
5. 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.
6. 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 3, 4 and 5 above.

ATTACHMENTS

(delivered to the clerk of the City Council Finance Committee, for forwarding to other Council committees)

- ◆ Proposal and supporting documents submitted to the CPC in December 2016
- ◆ Presentation to CPC public hearing on 19 January 2017

These materials and additional documents, including all community letters received about this proposal, are available online from:

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