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Mayor

Docket  
#116-18

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Director

## Community Preservation Committee Funding Recommendation for HAYWOOD HOUSE/Jackson Road New Senior Housing

date: 19 February 2018  
from: Community Preservation Committee  
to: The Honorable City Council

### PROJECT GOALS & ELIGIBILITY

This project will construct a new, elevator-served building with a community center and 55 one-bedroom rental units for residents at least 62 years old, including 13 units without income restrictions and all others permanently restricted as follows: 11 units affordable to households with up to 30% of the Area Median Income (AMI); 21 units affordable to households with up to 60% AMI; 10 moderate-income units affordable to households with between 81% and 99% of AMI. 6 units will be designated for households that have been homeless or are at risk of homelessness. The Housing Authority has requested state approval to allocate 70% of the units to current Newton residents.

This project is CPA-eligible as the creation of affordable housing.

### RECOMMENDED FUNDING

On 23 January 2018 by a vote of 7-1 (member Robert Maloney abstaining, Planning & Development Board appointment vacant), the Community Preservation Committee recommended appropriating \$2,500,000 from the Community Preservation Fund's fund balance/reserve for housing, and as needed from its general reserve and fund balance, to the control of the Planning & Development Department for a grant to the Newton Housing Authority for any purposes stated or implied in this summary budget for Haywood House:

USES	
Acquisition	\$1
<b>Construction (72% of all costs)</b>	<b>subtotal \$18,663,262</b>
Site Development & Foundations	\$3,743,382
Community Center, Other Shared Space	\$894,811
Residential Space	\$14,025,069
Construction Contingency (5%)	\$933,163
<b>Soft Costs (14% of all costs)</b>	<b>subtotal \$3,722,526</b>
Architectural & Engineering Services (incl. survey, permitting, environmental)	\$1,200,000
Interest & Insurance	\$844,633
Legal & Accounting Services	\$395,000
Appraisal, Market Study, Marketing, Rent Up, Development Consultants	\$480,000
Taxes & Fees	\$437,893
Owner's Project Manager, Security	\$165,000
Furniture, Fixtures, Equipment	\$75,000
Soft Cost Contingency (3.5%)	\$125,000
<b>Reserves</b>	<b>\$501,623</b>
<b>Developer Fee + Overhead (8.6% of all costs)</b>	<b>\$2,240,000</b>
<b>TOTAL USES</b>	<b>\$26,060,575</b>

SOURCES	
Low Income Housing	\$11,000,000
Tax Credits Equity - federal (9%) and state	
other state funds:	\$4,000,000
Affordable Housing Trust Fund,	
Community Based Housing, Facilities Consolidation Fund,	
HOME, Housing Stabilization Fund	
<b>CPA - Local</b>	<b>\$2,500,000</b>
Deferred Developer Fee	\$710,575
Permanent Loan - Bank	\$7,850,000
<b>TOTAL SOURCES</b>	<b>\$26,060,575</b>

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

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## **SPECIAL ISSUES CONSIDERED BY THE CPC**

**Funding leverage & project costs:** The CPC strongly appreciated this project's use of Newton local public funds, which are less than 10 percent of its total funding, to leverage other funds. The project's total development cost per unit is about \$473,000, close to the state's maximum for the tax credits that constitute 42 percent of project funding. However, of total construction costs, about 20 percent are attributable to the intensive sitework and special foundations required by the location's loose soils and steep slope, and another 5 percent to shared, nonresidential spaces. Construction costs for residential space alone are about \$255,000 per unit.

**Community space & services:** Haywood House will have multiple common spaces, including terraces and balconies on several levels, a library, and new laundry facilities, which it will share with residents of the existing Jackson Gardens development. The building's new multi-space community center will host activities for the community at large as well as services for residents. The Housing Authority has committed to using its developer fee from this project to expand its supportive services, including pre-dementia support.

**Project design & permitting:** The design for Haywood House includes 52 visitable and adaptable units, 2 of which will be adapted for residents with sensory disabilities, and 3 fully accessible units (Group 2B). The building will be curved to fit its site, will be energy-efficient (LEED silver certifiable), and will allow vehicular access only from Kennedy Circle. The site plan includes reconstructing the existing pedestrian path from Kennedy Circle to Jackson Road to make it wheelchair-accessible, preserving existing large trees near the edges of the site, and adding new plantings.

At the CPC public hearing, neighbors expressed concerns about Haywood House's potential impact on the neighborhood's visual character, traffic, and parking and about setbacks, especially from Jackson Road. CPC member Robert Maloney abstained from the CPC vote because he preferred to reserve judgment until the design is revised in response to the detailed reviews required by the project's Comprehensive Permit process.

## **ADDITIONAL RECOMMENDATIONS** *(funding conditions)*

1. The CPC assumes all recommended funds will be appropriated within 6 months, and project construction will begin within 3 years, after the date of this recommendation. If either of these deadlines cannot be met, the Housing Authority should submit a written request to the CPC to extend that deadline.
2. As soon as practical, the Housing Authority should provide the CPC with a brief written and in-person update on the results of the tax credit application it expects it will be invited to submit in 2019. If tax credits have not been committed for the project within 2 years of the date of this recommendation, the Housing Authority should re-start the CPA funding process with an updated proposal.
3. The grant agreement governing the phased release of CPA funds for this project should be executed only after the project's other required funding sources have been committed, particularly the housing tax credits. In addition to the other conditions usual in recent past grants for CPA-funded housing projects, such as permanent affordability and a final report to the CPC, the grant agreement should require an independent "accessibility audit" to ensure as-built compliance with accessibility standards.
4. Any CPA funds appropriated but not used for the purposes stated herein should be returned to the Newton Community Preservation Fund.

## **KEY OUTCOMES**

The Community Preservation Committee will evaluate this project based on its success in using Newton CPA funds to leverage non-Newton funds and its provision of not only the income-restricted housing but also the supportive services and community activities described in the Housing Authority's original proposal.

## **ATTACHMENTS**

(delivered to the clerks of the Programs & Services Committee and Finance Committee)

- Proposal and selected attachments submitted to the CPC in December 2017
- Public hearing presentation to the CPC on 23 January 2018
- Copy of the CPC's Haywood House/Jackson Road project webpage, with links to additional information not attached to this recommendation: