



## Zoning & Planning Committee Agenda

### City of Newton In City Council

Monday, November 9, 2020

7:00 PM

The Zoning and Planning Committee will hold this meeting as a virtual meeting on Monday, November 9, 2020 at 7:00 PM. To view this meeting using Zoom use this link: <https://us02web.zoom.us/j/87446649193> or call 1-646-558-8656 and use the following Meeting ID: 874 4664 9193.

#### Items Scheduled for Discussion:

- #371-20**      **Appointment of Denise Chicoine to the Zoning Board of Appeals**  
HER HONOR THE MAYOR appointing Denise Chicone, 275 Islington Road, Newton, Newton, as an associate member of the ZONING BOARD OF APPEALS for a term to expire on October 15, 2021. (60 days: 11/20/2020)
- #420-20**      **Referred to Zoning & Planning and Finance Committees**  
**CPC Recommendation to change the purpose of Homebuyer Assistance funding**  
COMMUNITY PRESERVATION COMMITTEE recommending a change in the purpose of the remaining seven hundred sixty two thousand, seven hundred and twenty two dollars and ninety cents (\$762,722.90) from the Newton Homebuyer Assistance Program for the creation of new affordable homebuyer units to the preservation of existing homebuyer units.
- #437-20**      **Referred to Zoning & Planning and Finance Committees**  
**CPC Recommendation to appropriate \$77,900 in CPA funding**  
COMMUNITY PRESERVATION COMMITTEE recommending appropriation of seventy-seven thousand nine hundred dollars (\$77,900) in Community Preservation Act funding for the Newton Housing Authority to construct the Haywood House Senior Affordable Housing Development on Jackson Road.

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The location of this meeting is accessible and reasonable accommodations will be provided to persons with disabilities who require assistance. If you need a reasonable accommodation, please contact the city of Newton's ADA Coordinator, Jini Fairley, at least two business days in advance of the meeting: [jfairley@newtonma.gov](mailto:jfairley@newtonma.gov) or (617) 796-1253. The city's TTY/TDD direct line is: 617-796-1089. For the Telecommunications Relay Service (TRS), please dial 711.

**Chair's Note:** *Director of Planning & Development Barney Heath, will update the Zoning & Planning Committee on the status of the City's inclusionary housing fund.*

**#438-20**      **Request for creation of Trust in Newton to support affordable housing development**  
COUNCILORS ALBRIGHT, CROSSLEY, HUMPHREY, DANBERG, MALAKIE, KELLEY, BOWMAN, KALIS, GREENBERG, DOWNS, WRIGHT, RYAN, NOEL, LEARY, LIPOF AND NORTON requesting the Planning Department analyze mechanisms already in use in other cities and towns, identify funding sources, and create a Housing Trust in Newton to facilitate and foster the development of affordable housing in Newton.

**Chair's Note:** *The following item is to discuss the community engagement plan meetings focusing on the December 2 and 3, 2020 public meetings.*

**#88-20**      **Discussion and review relative to the draft Zoning Ordinance**  
DIRECTOR OF PLANNING requesting review, discussion, and direction relative to the draft Zoning Ordinance.  
Zoning & Planning Held on 01/27/20, 02/10/2020, 02/24/2020, 03/09/2020, 03/23/2020, 04/13/2020, 04/27/2020, 05/19/2020, 06/01/2020, 06/15/2020, 06/29/2020, 07/09/2020, 07/16/2020, 08/13/2020, 09/14/2020, 10/01/2020, 10/15/2020

**#372-20**      **Reappointment of Michael Quinn to the Zoning Board of Appeals**  
HER HONOR THE MAYOR reappointing Michael Quinn, 115 Staniford Street, Newton, Newton, as an associate member of the ZONING BOARD OF APPEALS for a term to expire on October 15, 2021. (60 days: 11/20/2020)

**#373-20**      **Reappointment of Treff LaFleche to the Zoning Board of Appeals**  
HER HONOR THE MAYOR reappointing Treff LaFleche, 1603 Commonwealth Avenue, Newton, as an associate member of the ZONING BOARD OF APPEALS for a term to expire on October 15, 2021. (60 days: 11/20/2020)

**#374-20**      **Reappointment of Lei Reilley to the Zoning Board of Appeals**  
HER HONOR THE MAYOR reappointing Lei Reilley, 130 Pine Street, Newton, as an associate member of the ZONING BOARD OF APPEALS for a term to expire on October 15, 2021. (60 days: 11/20/2020)

**#405-20**      **Reappointment of Joyce Plotkin to the Economic Development Commission**  
HER HONOR THE MAYOR reappointing JOYCE PLOTKIN, #1611N Hammond Pond Parkway, Chestnut Hill, as a member of the ECONOMIC DEVELOPMENT COMMISSION for a term to expire on October 30, 2023. (60 Days: 12/18/2020)

**#406-20**      **Reappointment of Brett Catlin to the Chestnut Hill Historic District Commission**  
HER HONOR THE MAYOR reappointing BRETT CATLIN, 121 Suffolk Road, Chestnut Hill, as a member of the CHESTNUT HILL HISTORIC DISTRICT COMMISSION for a term to expire on May 31, 2021. (60 Days: 12/18/2020)

**#407-20**      **Reappointment of Peter Vieira to the Chestnut Hill Historic District Commission**  
HER HONOR THE MAYOR reappointing PETER VIEIRA, 67 Old Orchard Road, Chestnut Hill, as a full member of the CHESTNUT HILL HISTORIC DISTRICT COMMISSION for a term to expire on July 31, 2023. (60 Days: 12/18/2020)

**Respectfully Submitted,**

**Deborah J. Crossley, Chair**



Ruthanne Fuller  
Mayor

City of Newton, Massachusetts  
Office of the Mayor

**#371-20**

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Email  
rfuller@newtonma.gov

September 10, 2020

Honorable City Council  
Newton City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

To the Honorable City Councilors:

I am pleased to appoint Denise Chicoine of 275 Islington Road, Newton as an Associate member of the Zoning Board of Appeals. Her term of office shall expire on October 15, 2021 and her appointment is subject to your confirmation.

Thank you for your attention to this matter.

Warmly,

Ruthanne Fuller  
Mayor

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2020 SEP 14 PM 1:29  
CITY CLERK  
NEWTON, MA. 02459

Application Form

Profile

Denise A. Chicoine
First Name Middle Initial Last Name

[Redacted]
Email Address

275 Islington Road
Home Address Suite or Apt

Newton MA 02466
City State Postal Code

What Ward do you live in?

[X] Ward 4

Home: Home:
Primary Phone Alternate Phone

Englander & Chicoine P.C. Managing Partner
Employer Job Title

Which Boards would you like to apply for?

Zoning Board of Appeals: Submitted

Interests & Experiences

Please tell us about yourself and why you want to serve.

Why are you interested in serving on a board or commission?

I am an attorney that has specialized in land use law for over 26 years. I have followed the City's re-zoning and development plans since I moved to Newton in 2004. Now that our children are older, I am ready to commit my time to the ZBA if the Board has a need.

DAC\_resume.doc
Upload a Resume

**Denise A. Chicoine**

**Englander & Chicoine, P.C.**

225 Franklin Street, 26<sup>th</sup> Floor, Boston, MA 02110

**EXPERIENCE**

**Managing Partner**

**Englander & Chicoine P.C.**, Boston, Massachusetts 2016-present  
*(formerly Englander, Leggett & Chicoine, PC 2008-2016, Englander & Chicoine, PC 1999-2008, Englander & Associates P.C. 1993 – 1999, Englander & Sooho 1991-1993)*

Expertise in land use issues, including rights in the intertidal zone, zoning and permitting, Chapter 91, and affordable housing issues. Experience litigating in Land Court, easements, adverse possession claims, and construction disputes. Represents banks and individuals in all aspects of conveyancing, including title examinations and certifications, review and resolution of title issues, and preparation of condominium documents and conveyancing documents. Authorized title agent for CATIC.

**Boston College Graduate School of Social Work**

2017

2000-

Adjunct legal professor

**SIGNIFICANT CASES**

*Marchese v. Boston Redevelopment Authority* (2019) prevailed at the Supreme Judicial Court on behalf of the Boston Redevelopment Authority regarding the agency's statutory power to engage in a demonstration plan granting rights to the Red Sox in Yawkey Way in Boston.

*Nantasket Beachfront Condominiums LLC v. Hull Redevelopment Authority* (2015) prevailed in the Court of Appeals on behalf of Hull Redevelopment Authority in a contractual dispute with a re-developer under a Land Disposition Agreement.

*Mahajan v. Boston Redevelopment Authority et al.* (2013) successfully argued to the Supreme Judicial Court that Long Wharf in Boston may be developed in accordance with the Boston Redevelopment Authority's urban renewal plan, and is not a park subject to a two-thirds legislative vote under Article 97 for changes to lands taken for conservation purposes.

**EDUCATION**

**Boston College Law School**, Newton, Massachusetts

*Juris Doctor*, May 1993

*Boston College International and Comparative Law Review*, executive editor 1992-93

**Trinity College**, Hartford, Connecticut

May 1990

Bachelor of Arts in Economics, magna cum laude, Phi Beta Kappa

**BAR ADMISSIONS** Massachusetts Bar 1993; Connecticut Bar 1994

**PROFESSIONAL ASSOCIATIONS**

Commercial Real Estate Women, Provisors

Massachusetts Bar Association, Boston Bar Association, Real Estate Bar Association

Lecturer for MCLE and Massachusetts Association of Land Surveyors and Civil Engineers

**INTERESTS**

Appalachia Service Project, running, skiing, hiking

CITY COUNCIL

# \_\_\_\_\_

CITY OF NEWTON

DOCKET REQUEST FORM

**DEADLINE NOTICE: Council Rules require items to be docketed with the Clerk of the Council NO LATER THAN 7:45 P.M. ON THE MONDAY PRIOR TO A FULL COUNCIL MEETING.**

To: Clerk of the City Council

Date: September 30, 2020

From (Docketer): Lara Kritzer, Community Preservation Program Manager

Address: Planning Department, Newton City Hall, 1000 Commonwealth Avenue Newton MA 02459

Phone: 617-796-1144

E-mail: lkritzer@newtonma.gov

Additional sponsors: Community Preservation Committee

1. Please docket the following item (it will be edited for length if necessary):

Recommendation from the Community Preservation Committee to change the purpose of the remaining funding in the Newton Homebuyer Assistance Program from the creation of new affordable homebuyer units to the preservation of existing homebuyer units.

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2020 OCT -1 PM 1:49  
CITY CLERK  
NEWTON, MA. 02459

2. The purpose and intended outcome of this item is:

- Fact-finding & discussion
- Appropriation, transfer,
- Expenditure, or bond authorization
- Special permit, site plan approval,
- Zone change (public hearing required)
- Ordinance change
- Resolution
- License or renewal
- Appointment confirmation
- Other: \_\_\_\_\_

3. I recommend that this item be assigned to the following committees:

- Programs & Services
- Zoning & Planning
- Public Facilities
- Finance
- Public Safety
- Land Use
- Real Property
- Special Committee
- No Opinion

4. This item should be taken up in committee:

Immediately (Emergency only, please). Please state nature of emergency:  
\_\_\_\_\_

- As soon as possible, preferably within a month
- In due course, at discretion of Committee Chair
- When certain materials are made available, as noted in 7 & 8 on reverse
- Following public hearing

5. I estimate that consideration of this item will require approximately:

- |  |  |
|--|--|
| <input type="checkbox"/> One half hour or less | <input checked="" type="checkbox"/> Up to one hour             |
| <input type="checkbox"/> More than one hour    | <input type="checkbox"/> An entire meeting                     |
| <input type="checkbox"/> More than one meeting | <input type="checkbox"/> Extended deliberation by subcommittee |

6. The following people should be notified and asked to attend deliberations on this item. (Please check those with whom you have already discussed the issue, especially relevant Department Heads):

City personnel	Citizens (include telephone numbers/email please)
<input checked="" type="checkbox"/> <u>Lara Kritzer</u>	<input type="checkbox"/> _____
<input checked="" type="checkbox"/> <u>Barney Heath</u>	<input type="checkbox"/> _____
<input checked="" type="checkbox"/> <u>Amanda Berman</u>	<input type="checkbox"/> _____
<input type="checkbox"/> _____	<input type="checkbox"/> _____
<input type="checkbox"/> _____	<input type="checkbox"/> _____

7. The following background materials and/or drafts should be obtained or prepared by the Clerk's office prior to scheduling this item for discussion:

8. I  have or  intend to provide additional materials and/or undertake the following research independently prior to scheduling the item for discussion. \*

CPC Funding Recommendation and the City's CPA funding proposal including the Planning and Development Memo of June 3, the ECR Enterprises report and analysis of the program, the Consultant's presentation to the CPC on June 9

(\*Note to docketer: Please provide any additional materials beyond the foregoing to the Clerk's office by 2 p.m. on Friday before the upcoming Committee meeting when the item is scheduled to be discussed so that Councilors have a chance to review all relevant materials before a scheduled discussion.)

Please check the following:

9.  I would like to discuss this item with the Chairman before any decision is made on how and when to proceed.
10.  I would like the Clerk's office to contact me to confirm that this item has been docketed. My daytime phone number is:
11.  I would like the Clerk's office to notify me when the Chairman has scheduled the item for discussion.

Thank you.

Lara Kritzer  
Signature of person docketing the item

[Please retain a copy for your own records]



Ruthanne Fuller  
Mayor

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**Barney S. Heath**  
Director

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**MEMORANDUM**

**DATE:** June 3, 2020  
**TO:** Members of the Community Preservation Committee  
**FROM:** Barney Heath, Director of Planning & Development  
Amanda Berman, Director of Housing & Community Development  
Malcolm Lucas, Housing Planner  
Eamon Bencivengo, Housing Development Planner  
**RE:** Newton Homebuyer Assistance Program, Consultant Report and Next Steps  
**MEETING DATE:** June 9, 2020

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In August 2019, consultants Liz Rust and Liz Valenta were hired by the City to perform a detailed assessment of Newton's First Time Homebuyer Assistance Program portfolio. As part of this assessment, the consultants identified categories of units in this portfolio with similar deed restrictions and/or resale and recapture provisions. The consultants also identified which units would require additional subsidy at the time of resale to maintain their affordability in perpetuity, including the specific amount of subsidy needed for each of these units.

Over the past ten months, staff has maintained close communication with the consultants as they conducted their evaluation and presented their draft findings. As you can see from the attached consultant report and portfolio spreadsheet, this evaluation culminated in a very detailed, up-to-date portfolio of all the deed-restricted affordable homeownership units in the City of Newton (a total of 79 units), including critical information that can be easily accessed when resales of these units take place.

In October 2018, we came to your committee requesting that the Newton Homebuyer Assistance Program retain a balance of up to \$775,000 of already appropriated CPA funds to for the following purposes:

1. **Up to \$75,000** - To use towards administrative costs associated with the program, including the hiring of a consultant to evaluate the program's portfolio and recommend future policies.
  - *Note:* In 2008, 2013 and 2015, the City Council appropriated a total of \$76,000 in CPA funds to be used for the management and administration of this program

*(staff time, marketing, and advertising, etc.). As of October 2018, \$20,000 of these funds remain in the account for these administrative purposes.*

2. **Up to \$700,000** - To use towards potential additional subsidies to preserve the affordability of units already in the program.

Regarding the actual administrative costs for the project, the total cost to engage Liz Rust and Liz Valenta, our consultant team, came in well below staff's estimates for such a report, with a total contract amount of **\$12,960**.

The estimate put forth by staff regarding the additional subsidies needed to preserve the affordability of the portfolio, however, was much closer to the consultant's findings. The consultants' report identifies **eight units** where an estimated **\$726,707** of buy-down funds could be invested to maintain affordability for eligible purchasers, ranging from a low of \$42,000 to a high of \$192,000 to buy-down one unit.

### **Next Steps for the Program:**

Staff is very pleased with the detailed report and portfolio matrix developed by the consultant team and believes these documents will be invaluable resources in the continued administration and oversight of these units.

Moving forward, staff kindly requests the following to ensure the preservation of this critical portfolio of 79 affordable homeownership units:

- 1.) **Up to \$5,000 / year for the next three years** - To use towards administrative costs associated with the program, including retaining a consultant to assist in the proper administration of the portfolio, monitoring, resales and lotteries, updating of deed restrictions and policies, etc.
- 2.) **Up to \$730,000** – To use as buy-down funds to preserve the affordability of the eight units identified by the consultants as they come up for resale.
- 3.) **The expansion of the purpose of the program** to include the preservation of the portfolio.

We look forward to discussing the results of the consultants' work with you on June 9<sup>th</sup>, as well as our request for funding to preserve these critical ownership units in Newton.



Ruthanne Fuller  
Mayor

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

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Barney S. Heath  
Director

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## **Community Preservation Committee Recommendation to Amend Newton Homebuyer Assistance Program**

**Date:** September 24, 2020  
**From:** Community Preservation Committee  
**To:** The Honorable City Council  
**Cc:** Her Honor Mayor Ruthanne Fuller

### **PROJECT GOALS & ELIGIBILITY**

Newton's Homebuyer Assistance Program was established in 2003 to assist low and moderate income households to purchase homes in Newton by providing down payment and closing cost assistance. In return for this funding, the City received an affordable housing deed restriction on the housing unit which guarantees that it will be resold to an income-eligible buyer at or below 80% AMI or 99% AMI (depending on the original source of funds) or that a portion of the profit from the sale be returned to the City. The program received five rounds of CPA funding between 2003 and 2015, totaling just over \$3.2 million, before it was put on hold due to the inability of applicants to find affordable housing units to purchase.

In November 2018, City staff met with the Community Preservation Committee (CPC) to request that some of the remaining program funding be used to hire a consultant to evaluate the program. The CPC approved the use of up to \$75,000 in existing program funds to hire a consultant to assess the existing program and develop a management and preservation plan for the City's affordable homeownership units, including a uniform process for resales. ECR Enterprises was hired to complete the review, which used only \$12,960 of the consultant funds set aside for this purpose.

In June, Liz Rust and Liz Valenta of ECR Enterprises presented their completed review of the program to the CPC with the recommendation that the focus of the Homebuyer Assistance Program be shifted from the creation of new units to the preservation of Newton's existing affordable homeownership units, of which there are 79 deed-restricted units. Their research confirmed that income-eligible households were unable to take advantage of the program due to the prohibitive costs of Newton's real estate market, a situation which is unlikely to change. Further, they found that several Newton's older affordable housing restrictions used resale calculations which will render these units unaffordable to eligible households when the units come up for resale in the future.

Based on these findings, the City has requested that the program be amended to use the remaining funding previously allocated to the Homebuyer Assistance Program, including the unused consultant funding, to preserve the affordability of the existing affordable homebuyer units by buying down the

September 24, 2020

*Newton CPC Recommendation to Amend Newton Homebuyer Assistance Program*

sale price as needed for as many of these units as possible and hiring professional assistance to maintain the portfolio and handle any future resales through a certified lottery process. In doing this, the use of the funding would shift from the creation of new affordable units as originally proposed to the preservation of existing affordable ownership units, which is also an eligible use of the funding under the Community Preservation Act.

## **RECOMMENDED FUNDING**

At their regular monthly meeting on June 9, 2020, the Community Preservation Committee unanimously voted 9-0 to recommend that the remaining program funds be used to buy down the sale price of any existing affordable homebuyer units with faulty deed restrictions. The CPC also recommended that up to \$15,000 of these funds can be used to hire professional assistance to maintain the housing portfolio and handle any future resales of these units over the next three years.

The Homebuyer Assistance Program currently has \$762,722.90 distributed between five accounts representing funding from 2013-2015. This recommendation proposes to reallocate all of the previously approved funding as noted above for the preservation of the City's existing homebuyer units. No new CPA funding is recommended for this use at this time.

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

In considering this proposed change, the CPC reviewed the results of ECR's analysis of the program and their suggestions for its future. Members noted that the Homebuyer Assistance Program has been unable to assist any potential new homebuyers since 2013 due to the inability of prospective homebuyers to find housing units at affordable prices even with the City subsidy which was increased in 2013. The program has been on hold since 2015 and there is no likelihood that it will be able to restart in the current housing market. Restructuring the program has been in discussion since 2015 and members agreed that finding another use for these funds which continue to support the community housing goals of the City was within the spirit of the original program.

The consultants have identified an urgent need for this funding. A number of existing affordable homeownership units have deed restrictions which do not restrict the resale price to affordable levels. Without easily accessible buy-down funds, Newton risks losing homebuyer units which have resale prices that are currently above affordable levels. Committee members agreed that it was reasonable to reallocate the program's remaining funding to protect these units, as resales can come in without advance warning and the remaining program funds currently meet the buydown cost of all the identified units. The Committee also agreed that it made sense to continue to receive professional assistance in monitoring and reselling these units as resales can be time sensitive and have specific requirements which require specialized expertise in resales and lotteries. Lastly, it was noted that the assisted units would receive new deed restrictions which corrected the resale problem, ensuring that the units will remain affordable and that no additional funding will be needed again in the future.

September 24, 2020

Newton CPC Recommendation to Amend Newton Homebuyer Assistance Program

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

1. CPA funding is limited to the funds (\$762,722.90) remaining in the Homebuyer Assistance Program accounts. A new CPA funding application will be required if buy-down costs increase and additional funding is necessary.
2. New Universal deed restrictions will be placed on all applicable units which receive buy-down funding, when they come up for resale, to protect their affordability in the future.
3. Any assisted units which are not already listed on the Subsidized Housing Inventory (SHI) will be added as part of this resale and buy-down process where feasible.
4. Any CPA funds remaining in the Homebuyer Assistance Program accounts after all of the at-risk units have been corrected will be returned to the Newton Community Preservation Fund.

### **KEY OUTCOMES**

The Community Preservation Committee will evaluate this program based on its success in preserving the affordability of the units identified in the Homebuyer Assistance Program report as having resale prices above affordable levels. The program will be considered to be a success if all identified units are resold to affordable households with new Universal deed riders in place to protect their future affordability.

### **ATTACHMENTS**

- Planning and Development Memo of June 3, 2020
- Newton First Time Homebuyer Analysis and Report from ECR Enterprises
- ECR presentation of Final Report to CPC on June 9, 2020

The above attachments are also available on the CPC project webpage along with links to additional information not attached to this recommendation. This information is available at:

<http://www.newtonma.gov/gov/planning/cpa/projects/homebuyer.asp>

Newton First Time Homebuyer

Analysis and Report

May 11, 2020, *revised May 21*

*Prepared by Elizabeth Rust, and Elizabeth Valenta*

## Newton First-Time Homeowner Assistance

### Introduction

This report documents the analysis authorized by the City of Newton's First Time Homebuyer Assistance Program project.

The project started with creating the list of the deed restricted homeownership units in Newton, and by examining each unit's history, deed restriction, and resale provisions, and resulting database was created.

The project scope from the RFP included:

1. Assess the City of Newton's First Time Homebuyer Assistance Program portfolio and associated materials;
2. Identify categories of units with similar deed restrictions and/or resale and recapture provisions;
3. Define a series of options for the City in terms of how to manage these different categories of units moving forward;
4. Develop a recommended plan of action for each category;
5. Create a step-by-step process for the future resale of units that remain in the portfolio, including how to manage a lottery and potentially how to make these units SHI eligible, as well as a process for the release of restrictions for units that the City decides should be removed from the portfolio
6. Assess the City's other policies related to affordable homeownership, including its Down payment and Closing Cost Assistance Program and the provisions related to ownership units in its Inclusionary Zoning ordinance and Comprehensive Permit Board Orders, and provide recommendations for areas of improvement. [Staff and consultants agreed that this did not warrant further exploration.]
7. Hold a series of in-person and phone meetings with Planning staff to gather necessary information and discuss project progress, as well as present draft and final reports to the Community Preservation Committee (CPC) at its regularly scheduled evening meetings
8. Deliverables to include a draft and final written report including the above-mentioned analysis and recommendations.

### Summary of Findings

The project started with a portfolio inventory of 50 properties and finalized the inventory with a total of 79 restricted homeownership units in Newton after research and review. There are 60 units are registered on the State's Subsidized Housing Inventory.

# ECR Enterprises

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Four different types of deed restrictions were identified, each having a specific resale price determination method:

- 50 Universal deed restriction
- 16 Change in AMI method
- 5 Discount Rate method
- 8 Base Price method

The report identified eight units where an estimated \$726,707 of buy-down funds could be invested to maintain affordability for eligible purchasers (see attached Table A).

This important result of the analysis is the review of the resale price, and resulting buy-down funds required to maintain and preserve affordability using current parameters, including estimated condominium fees and capital improvement allowances.

The decision to provide buy-down funds can be made on a unit by unit basis. The decision points include:

- Provide buy-down funds to continue affordability, and utilize a Universal Deed rider to preserve perpetual affordability, or
- Revise affordability target to greater than 80% AMI or,
- Release property from restriction and recapture excess funds when sold at market, if no CPA or other subsidy involved.

## Resale Process

The resale process for all restricted properties follows the following steps. The further details for each step are found in the specific affordable housing restrictions, covenants or deed riders:

1. Seller provides Conveyance Notice: The owner gives conveyance notice to the Monitoring Agent starting the resale process. The seller provides information regarding the property, including the appliances, condo fees, and other important information needed for the resale process including an appraisal if required. The DHCD Property Information Form can be used to assist in this purpose.
2. Monitoring Agent provides Maximum Resale Price: The Monitoring Agent promptly notifies the seller of the Maximum Resale Price, and other details to formalize the process:
  - a. Identify the Monitoring Agent and the role of the City. The Monitoring Agent is responsible for ensuring the resale is completed in accordance with the deed restriction, including either performing the resale or finding an experienced resale agent.

# ECR Enterprises

For MassHousing 40B units, the Monitoring Agent is a third-party agent identified in the Regulatory Agreement (Housing Solutions, MetroHousing Boston) who performs the resales themselves using the resale fee (up to 2.5%) as compensation. For DHCD LIP units, DHCD is the lead monitoring agent with the City and DHCD hires a separate lottery/resale agent for their units (2% resale fee). The City is the Monitoring Agent for the remaining units in the portfolio. The City can proactively procure lottery/resale agent services on a retainer basis ahead of specific resale transactions. Some of the city restrictions allow for a negotiated resale fee to be included, a few specify 2% fee, and most specify no resale fee.

- b. Calculate the Maximum Resale Price (price to seller). These calculations will vary by method and defined further in the restriction, summarized below.
- c. Determine the Resale Purchase Price (price to buyer). In some cases (those units with the %AMI and Discount Rate methods), the Maximum Resale Price will not be affordable to an Eligible Purchaser. This is best done using the standard calculator, which includes current condo fee, interest rate, municipal tax rate, and the income limits for the desired AMI percentage with an affordability window if specified in the deed restriction. Note: In this analysis condo fee estimates have been used (in orange highlight) where the actual condo was not available.

To this figure, add the allowable capital improvement amounts and resale fee (where resale fee is allowable in the restriction). The difference between the Maximum Resale Price and this calculated price is the buy-down potential.

The decision to provide buy-down funds can be made on a unit by unit basis. The Maximum Resale Price may be affordable to a household earning 120% AMI, which may also create a moderate-income housing opportunity – also a needed price point. If the unit was created with CPA funds, the AMI cannot be greater than 100%. If the unit was created with HOME funds, the affordability period must be maintained (5 years for under \$15k, 10 years for \$15k - \$40k, 20 years for over \$40k).

- d. Set forth the marketing period timeline and identify the lottery/resale agent. The letter to the seller should identify the time period to locate an Eligible Purchaser, and the contact information of the resale agent.
  - e. This would be the time to determine the form of restriction to be used at the resale, including evaluating using the Universal Deed Rider on resale if applicable and adding the unit to the SHI if not already there. This may require working with DHCD on this important point.
3. Conduct marketing: The resale agent markets the unit to locate an Eligible Purchaser. In most cases, the main marketing period is 90-days, with additional

# ECR Enterprises

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time frames as needed for details of closing and the like. The City has the ability to purchase the unit during the marketing period.

The resale agent prepares the application and advertisements, outlining the eligibility requirements, the unit description, the application process, and preferences used in selection, and a description of the deed restriction in accordance with Affirmative Fair Housing Marketing guidelines.

Wide marketing is undertaken by the agent to solicit interest from eligible applicants. This includes posting to the MassAccess Housing Registry (the state's affordable housing search site sponsored by CHAPA), municipal website and notices, local organizations, and other outlets. Paid advertising while not required but might be helpful if the applicant pool is thin.

The selection of buyer should be made by lottery. Given the 90-day period to find an eligible buyer, the application period should be open for 10 business days, with the lottery shortly after the application period ends. Lottery administration is best handled by an experienced agent to ensure that Affirmative Fair Housing Marketing guidelines are followed.

In most cases, after the 90-day period, the unit can be sold to an 'Ineligible Purchaser' (not income and assets eligible), with the restriction staying on the property. Each restriction will need to be reviewed carefully to for the particulars if an ineligible purchaser cannot be found.

4. Close to the new buyer: Once a buyer is selected through the lottery, the process completes much like a standard real estate closing process. The buyer is given an opportunity to see the unit and have a home inspection. The buyer and seller complete a Reservation Form, or similar, to outline their intention to transact, to exchange attorney information, to outline the Purchase & Sale date and closing.

Before the Purchase & Sale is executed, the buyer is presented for approval to by the Monitoring Agent. This approval constitutes an approval to purchase.

Once the mortgage commitment is received, the Monitoring Agent reviews the final documents (including updated income/assets is older than 60days), and prepares the closing documents, including Compliance Certificate, Resale Price Certificate, and form of restriction.

5. Post-purchase verification. Ensure the documents are recorded, update tracking systems in this ending set of activities.

## Resale Valuation Methods

Below is an explanation of the deed rider methodologies used in Newton as excerpted from the deed riders/restrictions. For Methods #1, 3 and 4 there will be no buy down subsidies necessary to maintain affordability. We have identified eight properties where the Maximum Resale Price is calculated by Method #2: % AMI Change, that will not be affordable to a 80% AMI low income household. This is discussed further below.

### Method#1: Universal Deed Rider.

This method is found for most (50) of the ownership units in the portfolio, including the units in Millhouse Commons, Court St, Coyne Road, Ellis Heights, Linden Green Homes, Parkview Homes, Woodmere Commons (recent resales), Walnut St /Oxford House, Waban Village, and Covenant Commonwealth. This form of restriction is used on both the 80% AMI units and the fewer (5) higher income limit CPA units. Most (all but 1) of the 80% AMI units are on the SHI.

This is the current standard for affordable housing deed restrictions, developed by the State Department of Housing and Community Development in 2006, and used by all subsidizing agencies including MassHousing for the 40B units, and DHCD for the LIP units.

It is known as the Universal Deed Rider and has many useful features, including survives foreclosure, as approved by FNMA, and the provision to sell to an Ineligible Purchaser retaining the affordable housing restriction on the property in perpetuity.

The restrictions for these units are recorded as a deed rider attached to the unit deed.

This rider calculates the Maximum Resale Price so that the price will always be affordable. No buy-down funds are needed for units protected through the Universal Deed Rider. The formula evaluates three values to calculate the Maximum Resale Price: the Calculated value, the Continued Affordability value and the Purchase Price.

The Calculated value uses the Resale Price Multiplier, which is the number calculated by dividing the Property's sale price by the Base Income Number (the Area Median Income for a four (4)-person household) at the time of the unit's sale. This value is found in the deed rider as well as a separately recorded Resale Price Certificate.

The Maximum Resale Price is the Calculated value provided it is less than the Continued Affordability value and greater than the Purchase Price.

# ECR Enterprises

Below is the language from the deed rider.

*Maximum Resale Price means the:*

*sum of (i) the Base Income Number (at the time of resale) multiplied by the Resale Price Multiplier, plus (ii) the Resale Fee and any necessary marketing expenses (including broker's fees) as may have been approved by the Monitoring Agent, plus (iii) Approved Capital Improvements, if any (the original cost of which shall have been discounted over time, as calculated by the Monitoring Agent); **(Calculated value)***

*provided that in no event shall the Maximum Resale Price be greater than the purchase price for which a credit-worthy Eligible Purchaser earning seventy percent (70%) of the Area Median Income (or, if checked [ ]*

*\_\_\_\_\_ percent (\_\_\_%) of Area Median Income, as required by the Program) for an Appropriate Size Household could obtain mortgage financing (as such purchase price is determined by the Monitoring Agent using the same methodology then used by DHCD for its Local Initiative Program or similar comprehensive permit program); **(Continued Affordability value)***

*and further provided that the Maximum Resale Price shall not be less than the purchase price paid for the Property by the Owner unless the Owner agrees to accept a lesser price. **(Purchase Price)***

## Method#2: % AMI Change.

This method is found for sixteen (16) units in scattered site properties, sold under the Newton Homebuyer Assistance Program, with initial sales in the 2003-2009 timeframe, and resales of those units. Some of these units are on the SHI.

The restrictions for these units are often recorded as a separate covenant document.

This restriction calculates the Maximum Resale Price as a function of the change in the 80% Area Median Income from initial purchase to time of sale.

For some units, the Maximum Resale Price calculated price will not be affordable to an 80% AMI low income household. This may be due to an original purchase price that was high for a household at the income limit, but the housing was affordable for a specific buyer with their own funds for additional down-payment. The homebuyer program did not impose consistent asset limits or exempted down payments from the asset determinations.

Eight units have been identified where the calculated resale price is currently unaffordable to an 80% AMI household, sold with a 10% affordability window (see attached Table A). The decision to provide buy-down funds can be made on a unit by unit basis. The options would be to provide buy-down funds to continue affordability (and utilize a Universal Deed rider to eliminate future issue), revise affordability target

# ECR Enterprises

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to greater than 80% AMI or, release property from restriction and recapture excess funds when sold at market. The Maximum Resale Price may be affordable to a household earning 120% AMI, which may also create a moderate-income housing opportunity – also a needed price point. However, if the unit was created with CPA funds, the AMI cannot be greater than 100%. If a buydown is required and the City would like to have the unit utilize a Universal Deed rider, then it is advisable to buy down the price so that it is affordable to the 70% AMI level as is typically required with future resales.

Most of the restrictions allow for an increase to the calculated price equal to 1% percent of the Initial Sales Price per year of ownership, subject to the review and approval of Municipality for Capital Improvements made by the owner. If this is factored into the units requiring a buydown then the buydown amount would increase. Below is the language from the affordable housing restriction.

*Maximum Resale Price means the Initial Sales Price multiplied by a fraction, the numerator of which is 80% of Newton Area Median Income as of the date of receipt of the Conveyance Notice and the denominator of which is 80% of Newton Area Median Income as of the date of the Closing of the Initial Sale, plus Improvements, as more fully described herein.*

*Subject to the review and approval of Municipality, in its sole discretion, documented out-of-pocket costs for Improvements completed by the Initial Owner may be added to the Maximum Resale Price; provided, however, that total adjustment for such Improvements shall be limited to one ( 1 %) percent of the Initial Sales Price per year of ownership. Improvements that are funded by Federal, state or local grant programs are not eligible to increase the Maximum Resale Price.*

### Method#3: Discount Rate.

This method is found for five (5) units in the Homes at Auburndale Yard and Woodmere Commons developments.

In this method, the Maximum Resale Price means the full and fair market value of the Property determined without regard to any restrictions contained in this Deed Rider multiplied by the Discount Rate recorded in the affordable housing deed restriction, reduced to an affordable price if that is not affordable to an eligible purchaser. This price can be reduced to an affordable basis, calculated using the standard calculator.

This method is in use for units sold in the 1998-time frame, with some restricted under the MassHousing NEF FHLBB program. This method was replaced by the resale price multiplier-based method in the 2004-2005-time frame as it generated maximum resale prices above affordable levels. The restriction is released upon resale if no eligible purchasers are located.

# ECR Enterprises

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*"Maximum Resale Price" equal to the appraised fair market value of the property at the time of resale, as determined by the Monitoring Agent, (as specified in the Regulatory Agreement) multiplied by the applicable Discount Rate (as hereinafter defined), or, if there is no eligible purchaser who can qualify to purchase the property at the normal Maximum Resale Price, then to an eligible purchaser for a price defined as the "Certified Sale Price" herein and in the Regulatory Agreement equal to the price which an eligible purchaser can pay as determined by the Monitoring Agent;*

*If the Grantee is unable to locate an eligible purchaser within one hundred twenty (120) days from the date the Property is put on the market, the Grantee may convey the Property to any third party at fair market value, free of all restrictions set forth herein, provided, however, all consideration and payments of any kind received by the Grantee for the conveyance of the Property to the third party which exceeds the Maximum Resale Price shall be immediately and directly paid to the Municipality....*

#### Method#4: Base Price

This non-standard method is found in the restrictions of the eight (8) condominiums at Crescent Street, initially sold in 2000.

The "Base Price" shall equal the purchase price paid by the Owner PLUS: the cost of the appraisal, the approval capital improvements and excise taxes incurred in connection with the sale of the Property; PLUS, a return on the Owner's investment equal to the product of:

- (i) the sum of the Owner's original down payment plus one-half of the aggregate of regular principal payments made by the Owner on the allowable secured debt on the Property multiplied by
- (ii) a fraction, the numerator of which shall be the Price Index for the last month preceding the Notice minus the Price Index for the month preceding the Owner's purchase of the Property and the denominator of which shall be the Price Index for the month preceding the Owner's purchase of the Property.

*The "Price Index" shall mean the "Consumer Price Index for Urban Wage Earners and Clerical Workers, All Items*

**Table A  
Newton Homebuyer Assistance  
Potential Buy-Down units  
April 2020**

**420-20**

#	Unit Address	Unit Size, Purchase Date	Original Purchase Price	Calculated Resale Price	Resale Price 80% Afford.	Resale Price 70% Afford.	Max. Allow. Capital Improv.
1	<b>Boylston Street, 96, Unit 1</b>	1	\$162,500	\$236,442	\$233,200	\$194,000	\$22,750
	Buy Down Required	6/27/2006			\$3,242	\$42,442	
2	<b>California Street, 246-250, Unit 250</b>	4	\$305,000	\$443,783	\$350,500	\$297,500	\$45,750
	Buy Down Required	10/4/2005			\$93,283	\$146,283	
3	<b>Centre Street, 548, Unit 3C</b>	1	\$153,750	\$223,710	\$240,600	\$201,300	\$19,988
	Buy Down Required	8/22/2007			No Buydown	\$22,410	
4	<b>Christina, 90-94 Unit 92B</b>	3	\$265,000	\$407,123	\$343,500	\$294,500	\$0
	Buy Down Required	10/1/2003			\$63,623	\$112,623	
5	<b>Hawthorn Street, 101</b>	3	\$365,184	\$433,403	\$392,500	\$343,400	\$7,304
	Buy Down Required	1/25/2018			\$40,903	\$90,003	
6	<b>Langley Road, 412, Unit 6</b>	1	\$180,000	\$261,905	\$264,500	\$225,100	\$27,000
	Buy Down Required	11/1/2005			No Buydown	\$36,805	
7	<b>Playstead Road, 33, Unit 2</b>	2	\$200,000	\$296,154	\$280,000	\$235,700	\$16,000
	Buy Down Required	9/28/2012			\$16,154	\$60,454	
8	<b>Whittemore Road, 16, Unit 1</b>	3	\$309,206	\$380,820	\$362,300	\$313,200	\$9,276
	Buy Down Required	2/8/2017			\$18,520	\$67,620	
					Resale Price 80% Afford.	Resale Price 70% Afford.	Max. Allow. Capital Improv.
	<b>Added Buydown Costs</b>				<b>\$235,724</b>	<b>\$578,639</b>	<b>\$148,067</b>
	<b>TOTAL Buydown Potential for Resale Price @ 70% Affordable + Capital Improvements</b>						<b>\$726,707</b>

# Newton Affordable Homeownership Final Report

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Presentation to CPC, June 9

*Elizabeth Rust, Elizabeth Valenta*

1

\$24,987.28

## *Newton Affordable Homeownership Program Review*

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The project included the following scope:

- Portfolio Inventory and Assessment
  - Create inventory, Categorize units based on deed restrictions
- Resale Process
  - Calculate resale price, and Document resale process
- Evaluate Portfolio Monitored by Newton
  - Identify buy-downs necessary to maintain affordability

*Note: This is a point in time analysis, and will change over time*

2

## *Newton Affordable Homeownership*

Inventory: 79 Restricted Units, 62  
Monitored by Newton

### Universal Deed Rider

- 50 Units, in total, 33 monitored by Newton
- Standard Form
- Perpetually Affordable Methodology

### Change in AMI method

- All 16 units monitored by Newton
- Newton Homebuyer Assistance Program
- Issues with Continued affordability

### Other Restrictions

- All monitored by Newton
- 5 Discount Rate
- 8 Base Price

*Note: LIP Units monitored by both DHCD and Newton*

3

## *Newton Affordable Homeownership*

### Resale Process

- Receive Conveyance Notice from Owner
- Determine Monitoring Agent
  - *Newton is responsible for 62 Units (35 in conjunction with DHCD)*
- Calculate Resale Price – based on methodology from Deed Restriction
- Implement Marketing Plan
- Close with New Homeowner – Restriction
  - *Utilize Universal Deed Rider for all resales*

4

## *Newton Affordable Homeownership* Maintaining Affordability

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- 16 Units Utilize the Change in AMI Deed Restrictions
  - Does not restrict resale price to maintain affordability
  - 8 Units were identified that would require Buy Down funds to maintain affordability, based on current resale price
  - Buy Down requirement between \$236,000 - \$726,707
    - Include Capital Improvement Allowance
    - Set resale price for affordability at 70% or 80% AMI

5

## **Planning Ahead** Options for City

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- Procure Monitoring/Lottery/Resale Agent services
  - Contract ahead for consulting services for both lottery/resale agent and to proactively monitor units
- Vote Buy Down funds to preserve affordability
  - Resale timeline does not allow for extended decision making
- Anything else?

6

RECEIVED

CITY OF NEWTON

DOCKET REQUEST FORM

2020 OCT 23 AM 10:29

**DEADLINE NOTICE: Council Rules require items to be docketed with the Clerk of the Council NO LATER THAN 7:45 P.M. ON THE MONDAY PRIOR TO A FULL COUNCIL MEETING.**

TO: Clerk of the City Council

Date: October 21, 2020

From (Docketer): Lara Kritzer, Community Preservation Program Manager

Address: Planning Department, Newton City Hall, 1000 Commonwealth Avenue Newton MA 02459

Phone: 617-796-1144

E-mail: lkritzer@newtonma.gov

Additional sponsors: Community Preservation Committee

1. Please docket the following item (it will be edited for length if necessary):

Recommendation from the Community Preservation Committee to provide additional CPA funding for the Newton Housing Authority to construct the Haywood House Senior Affordable Housing Development on Jackson Road.

2. The purpose and intended outcome of this item is:

- |  |   |
|--|---|
| <input type="checkbox"/> Fact-finding & discussion             | <input type="checkbox"/> Ordinance change         |
| <input checked="" type="checkbox"/> Appropriation, transfer,   | <input type="checkbox"/> Resolution               |
| <input type="checkbox"/> Expenditure, or bond authorization    | <input type="checkbox"/> License or renewal       |
| <input type="checkbox"/> Special permit, site plan approval,   | <input type="checkbox"/> Appointment confirmation |
| <input type="checkbox"/> Zone change (public hearing required) | <input type="checkbox"/> Other: _____             |

3. I recommend that this item be assigned to the following committees:

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Programs & Services          | <input checked="" type="checkbox"/> Finance | <input type="checkbox"/> Real Property     |
| <input checked="" type="checkbox"/> Zoning & Planning | <input type="checkbox"/> Public Safety      | <input type="checkbox"/> Special Committee |
| <input type="checkbox"/> Public Facilities            | <input type="checkbox"/> Land Use           | <input type="checkbox"/> No Opinion        |

4. This item should be taken up in committee:

Immediately (Emergency only, please). Please state nature of emergency:

\_\_\_\_\_

- As soon as possible, preferably within a month
- In due course, at discretion of Committee Chair
- When certain materials are made available, as noted in 7 & 8 on reverse
- Following public hearing

PLEASE FILL OUT BOTH SIDES

5. I estimate that consideration of this item will require approximately:

- |  |  |
|--|--|
| <input type="checkbox"/> One half hour or less | <input checked="" type="checkbox"/> Up to one hour             |
| <input type="checkbox"/> More than one hour    | <input type="checkbox"/> An entire meeting                     |
| <input type="checkbox"/> More than one meeting | <input type="checkbox"/> Extended deliberation by subcommittee |

6. The following people should be notified and asked to attend deliberations on this item. (Please check those with whom you have already discussed the issue, especially relevant Department Heads):

City personnel	Citizens (include telephone numbers/email please)
<input checked="" type="checkbox"/> <u>Lara Kritzer</u>	<input type="checkbox"/> _____
<input checked="" type="checkbox"/> <u>Barney Heath</u>	<input type="checkbox"/> _____
<input checked="" type="checkbox"/> <u>Amanda Berman</u>	<input type="checkbox"/> _____
<input type="checkbox"/> _____	<input type="checkbox"/> _____
<input type="checkbox"/> _____	<input type="checkbox"/> _____

7. The following background materials and/or drafts should be obtained or prepared by the Clerk's office prior to scheduling this item for discussion:

8. I  have or  intend to provide additional materials and/or undertake the following research independently prior to scheduling the item for discussion. \*

CPC Funding Recommendation and the Newton Housing Authority's CPA funding proposal including relevant attachments and the Housing Authority's presentation to a joint meeting of the CPC and Planning and Development Board on Monday, October 5.

(\*Note to docketer: Please provide any additional materials beyond the foregoing to the Clerk's office by 2 p.m. on Friday before the upcoming Committee meeting when the item is scheduled to be discussed so that Councilors have a chance to review all relevant materials before a scheduled discussion.)

Please check the following:

9.  I would like to discuss this item with the Chairman before any decision is made on how and when to proceed.
10.  I would like the Clerk's office to contact me to confirm that this item has been docketed. My daytime phone number is:
11.  I would like the Clerk's office to notify me when the Chairman has scheduled the item for discussion.

Thank you.

Lara Kritzer  
Signature of person docketing the item

[Please retain a copy for your own records]



Ruthanne Fuller  
Mayor

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

**437-20**

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

Barney S. Heath  
Director

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**Community Preservation Committee  
Funding Recommendation for  
Haywood House/Jackson Road Senior Affordable Housing  
Project Additional Funding**

**Date:** October 21, 2020  
**From:** Community Preservation Committee  
**To:** The Honorable City Council

**PROJECT GOALS & ELIGIBILITY** This proposal for additional funding requests \$77,900 to pay for the purchase and installation of a material lift which was added to the project design as part of the Special Permit process. In December 2018, City Council approved the original allocation of \$3,000,000 to the Newton Housing Authority (NHA) for the Haywood House Senior Housing Project on Jackson Road. The new housing development will create 55 one-bedroom senior rental units in a new building to be constructed on vacant land adjacent to the existing Jackson Gardens Federal Public Housing development. All of the new units will be permanently affordable with 11 units available to households below 30% of Area Median Income (AMI), 21 units available below 60% AMI, and 23 units available below 99% AMI. Four of the units will be designated for households that have been homeless or are at risk of homelessness. This project is CPA-eligible as the creation of affordable housing.

**RECOMMENDED FUNDING** At a joint meeting with the Planning and Development Board held on Monday, October 5, the Community Preservation Committee unanimously recommended, with a vote of 8 to 0, the appropriation of \$77,900 in Community Preservation Act community housing funds to the control of the Planning & Development Department for the Newton Housing Authority's construction of the Haywood House Senior Affordable Housing Development.

**SPECIAL ISSUES CONSIDERED BY THE CPC**

**Funding leverage & project costs:** The CPC recognized that the additional funds requested represented .2% of the overall project cost of \$29,819,936 and did not change the overall percentage of CPA funding contributing to the project, which remains at 10%. This funding request is paired with a request for \$250,000 in additional CDBG funding to cover the addition of accessible ramps to replace the existing walkways leading from Kennedy Circle to Jackson Road. This additional funding was also approved by the Planning Board at the joint meeting on October 5. One of the requirements of the original funding recommendation was that the NHA had to confirm all of its state and federal funding sources. The CPC noted that multiple state and federal funding sources have been attained since 2018; the confirmation letters are included with the revised application. The CPC discussed how the design had been reviewed

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

Lara Kritzer, Community Preservation Program Manager  
[lkritzer@newtonma.gov](mailto:lkritzer@newtonma.gov) 617.796.1144

## CPC Funding Recommendation for the Haywood House Senior/Jackson Road Affordable Housing Additional Funding – October 2020

and value engineered to save costs before the NHA approached the City for funds. The CPC agreed that this was a good project for the community.

**Community spaces & services:** In their 2018 recommendation, the CPC noted that the new Haywood House will have multiple common spaces, including terraces and balconies, a library, and new laundry facilities, which will also serve residents of the existing Jackson Gardens development as well as the new residents of the building. In addition, Haywood House's new community center will host activities for non-residents as well as services for residents and the NHA has committed to using its developer fee from this project to expand its program of services for residents, including pre-dementia support.

**Project design & permitting:** During the Special Permit process, the NHA committed to limit vehicular access to the new building to Kennedy Circle, with no curb cuts to be installed on Jackson Road. Because of the change in grade of the site, a material lift is required to take trash receptacles from the ground floor of the building to the main floor/Jackson Circle level for trash removal. This lift was not included in the original design and the additional CPA funding is requested to cover the cost of the additional lift. As noted in the 2018 recommendation, Haywood House will have 52 visitable and adaptable units, including 2 adapted for residents with sensory disabilities, and 3 fully accessible units. The building will be curved to fit its site and energy-efficient (LEED silver certifiable). The additional CDBG funding approved in October by the Planning and Development Board will be used to reconstruct and improve the existing pedestrian path to make it ADA compliant and accessible. Existing large trees near the edges of the site will be preserved and new plantings added. In response to neighborhood concerns about parking, the NHA reduced the project's parking needs by eliminating its previously proposed market-rate units.

### 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 Newton Housing Authority should submit a written request to the CPC to extend that deadline.
2. The release of CPA funds will be governed by a grant agreement that includes but is not limited to the usual conditions for the phased release of CPA funds for housing projects, including permanent affordability, a final report to the CPC, and the return of unspent funds. In addition, the grant agreement should require an independent "accessibility audit" to ensure as-built compliance with accessibility standards and spot inspection at the rough plumbing/electrical stage of construction.
3. 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 CPA funds to create permanently affordable senior housing units with the supportive services and community activities described in the NHA's 2018 and 2020 proposals.

### ATTACHMENTS

- 2020 Proposal and selected attachments submitted to the CPC for the October 5, 2020 review
- October 5, 2020 presentation to the CPC and Planning and Development Board

Additional information not attached to this recommendation, including petitions and letters of support, are available on the CPC's website at:

[http://www.newtonma.gov/gov/planning/cpa/projects/housing\\_authority.asp#Jackson-Sr](http://www.newtonma.gov/gov/planning/cpa/projects/housing_authority.asp#Jackson-Sr)

**Newton, Massachusetts Community Preservation Program and  
HOME Investment Partnerships Program  
FUNDING REQUEST**

(For staff use)  
date rec'd:

City of Newton



Ruthanne Fuller  
Mayor

**PRE-PROPOSAL**

**PROPOSAL**

Please submit this completed file directly – do not convert to PDF or other formats.

For full instructions, see [www.newtonma.gov/cpa](http://www.newtonma.gov/cpa) or contact us:

Community Preservation Program Manager,  
City of Newton Planning & Development Department, 1000 Commonwealth Ave., Newton, MA 02459  
[lkritzer@newtonma.gov](mailto:lkritzer@newtonma.gov) 617.796.1144

You may adjust the space for each question, but the combined answers to all questions on this page must fit on this page.

<b>Project TITLE</b>	<b>Haywood House/Jackson Road Senior Housing Additional Funding</b>			
<b>Project LOCATION</b>	Full street address (with zip code), or other precise location. Jackson Road (83-127 Kennedy Circle, Newton Corner MA 02458)			
<b>Project CONTACTS</b>	Name & title or organization	Email	Phone	Mailing address
<b>Project Manager</b>	Amy Zarechian, Exec. Director, Newton Housing Authority	azarechian@newtonhousing.org	617-552-5501	82 Lincoln Street Newton Highlands, MA 02461
<b>Project FUNDING</b>	<b>A. CPA funds requested:</b> \$77,900	<b>B. CDBG funds requested:</b> \$250,000	<b>C. Other funds to be used:</b> \$29,492,036	<b>C. Total project cost:</b> \$29,819,936
<b>Project SUMMARY</b>	<p>Explain how the project will use the requested CPA funds. You may provide more detail in attachments, but your PROJECT SUMMARY MUST FIT IN THE SPACE BELOW. Use a cover letter for general information about the sponsoring organization's accomplishments.</p> <p>The proposed site of Haywood House is approximately 25,000 square feet of undeveloped property owned by the Newton Housing Authority (NHA), next to its existing Jackson Gardens Federal Public Housing development. The proposed development will consist of 55 one-bedroom units of new construction rental housing for seniors. Thirty-two of the units will be designated for seniors with incomes at or below 60% of AMI. Eleven of these units will be occupied by households at 30% of AMI or below. In addition, twenty-three of the units will be designated for residents with income between 80% and 99% of AMI. Four of the units will be set aside for individuals experiencing homelessness or at risk of becoming homeless. The project will include parking and new community spaces (including a library, community room, and fitness center) to be utilized by residents of the development and others in the community. The development will be funded primarily by leveraging Low Income Housing Tax Credits.</p> <p>The CPC previously committed to contributing \$3 million to the project. The NHA is asking for an additional contribution of \$327,900 in combined CPC and CDBG funds to cover costs that have been incurred as the project has progressed. During the special permit process with the City, NHA was asked to include an additional ramp, and to keep all vehicle traffic on JFK Circle instead of Jackson Road, which required the addition of a material lift for transporting trash barrels to the main floor. Additionally, the project is facing an increase in costs due to current market conditions. The general contractor recently received bids from sub-contractors and costs were higher than anticipated. NHA is requesting additional assistance from CPC to cover the current funding gap. These additional funds are greatly needed to ensure that the closing and construction can move forward in Fall 2020.</p>			

<b>Project TITLE</b>		<b>Haywood House/Jackson Road Senior Housing Additional Funding</b>				
<b>USE of CPA and HOME Funds</b>		<b>COMMUNITY HOUSING</b>		<b>Create</b>	✓	
New construction ✓		Mortgage buydown/ refinance		Site preparation/ remediation ✓		
<b>TARGET POPULATION, TYPE OF HOUSING, SPECIAL FEATURES – Check&amp; describe all that apply.</b>						
Individuals ✓	Families ✓	Seniors ✓	Homeless/At Risk of Homelessness ✓		Rental ✓	
<p><b>Special needs/disabilities (identify population &amp; provider of support services, if any):</b> The development will have three accessible units specifically designed for mobility impaired residents and all units will be designed to be visitable and potentially adaptable. In addition, all common and community spaces will be fully accessible to all residents. The NHA will be coordinating the provision of social services through partnerships with a variety of local service providers based on the needs of the residents. The NHA Resident Services Department will promote the objectives of healthy aging and community building at Haywood House by targeting its programming in the following three focus areas: 1) Providing health and wellness activities, 2) Administering on-site clinical and case management support, and 3) Reducing social isolation in older adults and persons with disabilities.</p>						
<p><b>Special features (historic preservation, sustainability, etc.):</b> Haywood House will be LEED certifiable. Some of the sustainable features and practices incorporated in the design include: construction waste recycling, LED light fixtures, public transportation access, managed storm water, heat island effect roofing, reflective roof systems, light pollution reduction, water efficient landscaping, controllable lighting, low-flow plumbing fixtures, water metering, recycled content, recycling program, low emitting materials, composite woods, outdoor air delivery monitoring, thermal comfort, enhanced commissioning, enhanced refrigerant management, and optimized energy performance.</p>						
<b>UNIT COMPOSITION</b> <i>List number of units in each category. Please identify which units are the HOME funded units.</i>						
<b>UNIT TYPE</b>	<b>≤ 30% AMI *</b>	<b>≤ 60% AMI</b>	<b>≤ 80% AMI</b>	<b>&lt;100% AMI</b>	<b>No Income Restriction (Market-Rate)</b>	<b>TOTAL</b>
<b>1 BR</b>	11	21		23		<b>55</b>
<b>COMMUNITY NEEDS</b>						
<p>From each of at least 2 plans linked to the <a href="#">Guidelines &amp; Forms</a> page of <a href="http://www.newtonma.gov/cpa">www.newtonma.gov/cpa</a>, provide a brief quote with plan title, year, and page number, showing how this project meets previously recognized community needs. You may also list other community benefits not mentioned in any plan.</p>						
<p>Haywood House will meet several of the City’s stated goals for increasing access to affordable housing in the community. This development will have a meaningful impact on the City’s goal to reach 10% subsidized units, as outlined in 40B regulations. In Newton’s Comprehensive Plan (5-12), it states, “We want our stock of housing to match the social and economic diversity of our population” by increasing rental opportunities “for the entire range of low, moderate, and middle income families.” Haywood House will provide 55 units of mixed income housing which will be affordable to families at low and moderate incomes. In the Housing Strategy document for Newton Leads 2040, the City of Newton identified a growing population of residents over the age of 55 years old as well as a “lack of housing options in Newton for smaller households and residents that seek to downsize.” Haywood House will consist of one-bedroom apartments for seniors ages 62 and older, which will help to meet the growing need for small affordable units for Newton’s growing aging population. In addition, four units will be set aside for elderly people facing homelessness; Haywood House</p>						

will provide permanent housing with supportive services for this vulnerable population in accordance with the recommendations outlined in Housing Needs Analysis and Strategic Recommendations.

Project TITLE	Haywood House/Jackson Road Senior Housing Additional Funding	
SUMMARY CAPITAL/DEVELOPMENT BUDGET		
Uses of Funds		(rounded amounts)
Acquisition		\$1.00
Construction costs (hard costs, general conditions, overhead, profit, contingency)		\$23,640,768
Soft Costs		\$3,652,822
Developer Fee/Overhead		\$2,000,000
Reserves		\$526,345
<b>D. TOTAL USES (should equal C. on page 1 and E. below)</b>		<b>\$29,819,936</b>
Sources of Funds	Status (requested, expected, confirmed)	(rounded amounts)
Newton CPA Funds	Requested	\$77,900
Newton CDBG Funds	Requested	\$250,000
Newton CPA Funds (Previous Application)	Confirmed	\$3,000,000
Newton CDBG Funds		\$625,000
Federal and State Low Income Housing Tax Credits		\$11,855,000
Permanent Bank Loan		\$8,600,000
State HOME Funds		\$450,000
Affordable Housing Trust Fund		\$750,000
MA Facilities Consolidation Fund		\$750,000
MA Housing Stabilization Fund		\$500,000

MA Community Based Housing Fund		\$750,000
Deferred Developer Fee		\$657,064
Newton Housing Authority		\$625,000
<b>E. TOTAL SOURCES</b> (should equal C. on page 1 and D. above)		<b>\$29,819,936</b>

**SUMMARY ANNUAL OPERATIONS & MAINTENANCE BUDGET** (cannot use CPA funds)

<b>Uses of Funds</b>		(rounded amounts)
Management Fee		\$50,744
Administration		\$79,790
Maintenance		\$82,000
Resident Services		\$120,000
Security		\$10,000
Utilities		\$87,5000
Reserves		\$19,250
Taxes, Insurance		\$112,500
Debt Service		\$469,406
Required Debt Service Coverage Ratio (1.10)		1.16
<b>F. TOTAL ANNUAL COST</b> (should equal G. below)		<b>\$1,052,690</b>
<b>Sources of Funds</b>		(rounded amounts)
Residential Income		\$1,103,376
Other Rental Income (laundry, Jackson Gardens reimbursement)		\$74,762
Vacancy		(50,484)
<b>G. TOTAL ANNUAL FUNDING</b> (should equal F. above)		<b>\$1,127,654</b>
Cashflow		<b>\$74,964</b>

**Project TITLE**     **Haywood House/Jackson Road Senior Housing Additional Funding**

<b>Project TIMELINE</b>	<b>Phase or Task</b>	<b>Season &amp; Year</b>
Received LIHTC award from DHCD		February 2020
Architect completed 100% design drawings		Summer 2020
Issued bids for subcontractors and finalized		Summer 2020
Secured tax credit financing from MHIC		Summer 2020
Complete tenant selection plan, AFHMP, and other management documents		Summer 2020
Initial Closing		Fall 2020
Construction Start		Fall 2020
Full Occupancy		Summer 2021

**COMMUNITY CONTACTS**

List at least 3 Newton residents or organizations willing and able to comment on the project and its manager's qualifications. No more than 1 should be a supervisor, employee or current work colleague of the project manager or sponsor. For housing projects, at least 2 contacts should reside in or near the project's neighborhood.

Name & title or organization	Email	Phone	Mailing address
Fran Godine Livable Newton	<a href="mailto:godine@comcast.net">godine@comcast.net</a>	617-969-2625	
Donna Murphy, Chair Newton Council on Aging	<a href="mailto:murphyd001@gmail.com">murphyd001@gmail.com</a>		
Jil G. Perlmutter OTR/L Senior Manager, Physicians Relations Newton-Wellesley Hospital	<a href="mailto:jperlmutter@partners.org">jperlmutter@partners.org</a>	617-243-6069	2014 Washington Street, Newton, MA 02462

Project TITLE		Haywood House/Jackson Road Senior Housing Additional Funding	
↓ Check off submitted attachments here. See also supplemental checklist for housing proposals.			
OPTIONAL (as needed)	X	Additional Narrative Explanation of Changes in Funding Request (if needed to further explain summary on Page 1)	
Separate, detailed budget attachments REQUIRED for full proposal.	PROJECT FINANCES printed and as computer spreadsheets, with both uses & sources of funds		
	X	Development pro forma/capital budget: include total cost, hard vs. soft costs and contingencies, and project management – amount and cost of time from contractors or staff (in-kind contributions by existing staff must also be costed)	
	X	Operating/maintenance budget, projected separately for each of the next 10 years (CPA funds may not be used for operations or maintenance)	
	X	Non-CPA funding: commitment letters, letters of inquiry to other funders, fundraising plans, etc., including both cash and est. dollar value of in-kind contributions	
REQUIRED for full proposal.	SPONSOR FINANCES & QUALIFICATIONS, INSTITUTIONAL SUPPORT		
	X	For sponsoring organization, most recent annual operating budget (revenue & expenses) & financial statement (assets & liabilities); each must include both public (City) and private resources (“friends” organizations, fundraising, etc.)	
OPTIONAL for all proposals.		LETTERS of SUPPORT	from Newton residents, organizations, or businesses (if applicable for new application)



82 Lincoln Street  
Newton Highlands, MA 02461

Telephone: (617)552-5501  
Fax: (617)964-8387  
TDD: (617)332-3802

Amy Zarechian  
Executive Director

### Narrative Explanation of Changes to Funding Request

During the special permitting process with the City of Newton, NHA was asked to make some design changes that have increased the total construction costs associated with the project. During Design Review meetings with the City of Newton, representatives from different City departments raised concerns about a planned curb cut on Jackson Road to allow for trash collection and requested that all trash be collected from John F. Kennedy Circle rather than from Jackson Road. In order to accommodate this, a material lift was added to the design to carry trash up from the basement level, which opens onto Jackson Road, to the main floor, which opens onto John F. Kennedy Circle. The total cost of the material lift is **\$77,900**. The quote from Baron Industries for the installation of the lift is attached.

In addition, during the design review process, the City of Newton requested that an accessible pedestrian ramp and stairs be added to the design. This is to maintain the pedestrian connection between John F. Kennedy Circle and Jackson Road, which is currently used by community members to access Lincoln-Eliot Elementary School. The existing ramp does not comply with current accessibility requirements. The total cost of the new ramp is \$285,000. This total includes \$70,000 for concrete work, \$25,000 metal handrails, \$120,000 for support of excavation, and \$70,000 for excavation, trucking and disposal, prep, and backfill. If the ramp and stair access were removed from the design, a block retaining wall at that location would cost approximately \$35,000; therefore, the change in cost for adding the ramp reflected in the NHA's proposal is **\$250,000**.

Due to current market conditions, the project is facing a cost increase. Several bids from sub-contractors have come in higher than budgeted. As a result, NHA is seeking \$77,900 in CPC funding to cover the cost of the material lift, as well as \$250,000 in CDBG funding for the ramp and stairs to Jackson Road. This additional total commitment of **\$327,900** will help to ensure that the closing can take place as planned in Fall 2020 and construction can begin thereafter.

# BARON INDUSTRIES

35 INDUSTRIAL PARKWAY  
WOBURN, MA 01801

TEL: 508-612-9705  
Email: ray@rayleo.com

DATE: 08/26/20

TO:  
Nick Bean  
Colantonio, Inc.  
16 Everett Street  
Holliston, MA 01746

Project Name: Haywood House  
Newton, MA.

Phone: 508-429-8666 X230, Email: nbean@colantonioinc.com

PREPARED By: Ray Leo

QUOTE# 080420-03

WE ARE PLEASED TO SUBMIT THE FOLLOWING QUOTATION FOR YOUR APPROVAL:

Revised: D-Series Lift

PREVAILING WAGE, TURNKEY INSTALLATION OF (1) PFLOW SERIES D3 MECHANICAL HYDRAULIC FREIGHT LIFT (VRC). THE PROPOSED VRC HAS A 3'-8" WIDE X BY 8'-4" LONG EFFECTIVE PLATFORM. PROPOSAL ASSUMES A 2-LEVEL "Z" LOAD PATTERN AND THE PROPOSED UNIT WILL ACCOMMODATE 11'-8" VERTICAL TRAVEL IN A SHAFT. INCLUDES (2) NON-MONITORED DIAGONAL LOAD BARS, AND (2) ILLUMINATED PUSH-BUTTON STATIONS. BASE PRICE ASSUMES SUITABLE MOTOR COVER BY PFLOW. SHAFT AND ASSOCIATED ENTRY DOORS ARE BY OTHERS. INTERLOCKS ARE BY PFLOW. ADEQUATE SHAFTWAY LIGHTING IS BY OTHERS. OA DIM: 8' 10" X 5' 5".

THIS PROPOSAL ASSUMES CLEAR ACCESS FOR A KNOCKED DOWN PLATFORM WITH TWO PIECE RAILS, WITH A SUITABLE EXPOSED HOISTING BEAM EXISTING OR INSTALLED BY OTHERS DIRECTLY ABOVE THE RAILS, AND SUITABLE STRUCTURE TO SUPPORT THE RAILS AT THE UPPER LANDING. MACHINE ROOM, IF REQUIRED, IS BY OTHERS OR AT ADDITIONAL COST. SUITABLE LIGHTING AT EACH LANDING, WITHIN THE HOISTWAY, AND WITHIN THE MACHINE ROOM AREA IS BY OTHERS. POWER SUPPLY BROUGHT TO THE MAIN CONTROL THROUGH A FUSED DISCONNECT AND A GFCI OUTLET WITHIN THE MACHINE ROOM AREA ARE ALSO BY OTHERS.

TURNKEY INSTALLATION INCLUDES THE REQUIRED STATE ELEVATOR PERMIT, COUNTER STAMPED DRAWINGS, HANDLING, DELIVERY, MECHANICAL INSTALLATION, CONTROL WIRING, AND SUBSEQUENT STATE INSPECTION WITH LOAD TEST AND CERTIFIED TEST WEIGHTS.

PLEASE NOTE THAT THE PROPOSED INSTALLATION WILL REQUIRE SIGNIFICANT WELDING AT THE SITE. TOWN WELDING PERMIT AND PAID FIRE DETAIL, IF REQUIRED, HAVE BEEN INCLUDED IN THIS PROPOSAL.

UNIT COST: \$75,000.00

PRICING INCLUDES: MATERIAL, TAX, FREIGHT AND TURNKEY INSTALLATION, INCLUDING WIRING TO A CUSTOMER SUPPLIED DISCONNECT.

PRICING ASSUME FROM OF SHAFTWAY WILL BE LEFT OPEN FOR INSTALLATION OF THE LIFT.

FOR A TWO PIECE BACK FRAME AND KNOCKED DOWN CARRIAGE, ADD: \$2,900.00

THIS UNIT COMES WITH A MOTOR COVER, BUT THE STATE MAY REQUIRE A SEPARATE 3' X 7' MACHING ROOM WITH A ROOF, SELF CLOSING LOCKABLE DOOR, LIGHT AND AN ELECTRICAL OUTLET.

ACCEPTED BY: \_\_\_\_\_ DATE: \_\_\_\_\_ P.O. # \_\_\_\_\_  
TERMS: 1/3 DEPOSIT, BALANCE UPON COMPLETION.

**HAYWOOD HOUSE**  
**Newton, Massachusetts**

**SUMMARY**

August 21, 2020

**55 One Bedroom Units**  
**32- tax credit, 23-99%**  
**22 New Parking Spaces**  
**9% Tax Credits @ \$0.94**

**NET DEVELOPMENT FEE \$1,342,936**

**NET ACQUISITION PAYMENT \$1**

<b>UNITS</b>	0 BR	1 BR	2 BR	3 BR	4 BR	
30% AMI PBV	0	11	0	0	0	11
MRVP	0	0	0	0	0	0
60% AMI	0	21	0	0	0	21
99% AMI	0	23	0	0	0	23
Market	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>55</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>55</b>

<b>SOURCES</b>	<b>P/U</b>	
Cash	\$0	\$0
Federal LIHTC	\$7,905,000	\$143,727
State LIHTC	\$3,950,000	\$71,818
Federal HTC	\$0	\$0
FCF	\$750,000	\$13,636
State HOME	\$450,000	\$8,182
NHA	\$625,000	\$11,364
AHTF	\$750,000	\$13,636
CDBG	\$625,000	\$11,364
HSF	\$500,000	\$9,091
CPA	\$3,000,000	\$54,545
Deferred Developer Fee	\$657,064	\$11,947
CBH	\$750,000	\$13,636
Permanent Loan	\$8,600,000	\$156,364
<b>TOTAL</b>	<b>\$28,562,064</b>	<b>\$519,310</b>

32.85%

<b>USES</b>	<b>P/U</b>	
Acquisition	\$1	\$0
Construction	\$23,640,768	\$429,832
Soft Costs	\$3,652,822	\$66,415
Fees	\$2,526,345	\$45,934
<b>TOTAL</b>	<b>\$29,819,936</b>	<b>\$542,181</b>

**GAP (\$1,257,872)**

**Per Unit Cost \$542,181**

**Per Unit Resid. \$ w/o Jackson Gardens \$505,833**

<b>ANNUAL INCOME</b>	<b>P/U</b>	
Rental Income	\$1,103,376	\$20,061
Other Income	\$74,762	\$1,359
(Vacancy)	(\$50,484)	(\$918)
Net Income	\$1,127,654	\$20,503
Operations	(\$583,284)	(\$10,605)
<b>NOI</b>	<b>\$544,370</b>	<b>\$9,898</b>
<b>Debt Service</b>	<b>(\$469,406)</b>	<b>(\$8,535)</b>
<b>Net Cashflow</b>	<b>\$74,964</b>	<b>\$1,363</b>
<b>Coverage ratio</b>	<b>1.16</b>	

<b>ANNUAL OPERATING BUDGET</b>	<b>P/U</b>	
Management Fee	\$50,744	\$923
Administration	\$79,790	\$1,451
Maintenance	\$82,000	\$1,491
Utilities	\$87,500	\$1,591
Services	\$120,000	\$2,182
Taxes	\$82,500	\$1,500
Insurance	\$30,000	\$545
Replacement Res.	\$19,250	\$350
Other	\$31,500	\$573
<b>TOTAL</b>	<b>\$583,284</b>	<b>\$10,605.17</b>



Commonwealth of Massachusetts  
DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary

March 2, 2020

Ms. Amy Zarechian  
Newton Housing Authority  
82 Lincoln Street  
Newton, MA 02461

RE: Haywood House, Newton

Dear Ms. Zarechian:

On behalf of the Baker Polito Administration, I am pleased to inform you that funds in the amount of \$750,000 from the Affordable Housing Trust Fund (“AHTF”) have been conditionally reserved by the Department of Housing and Community Development (“DHCD”) for a permanent mortgage loan for the Project, subject to the terms stated herein. If all the requirements of this Conditional Funding Reservation and an AHTF Award are satisfied, the AHTF loan will be made to the Project’s borrower/owner, the Newton Housing Authority (the “Developer”).

This Conditional Funding Reservation is issued pursuant to and in reliance on your funding application submitted to DHCD on October 31, 2019. The Conditional Funding Reservation is also based upon your agreement that the Project will consist of 55 units of rental housing, of which all will be Affordable Housing Trust Fund-assisted. AHTF units must be affordable to households at or below 110% of Area Median Income for at least 30 years. The amount awarded shall be the minimum amount necessary to make a project feasible. The borrower must be current on all existing mortgage obligations with the Commonwealth or any subdivision of the Commonwealth. To accomplish this goal, the loan documents will contain appropriate restrictions on the use of the Project.

The term may be extended under certain conditions with the approval of DHCD. The loan may be without interest or at an interest rate acceptable to DHCD which will be determined prior to loan closing, and there will be no periodic payments due under the loan. Typically, there will be one payment due at maturity, in an amount (subject to adjustment for interest costs, penalties, and other charges under the terms of the loan documents) representing the entire balance of the loan. However, DHCD reserves the right to require repayment of the Affordable Housing Trust Fund loan out of cash flow if DHCD deems there is or may be at some point in the future adequate cash flow to do so.

As collateral for the loan, DHCD will take a mortgage and security agreement on the real property included in the Project. The priority position of the Affordable Housing Trust Fund mortgage will be determined at the time of MassDocs loan closing. A change in ownership of the Project or in

the legal form of the owner of the Project, the placing of additional encumbrances on the Project without the prior written consent of DHCD, failure to maintain the Eligible Use for the Project, or default under senior mortgage loans, shall be among the events of default under the Affordable Housing Trust Fund loan.

This Conditional Funding Reservation is contingent upon the Developer meeting the following general conditions to the satisfaction of DHCD by November 15, 2020:

1. Submission to and approval by DHCD of the following:
  - a. Updated One-Stop: With the issuance of this award, DHCD will not permit an increase in the total developer fee, overhead, and consulting costs from the calculation submitted and approved in the One Stop Application. If additional project sources become available, DHCD may reduce its award.
  - b. Evidence of firm commitment for construction and/or permanent mortgage financing from those entities and in those amounts shown on the development pro forma, and on such terms as are acceptable to DHCD;
  - c. Detailed time lines for the construction of the Project, including construction completion date, funding schedule, and move-in date;
  - d. Documentation of the bid process, contractor, selection process, and plan for monitoring of construction or rehabilitation;
  - e. Documentation that the general contractor is bonded or, if the general contractor is unable to meet this requirement, at DHCD's discretion, the general contractor will be required to obtain or have a Letter of Credit for a minimum of 15% of the construction contract;
  - f. Documentation of plans for meeting applicable state and federal requirements regarding Section 3, Minority and Women-Owned Business Enterprises, Davis-Bacon, Environmental Review, Uniform Relocation Act, and conflict of interest; and
  - g. Documentation that all contractors/subcontractors have been screened to confirm that they are not debarred or ineligible to work on a project.
2. Submission of a purchase and sale agreement or an instrument satisfactory to DHCD which indicates that by the date of the Affordable Housing Trust Fund loan closing, the Developer will have clear title to the Project, quality of title to be satisfactory to DHCD's counsel;
3. Submission to and approval by DHCD of a final construction budget with bid prices from the selected general contractor;
4. Submission of satisfactory evidence that all other legal, design, regulatory and environmental requirements for the Project are fulfilled and approvals obtained and all site surveys required for the Project are obtained;
5. Submission of and approval by DHCD of the project's service plan and evidence of a satisfactory funding commitment for the services, as applicable;

6. Submission of final plans and specifications satisfactory to DHCD and in accordance with the current QAP including evidence:
  - a. that high speed internet access will be provided in all units;
  - b. that the final plans and specifications meet or exceed Energy Star standards and incorporate the green design features outlined in the One Stop application, i.e. Appendix H;
  - c. that the building will meet federal and state requirements for accessibility;
7. Submission of a Fair Housing narrative describing how the marketing, tenant selection, and other applicable policies and procedures will incorporate the Department's Fair Housing principles;
8. Submission to and approval by DHCD of proposed signage and press release material for groundbreakings, ribbon cuttings, etc., clearly referencing DHCD's financial support of the project;
9. Please note that DHCD uses MassDocs loan documents. These documents are intended to be template document to be employed "as is" with the exception of project specific provisions. Sample MassDocs forms may be reviewed at [www.massdocs.com](http://www.massdocs.com); and
10. Upon completion of the development, any cost savings from the original development budget may be paid per the forthcoming MassDocs loan documents. At the option of DHCD, the savings may be held as a capital reserve for the development.

Closing and funding of the Affordable Housing Trust Fund loan will be conditional upon the fulfillment of all terms and conditions of the Conditional Funding Reservation and upon satisfactory submission of all documents required by a loan closing agenda to be prepared by DHCD's special counsel for this loan. Funding of the Affordable Housing Trust Fund loan is also conditional upon the continued availability of general revenue funds or tax-exempt bonds or MassHousing flexible funds or MassHousing direct loan funds and release of funds by the Executive Office of Administration and Finance for the Affordable Housing Trust Fund. The AHTF tax exempt and general revenue loans can only be disbursed in accordance with a Capital Plan that has been approved by the Executive Office of Administration and Finance for each fiscal year of funding. Any changes in the loan amount or the timing of its disbursement may require a change in the Capital Plan and will be subject to approval of DHCD and the Executive Office of Administration and Finance. In the event that changes may be proposed, please contact the AHTF program manager.

This Conditional Funding Reservation will be in effect until November 15, 2020 and the Affordable Housing Trust Fund loan for the project may close no later than that date. If you become aware that the Project will not be able to meet all requirements for closing by that date, you should immediately contact Lynn Shields, Manager, at (617) 854-1381.

I congratulate you on receiving this Conditional Funding Reservation from the Affordable Housing Trust Fund and on your commitment to creating housing opportunities for low-income individuals and families. I look forward to seeing the project move toward completion.

Sincerely,



Jennifer D. Maddox  
Undersecretary

cc: State Senator Cynthia Stone Creem  
State Representative John J. Lawn, Jr.

This award letter shall be deemed accepted when it has been signed and a copy returned to DHCD.

Borrower Signature: \_\_\_\_\_

Date: \_\_\_\_\_

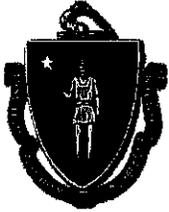
## ADDITIONAL AHTF CONDITIONS

1. The sponsor must close on the AHTF financing within one year of the date of this award or apply to the AHTF for an extension to the award. Inability to meet the one-year deadline may result in a reconsideration of this award.
2. The borrower will be responsible for payment of all costs of construction monitoring for the AHTF.
3. It is anticipated that the source of AHTF funds to be provided to the project will be tax-exempt funds.
4. The borrower of the AHTF funds must be a single purpose, sole asset entity with the exception of projects sponsored by public housing authorities in which case the public housing authority sponsor may be the borrower.
5. The fiscal year of the AHTF financing will be 2021.
6. All sources and uses must be acceptable to MassHousing.
7. AHTF financing must be applied to eligible uses. Commercial costs, reserves, and infrastructure are not eligible uses.
8. Identification of a general contractor acceptable to MassHousing and DHCD if the general contractor is not identified at the time of application or if the general contractor is changed from that in the application.
9. Upon receipt by the borrower, disbursing agent or escrow agent, AHTF funds must be deposited into non-interest-bearing accounts (IOLTA accounts may not be used).
10. The execution of an Affordable Housing Restriction satisfactory to MassHousing and DHCD that shall provide that units shall be leased, rented or otherwise made available exclusively to persons or families whose annual income, at the time of initial occupancy of the unit, is less than or equal to area median income based on family size pursuant to the so-called Section 8 Program under Section 8 of the U.S. Housing Act of 1937, or any successor program, and the regulations promulgated thereunder according to the schedule below.

<b>Income Type</b>	<b>Bedrooms</b>	<b>Units</b>	<b>RA Type</b>	<b>Unit Type</b>
30% Rental Assisted	1-Bed	11	Section 8	
60% Non-Rental Assisted	1-Bed	21	MRVP	
100% AMI	1-Bed	23		

11. The Affordable Housing Restriction shall be in effect in perpetuity.
12. The debt coverage ratio, trending assumptions, and vacancy rates must be acceptable to MassHousing.

13. Project sponsors are strongly encouraged to seek additional non-MassDocs sources for the project. Please note that in the event the sponsor obtains additional funding for the project, the Affordable Housing Trust Fund award may be reduced, as necessary and appropriate to maintain compliance and consistency with Affordable Housing Trust Fund requirements.
14. Submission of an as-is appraisal acceptable to MassHousing and DHCD.
15. If there is an identity of interest between the sponsor and the general contractor or if a construction contractor is selected on any basis other than a competitive bid, the sponsor must submit a plan acceptable to MassHousing and DHCD to ensure that construction pricing is competitive and, prior to loan closing, evidence that the price is, in fact, competitive.
16. The developer must respond to issues raised in recent design/cost review commissioned by DHCD in a form and manner acceptable to MassHousing.
17. The developer must clarify that there is no commercial space and fix the OneStop accordingly.
18. Submission of a vehicle access plan acceptable to MassHousing that addresses deliveries, pick up/drop off, trash collection, and emergency.



Commonwealth of Massachusetts  
 DEPARTMENT OF HOUSING &  
 COMMUNITY DEVELOPMENT

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary

March 2, 2020

Ms. Amy Zarechian  
 Executive Director  
 Newton Housing Authority  
 82 Lincoln Street  
 Newton Highlands, MA 02461

**RE: Haywood House, Newton**

Dear Ms. Zarechian:

On behalf of the Baker Polito Administration, I am pleased to inform you that funds in an amount not to exceed \$750,000 from the Community Based Housing (CBH) program have been conditionally reserved by the Department of Housing and Community Development (DHCD) as a permanent mortgage loan for the Project, subject to the terms stated herein. If all the requirements of this Conditional Funding Reservation are satisfied, the CBH loan will be made to the project's borrower/owner, NHA Haywood House LLC (the "Developer").

This Conditional Funding Reservation is issued pursuant to and in reliance on your application submitted to DHCD on October 31, 2019. It is also based upon your agreement that the Project will consist of 55 units of housing, of which 3 will be Community Based Housing-assisted. In general, all CBH-assisted units will be reserved for 30 years and remain available to a Person Considered Eligible (PCE) in accordance with the CBH regulations for the entire term of the CBH loan. These units shall be modified to reasonably accommodate disabled persons, and be fully compliant with CBH design guidelines (the "Eligible Uses"). Eligibility as a PCE shall be approved by EOHHS acting through its designee, Mass Rehabilitation Commission. These units shall be reserved for PCEs whose incomes may range from 15%-80% of AMI. Developers must have a rent structure that can accommodate this range and provide commitments of project-based subsidy to demonstrate this. All residents of CBH units shall receive the benefit of income or rental assistance such that no CBH resident shall be required to pay more than 35% of adjusted income towards rent. To accomplish this goal, the loan documents will contain appropriate restrictions on the use of the Project.

The loan term will be 30 years. The term may be extended under certain conditions with the approval of DHCD. The loan may be without interest or at an interest rate acceptable to DHCD which will be determined prior to loan closing, and there will be no periodic payments due under the loan and there will be no loan origination or other processing fees charged to the developer, with the exception of possible legal fees. Typically, there will be one payment due at maturity, in an amount (subject to adjustment for interest costs, penalties, and other charges under the terms of

the loan documents) representing the entire balance of the loan. However, DHCD reserves the right to require repayment of the Community Based Housing loan out of cash flow if DHCD deems there is or may be at some point in the future adequate cash flow to do so. DHCD's practice has been to pay the entire cost of the outside legal counsel assigned to close the loan. In an effort to reduce legal costs for the program and to preserve the program's ability to foster the creation of additional housing, we will budget \$7,000 for the closing of this loan. It is our desire and hope that the cost will actually be less. It is the borrower's responsibility to ensure that our legal counsel is provided with all the necessary documentation in a timely and professional manner. Any costs above this amount will be the responsibility of the borrower. Funds in an amount necessary to cover fees in excess of the \$7,000 will be paid by the borrower at the closing of the CBH loan from the proceeds of the loan or through terms mutually agreed upon by the borrower and DHCD.

As collateral for the loan, DHCD will take a mortgage and security position on the real property included in the Project. The priority position of the CBH mortgage may not be any more junior than a third mortgage, unless DHCD agrees otherwise in writing. A change in ownership of the Project or in the legal form of the owner of the Project, the placing of additional encumbrances on the Project without the prior written consent of DHCD, failure to maintain the Eligible Use of the Project, or default under senior mortgage loans, shall be among the events of default under the Community Based Housing loan.

This Conditional Funding Reservation will result in a CBH loan to the Project, provided the Developer meets the following conditions to the satisfaction of DHCD.

1. submission to and approval by DHCD of the following:
  - a. updated development and operating pro formas: With the issuance of this award, DHCD will not permit an increase in the total developer fee, overhead, and consulting costs, from the calculation submitted and approved in the One Stop Application, if additional project sources become available, DHCD may reduce its award;
  - b. evidence of a firm commitment of all acquisition, construction and permanent mortgage financing from those entities and in those amounts shown on the development pro forma, and on such terms as are acceptable to DHCD;
  - c. detailed time lines for the rehabilitation of the Project, including construction completion date, funding schedule, and move-in date;
  - d. documentation of the bid process, contractor selection process, and plan for monitoring of rehabilitation;
  - e. documentation that the general contractor is bonded or, if the general contractor is unable to meet this requirement, at DHCD's discretion the general contractor will be required to obtain a Letter of Credit for a minimum of 15% of the construction contract;
  - f. documentation of plans for meeting applicable state and/or federal requirements regarding Section 3, Minority and Women-Owned Business Enterprises, Davis-Bacon, Environmental Review, Uniform Relocation Act, and conflict of interest;
  - g. documentation that all contractors/subcontractors have been screened to confirm that they are not debarred or ineligible to work on a project;

2. submission of an instrument satisfactory to DHCD which indicates that by the date of the FCF-DMH loan closing, the Developer will have clear title to the Project, quality of the title to be satisfactory to DHCD's counsel;
3. submission to and approval by DHCD of a final construction budget with bid prices from the selected general contractor;
4. submission of final plans and specification satisfactory to DHCD;
5. submission of documentation that the building will meet federal and state requirements for accessibility;
6. submission of a Fair Housing narrative describing how the marketing, tenant selection, and other applicable policies and procedures will incorporate the Department's Fair Housing principles;
7. submission of satisfactory evidence that all other legal, design, regulatory, and environmental requirements for the Project are fulfilled and all approvals and site surveys required for the Project are obtained;
8. submission of and approval by DHCD of evidence of a satisfactory funding commitment for the Project's service plan.
9. submission of and approval by DHCD of incorporation in the project, to the extent feasible and possible, of all elements of green design in accordance with the most recent Qualified Allocation Plan.

Closing and funding of the CBH loan will be conditioned upon the fulfillment of all terms and conditions of the Conditional Funding Reservation and upon satisfactory submission of all documents required by a loan closing agenda to be prepared by DHCD's special counsel for this loan.

Funding for the CBH loan is also conditioned upon continued availability of state bond funds, and upon the release of funds for the CBH Program to DHCD by the Executive Office of Administration and Finance. The CBH Loan can only be disbursed in accordance with a Capital Plan that has been approved by Executive Office of Administration and Finance for each fiscal years funding. The state fiscal year for the project's CBH funds will be confirmed during the loan closing process. Any changes in the loan amount or the timing of its disbursement may require a change in the Capital Plan, and will be subject to approval of DHCD and the Executive Office of Administration and Finance. In the event that changes may be proposed, please contact DHCD and your CEDAC project manager immediately.

Closing and funding of the CBH loan will be conditional upon the fulfillment of this Conditional Funding Reservation and upon the satisfactory submission of all documents required by a loan closing agenda to be prepared by DHCD's special counsel for this loan. If you realize that you will not be able to meet these requirements, please notify Bronia Clifton, Supportive Housing and Special Projects Director at 617-573-1305. Please note that DHCD uses MassDocs loan documents. These documents are intended to be template documents to be employed "as is" with

the exception of project specific provisions. Sample MassDocs may be reviewed at [www.massdocs.com](http://www.massdocs.com).

I congratulate you on receiving this Conditional Funding Reservation from the CBH Program and I look forward to seeing the Project move towards completion.

Sincerely,



Jennifer D. Maddox  
Undersecretary

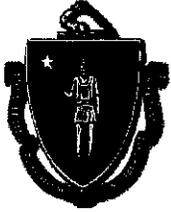
This Conditional Funding Reservation shall be deemed accepted when it has been signed and a copy returned to DHCD.

---

Borrower Signature

Date: \_\_\_\_\_

cc: Roger Herzog, CEDAC  
State Representative John Lawn, Jr.  
State Senator Cynthia Creem  
Congressman Joseph Kennedy III  
U.S. Senator Edward Markey  
U.S. Senator Elizabeth Warren



Commonwealth of Massachusetts  
 DEPARTMENT OF HOUSING &  
 COMMUNITY DEVELOPMENT

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary

March 2, 2020

Ms. Amy Zarechian  
 Executive Director  
 Newton Housing Authority  
 82 Lincoln Street  
 Newton Highlands, MA 02461

**RE: Haywood House, Newton**

Dear Ms. Zarechian:

On behalf of the Baker Polito Administration, I am pleased to inform you that funds in an amount not to exceed \$750,000 from the Facilities Consolidation Fund (FCF-DMH) have been conditionally reserved by the Department of Housing and Community Development (DHCD) as a permanent mortgage loan for the Project, subject to the terms stated herein. If all the requirements of this Conditional Funding Reservation are satisfied, the FCF-DMH loan will be made to the project's borrower/owner, NHA Haywood House LLC (the "Developer").

This Conditional Funding Reservation is issued pursuant to and in reliance on your application submitted to DHCD on October 31, 2019. The Project must proceed to a full financial closing by November 15, 2020 or this Conditional Funding Reservation will expire and may not be renewed by DHCD. It is also based upon your agreement that the Project will consist of 55 units of housing, of which 3 will be Facilities Consolidation Fund-assisted. In general, all FCF-DMH-assisted units will be reserved for 30 years for consumers of the Massachusetts Department of Mental Health whose incomes are no higher than 50% of area median. To accomplish this goal, the loan documents will contain appropriate restrictions on the use of the Project.

The loan term will be 30 years. The term may be extended for one or more periods of up to 10 years each under certain conditions with the approval of DHCD. The loan may be without interest, or at an interest rate acceptable to DHCD which will be determined prior to loan closing. No periodic payments will be due under the loan. The FCF-DMH loan may not be prepaid during the term of the loan. However, DHCD reserves the right to require repayment of the Facilities Consolidation Fund loan out of cash flow if DHCD deems there is or may be at some point in the future adequate cash flow to do so. There will be no loan origination or other loan processing fees charged to the Developer, with the exception of possible legal fees.

DHCD's practice has been to pay the entire cost of the outside legal counsel assigned to close the loan. In an effort to reduce legal costs for the program and to preserve the program's ability to foster the creation of additional housing, we will budget \$7,000 for the closing of this loan. It is

our desire and hope that the cost will actually be less. It is the borrower's responsibility to ensure that our legal counsel is provided with all the necessary documentation in a timely and professional manner. Any costs above this amount will be the responsibility of the borrower. Funds in an amount necessary to cover fees in excess of the \$7,000 will be paid by the borrower at the closing of the FCF-DMH loan from the proceeds of the loan or through terms mutually agreed upon by the borrower and DHCD.

As collateral for the loan, DHCD will take a mortgage and security position on the real property included in the Project. The priority position of the FCF-DMH mortgage may not be any more junior than a third mortgage, unless DHCD agrees otherwise in writing. A change in ownership of the Project or in the legal form of the owner of the Project, the placing of additional encumbrances on the Project without the prior written consent of DHCD, failure to maintain the Eligible Use of the Project, or default under senior mortgage loans, shall be among the events of default under the FCF-DMH loan.

This Conditional Funding Reservation will result in a FCF-DMH loan to the Project, provided the Developer meets the following conditions to the satisfaction of DHCD by November 15, 2020:

1. submission to and approval by DHCD of the following:
  - a. updated development and operating pro formas: With the issuance of this award, DHCD will not permit an increase in the total developer fee, overhead, and consulting costs, from the calculation submitted and approved in the One Stop Application, if additional project sources become available, DHCD may reduce its award;
  - b. evidence of a firm commitment of all acquisition, construction and permanent mortgage financing from those entities and in those amounts shown on the development pro forma, and on such terms as are acceptable to DHCD;
  - c. detailed time lines for the rehabilitation of the Project, including construction completion date, funding schedule, and move-in date;
  - d. documentation of the bid process, contractor selection process, and plan for monitoring of rehabilitation;
  - e. documentation that the general contractor is bonded or, if the general contractor is unable to meet this requirement, at DHCD's discretion the general contractor will be required to obtain a Letter of Credit for a minimum of 15% of the construction contract;
  - f. documentation of plans for meeting applicable state and/or federal requirements regarding Section 3, Minority and Women-Owned Business Enterprises, Davis-Bacon, Environmental Review, Uniform Relocation Act, and conflict of interest;
  - g. documentation that all contractors/subcontractors have been screened to confirm that they are not debarred or ineligible to work on a project;
2. submission of an instrument satisfactory to DHCD which indicates that by the date of the FCF-DMH loan closing, the Developer will have clear title to the Project, quality of the title to be satisfactory to DHCD's counsel;

3. submission to and approval by DHCD of a final construction budget with bid prices from the selected general contractor;
4. submission of final plans and specification satisfactory to DHCD;
5. submission of documentation that the building will meet federal and state requirements for accessibility;
6. submission of a Fair Housing narrative describing how the marketing, tenant selection, and other applicable policies and procedures will incorporate the Department's Fair Housing principles;
7. submission of satisfactory evidence that all other legal, design, regulatory, and environmental requirements for the Project are fulfilled and all approvals and site surveys required for the Project are obtained;
8. submission of and approval by DHCD of evidence of a satisfactory funding commitment for the Project's service plan.
9. submission of and approval by DHCD of incorporation in the project, to the extent feasible and possible, of all elements of green design in accordance with the most recent Qualified Allocation Plan.

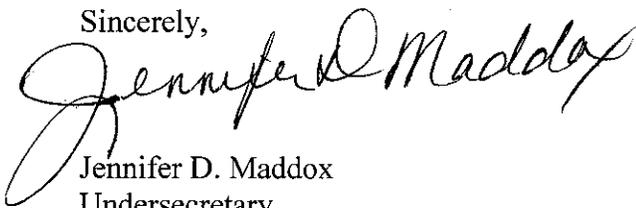
Closing and funding of the FCF-DMH loan will be conditioned upon the fulfillment of all terms and conditions of the Conditional Funding Reservation and upon satisfactory submission of all documents required by a loan closing agenda to be prepared by DHCD's special counsel for this loan.

Funding for the FCF-DMH loan is also conditioned upon release of funds for the FCF-DMH Program to DHCD by the Executive Office of Administration and Finance. This FCF-DMH loan is included in the Commonwealth's Capital Plan, with the exact amount of the loan approved for a specific fiscal year. This FCF-DMH loan can only be disbursed in accordance with the currently approved Capital Plan. Any changes in the loan amount or the timing of its disbursement may require a change in the Capital Plan, and will be subject to approval by DHCD and the Executive Office of Administration and Finance. In the event that changes may be proposed, please contact your CEDAC project manager immediately.

Again, the project must proceed to a full financial closing by November 15, 2020 or this Conditional Funding Reservation will expire and may not renew. If you realize that you will not be able to meet all the requirements within this time, please notify Bronia Clifton, Supportive Housing and Special Projects Manager at 617-573-1305. Closing and funding of the FCF-DMH loan will be conditional upon the fulfillment of this Conditional Funding Reservation and upon the satisfactory submission of all documents required by a loan closing agenda to be prepared by DHCD's special counsel for this loan. Please note that DHCD uses MassDocs loan documents. These documents are intended to be template documents to be employed "as is" with the exception of project specific provisions. Sample MassDocs may be reviewed at [www.massdocs.com](http://www.massdocs.com).

I congratulate you on receiving this Conditional Funding Reservation from the FCF-DMH Program and I look forward to seeing the Project move towards completion.

Sincerely,



Jennifer D. Maddox  
Undersecretary

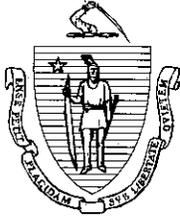
This Conditional Funding Reservation shall be deemed accepted when it has been signed and a copy returned to DHCD.

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Borrower Signature

Date: \_\_\_\_\_

cc: Roger Herzog, CEDAC  
State Representative John Lawn, Jr.  
State Senator Cynthia Creem  
Congressman Joseph Kennedy III  
U.S. Senator Edward Markey  
U.S. Senator Elizabeth Warren



Commonwealth of Massachusetts  
DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary

March 2, 2020

Amy Zarechian  
Executive Director  
Newton Housing Authority  
82 Lincoln Street  
Newton Highlands, MA 02461

RE: Haywood House, Newton (the "Project")

Dear Ms. Zarechian:

On behalf of the Baker Polito Administration, I am pleased to inform you that funds in the amount of \$450,000 from the HOME Investment Partnerships Program ("HOME") have been contingently reserved by the Department of Housing and Community Development ("DHCD") for a permanent mortgage loan for the Project, subject to the terms stated herein. If all the requirements of this Conditional Funding Reservation and a state comptroller's Standard Contract for HOME projects are satisfied, the HOME loan will be made to the Project's borrower/owner, NHA Haywood House LLC.

This Conditional Funding Reservation is issued pursuant to and in reliance on your funding application submitted to DHCD on October 31, 2019. The project must proceed to a full financial closing by November 15, 2020 or this Conditional Funding Reservation will expire and may not be renewed by DHCD. The Conditional Funding Reservation is based upon your agreement that the Project will consist of fifty-five (55) units of rental housing, eleven (11) of which will be HOME-assisted, which will be reserved for 30 years for individuals and families whose incomes are no higher than 50% of area median for not less than 20% of the units, and no higher than 60% of area median for the remaining units (the "Eligible Use"). To accomplish this goal, the loan documents will contain appropriate restrictions on the use of the Project. All HOME units that also have project-based rental assistance will need to be classified as 'Low HOME' units in the HOME Standard Contract and relevant loan documents.

The loan term will be 30 years. The term may be extended under certain conditions with the approval of DHCD. Typically, the loan will carry an interest rate determined by the developer and DHCD. The interest rate may be the "applicable federal rate." Typically, there will be one payment due at maturity, in an amount (subject to adjustment for interest costs, penalties, and other charges under the terms of the loan documents) representing the entire balance of the loan. However, DHCD reserves the right to require repayment of the HOME loan out of cash flow if DHCD deems there is or may be at some point in the future adequate cash flow to do so.

As collateral for the loan, DHCD will take a mortgage and security agreement on the real property included in the Project. The priority position of the HOME mortgage will be determined at the time of execution of a HOME Standard Contract. A change in ownership of the Project or in the legal form of the owner of the Project, the placing of additional encumbrances on the Project without the prior written consent of DHCD, failure to maintain the Eligible Use for the Project, or default under senior mortgage loans, shall be among the events of default under the HOME loan.

This Conditional Funding Reservation will result in the execution of a HOME Standard Contract for the Project, provided that the Developer meets the following general conditions to the satisfaction of DHCD by November 15, 2020:

1. submission to and approval by DHCD of the following:
  - a. updated development and operating pro formas: With the issuance of this award, DHCD will not permit an increase in the total developer fee, overhead, and consulting costs (as calculated within HOME program guidelines), from the calculation submitted and approved in the One Stop Application, if additional project sources become available, DHCD may reduce its award;
  - b. evidence of firm commitment for construction and/or permanent mortgage financing from those entities and in those amounts shown on the development pro forma, and on such terms as are acceptable to DHCD;
  - c. detailed time lines for the construction of the Project, including construction completion date, funding schedule, and move-in date;
  - d. documentation of the bid process, contractor selection process, and plan for monitoring of construction;
  - e. documentation that the general contractor is bonded or, if the general contractor is unable to meet this requirement, at DHCD's discretion will be required to obtain a Letter of Credit for a minimum of 15% of the construction contract;
  - f. documentation of plans for meeting applicable state and federal requirements regarding Section 3, Minority and Women-Owned Business Enterprises, Davis-Bacon, Uniform Relocation Act, Violence Against Women Act (VAWA) and conflict of interest;
  - g. documentation to support DHCD's completion of the required HUD Environmental Review process, as the project cannot proceed with any choice-limiting actions until this process has been completed and HUD has issued its release of funds letter;
  - h. documentation that all members of the development team, including contractors and subcontractors have been screened to confirm that they are not debarred or ineligible to work on a project;
2. submission of a purchase and sale agreement or other instrument satisfactory to DHCD which indicates that by the date of the HOME loan closing, the Developer will have clear title to the Project, quality of title to be satisfactory to DHCD's counsel;

3. submission to and approval by DHCD of a final construction budget with bid prices from the selected general contractor;
4. submission of final plans and specifications satisfactory to DHCD including evidence:
  - a. that high speed internet access will be provided in all units; and
  - b. that the final plans and specifications meet or exceed Energy Star standards and incorporate the sustainable design features pledged in the One Stop application dated October 31, 2019;
5. submission of documentation that the building will meet federal and state requirements for accessibility;
6. submission of a Fair Housing narrative describing how the marketing, tenant selection, and other applicable policies and procedures will incorporate the Department's Fair Housing principles;
7. submission of satisfactory evidence that all other legal, design, regulatory and environmental requirements for the Project are fulfilled and approvals obtained and all site surveys required for the Project are obtained;
8. submission to and approval by DHCD of proposed signage and press release material for groundbreaking, ribbon cuttings, etc., clearly referencing DHCD's financial support of this project;
9. Please note that these DHCD HOME funds will be available no earlier than MA FY19;
10. Please note that DHCD uses MassDocs loan documents. These documents are intended to be template documents to be employed 'as is' with the exception of project specific provisions. Sample MassDocs may be reviewed at [www.massdocs.com](http://www.massdocs.com);
11. Upon completion of the development, any cost savings from the original budget for the development, including 100% of the unused soft cost contingency, shall be paid pro rata to the MassDocs Participating Lenders as a prepayment of their respective loan and/or grant. At the option of DHCD, the savings may be held as a capital reserve for the development.

Again, the project must proceed to a full financial closing by November 15, 2020 or this Conditional Funding Reservation will expire. If you become aware that the Project will not be able to meet all requirements for closing by that date, you should immediately contact Rebecca Frawley Wachtel, the HOME Program Director, at (617) 573-1318. Closing and funding of the HOME loan will be conditional upon the fulfillment of this Conditional Funding Reservation and the HOME Standard Contract and upon satisfactory submission of all documents required by a

loan closing agenda to be prepared by DHCD's special counsel for this loan. Funding of the HOME loan also is conditional upon the continued availability of federal funds and release of funds by the Executive Office of Administration and Finance for the HOME Program.

I congratulate you on receiving this Conditional Funding Reservation from the HOME Program and on your commitment to creating housing opportunities for low-income individuals and families. I look forward to seeing the project move toward completion.

Sincerely,



Jennifer D. Maddox  
Undersecretary

cc: Senator Elizabeth Warren  
Senator Edward J. Markey  
Congressman Joseph P. Kennedy III  
State Senator Cynthia Stone Creem  
State Representative Ruth B. Balser

This award letter shall be deemed accepted when it has been signed and a copy returned to DHCD.

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date

**Additional Project Conditions:  
Haywood House, Newton (the "Project")**

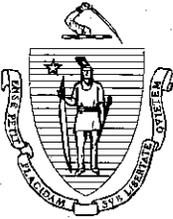
Based on the DHCD funding sources awarded to the Project, Haywood House is subject to various federal and/or state requirements, including, but not limited to:

- Conformance with all HOME Rule requirements, including updates to the Final Rule, as published July 24, 2013, and per ongoing related HUD guidance
- Uniform Relocation Assistance Act (24 CFR Part 49) & 104 (d) (24 CFR Part 42)
- Massachusetts Relocation Act (M.G.L. c.79A and 760 CMR 27.00)  
(<http://www.mass.gov/hed/community/planning/relocation-assistance-bor.html>)
- HUD Environmental Review (24 CFR Part 58 and related laws,  
<http://www.gpo.gov/fdsys/pkg/CFR-2004-title24-vol1/pdf/CFR-2004-title24-vol1-part58.pdf>)  
([http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/environment/review](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/environment/review))
- Massachusetts Historic Commission approval (950 CMR 71.00)
- Davis Bacon Wages (Davis-Bacon and Related Acts (40 USC 276(A)-7)) (**N/A- 11 HOME Units**)
- Section 3 of the Housing & Urban Development Act of 1968
- MBE/WBE hiring goals
- The Violence Against Women Reauthorization Act of 2013 (VAWA)
- Subsidy Layering Review (Internal HOME SLR)
- Section 504 of the Rehabilitation Act of 1973
- Massachusetts Architectural Access Board Guidelines (M.G.L. c. 22 and 521 CMR)
- Americans with Disabilities Act (ADA) (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, 225)
- Affirmative Marketing (<http://www.mass.gov/hed/docs/dhcd/hd/fair/afhmp.pdf>)
- Equal Opportunity
- Federal Lead-Based paint laws (various; see 24 CFR Part 92.355)

- Massachusetts Lead-Based paint laws (various, including 105 CMR 460.000 and 454 CMR 22.00)

The Project may be subject to additional requirements not indicated above, based on non-DHCD funding sources. Please check with all your funders to determine applicability of federal and state requirements.\

If you believe that your project is not subject to any of the requirements indicated above, or if you have questions about these requirements, please contact Rebecca Frawley Wachtel at 617-573-1318.



Commonwealth of Massachusetts  
DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary

March 2, 2020

Amy Zarechian  
Executive Director  
Newton Housing Authority  
82 Lincoln Street  
Newton Highlands, MA 02461

RE: Haywood House, Newton (the "Project")

Dear Ms. Zarechian:

On behalf of the Baker Polito Administration, I am pleased to inform you that funds in the amount of \$500,000 from the Housing Stabilization Fund ("HSF") have been conditionally reserved by the Department of Housing and Community Development ("DHCD") for a permanent mortgage loan for the Project, subject to the terms stated herein. If all the requirements of this Conditional Funding Reservation and a state comptroller's Standard Contract for HSF projects are satisfied, the HSF loan will be made to the Project's borrower/owner, NHA Haywood House LLC.

This Conditional Funding Reservation is issued pursuant to and in reliance on your funding application submitted to DHCD on October 31, 2019. The project must proceed to a full financial closing no later than November 15, 2020 or this Conditional Funding Reservation will expire and may not be renewed by DHCD. The Conditional Funding Reservation is also based upon your agreement that the Project will consist of 55 units of rental housing, 32 of which will be HSF-assisted. Twenty-one (21) HSF-assisted units will be reserved for 50 years for individuals and families whose incomes are no higher than 60% of area median income and eleven (11) HSF-assisted units will be reserved for 50 years individuals and families whose incomes are no higher than 30% of area median income (the "Eligible Use"). To accomplish this goal, the loan documents will contain appropriate restrictions on the use of the Project.

The loan term will be 50 years. The term may be extended under certain conditions with the approval of DHCD. The loan may be without interest or an interest rate acceptable to DHCD which will be determined prior to closing. Typically, there will be one payment due at maturity, in an amount (subject to adjustment for costs, penalties, and other charges under the terms of the loan documents) representing the entire balance of the loan. However, DHCD reserves the right to require repayment of the HSF loan out of cash flow if DHCD deems there is or may be at some point in the future adequate cash flow to do so.

As collateral for the loan, DHCD will take a mortgage and security agreement on the real property included in the Project. The priority position of the HSF mortgage will be determined at the time of execution of a HSF Standard Contract. A change in ownership of the Project or in the legal form of the owner of the Project, the placing of additional encumbrances on the Project without the prior written consent of DHCD, failure to maintain the Eligible Use for the Project, or default under senior mortgage loans, shall be among the events of default under the HSF loan.

This Conditional Funding Reservation will result in the execution of a HSF Standard Contract for the Project, provided that the Developer meets the following general conditions to the satisfaction of DHCD by November 15, 2020:

1. submission to and approval by DHCD of the following:
  - a. updated One-Stop: With the issuance of this award, DHCD will not permit an increase in the total developer fee, overhead, and consulting costs from the calculation submitted and approved in the One Stop Application, if additional project sources become available, DHCD may reduce its award;
  - b. evidence of firm commitment for construction and/or permanent mortgage financing from those entities and in those amounts shown on the development pro forma, and on such terms as are acceptable to DHCD;
  - c. detailed time lines for the rehabilitation of the Project, including construction completion date, funding schedule, and move-in date;
  - d. documentation of the bid process, contractor selection process, and plan for monitoring of rehabilitation;
  - e. documentation that the general contractor is bonded or, if the general contractor is unable to meet this requirement, at DHCD's discretion the general contractor will be required to obtain a Letter of Credit for a minimum of 15% of the construction contract;
  - f. documentation of plans for meeting applicable state and federal requirements regarding Section 3, Minority and Women-Owned Business Enterprises, Davis-Bacon, Environmental Review, Uniform Relocation Act, and conflict of interest;
  - g. documentation that all contractors/subcontractors have been screened to confirm that they are not debarred or ineligible to work on a project;
2. submission of an instrument satisfactory to DHCD which indicates that by the date of the HSF loan closing, the Developer will have clear title to the Project, quality of title to be satisfactory to DHCD's counsel;
3. submission to and approval by DHCD of a final construction budget with bid prices from the selected general contractor;
4. submission of satisfactory evidence that all other legal, design, regulatory and environmental requirements for the Project are fulfilled and approvals obtained and all site surveys required for the Project are obtained;

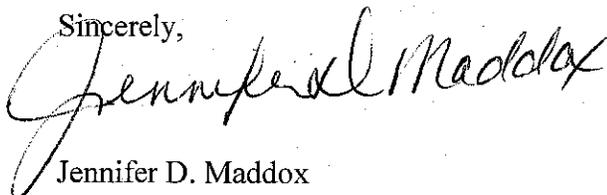
5. submission of and approval by DHCD of the project's service plan and evidence of a satisfactory funding commitment for the services, as applicable;
6. submission of final plans and specifications satisfactory to DHCD and in accordance with the current QAP including evidence:
  - a. that high speed internet access will be provided in all units;
  - b. that the final plans and specifications meet or exceed Energy Star standards and incorporate the sustainable design features pledged in the One Stop application dated October 31, 2019, i.e. Appendix H;
  - c. that the building will meet federal and state requirements for accessibility;
7. submission of a Fair Housing narrative describing how the marketing, tenant selection, and other applicable policies and procedures will incorporate the Department's Fair Housing principles;
8. submission of satisfactory evidence that all other legal, design, regulatory and environmental requirements for the Project are fulfilled and approvals obtained and all site surveys required for the Project are obtained;
9. submission to and approval by DHCD of proposed signage and press release material for groundbreakings, ribbon cuttings, etc., clearly referencing DHCD's financial support of the project;
10. please note that DHCD uses MassDocs loan documents. These documents are intended to be template documents to be employed "as is" with the exception of project specific provisions. Sample MassDocs may be reviewed at [www.massdocs.com](http://www.massdocs.com); and
11. upon completion of the development, any cost savings from the original development budget may be paid per the forthcoming MassDocs loan documents. At the option of DHCD, the savings may be held as a capital reserve for the development.

Closing and funding of the HSF loan will be conditional upon the fulfillment of all terms and conditions of the Conditional Funding Reservation and the HSF Standard Contract and upon satisfactory submission of all documents required by a loan closing agenda to be prepared by DHCD's special counsel for this loan. Funding of the Housing Stabilization Fund loan is also conditional upon the continued availability of state bond funds and release of funds by the Executive Office of Administration and Finance for the Housing Stabilization Fund. The HSF Loan can only be disbursed in accordance with a Capital Plan that has been approved by Executive Office of Administration and Finance for each fiscal years funding. The state fiscal year for the project's HSF funds will be confirmed during the loan closing process. Any changes in the loan amount or the timing of its disbursement may require a change in the Capital Plan, and will be subject to approval of DHCD and the Executive Office of Administration and Finance. In the event that changes may be proposed, please contact DHCD immediately.

This Conditional Funding Reservation will be in effect until November 15, 2020 and the Housing Stabilization Fund loan for the project may close no later than that date. If you become aware that the Project will not be able to meet all requirements for closing by that date, you should immediately contact Bill Cole, HSF Program Director, at 617.573.1303.

I congratulate you on receiving this Conditional Funding Reservation from the HSF Program and on your commitment to creating housing opportunities for low-income individuals and families. I look forward to seeing the project move toward completion.

Sincerely,



Jennifer D. Maddox  
Undersecretary

This award letter shall be deemed accepted when it has been signed and a copy returned to DHCD.

---

Borrower Signature

---

Date

cc: Senator Elizabeth Warren  
Senator Edward J. Markey  
Congressman Joseph P. Kennedy III  
State Senator Cynthia Stone Creem  
State Representative Ruth B. Balsler

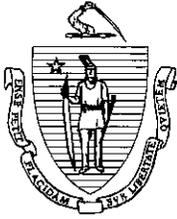
Additional Project Conditions  
Haywood House/Newton (the "Project")

Based on the DHCD funding sources awarded to the Project, Haywood House is subject to various federal and/or state requirements, including, but not limited to:

- Conformance with all HOME Rule requirements, including updates to the Final Rule, as published July 24, 2013, and per ongoing related HUD guidance
- Uniform Relocation Assistance Act (24 CFR Part 49) & 104 (d) (24 CFR Part 42)
- Massachusetts Relocation Act (M.G.L. c.79A and 760 CMR 27.00)  
(<http://www.mass.gov/hed/community/planning/relocation-assistance-bor.html>)
- HUD Environmental Review (24 CFR Part 58 and related laws,  
<http://www.gpo.gov/fdsys/pkg/CFR-2004-title24-vol1/pdf/CFR-2004-title24-vol1-part58.pdf>)  
([http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/environment/review](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/environment/review))
- Massachusetts Historic Commission approval (950 CMR 71.00)
- Davis Bacon Wages (Davis-Bacon and Related Acts (40 USC 276(A)-7))
- Section 3 of the Housing & Urban Development Act of 1968
- MBE/WBE hiring goals
- Subsidy Layering Review
- Section 504 of the Rehabilitation Act of 1973
- Massachusetts Architectural Access Board Guidelines (M.G.L. c. 22 and 521 CMR)
- Americans with Disabilities Act (ADA) (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, 225)
- Affirmative Marketing (<http://www.mass.gov/hed/docs/dhcd/hd/fair/afhmp.pdf>)
- Nondiscrimination and Equal Opportunity
- Federal Lead-Based paint laws (various; see 24 CFR Part 92.355)
- Massachusetts Lead-Based paint laws (various, including 105 CMR 460.000 and 454 CMR 22.00)

The Project may be subject to additional requirements not indicated above, based on non-DHCD funding sources. Please check with all your funders to determine applicability of federal and state requirements.

If you believe that your project is not subject to any of the requirements indicated above, or if you have questions about these requirements, please contact Bill Cole at 617.573.1303.



Commonwealth of Massachusetts  
**DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ◆ Karyn E. Polito, Lt. Governor ◆ Jennifer D. Maddox, Undersecretary

March 2, 2020

Amy Zarechian  
Executive Director  
Newton Housing Authority  
82 Lincoln Street  
Newton Highlands, MA 02461

RE: Haywood House, Newton (the "Project")

Dear Ms. Zarechian:

On behalf of Governor Charles D. Baker, I am pleased to announce the selection of Haywood House (the "Project"), located in Boston, MA, for a **Conditional Reservation** of Low-Income Housing Tax Credits. The Department of Housing and Community Development ("DHCD") is setting aside \$850,000 of its 2020, or a later year of, federal Low-Income Housing Tax Credits and \$1,000,000 of its 2020, or a later year of, Massachusetts State Low-Income Housing Tax Credits for the Project. This letter represents a **Conditional Reservation** of the stated amounts of tax credits. These amounts are based upon DHCD's determination that these are the lowest amounts of tax credits necessary for the feasibility of the Project. This tax credit amount is subject to DHCD review at the time a binding commitment is requested, at the time of carryover allocation (if applicable), and at the time the Project is placed in service pursuant to Section 42 of the Internal Revenue Code. At the time these subsequent reviews take place, DHCD reserves the right to reduce the tax credit amount based on DHCD's determination of the least amount of tax credits necessary for the feasibility of the Project at that time.

As of the date of this Conditional Reservation, there are insufficient 2020 federal tax credits available to fund your entire Conditional Reservation. If a sufficient amount of 2020 federal tax credits to fund your entire Conditional Reservation becomes available to DHCD through returned tax credits between the date of this Conditional Reservation and project loan closing or December 1, 2020, then DHCD will make an allocation of 2020 federal tax credits to the Project subject to all of the conditions set forth below. If additional 2020 federal tax credits sufficient to meet the entire Conditional Reservation do not become available, then, subject to all of the conditions set forth below, DHCD may make an allocation of a later year of federal tax credits to the Project for all or a portion of this amount and will issue, by the end of the calendar year, a binding commitment to allocate a later year of the federal Low-Income Housing Tax Credits to the Project in accordance with Internal Revenue Code Section 42(h)(1)(C) for the balance of the Conditional Reservation amount. Such binding commitment will contain conditions established by DHCD, and all such conditions must be met to DHCD's satisfaction in order for DHCD to allocate tax credits to the Project.

As of the date of this Conditional Reservation, there are also insufficient 2020 state tax credits available to fund your entire Conditional Reservation. If a sufficient amount of 2020 state tax credits to fund your entire Conditional Reservation becomes available to DHCD through returned tax credits between the date of this Conditional Reservation and project loan closing or December 1, 2020, then DHCD will make an allocation of 2020 state tax credits to the Project subject to all of the conditions set forth below. If additional 2020 state tax credits sufficient to meet the entire Conditional Reservation do not become available, then, subject to all of the conditions set forth below, DHCD may make an allocation of a later year of state tax credits to the Project for all or a portion of this amount and will issue, by the end of the calendar year, a binding commitment to allocate a later year of State Low-Income Housing Tax Credits to the Project in accordance with M.G.L. c. 62 sec. 6I, and M.G.L. c. 63 sec. 31H for the balance of the Conditional Reservation amount. Such binding commitment will contain conditions established by DHCD, and all such conditions must be met to DHCD's satisfaction in order for DHCD to allocate tax credits to the Project.

This Conditional Reservation is issued pursuant to and in reliance upon information presented in the Low-Income Housing Tax Credit Program/One Stop Application submitted October 31, 2019, which stated the developer shall lease 32 of the 55 units (or 58.18% of the units) in the Project to individuals or families whose income is 60% or less of the area median gross income as determined in accordance with Section 42 of the Internal Revenue Code. The Application also stated that at least 11 units would be leased to households whose incomes are at or below 30% area median gross income adjusted for family size. Should such information or any other information presented in the above-referenced application change, DHCD must be notified immediately and it reserves the right to reduce and/or withdraw this Conditional Reservation. **With the issuance of this award letter, DHCD will not permit an increase in the total developer fee, overhead, and consulting costs (as calculated in accordance with the calculation schedule provided in the 2018-2019 QAP), from the calculation submitted in the approved One Stop Application.**

**This Conditional Reservation for the Low-Income Housing Tax Credits is subject to the Project's meeting one of the following requirements:**

1) The Project is eligible for a Carryover Allocation pursuant to Section 42 of the Internal Revenue Code.

If the Project has not been Placed in Service pursuant to Section 42 of the Internal Revenue Code by the end of the calendar year in which you have credits, the Project may be eligible to receive a Carryover Allocation of tax credits if all conditions stipulated by DHCD in Attachment 1 have been met. The Project will then have two years from the date of the Carryover, in which to be Placed in Service. Documentation verifying that the conditions in Attachment 1 have been met as stipulated must be submitted to Jonathan Tambiah, DHCD, 100 Cambridge Street, Suite 300, Boston, MA 02114 no later than project loan closing or October 1, 2020. DHCD expressly reserves the right to reduce or withdraw this Conditional Reservation if all conditions in Attachment 1 are not met to DHCD's satisfaction by October 1, 2020. If the Project receives a Carryover Allocation, a binding election must be made by December 1<sup>st</sup> of the year in which you have credits, whether to freeze the tax credit rate at the December rate or select the rate for the month the Project is placed in service.

2) The Project or one or more buildings in the Project is Placed in Service pursuant to Section 42 of the Internal Revenue Code.

If the Project or one or more buildings in the Project is placed in service by the end of the calendar year in which you have credits, the Project or one or more buildings in the Project may be eligible to receive an IRS Form 8609 and Eligibility Statement (Final Allocation) of credits provided that the Project satisfies all

pertinent IRS and DHCD requirements. You must contact Jonathan Tambiah in writing at the above address no later than **December 1<sup>st</sup>** of the year in which you have credits if your project will be placed in service by December 31<sup>st</sup> of that year.

All projects will be subject to annual compliance monitoring to allow DHCD to certify the Project's compliance with Section 42(g) of the Internal Revenue Code.

I am pleased by your interest in using the Low-Income Housing Tax Credit to provide affordable housing and look forward to seeing the Project move toward completion.

Sincerely,



Jennifer D. Maddox  
Undersecretary

cc: Senator Elizabeth Warren  
Senator Edward J. Markey  
Congressman Joseph P. Kennedy III  
State Senator Cynthia Stone Creem  
State Representative Ruth B. Balser

By my signature below, I acknowledge the terms and conditions of this Conditional Reservation of Tax Credits. I fully understand that the Conditions required for a Carryover Allocation and/or Binding Commitment ***must be met by the dates specified in Attachment 1 hereto or my Reservation of Tax Credits will be in jeopardy. I understand that late submission of the required documentation will result in penalty fees*** (Please sign this acknowledgment and return it to DHCD.)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Low-Income Housing Tax Credit Program**  
**Conditional Reservation**  
**March 2, 2020**  
**Attachment 1**

The following requirements must be met to DHCD's satisfaction by project loan closing or October 1, 2020 to be eligible to receive a Carryover Allocation and/or Binding Commitment pursuant to Section 42 of the Internal Revenue Code:

- Submission to DHCD of evidence of full financial closing by November 15, 2020.
- Submission to DHCD of a formal opinion in the format prescribed by DHCD (available on our website) from the project accountant demonstrating (1) ownership of the property by the entity receiving the tax credit allocation, and (2) certifying compliance with Section 42 of the Internal Revenue Code and Treasury Regulation 1.42-6 that more than ten percent (10%) of the Owner's total reasonably expected basis in the Project has been incurred.
- Execution of the Release and Indemnification Agreement (available on our website) by an authorized representative of the entity anticipating receiving the tax credit allocation and submission of the Agreement to DHCD. The Agreement releases and indemnifies DHCD from any loss, demand or judgment resulting from the allocation of tax credits. DHCD assumes no liability for determination of the qualified basis of any project. All tax credit developers should consult a qualified tax accountant, tax attorney, and/or syndicator to determine final eligibility for the credit.
- Execution of the Owner Certification (available on our website) by an authorized representative of the entity anticipating receiving the tax credit allocation and submission of the Certification to DHCD. Please submit a revised One-Stop Application that breaks out the rental portion of the project from the homeownership portion.
- Payment to DHCD of the tax credit commitment fee which is a portion of the tax credit processing fee. The total tax-credit processing fee is equal to 8.5% of the annual tax credit amount for for-profit developers and 4.5% of the annual tax credit amount for non-profit developers, or \$38,250. The state tax credit processing fee is equal to 3% of the annual state credit amount for for-profit developers and 1.5% of the annual state credit amount for non-profit developers, or \$15,000. The total processing fee associated with this Project is \$53,250. The commitment fee is equal to one-third of the total processing fee minus the application fee. The amount owed by October 1, 2020 for this project is \$16,700. Please make the check payable to the Department of Housing and Community Development.
- Identification of an accountant with previous LIHTC experience acceptable to DHCD.
- Identification of a general contractor acceptable to DHCD.
- Identification of a management agent acceptable to DHCD. Please provide evidence that all key property manager(s) have received training regarding the compliance requirements of IRC Section 42.

- Submission of documentation identifying the finalized terms and conditions of all non-DHCD funding sources, including an updated One Stop. Please note that you must submit the updated One Stop in electronic and paper form.
- Submission of compliance with the Massachusetts Historical Commission.
- Submission of evidence of compliance with all recommendations contained in the Phase I Environmental Site Assessment Report.
- Submission of final plans and specifications satisfactory to DHCD including evidence:
  - that high speed internet access will be provided in all units; and
  - that the final plans and specifications meet or exceed Energy Star standards and incorporate the sustainable design features pledged in the One Stop application submitted October 31, 2019.

**Please be advised that any material changes to the plans and specifications must be reviewed and approved by DHCD.**
- Submission of an “as-is” appraisal supporting the acquisition cost carried in the approved One-Stop.
- Submission of evidence of compliance with the Massachusetts Architectural Access Board and all applicable federal, state, and local regulations regarding handicapped accessibility.
- Submission of Certificates of Lead Paint Compliance, if applicable.
- Submission of evidence of all necessary zoning approvals from the City of Newton.
- Submission of projected Placed in Service date as agreed to in the partnership or operating agreement.
- Submission of a Fair Housing narrative describing how the marketing, tenant selection, and other applicable policies and procedures will incorporate the Department’s Fair Housing principles, including a pledge to list vacant units upon availability with Citizen’s Housing and Planning Association’s (CHAPA’s) Massachusetts Accessible Housing Registry at <http://www.chapa.org>.
- Submission of evidence that the equity contribution was competitively bid to ensure the highest yield possible.
- Commitment from a syndicator and/or investor acceptable to DHCD.
- Satisfactory market study.

**NEWTON HOUSING AUTHORITY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

# NEWTON HOUSING AUTHORITY

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## INDEPENDENT AUDITORS' REPORT

To The Board of Commissioners  
Newton Housing Authority

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the Newton Housing Authority, as of December 31, 2018, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Newton Housing Authority's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Newton Housing Authority, as of December 31, 2018, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Notes 2 and 16 to the financial statements, the Authority adopted a new accounting pronouncement, Governmental Accounting Standards Board Statement 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinion is not modified with respect to this matter

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the required supplementary information presented on pages 40 through 43, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Newton Housing Authority's basic financial statements. The supplementary information on pages 44 through 52, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information presented on pages 44 through 52 and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information presented on pages 44 through 52 and the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have issued our report dated September 30, 2019 on our consideration of the Newton Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Newton Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Newton Housing Authority's internal control over financial reporting and compliance.

*Marcum LLP*

Boston, Massachusetts  
September 30, 2019

**NEWTON HOUSING AUTHORITY****MANAGEMENT'S DISCUSSION & ANALYSIS****DECEMBER 31, 2018**

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As management of the Newton Housing Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 15.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the Authority exceeded its liabilities and deferred inflows at the end of fiscal year 2018 by \$18,116,828 (net position).
- The net position of the Authority consisted of investment in capital assets, net of related debt in the amount of \$13,743,730, restricted net position in the amount of \$2,222,346 and unrestricted net position in the amount of \$2,150,752.
- The Authority's cash and investments at December 31, 2018 was \$8,280,397 representing an increase of \$1,270,759 from December 31, 2017.
- The Authority had intergovernmental revenues of \$9,797,636, program revenues (charges for services) and other revenues of \$4,158,656. The Authority's total expenses (exclusive of depreciation expense) were \$11,868,173 for the year ended December 31, 2018.
- The Authority's capital outlays for the year were \$779,363.

**OVERVIEW OF THE NEWTON HOUSING AUTHORITY**

The Newton Housing Authority was created in 1959 to provide and promote safe and sanitary housing for low income persons residing in Newton, MA. The Authority is a municipal corporation located in Newton, MA as was established under Chapter 121B of the State Statutes.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Newton Housing Authority's financial statements consist of two parts -1) management's discussion and analysis, which is intended to serve as an introduction to the Authority's basic financial statements, and 2) the Authority's basic financial statements which are comprised of two components: 1) financial statements, and 2) notes to the financial statements. This report also contains the schedule of expenditures of federal awards as supplementary information in addition to the basic financial statements.

The Authority is considered by accounting principles generally accepted in the United States of America (GAAP) to be a special purpose government accounted for as enterprise funds. Its chartered purpose is the housing of low and moderate income families and elderly individuals. All of the activities, programs and grants administered by the Authority are focused for that purpose.

As a single purpose enterprise fund government, the Authority is permitted to issue entity level financial statements. These statements report financial information for each of the Authority's funds and a combined total of all funds that represents the Authority wide financial position. The following is a brief description of each financial statement.

**NEWTON HOUSING AUTHORITY**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**

**DECEMBER 31, 2018**

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The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

**STATEMENT OF NET POSITION**

- The Statement of Net Position is prepared using the accrual basis of accounting and provides information relating to all financial and capital resources for the Authority as of the reporting date and related debts and other liabilities. The statement of net position is presented in a format where assets plus deferred outflows less liabilities and deferred inflows equals net position. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current."
- Net position (formerly net assets) represent the cumulative effect of revenue and expenses. It is also the difference between the sum of assets and deferred outflows less the sum of liabilities and deferred inflows. Net position is reported in three broad categories:

Unrestricted Net Position is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority.

Investment in Capital Assets, Net of Related Debt consists of all Capital Assets, reduced by accumulated depreciation and the outstanding balances of any bonds, mortgages, notes or other borrowing that is attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position consists of restricted assets, when constraints are placed on the assets by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

**Statement of Revenue Expenses and Changes in Fund Net Position**

- This statement is similar to an Income Statement. This statement includes operating revenues, such as rental income; operating expenses, such as administrative, utilities, maintenance and depreciation; and non-operating revenue and expenses, such as grant revenue, investment income and interest expense and capital contributions and operating transfers.
- The focus of this Statement of Revenues, Expenses and Changes in Fund Net Position is the "Change in Net Position," which is similar to Net Income or Loss.

**NEWTON HOUSING AUTHORITY****MANAGEMENT'S DISCUSSION & ANALYSIS****DECEMBER 31, 2018**

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**Statement of Cash Flows**

- This Statement of Cash Flows shows the sources and amounts from which the Authority received cash such as income from tenants, income from grants, loans, etc. and the items and amounts for which cash was used such as payments to vendors and contractors, payments to employees, repayment of loans, etc. The statement is divided into four major sections: operating activities, non-capital financing activities, capital and related financing activities and investing activities. The statement functions down to the net increase or decrease in the Authority's cash accounts for the reporting period.

**THE AUTHORITY'S FINANCIAL STATEMENTS**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Authority maintains an enterprise fund. The programs supporting this are as follows:

Federal Public Housing – This program accounts for all activities relating to the leasing and operation of apartments in buildings that were constructed and are owned by the Authority. These units are rented to low income families and low income elderly, disabled, and special needs individuals. The properties were constructed with grants and or loans provided by the U.S Department of Housing and Urban Development (HUD). The Authority receives grants from HUD to subsidize operating deficits. Tenants are charged rents based on a percentage of their income. In addition HUD provides capital improvement dollars through multiple capital grant programs.

Section 8 Housing Choice Voucher – HUD provides grants to the Authority to subsidize rents paid by low income families and individuals who rent dwelling units from private landlords. Under this program qualified applicants are issued vouchers which may be used by the applicant to obtain housing in the private rental market. The Authority will subsidize the landlord for the difference between the rent requested and the tenants share of the rent not to exceed a predetermined payment standard.

Section 8 New Construction Program – HUD provides a direct mortgage to a third party owner of a residential rental building. As a condition of the mortgage on the building, the owner enters into a long-term contract to rent some or all of the dwelling units to low income individuals or families and receive project based Section 8 rental assistance. Under the contract, the owner receives a subsidy equal to the difference between an approved contract rent and the tenant's share of the rent determined under HUD Section 8 regulations. On behalf of HUD, the Authority monitors the compliance with the agreement, as well as paying the HAP expense to the owner.

**NEWTON HOUSING AUTHORITY****MANAGEMENT'S DISCUSSION & ANALYSIS****DECEMBER 31, 2018**

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State and Local Programs – The Authority operates the following state and local programs:

- State Consolidated Chapters 667 and 705 – Under these programs the Authority owns, operates and maintains rental housing acquired with grants from Massachusetts Department of Housing & Community Development (DHCD). Dwelling units are leased to low income tenants and the elderly at rates based on their ability to pay. Operations are supported by the DHCD via operating grants.
- State Chapter 689 Housing – Under this program the Authority owns operates and maintains rental housing acquired with grants from DHCD. The building is generally rented to a non-profit corporation who provides health and human resource needs to mentally disabled individuals.
- Massachusetts Rental Voucher Program – DHCD provides grants to the Authority to subsidize rents paid by low income families and individuals who rent dwelling units from private landlords. Under this program qualified applicants are issued vouchers which may be used by the applicant to obtain housing in the private rental market. The Authority will subsidize the landlord for the difference between the rent requested and the tenant's share of the rent not to exceed a contract amount.
- State Modernization Program – DHCD provides grant funds to authorities with State Consolidated units based on the Authority's application and determination of need. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Authority under the State Consolidated Housing Program.
- Authority-Owned Section 8 New Construction – DHCD provides a direct mortgage to the Authority as owners of a residential rental building. As a condition of the mortgage or the mortgage insurance on the building the Authority has entered into a long-term contract to rent some or all of the dwelling units to low income individuals or families and receive project based Section 8 rental assistance from DHCD through a contract between DHCD and HUD. Under the contract the Authority receives a subsidy equal to the difference between an approved contract rent and the tenant's share of the rent determined under HUD Section 8 regulations.
- Business Activities / City of Newton's Ten Percent Zoning Ordinance – The Authority, through the City of Newton's Ten Percent Zoning Ordinance, is the recipient of monies or units of housing donated from developers of for-profit housing in Newton. This ordinance enables the Authority to broaden the scope of services it provides to the community by operating or buying additional affordable housing to lease to low and moderate income individuals and families.

**NEWTON HOUSING AUTHORITY****MANAGEMENT'S DISCUSSION & ANALYSIS****DECEMBER 31, 2018**

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**AN OVERVIEW OF THE FINANCIAL POSITION AND OPERATIONS**

The Authority's overall financial position and operations for the past two years are summarized below based on the information included in the current and prior financial statements.

The Authority's total assets and deferred outflows at December 31, 2018 were \$27.10 million, an increase of \$1.01 million, or 3.89% from December 31, 2017.

The Authority's overall financial position and results of operations are presented at the end of this report.

**CAPITAL ASSETS**

As of December 31, 2018, the Authority's investment in capital assets for its governmental activities was \$18,067,722 (net of accumulated depreciation). This investment in capital assets includes buildings, improvements, equipment, and computer software.

Major capital asset purchases during the current fiscal year include the following:

Capital expenditures of \$779,363 were made for the improvement of the Authority's rental units.

**LONG-TERM DEBT**

As of December 31, 2018, the Authority has a total \$2,163,976 of long-term debt consisting of 7 separate mortgages secured by the properties acquired by the NHA Rental Acquisition Program and NHA Local Program. Of the total, \$2,022,087 represents the long-term portion and \$141,889 represents the current portion of the debt.

**ECONOMIC FACTORS AFFECTING NEXT YEAR'S BUDGET**

The following factors were considered in preparing the Authority's budget for the 2019 fiscal year:

- There will be significant increases in employee benefit costs relating to health insurance and PHA share of retirement costs.
- The budget was prepared with the knowledge that the operating subsidy for the Low Rent Program is expected to be decreased from the prior year funding of 95% to an expected 93% proration of the CY 2019 Operating fund. The Authority budgeted admin fee revenue of the Housing Choice Voucher Program at 80%, which is consistent with the prior year. In addition to the admin fee proration, the Authority budgeted HAP expenses at 100% of its CY 2018 HAP funding.
- The Massachusetts State Housing Programs' operating expenses, other than utility costs, are being funded by the State at a 4.0% increase from the prior year level.

**NEWTON HOUSING AUTHORITY**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**

**DECEMBER 31, 2018**

**FUTURE EVENTS THAT WILL FINANCIALLY IMPACT THE AUTHORITY**

There are currently no future events that can be anticipated that will have a financial impact on the Authority.

Newton Housing Authority  
 Statements of Net Position  
 December 31, 2018 and 2017

	2018	2017	Increase (Decrease)	Percent Change
Current Assets	\$ 8,514,827	\$ 7,175,213	\$ 1,339,614	18.67%
Capital Assets, Net of Depreciation	18,067,722	18,353,124	(285,402)	-1.56%
Deferred Outflow of Resources	<u>520,602</u>	<u>560,379</u>	<u>(39,777)</u>	-7.10%
Total Assets and Deferred Outflows	<u>27,103,151</u>	<u>26,088,716</u>	<u>1,014,435</u>	3.89%
Current Liabilities	787,355	776,382	10,973	1.41%
Non-Current Liabilities	7,934,602	6,492,599	1,442,003	22.21%
Deferred Inflow of Resources	<u>264,366</u>	<u>24,103</u>	<u>240,263</u>	996.82%
Total Liabilities and Deferred Inflows	<u>8,986,323</u>	<u>7,293,084</u>	<u>1,693,239</u>	23.22%
Net Position:				
Investment in Capital Assets, Net of Debt	13,743,730	16,051,403	(2,307,673)	-14.38%
Restricted	2,222,346	672,159	1,550,187	230.63%
Unrestricted	<u>2,150,752</u>	<u>2,072,070</u>	<u>78,682</u>	3.80%
Total Net Position	<u>\$ 18,116,828</u>	<u>\$ 18,795,632</u>	<u>\$ (678,804)</u>	-3.61%

The Authority's combined net position decreased by \$678,807 from a year ago. This represents a decrease of 3.61%. This increase is a combination of three components of net position: 1) Investment in capital assets, net of debt - a decrease of \$2,307,673, 2) Restricted net position - an increase of \$1,550,187, and 3) Unrestricted net position - an increase of \$78,682.

The increase (decrease) in invested in capital assets, net of debt consists of the following items:

Capital grants received and expended	\$ 433,416
Capital purchases from operations	329,380
Restriction of soft debt	(2,160,016)
Depreciation expense	(1,048,198)
Capital debt principal paid	<u>137,745</u>
Net increase (decrease) in invested in capital assets	<u>\$ (2,307,673)</u>

The increase (decrease) in restricted net position consists of the following items:

Restricted Revenue - HCV	\$ 6,436,613
Restricted Expenses - HCV	(6,374,283)
Restriction of soft debt	2,160,016
Release of restricted net position	<u>(672,159)</u>
Net increase (decrease) in restricted net position	<u>\$ 1,550,187</u>

The increase (decrease) in unrestricted net position consists of the following items:

## NEWTON HOUSING AUTHORITY

### MANAGEMENT'S DISCUSSION & ANALYSIS

**DECEMBER 31, 2018**

Revenues and operating grants (excluding restricted revenue and capital)	\$ 7,086,263
Expenses (excluding depreciation and restricted expenses)	(5,493,890)
Capital purchases from operations	(329,380)
Capital debt principal paid	(137,745)
Prior Period Adjustment	(1,718,725)
Release of restricted net position	<u>672,159</u>
Net increase (decrease) in unrestricted net position	<u>\$ 78,682</u>

**Other items of major change from 2017 to 2018:**

Current assets increased by \$1,339,614 or 18.67%. This increase is related to the increase in cash and cash equivalents and accounts receivable – other government. The increase in cash is a result of the Authority's state 667-A program earning and collecting greater HAP payments for those units. In addition, accounts receivable – other government increased due to funds owed from DHCD for the Authority's 400-9 state program.

Investment in Capital Assets, Net of Debt and Restricted Net Position decreased and increased, respectively by a corresponding \$2,160,016 due to restricting the equity related to the forgivable loans for the properties on Pelham Street and Newtonville Avenue.

The deferred outflows of \$520,602 represents the Authority's future payments to their retirement system and group insurance commission. This account is recorded as part of the GASB 68 Pension Accounting Standard and GASB 75 Other Post-Employment Benefits Accounting Standard.

The deferred inflows of \$264,366 is recorded as part of the GASB 68 Pension Accounting Standard and GASB 75 Other Post-Employment Benefits Accounting Standard.

Non-current liabilities increased by \$1,442,003 or 22.21%. This increase is due to the implementation of GASB 75 Other Post-Employment Benefits Accounting Standard to record the Authority's entire OPEB liability.

# NEWTON HOUSING AUTHORITY

## MANAGEMENT'S DISCUSSION & ANALYSIS

**DECEMBER 31, 2018**

Newton Housing Authority  
Statement of Revenues, Expenses and Changes in Net Position  
For the Years Ended December 31, 2018 and 2017

	2018	2017	Increase (Decrease)	Percentage Change
<b>Revenues</b>				
HUD Operating Subsidies	\$ 8,450,370	\$ 8,170,342	\$ 280,028	3.43%
Tenant Revenue – Rents and Other	3,831,839	2,654,520	1,177,319	44.35%
Other Government Grants	1,060,662	1,495,306	(434,644)	-29.07%
HUD Capital Grants	286,604	29,368	257,236	875.91%
Other Revenue	244,771	127,125	117,646	92.54%
Investment Income	<u>82,046</u>	<u>68,882</u>	<u>13,164</u>	19.11%
Total Revenue	<u>13,956,292</u>	<u>12,545,543</u>	<u>1,410,749</u>	11.25%
<b>Expenses</b>				
Housing Assistance Payments	6,342,894	6,263,084	79,810	1.27%
Maintenance	1,966,770	2,072,995	(106,225)	-5.12%
Administrative	1,870,565	1,646,111	224,454	13.64%
Utilities	1,163,493	1,198,009	(34,516)	-2.88%
Depreciation	1,048,198	1,176,927	(128,729)	-10.94%
Insurance Expenses	205,537	200,112	5,425	2.71%
Tenant Services	113,773	61,134	52,639	86.10%
Interest Expense	104,771	112,881	(8,110)	-7.18%
General Expenses	<u>100,370</u>	<u>263,048</u>	<u>(162,678)</u>	-61.84%
Total Expenses	<u>12,916,371</u>	<u>12,994,301</u>	<u>(77,930)</u>	-0.60%
(Decrease) Increase in Net Position	<u>\$ 1,039,921</u>	<u>\$ (448,758)</u>	<u>\$ 1,488,679</u>	-331.73%
Net Position, Beginning of Year	<u>18,795,632</u>	<u>19,244,390</u>	<u>(448,758)</u>	-2.33%
Adjustment to Beginning Net Position	<u>(1,718,725)</u>	<u>-</u>	<u>(1,718,725)</u>	
Net Position, End of Year	<u>\$18,116,828</u>	<u>\$18,795,632</u>	<u>\$ (678,804)</u>	-3.61%
This statement excludes HAP Port In Revenue and Expenses of			FY 2018	<u>\$ 70,280</u>
			FY 2017	<u>\$ 65,502</u>

**The major changes from 2017 to 2018 of the Statement of Revenues, Expenses and Changes in Fund Net Position are:**

- Tenant revenue increased by \$1,177,319 or 44.35%. This increase is related to increases in HAP payments for the Authority's 667-A units following a rent reasonableness study.
- Other government grants decreased by \$434,644 or 29.07%. This decrease is related to the amount of work completed under the state modernization program as expenditures are direct reimbursements from the State.
- HUD capital grants increased by \$257,236 or 875.91%. This increase is related to the amount of work completed under the HUD capital grant program as expenditures are direct reimbursements from HUD.

**NEWTON HOUSING AUTHORITY****MANAGEMENT'S DISCUSSION & ANALYSIS****DECEMBER 31, 2018**

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- Other revenue increased by \$117,646 or 92.54%. This increase is due to an increase in insurance proceeds received for damages sustained at the Ash Street development.
- Interest income increased by \$13,164 or 19.11%. This increase is a result of an increase in available cash for investing purposes during the year.
- Depreciation expense decreased by \$128,729 or 10.94%. This decrease is due to a decrease in depreciable assets at year end.
- Tenant services increased by \$52,639 or 86.10%. This increase is a result of an increase in tenant services salaries due to an increase in the budget for licensed social workers.
- General expenses decreased by \$162,678 or 61.84%. This decrease was a result of a decrease in development costs related to the Haywood House project.

**REQUEST FOR INFORMATION**

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Amy Zarechian, Executive Director, Newton Housing Authority, 82 Lincoln Street, Newton, MA 02461, or call (617) 552-5501.

## NEWTON HOUSING AUTHORITY

## STATEMENT OF NET POSITION

DECEMBER 31, 2018

**ASSETS****Current Assets**

Cash and cash equivalents	\$ 8,213,206
Restricted cash	62,722
Accounts receivable, net	141,026
Prepaid expenses and other current assets	<u>93,404</u>
<b>Total Current Assets</b>	<b><u>8,510,358</u></b>

**Noncurrent Assets**

Restricted cash	4,469
Capital assets, net of accumulated depreciation	<u>18,067,722</u>
<b>Total Noncurrent Assets</b>	<b><u>18,072,191</u></b>

**TOTAL ASSETS** 26,582,549

**DEFERRED OUTFLOWS OF RESOURCES** 520,602

**LIABILITIES****Current Liabilities**

Current portion of long term debt	141,889
Accounts payable	191,734
Accounts payable, HUD	30,249
Accounts payable, other government	23,493
Accrued wages and current portion of compensated absences	63,384
Interest payable	2,520
Other current liabilities	257,500
Unearned revenue	76,194
Tenant security deposits	<u>392</u>
<b>Total Current Liabilities</b>	<b><u>787,355</u></b>

**Noncurrent Liabilities**

Long term debt, net of current portion	2,022,087
Accrued compensated absences, net of current portion	92,536
Leasing escrow liability	4,469
Net pension liability	3,054,425
Total OPEB liability	<u>2,761,085</u>
<b>Total Noncurrent Liabilities</b>	<b><u>7,934,602</u></b>

**TOTAL LIABILITIES** 8,721,957

**DEFERRED INFLOWS OF RESOURCES** 264,366

**NET POSITION**

Investment in capital assets	13,743,730
Restricted:	
Housing assistance payments	62,330
Use-restricted contributions	2,160,016
Unrestricted	<u>2,150,752</u>

**TOTAL NET POSITION** \$ 18,116,828

*The accompanying notes are an integral part of these financial statements.*

**NEWTON HOUSING AUTHORITY**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

<b>OPERATING REVENUES</b>	
HUD grants	\$ 8,450,370
Tenant rental income	3,831,839
Other government grants	698,862
Other revenue	<u>244,771</u>
<b>Total Operating Revenues</b>	<u>13,225,842</u>
 <b>OPERATING EXPENSES</b>	
Housing assistance payments	6,342,894
Administration	1,870,565
Repair and maintenance	1,863,422
Utilities	1,163,493
Depreciation expense	1,048,198
Insurance expense	205,537
Other general expenses	203,718
Tenant services	<u>113,773</u>
<b>Total Operating Expenses</b>	<u>12,811,600</u>
<b>Operating Income</b>	<u>414,242</u>
 <b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest and investment revenue	82,046
Interest expense	<u>(104,771)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(22,725)</u>
<b>Income before Capital Grants</b>	<u>391,517</u>
 <b>CAPITAL GRANTS</b>	
Other government capital grants	361,800
HUD capital grants	<u>286,604</u>
<b>Total Capital Grants</b>	<u>648,404</u>
<b>Change in Net Position</b>	<u>1,039,921</u>
Net Position, Beginning of Year - As Restated	<u>17,076,907</u>
<b>Net Position, End of Year</b>	<u>\$ 18,116,828</u>

*The accompanying notes are an integral part of these financial statements.*

**NEWTON HOUSING AUTHORITY**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
HUD grants	\$ 8,487,912
Other government grants	342,754
Receipts from tenants	3,831,123
Other operating receipts	230,975
Payments to employees	(2,384,371)
Payments to suppliers	(8,953,117)
Net cash provided by operating activities	<u>1,555,276</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Other government capital grants	352,473
HUD capital grants	286,604
Interest expense	(105,099)
Payments on long term debt	(137,745)
Acquisitions of capital assets	(762,796)
Net cash used in capital and related financing activities	<u>(366,563)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and dividends received	<u>82,046</u>
Net cash provided by investing activities	<u>82,046</u>
<b>Net increase in cash and cash equivalents</b>	<u>1,270,759</u>
Cash and cash equivalents, beginning of year	<u>7,009,638</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 8,280,397</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating Income	\$ 414,242
Adjustments:	
Depreciation	1,048,198
Change in assets and liabilities:	
(Increase) decrease in accounts receivable, tenants	6,458
(Increase) decrease in accounts receivable, other	610
(Increase) decrease in accounts receivable, HUD	20,175
(Increase) decrease in accounts receivable, other government	(102,916)
(Increase) decrease in prepaid expenses and other current assets	6,818
(Decrease) increase in accounts payable	(17,429)
(Decrease) increase in accounts payable, HUD	17,367
(Decrease) increase in accounts payable, other government	(252,328)
(Decrease) increase in compensated absences and accrued wages	4,559
(Decrease) increase in net pension and OPEB liabilities	153,782
(Decrease) increase in accrued expenses and other current liabilities	252,184
(Decrease) increase in tenant security deposits	342
(Decrease) increase in unearned operating revenue	3,214
Net cash provided by operating activities	<u>\$ 1,555,276</u>
<b>Cash and restricted cash per Statement of Net Position:</b>	
Cash and cash equivalents	\$ 8,213,206
Restricted cash - current	62,722
Restricted cash - noncurrent	4,469
<b>Total cash and restricted cash per Statement of Net Position</b>	<u>\$ 8,280,397</u>

*The accompanying notes are an integral part of these financial statements.*

**NEWTON HOUSING AUTHORITY****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2018**

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**NOTE 1 – ORGANIZATION**

The Newton Housing Authority (the Authority) was incorporated under the laws of the Commonwealth of Massachusetts. The Authority operates under a board of commissioner form of government to provide safe and decent housing to low and moderate-income families and elderly individuals.

The Authority maintains its accounting records by program and operates the following programs:

Federal Programs

Low Rent Public Housing – This program accounts for all activities relating to the leasing and operation of apartments in buildings that were constructed and are owned by the Authority. These units are rented to low income families and low-income elderly, disabled, and special needs individuals. The properties were constructed with grants and or loans provided by the U.S. Department of Housing and Urban Development (HUD). The Authority receives grants from HUD to subsidize operating deficits. Tenants are charged rents based on a percentage of their income.

Public Housing Capital Fund – HUD provides grant funds to authorities with Low Rent Public Housing units on a formula basis. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Authority under the Low Rent Public Housing Program. A portion of these funds may also be used to support operations and to make improvements in the management and operation of the Authority.

Section 8 Housing Choice Voucher – HUD provides grants to the Authority to subsidize rents paid by low income families and individuals who rent dwelling units from private landlords. Under this program, qualified applicants are issued vouchers which may be used by the applicant to obtain housing in the private rental market. The Authority will subsidize the landlord for the difference between the rent requested and the tenant's share of the rent not to exceed a predetermined payment standard.

Section 8 New Construction Program – HUD provides a direct mortgage to a third-party owner of a residential rental building. As a condition of the mortgage on the building, the owner enters into a long-term contract to rent some or all of the dwelling units to low income individuals or families and receive project-based Section 8 rental assistance. Under the contract, the owner receives a subsidy equal to the difference between an approved contract rent and the tenant's share of the rent determined under HUD Section 8 regulations. On behalf of HUD, the Authority monitors the compliance with the agreement, as well as paying the HAP expense to the owner.

## NEWTON HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

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## NOTE 1 – ORGANIZATION (CONTINUED)

State/Local and Other Programs

State Consolidated and State Chapter 705 Housing – Under these programs, the Authority owns, operates and maintains rental housing acquired with grants from Massachusetts Department of Housing & Community Development (DHCD). Dwelling units are leased to low income tenants at rates based on their ability to pay. Operations are supported by DHCD via operating grants.

State Chapter 689 Housing – Under this program, the Authority owns operates and maintains rental housing acquired with grants from DHCD. The building is generally rented to a non-profit corporation who provides health and human resource needs to mentally disabled individuals.

Massachusetts Rental Voucher Program (MRVP) – DHCD provides grants to subsidize rents paid by low income families and individuals who rent dwelling units from private landlords. Qualified applicants are issued vouchers which may be used by the applicant to obtain housing in the private rental market. The Authority subsidizes the landlord for the difference between the rent requested and the tenant's share of the rent not to exceed a contract amount.

State Modernization Program – DHCD provides grant funds to authorities with State Consolidated units based on the Authority's application and determination of need. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Authority under the State Consolidated Housing Program.

Authority-Owned Section 8 New Construction – DHCD provides a direct mortgage to the Authority as owners of a residential rental building. As a condition of the mortgage on the building, the Authority has entered into a long-term contract to rent some or all of the dwelling units to low income individuals or families and receive project-based Section 8 rental assistance from DHCD through a contract between DHCD and HUD. Under the contract, the Authority receives a subsidy equal to the difference between an approved contract rent and the tenant's share of the rent determined under HUD Section 8 regulations.

Business Activities / City of Newton's Ten Percent Zoning Ordinance – The Authority, through the City of Newton's Ten Percent Zoning Ordinance, is the recipient of monies or units of housing donated from developers of for-profit housing in Newton. This ordinance enables the Authority to broaden the scope of services it provides to the community by operating or buying additional affordable housing to lease to low and moderate income individuals and families.

**NEWTON HOUSING AUTHORITY****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*****FINANCIAL REPORTING ENTITY***

The Authority's financial statements include the accounts of all of the Authority's operations. The criteria for including organizations as component units within the Authority's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Authority holds the corporate powers of the organization
- the Authority appoints a voting majority of the organization's board
- the Authority is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Authority
- there is fiscal dependency by the organization on the Authority

Based on the aforementioned criteria, the Authority has no component units.

***BASIS OF PRESENTATION AND ACCOUNTING***

The Authority is a special-purpose government entity engaged only in business-type activities and, as such, the financial statements are presented as a single enterprise fund utilizing the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses when the related liability for goods and services is incurred, regardless of the timing of the related cash flows.

The Authority's financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB). The Authority follows GASB as applied to governmental entities.

The Authority's primary source of nonexchange revenue relates to grants and subsidies. Grants and subsidies revenue is recognized at the time eligible program expenses occur and/or the Authority has complied with the grant and subsidy requirements, in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Grants received in advance of expenses are recorded as a liability until earned.

**NEWTON HOUSING AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New Accounting Standards Adopted**

During 2018, the Authority adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*; addresses accounting and financial reporting for OPEB that is provided to employees of state and local governmental employers. The provisions of this Statement are effective for periods beginning after June 15, 2017. The adoption of this accounting standard resulted in a net increase in the liability for Other Postemployment Benefits other than Pensions of \$79,362 Refer to Notes 13 and 16.

Also during 2018, the Authority adopted the following accounting standards that did not impact the Authority's financial statements.

<b>GASB</b>	
<b>Statement Number</b>	<b>Name</b>
81	Irrevocable Split-Interest Agreements
82	Pension Issues
85	Omnibus 2017
86	Certain Debt Extinguishment Issues

***USE OF ESTIMATES***

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates that affect reported amounts of assets, liabilities, revenues and expenses and related disclosures. Actual amounts could differ from those estimates.

***CASH AND CASH EQUIVALENTS***

The Authority considers cash equivalents to be all highly liquid investments with a maturity of three months or less when purchased. Also included in cash equivalents are non-negotiable certificates of deposits, recorded at cost in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

# NEWTON HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *ACCOUNTS RECEIVABLE*

Accounts receivable from tenants are carried at the original amount billed less an estimate made for doubtful accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by using historical experience applied to an aging of accounts receivable. Accounts receivable from tenants are written off with board approval when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. Allowances for other non-tenant receivables are reviewed annually. See Note 6 for details of accounts receivable and allowances at year end.

#### *CAPITAL ASSETS*

Capital assets include land, property, furniture, equipment and machinery with initial, individual costs that equal or exceed \$5,000 and estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the time of acquisition. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Land and Building Improvements	15 years
Furniture, Equipment and Machinery	3-10 years

#### *IMPAIRMENT OF CAPITAL ASSETS*

Governmental Accounting Standards Board's, Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* requires certain note disclosures regarding impairments of capital assets. The Authority did not recognize any impairments of capital assets in fiscal year 2018.

#### *COMPENSATED ABSENCES*

The Authority's policy allows employees to earn a maximum of 15 sick days per year, commensurate on experience. Any employee who has attained 55 years of age and 10 years of services may collect 20% of their accumulated sick leave if they leave the employ of the Authority and officially retire with the City retirement board. Employees are eligible to earn between 10 and 25 days of vacation based on years of service, employees may carryover a maximum of 5 days of vacation into the following year. Total accrued compensated absences at December 31, 2018 aggregated \$116,073

**NEWTON HOUSING AUTHORITY****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*****OPERATING REVENUES AND EXPENSES***

Operating revenue includes operating grants and subsidies, rental income, management services provided and all other revenue relating to the provision of safe, decent and affordable housing services that do not result from transactions defined as capital and related financing, non-capital and related financing or investing activities. Operating expenses include wages, housing assistance payments, utilities, maintenance, depreciation of capital assets, administrative expenses and all other expenses relating to the provision of safe, decent and affordable housing services that do not result from transactions defined as capital and related financing, non-capital and related financing or investing activities.

***NON-OPERATING REVENUES AND EXPENSE***

The Authority's nonoperating revenues relate primarily to capital grants and contributions provided by HUD and the Commonwealth of Massachusetts, and interest income. For reporting purposes, capital grant revenue is recognized when expenditures are incurred, and advance receipts are initially recorded as unearned revenue. Nonoperating expenses are expenditures derived from transactions other than those associated with the Authority's primary housing operations and are reported as incurred.

***ECONOMIC DEPENDENCY***

The Authority's state and federal programs are economically dependent on grants and annual contributions from DHCD and HUD, respectively. These programs operate at a loss prior to receiving these grants and contributions.

***PENSIONS***

The fiduciary net position of the retirement system has been determined using the flow of economic resources measurement focus and full accrual basis of accounting as reported by the retirement system. The same basis was applied for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and additions to/deductions from the retirement system's fiduciary net position.

***OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)***

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined by an actuarial valuation conducted by the Authority and are accounted for in accordance with the requirements of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*.

**NEWTON HOUSING AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES***

Deferred outflows of resources are the consumption of net position by the Authority that is applicable to a future reporting period. Deferred inflows of resources are the acquisition of net position by the Authority that is applicable to a future reporting period. These consist of the deferral of the recognition of revenues and expenses until the future period to which the outflows and inflows are related. The Authority's deferred outflows and inflows of resources are either related to pension (See Note 12) or related to OPEB (See Note 13). The following is a summary of deferred outflows and inflows of resources at December 31, 2018:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Related to Pensions	\$ 458,190	\$ 228,114
Related to OPEB	62,412	36,252
Total	\$ 520,602	\$ 264,366

***APPLICATION OF RESOURCES***

The Authority would first apply restricted resources when an expense is incurred for which both restricted and unrestricted resources are available.

***SUBSEQUENT EVENTS***

Management has evaluated subsequent events through September 30, 2019, which is the date these financial statements were available to be issued. All subsequent events requiring recognition or disclosure as of December 31, 2018 have been incorporated into these financial statements.

**NOTE 3 – NET POSITION**

Net position represents the cumulative effect of revenue and expenses. It is also the difference between the sum of assets and deferred outflows less the sum of liabilities and deferred inflows. Net position is reported in three broad categories:

Net Investment in Capital Assets consists of all capital assets, reduced by accumulated depreciation, the outstanding balances of any bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position consists of restricted assets, when constraints are placed on the assets by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc. At December 31, 2018, restrictions of \$62,330, represent the net position restricted by HUD related to the Housing Choice Voucher Program to be used for future HAP payments. Restrictions of \$2,160,016 represent the value of forgivable loans assumed by the Authority for which the Authority has agreed to the deed restrictions limiting the use of the property for affordable housing purposes (see Note 10).

# NEWTON HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3 – NET POSITION (CONTINUED)

Unrestricted Net Position is designed to represent the net available (non-capital) assets, for the entire Authority.

### NOTE 4 – CASH AND CASH EQUIVALENTS

The Authority has adopted HUD's Investment Regulation PIH 1996-33 as its investment policy. HUD regulations require that all HUD deposits in financial institutions and investments be fully insured or collateralized, by U.S. Government obligations that have a fair value of not less than the principal amount of the deposits. The policy also requires that investments not have a maturity period longer than three years.

#### Custodial Credit Risk – Cash Deposits

In the case of cash deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk, except ensuring that it follows the HUD regulations for federal deposits as detailed in a prior paragraph. At December 31, 2018, the Authority's cash deposits of \$8,280,397 were fully insured or collateralized.

### NOTE 5 – RESTRICTED CASH

The Authority's restricted cash balance consists of funds restricted for future HAP payments, funds held in escrow related to an organization leasing property from the Authority as well as funds designated for tenant security deposits. These amounts support either a corresponding liability or restricted net position. At December 31, 2018, restricted cash was categorized as follows:

Category of Restriction	Amount
Housing assistance payments	\$ 62,330
Leasing escrow	4,469
Tenant security deposits	392
Total	\$ 67,191

# NEWTON HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2018**

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### NOTE 6 – ACCOUNTS RECEIVABLE

The following is a listing of receivables for the Authority including the applicable allowances for uncollectible accounts at December 31, 2018.

Category of Receivable	Amount
Other Government	\$ 111,324
PHA Projects	206
Tenants	<u>117,122</u>
	228,652
Allowance - Tenants	<u>(87,626)</u>
Net Receivables	<u>\$ 141,026</u>

### NOTE 7 – CAPITAL ASSETS

The following is a summary of changes in capital assets and related accumulated depreciation.

	1/1/2018	Increases	Decreases	12/31/2018
Capital assets not being depreciated				
Land	\$ 5,961,657	\$ --	--	\$ 5,961,657
Construction in Progress	<u>1,454,288</u>	<u>596,108</u>	--	<u>2,050,396</u>
Total capital assets not being depreciated	<u>7,415,945</u>	<u>596,108</u>	--	<u>8,012,053</u>
Other Capital Assets				
Buildings	33,483,959	158,950	--	33,642,909
Furniture, equipment & machinery	<u>195,561</u>	<u>7,738</u>	<u>(89,238)</u>	<u>114,061</u>
Total other capital assets	<u>33,679,520</u>	<u>166,688</u>	<u>(89,238)</u>	<u>33,756,970</u>
Less accumulated depreciation				
Buildings	22,578,742	1,037,981	--	23,616,723
Furniture, equipment & machinery	<u>163,599</u>	<u>10,217</u>	<u>(89,238)</u>	<u>84,578</u>
Total accumulated depreciation	<u>22,742,341</u>	<u>1,048,198</u>	<u>(89,238)</u>	<u>23,701,301</u>
Capital Assets Net	<u>\$ 18,353,124</u>	<u>\$ (285,402)</u>	<u>\$ --</u>	<u>\$ 18,067,722</u>
Depreciation expense was charged to:				
Federal Public Housing		<u>\$ 470,682</u>		
State/Local Programs		<u>\$ 344,653</u>		
Business Activities		<u>\$ 232,863</u>		

# NEWTON HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2018**

### NOTE 8 – NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended December 31, 2018 is as follows:

	1/1/2018	Additions	Reductions	12/31/2018	Amount due within one year
Compensated Absences	\$ 113,399	\$ 167,547	\$ (164,873)	\$ 116,073	\$ 23,537
Leasing Escrow	9,785	--	(5,316)	4,469	--
Net Pension Liability	3,320,190	--	(265,765)	3,054,425	--
Total OPEB Liability	<u>2,681,723</u>	<u>79,362</u>	<u>--</u>	<u>2,761,085</u>	<u>--</u>
Total	<u>\$ 6,125,097</u>	<u>\$ 246,909</u>	<u>\$ (435,954)</u>	<u>\$ 5,936,052</u>	<u>\$ 23,537</u>

### NOTE 9 – LONG TERM DEBT

Long term debt activity for the year ended December 31, 2018 is as follows:

	1/1/2018	Additions	Reductions	12/31/2018	Amount due within one year
Notes Payable	<u>\$ 2,301,721</u>	<u>\$ --</u>	<u>\$ (137,745)</u>	<u>\$ 2,163,976</u>	<u>\$ 141,889</u>

The Authority constructed an elderly housing project in 1981. Funds to construct the project were provided by the Commonwealth of Massachusetts through a State bond issue, the proceeds of which were granted to the Authority. The grant received by the Authority was \$1,176,000. The project is backed by a Federal Section 8 housing assistance payments contract held by the Commonwealth of Massachusetts. Under the terms of this contract the Authority receives a housing assistance payment so that the total rent received for each unit is equivalent to a published fair market rent. The Authority is making a payment to the Commonwealth for \$7,308 per month from the housing assistance payment that it receives. The purpose of this payment is to repay the original \$1,176,000 grant plus interest over a 40-year period. The payments to the Commonwealth will end in 2021. Accordingly, the grant has been treated as a debt instrument for financial reporting purposes. The interest rate implicit in the payments is 7.0% per annum. For the year ended December 31, 2018, interest expense incurred on this loan was \$18,391. The outstanding principal balance at December 31, 2018 was \$230,753.

Through debt financing and funding provided by the City of Newton's Ten Percent Zoning Ordinance, as described in Note 1, the Authority has acquired various rental properties in the City of Newton. All mortgage notes used to finance the acquisition of these properties are held with local lending institutions and are collateralized by deeds of trust on real property. These notes have terms of 25 to 30 years, accrue interest at rates of 1.00% to 4.75% per annum, and are payable in equal monthly installments of principal and interest; aggregating \$16,302 per month.

# NEWTON HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2018**

### NOTE 9 – LONG TERM DEBT (CONTINUED)

For the year ended December 31, 2018, interest expense incurred on these loans was \$86,380. The outstanding principal balance on the mortgage notes at December 31, 2018 was \$1,933,223.

The debt will be amortized as follows:

Year	Principal Payments	Interest Payments	Total
2019	\$ 141,889	\$ 114,833	\$ 256,722
2020	150,648	106,074	256,722
2021	148,343	96,737	245,080
2022	78,847	90,179	169,026
2023	82,875	86,151	169,026
2024 - 2028	483,248	361,882	845,130
2029 - 2033	624,357	220,773	845,130
2034 - 2038	420,114	67,211	487,325
2039	<u>33,655</u>	<u>3,216</u>	<u>36,871</u>
Total	<u>\$ 2,163,976</u>	<u>\$ 1,147,056</u>	<u>\$ 3,311,032</u>

### NOTE 10 – CONTINGENT LIABILITIES

In 2008, the Authority acquired properties located at 45 Pelham Street and 390 Newtonville Avenue through a deal in which the Authority assumed the outstanding loans of the previous owner. The loans require the Authority to comply with affordability covenants throughout the terms of loans. Because the Authority has the intent and ability to maintain affordability throughout the terms of the loans, management does not expect that DHCD, CEDAC or the City of Newton will assert its right of repayment under these loan agreements; as such, these loans were accounted for as revenue in the year they were assumed and now classified as restricted net position on the Statement of Net Position. Additional terms of these loans are as follows:

Lender	Original Loan Amount	Principal Outstanding	Interest Rate	Maturity Date
Community Economic Development Assistance Corporation (CEDAC) Housing Innovation Fund	\$ 750,000	\$ 750,000	0%	2/10/2035
DHCD Affordable Housing Trust Fund	\$ 240,778	\$ 240,778	0%	2/10/2035
Newton Community Development Authority	\$ 550,000	\$ 550,000	0%	2/10/2055
Newton Community Development Authority	\$ 100,000	\$ 100,000	0%	2/10/2055
City of Newton: Community Preservation Funding	\$ 211,936	\$ 211,936	0%	3/5/2034
City of Newton: Community Preservation Funding	\$ 100,000	\$ 100,000	0%	2/10/2035
Newton Loan Program	<u>\$ 207,302</u>	<u>\$ 207,302</u>	0%	2/10/2035
	<u>\$ 2,160,016</u>	<u>\$ 2,160,016</u>		

**NEWTON HOUSING AUTHORITY****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2018**

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**NOTE 11 – REAL ESTATE TAXES**

Property owned by the Authority is exempt from local real estate taxes. The Authority has an agreement with the City of Newton under which it is exempt from any payment in lieu of taxes to the City.

**NOTE 12 – COST-SHARING DEFINED BENEFIT PENSION PLAN*****PLAN DESCRIPTION***

The Authority provides pension benefits to certain employees through the Newton Contributory Retirement System (NCRS), a cost-sharing, multiple-employer public employee retirement system regulated by Public Employee Retirement Administration Commission (PERAC). The plan is a defined benefit plan. Participation is mandatory for all full time employees of the Authority. The retirement plan is a pooled risk type of plan. Under this type of plan, funding is determined based on all employees covered for all employing units. The funding liabilities are shared by each employing unit pro-rata based on the number of employees in the employing unit. Since the Authority's share of the net pension liability is not based on their employees, pension expense is determined by the total required payment to be made to the retirement plan for the year. The NCRS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to NCRS, 1000 Commonwealth Avenue, Newton Centre, MA 02459 or by calling (617) 796-1095.

***PLAN MEMBERSHIP***

At December 31, 2018, there are 22 active employees enrolled in the plan.

***SIGNIFICANT PLAN PROVISIONS AND REQUIREMENTS***

State law establishes benefit provisions and contribution requirements of the NCRS. Employees who have at least 10 years of longevity and have attained 55 years of age are eligible to receive retirement benefits. Retired employees receive an allowance based upon the average of their three highest consecutive salary years of service multiplied by (1) the number of years and full months of creditable service at the time of retirement and (2) a percentage based on age at retirement in accordance with a schedule provided by state law. Assuming normal retirement at age 65, this percentage is 2.5%, which is reduced for individuals who retire prior to age 65 to reflect the longer payout period. Employees may elect early retirement after 20 years of service or at any time after attaining age 55 with 10 years of eligible service. Plan members who become permanently and totally disabled may be eligible to receive a disability retirement allowance. The amount of benefits to be received depends on several factors, including the member's age, compensation, veteran status, years of creditable service, and whether or not the disability is work-related. In addition, certain death benefits exist for beneficiaries of employees who die in active service.

**NEWTON HOUSING AUTHORITY****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2018**

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**NOTE 12 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)*****FUNDING POLICY***

Depending on their employment date, active Plan members must contribute either 5%, 7%, 8%, or 9% of their gross regular compensation. Members hired after December 31, 1978 must contribute an additional 2% of regular compensation in excess of \$30,000. These deductions earn interest at a rate determined by PERAC that vests based upon years of service. Member employers are required to contribute the remaining amounts necessary to finance benefits, except for certain cost-of-living adjustments (COLAs) granted before July 1, 1998, which are reimbursed by the Commonwealth. The current and two preceding years' apportionment of the annual pension cost between the employers required the Authority to contribute approximately 0.99% of the total. The Authority's required and actual contributions to NCRS for the year ended December 31, 2018 were \$292,274. Employee contributions for the same period were \$159,458.

***PENSION LIABILITIES***

At December 31, 2018, the Authority reported a liability of \$3,054,425 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

***PENSION EXPENSE AND DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES***

For the year ended December 31, 2018, the Authority recognized pension expense of \$332,709. The deferred outflows of resources resulting from contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year.

**NEWTON HOUSING AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**NOTE 12 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)**

***PENSION EXPENSE AND DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES (CONTINUED)***

At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 45,943	\$ 44,324
Changes of assumptions	108,267	--
Net difference between projected and actual earnings on pension plan investments	--	147,179
Changes in proportion and differences between contributions and proportionate share of contributions	11,706	36,611
Contributions subsequent to the measurement date	<u>292,274</u>	<u>-</u>
 Total	 <u>\$ 458,190</u>	 <u>\$ 228,114</u>

These amounts will be recognized as expense, or as a reduction of expense, as follows:

<b>Year</b>	<b>Deferred Outflows (Inflows) of Resources</b>
2019	\$ 338,035
2020	(11,161)
2021	(41,367)
2022	(55,431)
2023	--
Thereafter	<u>--</u>
 Total	 <u>\$ 230,076</u>

**NEWTON HOUSING AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

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**NOTE 12 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)**

***ACTUARIAL METHODS & ASSUMPTIONS***

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Valuation date	December 31, 2017
Actuarial cost method	Entry Age Normal Cost Method
Investment rate of return	7.25%
Discount rate	7.25%
Inflation	2.50%
Salary increases	Ranging from 3.50% to 8.00% per year based upon years of service
Cost of living adjustments	3.00% on the first \$12,000 in benefits
Mortality rates	Pre-Retirement - RP-2014 Employee Mortality Table projected generationally with Scale MP-2017.  Healthy Retiree - RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2017.  Disabled Retiree - RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**NEWTON HOUSING AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 12 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)**

***ACTUARIAL METHODS & ASSUMPTIONS (CONTINUED)***

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Expected Rate of Return</b>
Domestic Equity	17.50%	6.15%
International Equity - Developed Markets	15.50%	7.11%
International Equity - Emerging Markets	6.00%	9.41%
Core Fixed Income	12.00%	1.68%
High-Yield Fixed Income	10.00%	4.13%
Real Estate	10.00%	4.90%
Commodities	4.00%	4.71%
Hedge Funds	13.00%	3.94%
Private Equity	12.00%	10.28%

***DISCOUNT RATE***

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the Authority will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE***

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<b>1% Decrease 6.25%</b>	<b>Current Discount 7.25%</b>	<b>1% Increase 8.25%</b>
Net pension liability	\$ 3,766,015	\$ 3,054,425	\$ 2,453,607

**NEWTON HOUSING AUTHORITY****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2018**

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**NOTE 12 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)*****PENSION PLAN FIDUCIARY NET POSITION***

Detailed information about the pension plan's fiduciary net position is available in the separately issued NCRS financial report.

***PAYABLES TO THE PENSION PLAN***

As of December 31, 2018, the Authority had no outstanding payables to NCRS.

**NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)*****PLAN DESCRIPTION AND BENEFITS PROVIDED***

The Authority's defined benefit OPEB plan provides OPEB for all permanent full-time employees of the Authority. The OPEB plan is a single employer defined benefit OPEB plan administered by the Authority. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement 75.

The Authority provides comprehensive medical insurance, both with and without Medicare coordination, and life insurance to its employees who meet certain eligibility requirements. Employees are eligible for postretirement benefits if he/she has reached the age of 55 as an active employee and completed 10 years of service.

All active employees who retire from the Authority and meet the eligibility criteria will receive these benefits. The duration of these benefits is for the employee's lifetime. Under this cost sharing plan, these benefits cover 20% of premiums for Medical for those who retire on or after 10/1/2009 (15% for those who retired after 7/1/1994 but before 10/1/2009, and 10% for all others) for both individuals and family members (percentages represent the employees' portion).

The face value of each life insurance policy is \$5,000. Life insurance benefits do not apply to family members, this benefit covers 20% of premiums for Medical for those who retire on or after 10/1/2009 (15% for those who retired after 7/1/1994 but before 10/1/2009, and 10% for all others) for individuals.

***PLAN MEMBERSHIP***

At December 31, 2018, there are 16 active employees and 11 retired employees enrolled in the plan.

## NEWTON HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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## NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

***TOTAL OPEB LIABILITY***

The Authority's total OPEB liability of \$2,761,085 was measured as of December 31, 2018 and was determined by an actuarial valuation as of December 31, 2017.

***ACTUARIAL METHODS AND ASSUMPTIONS***

The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Valuation Date: Actuarially Determined Contribution was calculated as of December 31, 2017.

Actuarial Cost Method: Individual Entry Age Normal

Investment Rate of Return: 6.50%, net of OPEB plan investment, including inflation

Municipal Bond Rate: 3.16% as of December 31, 2017 (Source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)

Discount Rate: 3.25%, net of OPEB plan investment expense, including inflation.

Inflation: 2.75 % as of December 31, 2017 and for future periods

Salary Increase: 3.00% annually as of December 31, 2017 and for future periods

Cost of Living Adjustment: Not Applicable

Pre-Retirement Mortality: RP 2000 Employees Mortality Table projected generationally with scale BB and a base year 2009 for males and females.

Post-Retirement Mortality: RP 2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2009 for males and females.

Disabled Mortality: RP 2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2012 for males and females.

Mortality Experience Study: The mortality assumptions reflect PERAC's recent experience analysis published in 2014 (based on the years 2006-2011), updated to reflect data through January 1, 2015 for post-retirement mortality, and professional judgement. As such, mortality assumptions reflect observed current mortality as well as expected mortality improvements.

**NEWTON HOUSING AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

***ACTUARIAL METHODS AND ASSUMPTIONS (CONTINUED)***

Healthcare Trend: It is assumed that healthcare costs will increase at a rate of 5.0% per annum

Withdrawal Rates: Plan participants are expected to withdraw from the plan at a decreasing rate, based on years of service and age, from 27.0% at age 20 and 0-4 years of service to 3.50% at age 60 and 10+ years of service.

Retirement Rates: Plan participants are expected to retire at an increasing rate based on age and gender. Males are expected to retire at a rate of 1% for those aged 50 years, to 100% for those aged 70 years. Females are expected to retire at a rate of 1.5% for those aged 50 years, to 100% for those aged 70 years.

***CHANGES IN THE TOTAL OPEB LIABILITY***

<b>Balance at beginning of year</b>	\$ 2,681,723
<b>Changes for the year:</b>	
Service cost	88,984
Interest	89,042
Changes of benefit terms	-
Difference between expected and actual experience	(36,252)
Changes of Assumptions	-
Benefit payments	<u>(62,412)</u>
Net Changes	<u>79,362</u>
<b>Balance at end of year</b>	<u>\$ 2,761,085</u>

***SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE***

The following table presents the Plan's total OPEB liability, calculated using the discount rate of 3.25% as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.25%) or 1 percentage-point higher (4.25%) than the current rate.

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>2.25%</b>	<b>Discount</b>	<b>4.25%</b>
	<b>3.25%</b>		
Total OPEB liability	<u>\$ 3,267,771</u>	<u>\$ 2,761,085</u>	<u>\$ 2,361,995</u>

## NEWTON HOUSING AUTHORITY

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**NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)*****SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE TREND RATE***

The following table presents the net other postemployment benefit liability, calculated the healthcare trend rate if it was 1 percentage-point lower or 1 percentage-point higher than the current rate.

	<b>1% Decrease 4.00%</b>	<b>Current Trend 5.00%</b>	<b>1% Increase 6.00%</b>
Total OPEB liability	<u>\$ 2,223,239</u>	<u>\$ 2,761,085</u>	<u>\$ 3,464,620</u>

***OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB***

For the year ended December 31, 2018, the Authority recognized OPEB expenses of \$115,614. The deferred outflows of resources resulting from contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. At December 31, 2018, the Authority reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ --	\$ 36,252
Changes of assumptions	--	--
Net difference between projected and actual earnings on plan investments	--	--
Contributions subsequent to the measurement date	<u>62,412</u>	<u>--</u>
Total	<u>\$ 62,412</u>	<u>\$ 36,252</u>

**NEWTON HOUSING AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

***OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)***

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year	Deferred Outflows (Inflows) of Resources
2019	\$ 26,160
2020	-
2021	-
2022	-
2023	-
Thereafter	-
Total	\$ 26,160

**NOTE 14 – OTHER RETIREMENT PLANS**

The Authority provides to employees a separate deferred compensation plan in accordance with IRC §457. The plan is open to all employees. Employee contributions for 2018 were \$97,209. There were no employer contributions.

**NOTE 15 – RISK MANAGEMENT**

**Litigation**

The Authority is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Claims covered by the risk management program are reviewed and losses are accrued as required in the judgment of management. In the opinion of management, other than the matter disclosed below, the ultimate disposition of lawsuits and claims will not have a material adverse effect on the financial position of the Authority.

In December 2018, the Authority settled litigation brought against the Authority by a former employee for discrimination and retaliation. The Authority settled with this employee for back wages and associated legal fees aggregating \$725,000. Per the agreement, \$467,500 was paid in 2018 and \$257,500 has been accrued as of December 31, 2018.

**NEWTON HOUSING AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

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**NOTE 15 – RISK MANAGEMENT (CONTINUED)**

**Grants**

Amounts received or receivable from the grantor agencies are subject to audit and adjustment by grantor agencies. If expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

**NOTE 16 – ADOPTION OF NEW ACCOUNTING STANDARD**

In 2018, the Authority adopted Governmental Accounting Standards Board (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for measuring and reporting other post-employment benefits (OPEB). GASB 75 requires the OPEB liability to be reported on the face of the financial statements rather than in the accompanying notes, as previously required by GASB 45. In addition, the net OPEB obligation previously stated by GASB 45 has been removed. As a result, the Authority has restated the net position as of January 1, 2018 to comply with the adoption requirement of GASB 75 as follows:

Beginning Net Position - As Previously Stated	\$	18,795,632
Removal of net OPEB Obligation under GASB 45		902,852
Addition of OPEB Liability for adoption of GASB 75		<u>(2,621,577)</u>
Total Restatement		<u>(1,718,725)</u>
Beginning Net Position - Restated	\$	<u>17,076,907</u>

**NEWTON HOUSING AUTHORITY**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**LAST FISCAL YEAR**

	<u>2018</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 88,984
Interest	89,042
Changes of benefit terms	--
Difference between expected and actual experience	(36,252)
Changes of Assumptions	--
Benefit payments	<u>(62,412)</u>
Net Change in Total Pension Liability	<u>79,362</u>
<b>Total OPEB Liability - Beginning</b>	<u>2,681,723</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 2,761,085</u>
<b>Covered Payroll</b>	\$ 1,683,461
<b>Net OPEB Liability as a Percentage of Covered Payroll</b>	164.01%

The Schedule is intended to present information for 10 years, additional years will be displayed as they become available.

**NEWTON HOUSING AUTHORITY**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
NEWTON CONTRIBUTORY RETIREMENT SYSTEM**

**LAST 4 FISCAL YEARS**

<b>For the Measurement Date ended December 31,</b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Proportion of the net pension liability	0.991%	1.006%	0.999%	0.974%
Proportionate share of the net pension liability	\$ 3,054,425	\$ 3,320,190	\$ 3,200,945	\$ 2,937,454
Covered payroll	\$ 1,377,533	\$ 1,164,687	\$ 1,311,668	\$ 1,375,540
Proportionate share of the net pension liability as a percentage of covered payroll	221.7%	285.1%	244.0%	213.5%
Plan fiduciary net position as a percentage of the total pension liability	53.26%	48.10%	47.51%	49.35%

The Schedule is intended to present information for 10 years, additional years will be displayed as they become available.

**NEWTON HOUSING AUTHORITY**

**SCHEDULE OF PENSION CONTRIBUTIONS  
NEWTON CONTRIBUTORY RETIREMENT SYSTEM**

**LAST 4 FISCAL YEARS**

<b>For the Measurement Date ended December 31,</b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Contractually required contribution	\$ 255,988	\$ 237,117	\$ 216,585	\$ 194,483
Contributions in relation to the contractually required contribution	<u>255,988</u>	<u>237,117</u>	<u>216,585</u>	<u>194,483</u>
Contribution deficiency	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered payroll	\$ 1,377,533	\$ 1,164,687	\$ 1,311,668	\$ 1,375,540
Contributions as a percentage of covered payroll	18.58%	20.36%	16.51%	14.14%

The Schedule is intended to present information for 10 years, additional years will be displayed as they become available.

## NEWTON HOUSING AUTHORITY

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2018

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#### NOTE 1 – OTHER POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS

##### *DESCRIPTION OF REQUIRED SUPPLEMENTARY INFORMATION*

The Schedule of Changes in the Total OPEB Liability and Related Ratios details the Plan's other postemployment benefit liability and the covered employee payroll. It demonstrates the Plan's total liability and the Plan's liability as a percentage of covered payroll.

##### *10-YEAR TREND INFORMATION*

The Schedule of Changes in the Total OPEB Liability and Related Ratios is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years in which information is available.

##### *CHANGES IN ASSUMPTIONS*

Effective December 31, 2018

- The mortality table was updated from the RP-2000 Mortality Table projected to 2017 to RP-2000 Healthy Annuitant mortality Table projected generationally with scale BB and a base year 2009 for males and females.
- Discount rate is 3.25%, previously 4.00%

##### *CHANGES IN BENEFIT TERMS*

There were no changes in benefit terms from the prior measurement report.

#### NOTE 2 – PENSION PLAN SCHEDULES

##### *DESCRIPTION OF REQUIRED SUPPLEMENTARY INFORMATION*

The Schedule of the Proportionate Share of the Net Pension Liability presents multi-year trend information on the Authority's share of the Net Pension Liability and related ratios.

The Schedule of Contributions presents multiyear trend information for the Authority's required and actual contributions relating to the pension plan.

##### *10-YEAR TREND INFORMATION*

The Schedules of the Proportionate Share of the Net Pension Liability and the Schedule of Contributions are intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years in which information is available.

##### *CHANGES IN BENEFIT TERMS*

There were no changes in benefit terms from the prior measurement report.

##### *CHANGES IN ASSUMPTIONS*

The Investment return assumption was decreased from 7.50% to 7.25% effective in the December 31, 2017 actuarial valuation. The mortality assumption tables were also updated from the RP-2000 mortality tables to the blue collar mortality tables projected generationally with scale MP-2017.

**NEWTON HOUSING AUTHORITY**  
**SUPPLEMENTARY FINANCIAL DATA SCHEDULE**

**DECEMBER 31, 2018**

FDS Line Item	Description	MA036000001	MA036000002	MA036000003	AMPs	Housing Choice Vouchers
111	Cash - Unrestricted	2,401,098	142,916	310,793	2,854,807	461,290
113	Cash - Other Restricted	-	-	-	-	62,330
114	Cash - Tenant Security Deposits	-	-	-	-	-
100	Total Cash	2,401,098	142,916	310,793	2,854,807	523,620
121	Accounts Receivable - PHA Projects	-	-	-	-	206
124	Accounts Receivable - Other Government	-	-	-	-	-
126	Accounts Receivable - Tenants	30,504	6,041	2,481	39,026	-
126.1	Allowance for Doubtful Accounts - Tenants	(27,793)	(3,644)	(748)	(32,185)	-
128	Fraud Recovery	6,075	829	1,476	8,380	-
128.1	Allowance for Doubtful Accounts - Fraud	(6,075)	(829)	(1,476)	(8,380)	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	2,711	2,397	1,733	6,841	206
142	Prepaid Expenses and Other Assets	35,229	4,765	5,296	45,290	5,534
150	Total Current Assets	2,439,038	150,078	317,822	2,906,938	529,360
161	Land	386,918	432,000	241,800	1,060,718	-
162	Buildings	10,884,576	1,620,000	919,347	13,423,923	-
164	Furniture, Equipment & Machinery - Administration	56,896	12,107	12,106	81,109	-
166	Accumulated Depreciation	(8,908,742)	(1,519,843)	(922,366)	(11,350,951)	-
167	Construction in Progress	390,404	-	-	390,404	-
160	Total Capital Assets, Net of Accumulated Depreciation	2,810,052	544,264	250,887	3,605,203	-
180	Total Non-Current Assets	2,810,052	544,264	250,887	3,605,203	-
200	Deferred Outflow of Resources	202,986	29,728	28,392	261,106	67,813
290	Total Assets and Deferred Outflow of Resources	5,452,076	724,070	597,101	6,773,247	597,173
312	Accounts Payable <= 90 Days	79,265	9,996	12,180	101,441	15,351
321	Accrued Wage/Payroll Taxes Payable	15,976	2,090	2,128	20,194	5,836
322	Accrued Compensated Absences - Current Portion	8,851	1,220	1,230	11,301	3,363
325	Accrued Interest Payable	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-
341	Tenant Security Deposits	-	-	-	-	-
342	Unearned Revenue	14,366	4,875	2,699	21,940	-
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-
345	Other Current Liabilities	-	-	-	-	-
310	Total Current Liabilities	118,458	18,181	18,237	154,876	24,550

**NEWTON HOUSING AUTHORITY**  
**SUPPLEMENTARY FINANCIAL DATA SCHEDULE**  
**DECEMBER 31, 2018**

FDS Line Item	Description	MA036000001	MA036000002	MA036000003	AMPs	Housing Choice Vouchers
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-
353	Non-current Liabilities - Other	-	-	-	-	-
354	Accrued Compensated Absences - Non Current	30,217	4,728	4,728	39,673	19,805
357	Accrued Pension and OPEB Liabilities	2,304,229	301,180	299,133	2,904,542	785,969
350	Total Non-Current Liabilities	2,334,446	305,908	303,861	2,944,215	805,774
300	Total Liabilities	2,452,904	324,089	322,098	3,099,091	830,324
400	Deferred Inflow of Resources	108,019	14,363	14,333	136,715	38,123
508.4	Net Investment in Capital Assets	2,810,052	544,264	250,887	3,605,203	-
511.4	Restricted Net Position	-	-	-	-	62,330
512.4	Unrestricted Net Position	81,101	(158,646)	9,783	(67,762)	(333,604)
513	Total Equity - Net Assets / Position	2,891,153	385,618	260,670	3,537,441	(271,274)
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	5,452,076	724,070	597,101	6,773,247	597,173
70300	Net Tenant Rental Revenue	822,143	118,124	170,839	1,111,106	-
70500	Total Tenant Revenue	822,143	118,124	170,839	1,111,106	-
70600	HUD PHA Operating Grants	1,089,493	147,091	140,794	1,377,378	6,941,797
70610	Capital Grants	286,604	-	-	286,604	-
70700	Total Fee Revenue	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-
71100	Investment Income - Unrestricted	31,727	71	666	32,464	2,824
71400	Fraud Recovery	-	-	-	-	-
71500	Other Revenue	133,996	7,877	5,188	147,061	74,430
70000	Total Revenue	2,363,963	273,163	317,487	2,954,613	7,019,051
91100	Administrative Salaries	312,029	35,124	34,194	381,347	245,623
91200	Auditing Fees	2,434	562	562	3,558	2,527
91500	Employee Benefit contributions - Administrative	195,868	22,559	24,026	242,453	117,498
91600	Office Expenses	37,620	6,405	3,891	47,916	69,941
91700	Legal Expense	18,218	8,753	104	27,075	2,869
91800	Travel	2,772	628	628	4,028	7,692
91900	Other	7,166	1,079	1,204	9,449	37,892
91000	Total Operating - Administrative	576,107	75,110	64,609	715,826	484,042
92100	Tenant Services - Salaries	70,000	6,586	8,233	84,819	-
92300	Employee Benefit Contributions - Tenant Services	20,117	1,852	2,674	24,643	-

**NEWTON HOUSING AUTHORITY**  
**SUPPLEMENTARY FINANCIAL DATA SCHEDULE**

**DECEMBER 31, 2018**

FDS Line Item	Description	MA036000001	MA036000002	MA036000003	AMPs	Housing Choice Vouchers
92500	Total Tenant Services	90,117	8,438	10,907	109,462	-
93100	Water	205,093	56,723	26,576	288,392	-
93200	Electricity	174,871	26,942	71,728	273,541	-
93300	Gas	199,815	18,713	-	218,528	-
93000	Total Utilities	579,779	102,378	98,304	780,461	-
94100	Ordinary Maintenance and Operations - Labor	319,368	50,904	50,642	420,914	-
94200	Ordinary Maintenance and Operations - Materials and Other	41,874	6,598	7,737	56,209	-
94300	Ordinary Maintenance and Operations Contracts	73,431	25,791	13,762	112,984	-
94500	Employee Benefit Contributions - Ordinary Maintenance	91,780	14,317	16,448	122,545	-
94000	Total Maintenance	526,453	97,610	88,589	712,652	-
95000	Total Protective Services	-	-	-	-	-
96110	Property Insurance	49,925	6,757	8,017	64,699	-
96120	Liability Insurance	3,975	1,650	1,125	6,750	18,385
96130	Workmen's Compensation	20,938	3,332	3,843	28,113	2,455
96140	All Other Insurance	6,640	-	-	6,640	-
96100	Total Insurance Premiums	81,478	11,739	12,985	106,202	20,840
96200	Other General Expenses	-	-	-	-	4,331
96210	Compensated Absences	950	884	1	1,835	88
96400	Bad debt - Tenant Rents	1	1	39	41	-
96000	Total Other General Expenses	951	885	40	1,876	4,419
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-
96900	Total Operating Expenses	1,854,885	296,160	275,434	2,426,479	509,301
97000	Excess of Operating Revenue over Operating Expenses	509,078	(22,997)	42,053	528,134	6,509,750
97100	Extraordinary Maintenance	28,423	20,201	1,940	50,564	-
97200	Casualty Losses - Non-capitalized	103,348	-	-	103,348	-
97300	Housing Assistance Payments	-	-	-	-	6,374,283
97350	HAP Portability-In	-	-	-	-	70,280
97400	Depreciation Expense	426,500	41,921	2,261	470,682	-
90000	Total Expenses	2,413,156	358,282	279,635	3,051,073	6,953,864
10100	Total Other financing Sources (Uses)	-	-	-	-	-

**NEWTON HOUSING AUTHORITY**  
**SUPPLEMENTARY FINANCIAL DATA SCHEDULE**

**DECEMBER 31, 2018**

FDS Line Item	Description	MA036000001	MA036000002	MA036000003	AMPs	Housing Choice Vouchers
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(49,193)	(85,119)	37,852	(96,460)	65,187
11020	Required Annual Debt Principal Payments	-	-	-	-	-
11030	Beginning Equity	3,647,154	564,393	316,864	4,528,411	(89,713)
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	(706,808)	(93,656)	(94,046)	(894,510)	(246,748)
11170	Administrative Fee Equity	-	-	-	-	(333,604)
11180	Housing Assistance Payments Equity	-	-	-	-	62,330
11190	Unit Months Available	2,712	432	432	3,576	5,134
11210	Number of Unit Months Leased	2,643	401	426	3,470	5,084
11620	Building Purchases	286,604	-	-	286,604	-

**NEWTON HOUSING AUTHORITY**  
**SUPPLEMENTARY FINANCIAL DATA SCHEDULE**

**DECEMBER 31, 2018**

FDS Line Item	Description	N/C S/R Section 8 Programs	Business Activities	State/Local	Eliminations	Total
111	Cash - Unrestricted	276,547	1,137,794	3,482,768	-	8,213,206
113	Cash - Other Restricted	-	-	4,469	-	66,799
114	Cash - Tenant Security Deposits	-	-	392	-	392
100	Total Cash	276,547	1,137,794	3,487,629	-	8,280,397
121	Accounts Receivable - PHA Projects	-	-	-	-	206
124	Accounts Receivable - Other Government	-	-	111,324	-	111,324
126	Accounts Receivable - Tenants	-	22,338	41,850	-	103,214
126.1	Allowance for Doubtful Accounts - Tenants	-	(17,490)	(24,043)	-	(73,718)
128	Fraud Recovery	-	-	5,528	-	13,908
128.1	Allowance for Doubtful Accounts - Fraud	-	-	(5,528)	-	(13,908)
120	Total Receivables, Net of Allowances for Doubtful Accounts	-	4,848	129,131	-	141,026
142	Prepaid Expenses and Other Assets	-	14,784	27,796	-	93,404
150	Total Current Assets	276,547	1,157,426	3,644,556	-	8,514,827
161	Land	-	2,471,307	2,429,632	-	5,961,657
162	Buildings	-	8,141,593	12,077,393	-	33,642,909
164	Furniture, Equipment & Machinery - Administration	-	4,210	28,742	-	114,061
166	Accumulated Depreciation	-	(2,405,322)	(9,945,028)	-	(23,701,301)
167	Construction in Progress	-	415,520	1,244,472	-	2,050,396
160	Total Capital Assets, Net of Accumulated Depreciation	-	8,627,308	5,835,211	-	18,067,722
180	Total Non-Current Assets	-	8,627,308	5,835,211	-	18,067,722
200	Deferred Outflow of Resources	5,497	47,130	139,056	-	520,602
290	Total Assets and Deferred Outflow of Resources	282,044	9,831,864	9,618,823	-	27,103,151
312	Accounts Payable <= 90 Days	739	17,602	56,601	-	191,734
321	Accrued Wage/Payroll Taxes Payable	292	3,543	9,982	-	39,847
322	Accrued Compensated Absences - Current Portion	145	1,894	6,834	-	23,537
325	Accrued Interest Payable	-	1,174	1,346	-	2,520
331	Accounts Payable - HUD PHA Programs	30,249	-	-	-	30,249
333	Accounts Payable - Other Government	-	-	23,493	-	23,493
341	Tenant Security Deposits	-	-	392	-	392
342	Unearned Revenue	-	4,493	49,761	-	76,194
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	68,005	73,884	-	141,889
345	Other Current Liabilities	-	-	257,500	-	257,500
310	Total Current Liabilities	31,425	96,711	479,793	-	787,355

**NEWTON HOUSING AUTHORITY**  
**SUPPLEMENTARY FINANCIAL DATA SCHEDULE**  
**DECEMBER 31, 2018**

FDS Line Item	Description	N/C S/R Section 8 Programs	Business Activities	State/Local	Eliminations	Total
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	1,865,218	156,869	-	2,022,087
353	Non-current Liabilities - Other	-	-	4,469	-	4,469
354	Accrued Compensated Absences - Non Current	757	7,069	25,232	-	92,536
357	Accrued Pension and OPEB Liabilities	56,898	495,870	1,572,231	-	5,815,510
350	Total Non-Current Liabilities	57,655	2,368,157	1,758,801	-	7,934,602
300	Total Liabilities	89,080	2,464,868	2,238,594	-	8,721,957
400	Deferred Inflow of Resources	1,915	18,571	69,042	-	264,366
508.4	Net Investment in Capital Assets	-	4,534,069	5,604,458	-	13,743,730
511.4	Restricted Net Position	-	2,160,016	-	-	2,222,346
512.4	Unrestricted Net Position	191,049	654,340	1,706,729	-	2,150,752
513	Total Equity - Net Assets / Position	191,049	7,348,425	7,311,187	-	18,116,828
600	Total Liab., Def. Inflow of Res. and Equity - Net Assets / Position	282,044	9,831,864	9,618,823	-	27,103,151
70300	Net Tenant Rental Revenue	-	796,438	2,314,448	(390,153)	3,831,839
70500	Total Tenant Revenue	-	796,438	2,314,448	(390,153)	3,831,839
70600	HUD PHA Operating Grants	131,195	-	-	-	8,450,370
70610	Capital Grants	-	-	-	-	286,604
70700	Total Fee Revenue	-	-	-	-	-
70800	Other Government Grants	-	222,311	838,351	-	1,060,662
71100	Investment Income - Unrestricted	2,744	8,425	35,589	-	82,046
71400	Fraud Recovery	-	-	14,406	-	14,406
71500	Other Revenue	-	42,210	36,944	-	300,645
70000	Total Revenue	133,939	1,069,384	3,239,738	(390,153)	14,026,572
91100	Administrative Salaries	12,251	120,964	155,371	-	915,556
91200	Auditing Fees	749	1,310	4,817	-	12,961
91500	Employee Benefit contributions - Administrative	5,902	50,494	115,943	-	532,290
91600	Office Expenses	3,766	15,656	46,333	-	183,612
91700	Legal Expense	1,115	107,726	12,844	-	151,629
91800	Travel	437	955	3,645	-	16,757
91900	Other	792	1,744	7,883	-	57,760
91000	Total Operating - Administrative	25,012	298,849	346,836	-	1,870,565
92100	Tenant Services - Salaries	-	-	3,321	-	88,140
92300	Employee Benefit Contributions - Tenant Services	-	-	990	-	25,633

**NEWTON HOUSING AUTHORITY**  
**SUPPLEMENTARY FINANCIAL DATA SCHEDULE**

**DECEMBER 31, 2018**

FDS Line Item	Description	N/C S/R Section 8 Programs	Business Activities	State/Local	Eliminations	Total
92500	Total Tenant Services	-	-	4,311	-	113,773
93100	Water	-	61,478	160,557	-	510,427
93200	Electricity	-	31,834	72,161	-	377,536
93300	Gas	-	20,536	36,466	-	275,530
93000	Total Utilities	-	113,848	269,184	-	1,163,493
94100	Ordinary Maintenance and Operations - Labor	-	52,986	283,741	-	757,641
94200	Ordinary Maintenance and Operations - Materials and Other	-	4,924	41,430	-	102,563
94300	Ordinary Maintenance and Operations Contracts	-	99,529	470,074	-	682,587
94500	Employee Benefit Contributions - Ordinary Maintenance	-	13,470	84,543	-	220,558
94000	Total Maintenance	-	170,909	879,788	-	1,763,349
95000	Total Protective Services	-	-	-	-	-
96110	Property Insurance	-	35,257	18,446	-	118,402
96120	Liability Insurance	-	1,498	-	-	26,633
96130	Workmen's Compensation	213	5,559	17,522	-	53,862
96140	All Other Insurance	-	-	-	-	6,640
96100	Total Insurance Premiums	213	42,314	35,968	-	205,537
96200	Other General Expenses	-	67,145	-	-	71,476
96210	Compensated Absences	2	220	749	-	2,894
96400	Bad debt - Tenant Rents	-	2,259	23,700	-	26,000
96000	Total Other General Expenses	2	69,624	24,449	-	100,370
96710	Interest of Mortgage (or Bonds) Payable	-	86,380	18,391	-	104,771
96700	Total Interest Expense and Amortization Cost	-	86,380	18,391	-	104,771
96900	Total Operating Expenses	25,227	781,924	1,578,927	-	5,321,858
97000	Excess of Operating Revenue over Operating Expenses	108,712	287,460	1,660,811	(390,153)	8,704,714
97100	Extraordinary Maintenance	-	1,075	48,434	-	100,073
97200	Casualty Losses - Non-capitalized	-	-	-	-	103,348
97300	Housing Assistance Payments	93,579	-	265,185	(390,153)	6,342,894
97350	HAP Portability-In	-	-	-	-	70,280
97400	Depreciation Expense	-	232,863	344,653	-	1,048,198
90000	Total Expenses	118,806	1,015,862	2,237,199	(390,153)	12,986,651
10100	Total Other financing Sources (Uses)	-	-	-	-	-

NEWTON HOUSING AUTHORITY

SUPPLEMENTARY FINANCIAL DATA SCHEDULE

DECEMBER 31, 2018

FDS Line Item	Description	N/C S/R Section 8 Programs	Business Activities	State/Local	Eliminations	Total
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	15,133	53,522	1,002,539	-	1,039,921
11020	Required Annual Debt Principal Payments	-	68,842	68,903	-	137,745
11030	Beginning Equity	188,197	7,414,750	6,753,987	-	18,795,632
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	(12,281)	(119,847)	(445,339)	-	(1,718,725)
11170	Administrative Fee Equity	-	-	-	-	(333,604)
11180	Housing Assistance Payments Equity	-	-	-	-	62,330
11190	Unit Months Available	300	672	2,712	-	12,394
11210	Number of Unit Months Leased	300	612	2,648	-	12,114
11620	Building Purchases	-	-	-	-	286,604

**NEWTON HOUSING AUTHORITY**

**STATEMENT OF ACTUAL MODERNIZATION COSTS – UNCOMPLETED**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

<b>Project:</b>	<b>MA01P036501-16</b>	<b>MA01P036501-17</b>
Modernization Funds Approved	\$ 290,435	\$ 313,889
Modernization Funds Expended	<u>140,500</u>	<u>279,904</u>
Excess of Modernization Funds Approved	<u>\$ 149,935</u>	<u>\$ 33,985</u>
Modernization Funds Advanced	\$ 140,500	\$ 279,904
Modernization Funds Expended	<u>140,500</u>	<u>279,904</u>
Excess of Modernization Funds Advanced	<u>\$ -</u>	<u>\$ -</u>

**NEWTON HOUSING AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>CFDA Number</u>	<u>Pass- Through Award Number</u>	<u>Amounts Provided to Sub-recipients</u>	<u>Federal Financial Assistance Expenditures</u>
<b>Department of Housing &amp; Urban Development (HUD)</b>				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	--	\$ -	\$ 6,883,584
Total Housing Voucher Cluster			<u>-</u>	<u>6,883,584</u>
<b>Section 8 Project-Based Cluster</b>				
Section 8 New Construction and Substantial Rehabilitation	14.182	--	-	131,195
Section 8 New Construction and Substantial Rehabilitation	14.182	MA06H052048	-	1,476,990
Total Section 8 Project-Based Cluster			<u>-</u>	<u>1,608,185</u>
<b>Public and Indian Housing</b>				
Public Housing Capital Fund (CFP)	14.850	--	-	1,377,378
	14.872	--	-	286,604
<b>Total Department of Housing &amp; Urban Development</b>			<u>-</u>	<u>10,155,751</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ -</u>	<u>\$ 10,155,751</u>

**NEWTON HOUSING AUTHORITY****NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS****FOR THE YEAR ENDED DECEMBER 31, 2018**

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Newton Housing Authority, under programs of the federal government for the year ended December 31, 2018. The information in the schedule is presented in accordance with the requirements of the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Newton Housing Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of Newton Housing Authority.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the accrual basis of accounting. For cost-reimbursement awards, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. For performance-based awards, expenditures reported represent amounts earned.

**NOTE 3 – INDIRECT COST RATE**

The Newton Housing Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To The Board of Commissioners  
Newton Housing Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Newton Housing Authority as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Newton Housing Authority's basic financial statements, and have issued our report thereon dated September 30, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Newton Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Newton Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Newton Housing Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Newton Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Marcum LLP*

Boston, Massachusetts  
September 30, 2019



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To The Board of Commissioners  
Newton Housing Authority

**Report on Compliance for Each Major Federal Program**

We have audited the Newton Housing Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Newton Housing Authority's major federal programs for the year ended December 31, 2018. The Newton Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for the Newton Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Newton Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Newton Housing Authority's compliance.



### Opinion on Each Major Federal Program

In our opinion, the Newton Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018

### Report on Internal Control over Compliance

Management of the Newton Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Newton Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Newton Housing Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Marcum LLP*

Boston, Massachusetts  
September 30, 2019

**NEWTON HOUSING AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

***FINANCIAL STATEMENTS***

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified Opinion*

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

***FEDERAL AWARDS***

Internal control over major federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None Reported

Type of auditors' report issued on compliance for major federal programs: *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

Identification of major federal programs:

<b>CFDA #</b>	<b>Name of Federal Program or Cluster</b>
---------------	---

14.872	Public Housing Capital Fund
14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?  Yes  No

**SECTION II - FINANCIAL STATEMENTS FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

No prior year findings.

# Haywood House Newton Housing Authority

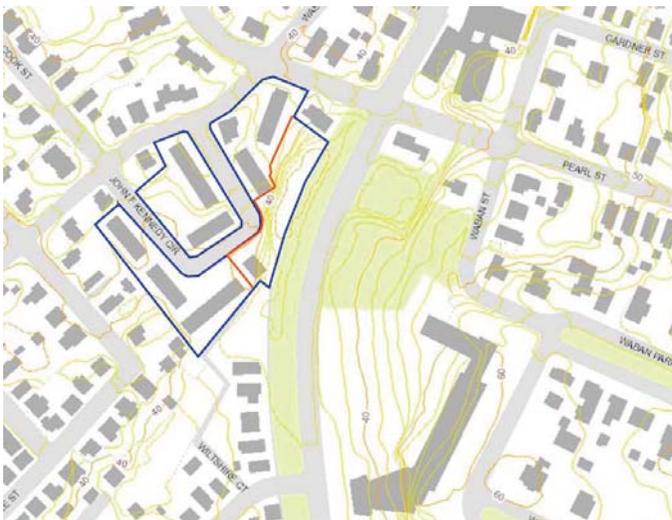
Joint Planning and Development Board and Community  
Preservation Committee  
October 5, 2020

Amy Zarechian, Executive Director  
Vince O'Donnell, NHA Commissioner  
Hannah Cross, Development Project Coordinator



## Haywood House

- Located on John F. Kennedy Circle adjacent to NHA Jackson Gardens federal public housing development



# Haywood House

Main Entry facing John F. Kennedy Circle - Sidewalk Level



## Haywood House Project Summary

- 55 one-bedroom units for elders over the age of 62.
  - 32 units <60% AMI
    - 11 units <30% AMI.
  - 23 units up to 99% AMI
- 3 units fully accessible for individuals with mobility impairments under Community Based Housing (CBH)
- 3 units designated for individuals currently or at risk of being homeless under state Facilities Consolidation Fund (FCF)
- All units adaptable and visitable



# Haywood House Development Team

- Newton Housing Authority
  - Board of Commissioners
    - Rick Kronish, Chairman
    - Tom Turner, Vice-Chairman
    - Vincent O'Donnell, Treasurer
    - Judith Weber, Commissioner
    - Mary Corrigan, Commissioner
  - Amy Zarechian, Executive Director
- Development Consultant: Housing Partners, Inc.
- Owner's Project Manager: Pinck & Co.
- Designer: BWA Architecture
- Construction Manager at Risk: Colantonio Corp.
- Zoning & Permitting Counsel: Schlesinger and Buchbinder, LLP
- Tax Credit Counsel: Klein Hornig LLP
- Property Manager: Maloney Properties, Inc.



# Haywood House Sources of Funds

• 9% Federal and MA Low Income Housing Tax Credits Equity	\$11,855,000
• Permanent Loan	\$8,600,000
• Newton CPA Funds	\$3,000,000
• Newton Inclusionary Zoning	\$625,000
• Newton CDBG	\$625,000
• DHCD Affordable Housing Trust Fund	\$750,000
• State Housing Stabilization Fund	\$500,000
• State Facilities Consolidation Fund (FCF)	\$750,000
• State Community Based Housing (CBH)	\$750,000
• State HOME	\$450,000
• Deferred Developer Fee	\$657,064
<b>Total Sources</b>	<b>\$28,562,064</b>



## Haywood House Uses of Funds

	<b>Total</b>	<b>Per Unit</b>
Acquisition	\$1	\$0
Construction	\$23,640,768	\$429,832
Soft Costs	\$3,652,822	\$66,415
Dev. Fees/overhead/req. reserves (all fees available to NHA will support resident services programming)	\$2,526,345	\$45,934
<b>Total Development Cost</b>	<b>\$29,819,936</b>	<b>\$542,181</b>
Per Unit Residential Cost		\$505,833



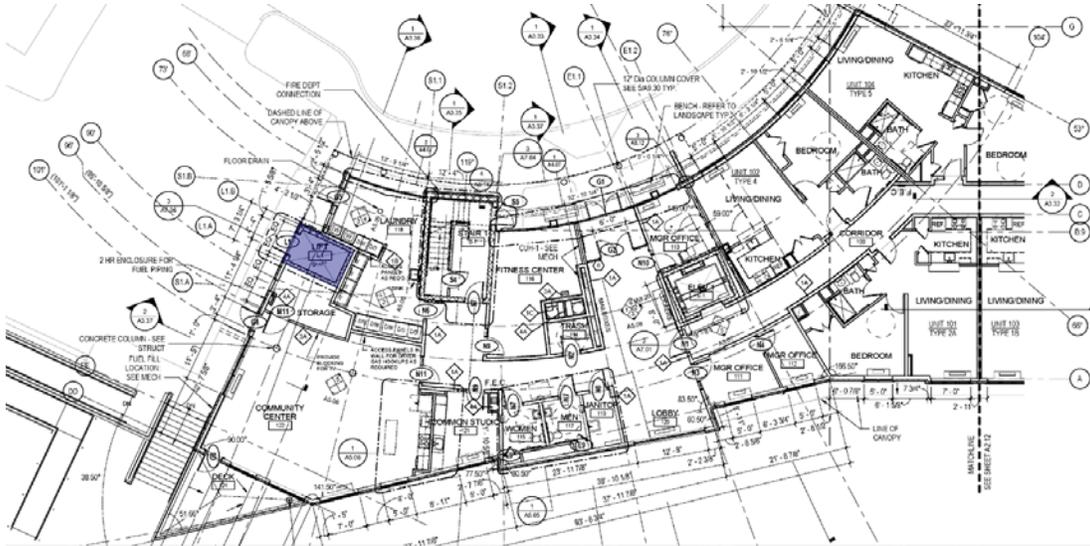
## Haywood House Construction Costs

	One-Stop (10/15/2019)	Current Budget
Site & parking	\$1,250,000	\$1,250,000
Buildings	\$19,507,721	\$20,456,442
<b>Cost of Construction/Rehabilitation</b>	<b>\$21,216,296</b>	<b>\$22,515,018</b>
Contingency	\$1,060,815	\$1,125,751
<b>Subtotal Construction</b>	<b>\$22,277,111</b>	<b>\$23,640,768</b>





# Material Lift Design



## Current CPC and CDBG Requests

- CDBG Request
  - Replacement of accessible ramp: Concrete, metal handrails, excavation, support of excavation, trucking, disposal, preparation, and backfill
  - Total additional cost to project: \$250,000
- CPA Request
  - Material lift for trash removal: Installation, lighting, wiring, inspection and certificate
  - Total additional cost to project: \$77,900
- Total current request to City: \$327,900
  - Request is 1.10% of total development costs



# Haywood House Timeline

February 2020	Received state funding commitment
December 2020	Initial closing
Winter 2020/2021	Construction start
Fall 2022	Full occupancy





Ruthanne Fuller

## City of Newton, Massachusetts

Office of the Mayor

**#372-20**

Telephone

(617) 796-1100

Fax

(617) 796-1113

TDD/TTY

September 10, 2020

Honorable City Council  
Newton City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

To the Honorable City Councilors:

I am pleased to reappoint Michael Quinn of 115 Staniford Street, Newton as an Associate member of the Zoning Board of Appeals. His term of office shall expire on October 15, 2021 and his appointment is subject to your confirmation.

Thank you for your attention to this matter.

Warmly,

Ruthanne Fuller  
Mayor

CITY CLERK  
NEWTON, MA. 02459

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## Application Form

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### Profile

Michael J. Quinn  
First Name Middle Initial Last Name

[Redacted]  
Email Address

115 Staniford Street  
Home Address Suite or Apt

Newton MA 02466  
City State Postal Code

### What Ward do you live in?

Ward 4

[Redacted] [Redacted]  
Primary Phone Alternate Phone

Self Real Estate  
Employer Job Title

### Which Boards would you like to apply for?

Zoning Board of Appeals: Submitted

### Interests & Experiences

Please tell us about yourself and why you want to serve.

#### Why are you interested in serving on a board or commission?

First, I love the City of Newton and enjoy being a resident. I like the fact that there are 13 Villages and a wide range of people with different interests. I have a vast knowledge of Real Estate and Zoning and enjoy using this knowledge to find solutions to the various applicants who apply for relief from the newton Zoning Rules and Regulations.

ZBA-Michael\_Quinn\_Resume.pdf  
Upload a Resume

**Michael J. Quinn**

115 Staniford Street, Newton Ma 02466

Objective

To serve my community.

Work Experience

**Lodge Construction Corp.** 1978 – 1996

President. Constructed approximately 250 single family homes in the Metro-west area.

**Village Property Developers.** 1982 – 1990

President. Constructed condos, small office buildings, and single family homes in the Metro-west and Worcester areas.

**Re-max Realty Associates.** 1991 – 2005

Owner. Real estate company employing approximately 50 real estate agents with offices in Framingham, Sudbury, and Ashland.

**Nobscot Cafe.** 1995-Present

President. Neighborhood style restaurant located in Framingham with seating for one hundred guests.

**Realty Associates.** 2006-Present

President. Small boutique real estate company selling homes in the greater Metro-west area.

Education

**Framingham South High School**

**Boston State College**

Volunteer Experience

**Framingham Cable Commission – 1995 – Board Member**

**Framingham Permanent Building Committee – 1995-2005** - Chairman / Co-chairman. Designed and constructed many municipal buildings, including a new Police Head Quarters, Fire Department Head Quarters, Public works garage, and numerous schools.

**Framingham Real Property Commission –2004** – Board Member.

**Coalition against Drug and Alcohol Abuse – 2005-2008** – Board of Directors.

**Mass Association of Realtors – 2003-2005** – Served as an Alternate Director.

**Greater Boston Real Estate Board – 2005** – Served on the board of directors as well as various committees.

**Greater Boston Association of Realtors – 2005** – Board of Directors.

**Framingham Restaurant Association – 2004** – Served as President.



Ruthanne Fuller  
Mayor

City of Newton, Massachusetts  
Office of the Mayor

**#373-20**

Telephone  
(617) 796-1100  
Fax  
(617) 796-1113  
TDD/TTY  
(617) 796-1089  
Email  
rfuller@newtonma.gov

September 10, 2020

Honorable City Council  
Newton City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

To the Honorable City Councilors:

I am pleased to reappoint Treff LaFleche of 1603 Commonwealth Avenue, Newton as an Associate member of the Zoning Board of Appeals. His term of office shall expire on October 15, 2021 and his appointment is subject to your confirmation.

Thank you for your attention to this matter.

Warmly,

Ruthanne Fuller  
Mayor

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CITY CLERK  
NEWTON, MA. 02459

**Application Form**

**Profile**

Treffle \_\_\_\_\_ E \_\_\_\_\_ LaFleche \_\_\_\_\_  
First Name Middle Initial Last Name

\_\_\_\_\_  
Email Address

1603 COMMONWEALTH AVE \_\_\_\_\_  
Home Address Suite or Apt

NEWTON \_\_\_\_\_ MA \_\_\_\_\_ 02465 \_\_\_\_\_  
City State Postal Code

**What Ward do you live in?**

Ward 1

\_\_\_\_\_  
Primary Phone

\_\_\_\_\_  
Alternate Phone

Lda Architect & Interiors, LLp \_\_\_\_\_ Architect \_\_\_\_\_  
Employer Job Title

**Which Boards would you like to apply for?**

Jackson Homestead: Submitted  
Zoning Board of Appeals: Submitted

**Interests & Experiences**

Please tell us about yourself and why you want to serve.

**Why are you interested in serving on a board or commission?**

I continue to take great pride and honor in serving my local community in way that puts my passions and professional experience to good use for the common good.

TreffLaFleche\_Resume.pdf  
Upload a Resume

**TREFFLE E. LAFLECHE, AIA, LEED AP**

Principal

Treff's professional experience has focused on providing client focused and context sensitive design and project management services. Treff has achieved local and national recognition for his expertise in the merging of historic and contemporary aspects of New England residential and institutional architecture. He is a creative leader in a collaborative search for appropriate design solutions. His dedication to excellence is evident from the smallest detail to the broadest planning gesture.

**COMMUNITY EXPERIENCE**
**City of Newton FAR Zoning Working Group**

This 7-person team of Newton professionals and citizens has been working closely with the Newton Planning and Inspectional Services departments as well as Newton ZAP to examine, evaluate and make recommendations regarding current FAR regulations in response to the elimination of Footnote 7 in the Newton Zoning Ordinances.

**Chair, Historic Newton Capital Campaign Steering Committee**

This sub-committee of the Joint Board of Historic Newton is responsible for raising the \$5.5M Historic Newton Capital Campaign goal.

**Member, Historic Newton Board of Directors**
**Durant-Kenrick Homestead & Grounds Transition Committee**

This sub-committee of the Joint Board of Historic Newton is responsible for the design, public approval, acquisition and construction of the restoration and renovation of the historic 1732 Durant-Kenrick Homestead & Grounds in the City of Newton.

**PROJECT EXPERIENCE**
**Jesuit Community of the Weston School of Theology, Boston, MA**

Residences for 65 members of the Jesuit Community on Boston College's Brighton Campus

**Appalachian Mountain Club, Crawford Notch, NH**

Highland Center Lodge and Education Center, in collaboration with Carlone & Associates

**First Unitarian Society in Newton, Newton, MA**

Master plan, exterior and interior renovations

**First Parish Unitarian Universalist, Beverly, MA**

Master plan and feasibility study

**Marist Brothers Retirement Community, Framingham, MA**

Housing, dining and chapel

**Commonwealth School, Boston, MA**

Multiple Renovations including: dining room, kitchen, library, and science labs

**Lesley University, Cambridge, MA**

Office of Student Affairs, renovation and addition

**Private Residences throughout New England**

**Professional Experience**

LDa Architecture & Interiors, LLP,  
Cambridge, MA, 1992-Present

Perry Dean Rogers | Partners, Boston,  
MA, Associate, 1985 - 1992

Skidmore Owings & Merrill, Boston, MA,  
1984 - 1985

**Education**

University of Virginia  
Master of Architecture, 1987

Dartmouth College  
Bachelor of Arts, 1977

**Certification**

Registered Architect  
Massachusetts, New Hampshire, Maine,  
Connecticut, New York,  
South Carolina

NCARB Certified, 2000

**Teaching**

Boston Architectural Center  
Design Instructor/Thesis Advisor

University of Virginia School of  
Architecture Studio Instructor



Ruthanne Fuller  
Mayor

City of Newton, Massachusetts  
Office of the Mayor

**#374-20**  
Telephone  
(617) 796-1100  
Fax  
(617) 796-1113  
TDD/TTY  
(617) 796-1089  
Email  
rfuller@newtonma.gov

September 10, 2020

Honorable City Council  
Newton City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

To the Honorable City Councilors:

I am pleased to reappoint Lei Reilly of 130 Pine Street, Newton as an Associate member of the Zoning Board of Appeals. Her term of office shall expire on October 15, 2021 and her appointment is subject to your confirmation.

Thank you for your attention to this matter.

Warmly,

Ruthanne Fuller  
Mayor

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CITY CLERK  
NEWTON, MA. 02459

# Application Form

## Profile

LEI \_\_\_\_\_ Z \_\_\_\_\_ REILLEY \_\_\_\_\_  
First Name Middle Initial Last Name

\_\_\_\_\_  
Email Address

130 PINE STREET \_\_\_\_\_  
Home Address Suite or Apt

NEWTON \_\_\_\_\_ MA \_\_\_\_\_ 02466 \_\_\_\_\_  
City State Postal Code

## What Ward do you live in?

Ward 4

\_\_\_\_\_  
Primary Phone

\_\_\_\_\_  
Alternate Phone

Reilley Chang Law \_\_\_\_\_ Attorney \_\_\_\_\_  
Employer Job Title

## Which Boards would you like to apply for?

Zoning Board of Appeals: Submitted

## Interests & Experiences

Please tell us about yourself and why you want to serve.

### Why are you interested in serving on a board or commission?

I have been a Newton resident since 2003 and love this city. Over the years I have been involved in promoting and organizing cultural activities with the Newton Mayor's Office for Cultural Affairs, such as Chinese Cultural Festival, Asian Cultural Festival, Oodles of Noodles, etc. I had been on the Advisory Board of Newton Community Pride and an member of the last Newton Police Chief Search Committee. As an attorney with knowledge of Massachusetts law and experience dealing with homeowners' various issues regarding zoning, I feel that I will bring skills and unique perspectives to the board.

Lei\_Reilley\_resume.pdf  
Upload a Resume

**LEI ZHAO REILLEY**  
**ATTORNEY AT LAW**

21A Highland Circle  
Suite200  
Needham, MA 02494



**RESUME**

**EDUCATION**

**J.D.** Suffolk University Law School (Boston, Massachusetts)  
*(Attended evenings while working full-time during the first year)* 2007  
Honor: Dean's List (summer 2005, and 2005 - 2006)

**M.S. in Finance** Northeastern University (Boston, Massachusetts)  
*(Attended while working full-time)* 1999  
Honor: Nominated and elected by the faculty into *Beta Gamma Sigma*, the international honor society of business school students, for outstanding scholastic achievement and leadership potential.

**M.S. in Computer Science** State University of New York at Stony Brook  
(Stony Brook, New York) 1996

**Ph.D Candidate** Chinese Academy of Sciences, Software Institute  
(Beijing, China) 1992-1994

**PROFESSIONAL EXPERIENCE**

**Reilley Chang Law** Newton/Needham, Massachusetts  
*Attorney (General Practice)* 1/2013 - date  
Main practice areas include civil/business litigation including family law, business law (business formation, contract draft and negotiation, and other business operation related legal issues), and estate planning (wills and trusts).

**Volunteer Lawyers Project** Boston, Massachusetts  
*Volunteer Attorney* 7/2009 - Present  
Providing pro bono legal representation for low income residents of Greater Boston in civil litigations.

**Jones Day** Beijing, China  
*Associate Attorney* 1/2008 - 12/2008  
*Summer Associate* Shanghai/Beijing, China  
6/2006 - 9/2006

- Represented a Hong Kong based company in its initial public offering, with primary responsibilities including due diligence, senior management counseling, drafting the IPO prospectus, and providing legal support for

advertising and sales literature as well as filing of the security issuance according to the regulatory calendars and standards;

- Provided legal advice for a U.S. company's joint-venture investment and merger & acquisition activities;
- Represented an European company in drafting its sponsorship agreement;
- Participated in drafting sponsorship agreements for the 2010 Shanghai World Expo.

**Bank of Tokyo-Mitsubishi Capital Corporation** Boston, Massachusetts  
1998 – 2004

*Financial Analyst (2002 – 2004)*

Conducted financial analysis on the existing and prospective companies in the BTMCC investment portfolio, monitored the portfolio performance, and presented recommended structured financing transactions to the Board.

*Senior Systems Analyst/Technical Consultant (1998 – 2002)*

Worked with finance, accounting, and sales departments to build software applications and networking infrastructures, while provided technical support.

**Thomson Financial Services** Boston, Massachusetts  
*Software Developer* 1996 – 1998

- Designed and programmed software and web applications for external corporate clients to monitor and manage their municipal bond investment portfolios;
- Provided 24/7 internal and external technical support.

#### BAR

- Massachusetts (2008)
- United State District Court in Massachusetts (2014)

#### CIVIL ACTIVITIES

- Member of Newton Police Chief Search Committee. 2015.
- Board of Advisors, Newton Community Pride, the umbrella nonprofit organization in City of Newton, Massachusetts. 2013 – 2017.
- Organizer of Chinese Cultural Festival, Oodles of Noodles, Asian Cultural Festival, Asian Film Festival, Newton, Massachusetts. 2012, 2013, and 2014.
- Education Committee Chair, District 31 Toastmasters International Spring Conference. 2015.
- Immediate Past President, President, VP of Education, VP of Public Relations, and VP of Membership at Sales and Marketing Toastmaster Club in Waltham, Massachusetts. 2009 - 2015.



Ruthanne Fuller  
Mayor

City of Newton, Massachusetts  
Office of the Mayor

**#405-20**

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rfuller@newtonma.gov

October 5, 2020

Honorable City Council  
Newton City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

To the Honorable City Councilors:

I am pleased to reappoint Joyce Plotkin of 250 Hammond Pond Parkway, #1611N, Chestnut Hill as a member of the Economic Development Commission. Her term of office shall expire on October 30, 2023 and his appointment is subject to your confirmation.

Thank you for your attention to this matter.

Warmly,

Ruthanne Fuller  
Mayor

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**Profile**

Joyce \_\_\_\_\_ L \_\_\_\_\_ Plotkin \_\_\_\_\_  
First Name Middle Initial Last Name

\_\_\_\_\_  
Email Address

250 Hammond Pond Parkway \_\_\_\_\_ #1611N \_\_\_\_\_  
Home Address Suite or Apt

Chestnut Hill \_\_\_\_\_ MA \_\_\_\_\_ 02467 \_\_\_\_\_  
City State Postal Code

**What Ward do you live in?**

Ward 6

\_\_\_\_\_  
Primary Phone Home: \_\_\_\_\_  
Alternate Phone

Retired \_\_\_\_\_ President Emerita-MassTech  
Employer Leadership Council  
Job Title

**Which Boards would you like to apply for?**

Economic Development Commission: Submitted

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**Interests & Experiences**

Please tell us about yourself and why you want to serve.

**Why are you interested in serving on a board or commission?**

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For 22 years, I ran a statewide economic development organization that represented and serviced the software and technology industry. I was also on the board of econ development and STEM organizations such as Greater Boston Chamber of Commerce and Museum of Science. I am interested in applying some of the knowledge I have gained over the years to benefit the city where I have lived for the last 36 years. I would like to highlight three initiatives that took place under my chairmanship of the EDC – primary sponsor of ordinance allowing food trucks in Wells Office Park which was approved by City Council; advisor to the econ development consultant in the development of the City's Economic Development Strategy which was also approved by City Council; and champion for diversity within EDC, adding women and people of color to the EDC membership. In addition, I used the knowledge gained from my terms on the EDC to provide a briefing on about a dozen economic development efforts for interested residents of the Towers, a 423-unit condo development where I live. It was such a success I was asked to present it a second time, which I was happy to do, and I am now getting requests for an updated version of the talk. The action item at the end of my talk was to ask everyone to sign up for the Mayor's email. I also hosted, along with another resident, a presentation by Northland on their project, prior to the City Council vote. I would like to continue to use my skills and knowledge to contribute to the economic vitality of the city.

[J.Plotkin.pdf](#)

Upload a Resume



MASS  
TECHNOLOGY  
LEADERSHIP  
COUNCIL

STEM Projects  
1992-2008

Under the Leadership of Joyce Plotkin, President  
Massachusetts Technology Leadership Council

K-12 Programs

**Switched-on Classroom**

*Description* – wrote/published a guide to help public schools develop technology plans and provided sources for educational content;

*Partners* – Council led the effort; partners were technology company executives; school superintendents, teachers unions; math and science teachers associations; Commissioner of Education

*Impact* – distributed free to every public school in the state just as state officials mandated that each school district have a tech plan before it could get any state dollars for technology; *New York Times* article led to national/international distribution

**Mass Tech Corps**

*Description* – assembled a corps of volunteers from the technology community to help schools write and implement tech plans, provide on-line curriculum resources, educate teachers on how to use the Internet

*Partners* – Council created the initiative with *ComputerWorld* publisher who branded the initiative and gave the project free advertising which was used to recruit volunteers

*Impact* – 800 people volunteered in 70 school districts across the state; served as model for US Tech Corps

**Net Day**

*Description* – helped to install and network computers and gets Internet access into public schools; organized training sessions to educate teachers on using the Internet

*Partners* – Initiated by Senator Edward M. Kennedy, co-chaired by Council President; had a 70-person Organizing Committee; key partners – technology companies, schools, unions (teachers, electrical workers, school custodians), Department of Education

*Impact* – helped to wire half of the public schools in Mass (1,000); 15,000+ volunteers participated; \$30+ million worth of products and services were donated to the schools

**Educational Foundation**

*Description* – recognize teachers, students, administrators, and volunteers who did an outstanding job of integrating technology into classrooms; recognize middle school math and science teachers who excite kids about math and science; teacher gets plaque for classroom; school gets tech grant (\$1-5,000)

*Partners* – Council initiative; Commissioner of Education personally handed out the awards because he said there were so few corporate programs that recognized teachers; Selection Committee of tech executives, teachers, other STEM activists

*Impact* – Recognized approximately 100 teachers; program has been credited with inciting teachers to go after bigger grants and awards from state and national programs

**K-12 Technology Standards**

*Description* – asked by the former Commissioner of Education (K-12) to update tech standards for the state

*Partners* – Dept. of Education (DOE); Advisory Committee of tech executives, tech administrators from schools, STEM activists

*Impact* – voluntary standards approved by DOE for use throughout the state

#### Higher Education

##### **Boston University Design Project**

*Description* - Match approximately 30 graphic design students (seniors, grad students) per year with 8-12 member companies for such design projects as logo, web site, collateral materials

*Partners* – Council initiated; member companies, Boston University School of Fine Arts - Design Dept.

*Impact* – Companies get new communications materials for minimal cost (up to \$1500 paid to student for rights to design). Over 300 students got a “real-world” work experience.

#### Workforce Training

##### **Fellowship Program**

*Description* – re-trained laid-off workers for jobs in the software industry during the late 90s; provided them with fellowships in tech companies; 5-month program

*Partners* – Council initiative; partners include technology companies, US Department of Labor, State Department of Employment & Training

*Impact* – re-trained 600 people; had over 95% placement rate

#### Research/Advisory Role for National Science Foundation Projects in partnership with University of Massachusetts

- Council members served as the study population for first-ever NSF funded research project on men and women in the IT work environment; focused on incentives and barriers for women entering IT;
- Participated in conference to recommend changes in the teaching of computer science in higher ed;
- Serve on the National Visiting Committee for a NSF project to provide a path for urban tech ed students from high school to community college to state university;
- Serve on the Advisory Committee for a UMass project funded by NSF's Broadening Participation in Computing initiative.

#### Other

- Served on the task force that created, and chaired the Advisory Board that set priorities for, a UMass program - the **Commonwealth IT Initiative** - which provides grants for professional development of teachers and upgrading of curriculum; also created an IT minor to supplement any major.
- Appointed by Mayor Menino of Boston to chair two technology-related committees for the Boston Public Schools (BPS):
  - LINC - Advisory Committee for developing the technology plan for BPS and
  - Project Refresh - encourages companies to donate used computers (up to 3 years old) to BPS



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rfuller@newtonma.gov

July 24, 2020

Honorable City Council  
Newton City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

To the Honorable City Councilors:

I am pleased to reappoint Brett Catlin of 121 Suffolk Road, Chestnut Hill as a full member of the Chestnut Hill Historic District Commission. His term of office shall expire on May 31, 2021 and his appointment is subject to your confirmation. The Chestnut Hill Historic District Commission members have terms staggered over the three year period in accordance with state statute. Mr. Brett Catlin will be serving the term expiring May 2021.

Thank you for your attention to this matter.

Warmly,

Ruthanne Fuller  
Mayor

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**Application Form**

**Profile**

Brett \_\_\_\_\_ Catlin \_\_\_\_\_  
 First Name Middle Initial Last Name

\_\_\_\_\_  
 Email Address

121 Suffolk Rd \_\_\_\_\_  
 Home Address Suite or Apt

Chestnut Hill \_\_\_\_\_ MA 02467  
 City State Postal Code

**What Ward do you live in?**

Ward 6

\_\_\_\_\_  
 Primary Phone

\_\_\_\_\_  
 Alternate Phone

Audubon Capital Partners \_\_\_\_\_  
 Employer Job Title

Managing Partner

**Which Boards would you like to apply for?**

Chestnut Hill Historic District Commission: Submitted

**Interests & Experiences**

Please tell us about yourself and why you want to serve.

**Why are you interested in serving on a board or commission?**

I applying to renew an appointment to the board. I believe my resume is on file.

[Brett\\_Catlin\\_LinkedIn\\_Resume.docx](#)  
 Upload a Resume

**LinkedIn Resume**

Brett Catlin

Managing Partner at Audubon Capital Partners

Boston, Massachusetts·500+ connections

Audubon Capital Partners

Boston University - School of Management

Experience

Audubon Capital Partners

Managing Partner

Audubon Capital Partners

Jun 2015 – Present·5 years

Boston, MA

Audubon Capital Partners is a private equity real estate firm focused on investment opportunities in select markets across the United States. We are persistent in our pursuit of new opportunities in order to create value for our investors and partners around the country.

Colony Capital, Inc.

Managing Director, Co-Head of Acquisitions

Colony Capital, Inc.

May 2005 – Jun 2015·10 years 2 months

Boston, MA

Colony Capital is a leading global real estate and investment management firm founded in 1991. Prior to its combination with Colony Financial, Inc. in 2015, Colony Capital sponsored \$24 billion of equity in a variety of direct funds and investment vehicles that invested over \$60 billion of total capital. Colony Capital was ranked as the 4th largest private equity real estate manager by PERE in 2014 prior to its combination with Colony Financial, Inc.

Boston Properties

Senior Financial Analyst

Boston Properties

Aug 2001 - Apr 2005·3 years 9 months

Boston, MA

Education

Boston University - School of Management

Finance/International Relations

1997 - 2001



Ruthanne Fuller  
Mayor

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**#407-20**

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Email  
rfuller@newtonma.gov

July 24, 2020

Honorable City Council  
Newton City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

To the Honorable City Councilors:

I am pleased to reappoint Peter Vieira of 67 Old Orchard Road, Chestnut Hill as a full member of the Chestnut Hill Historic District Commission. His term of office shall expire on July 31, 2023 and his appointment is subject to your confirmation.

Thank you for your attention to this matter.

Warmly,

Ruthanne Fuller  
Mayor

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Profile

Peter F Vieira
First Name Middle Initial Last Name

[Redacted]
Email Address

67 Old Orchard Road
Home Address Suite or Apt

Chestnut Hill MA 02467
City State Postal Code

What Ward do you live in?

[X] Ward 7

[Redacted] [Redacted]
Primary Phone Alternate Phone

Payette Principal
Employer Job Title

Which Boards would you like to apply for?

Chestnut Hill Historic District Commission: Submitted

Interests & Experiences

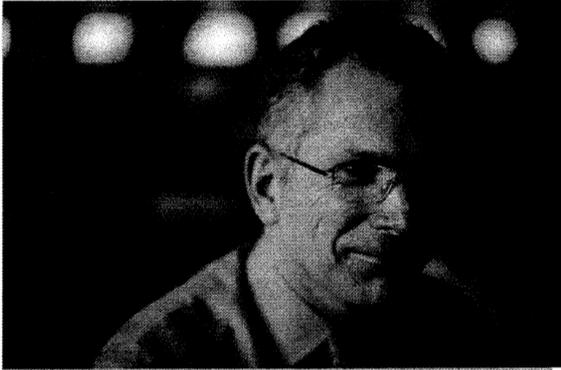
Please tell us about yourself and why you want to serve.

Why are you interested in serving on a board or commission?

Interest in continuing to apply my professional expertise, knowledge and judgment to preserve the unique architectural and landscape qualities of this historic district.

R\_Vieira.pdf
Upload a Resume

## PETER VIEIRA, FAIA, LEED AP PRINCIPAL



### EDUCATION

Master of Architecture, 1996, University of Pennsylvania

Bachelor of Architecture, with honors, 1990, University of Notre Dame

### TEACHING & LECTURES

Dean's Council, Weitzman School of Design, *University of Pennsylvania*, 2018-present

"2019 AIA Architecture Firm Award: Design, Research and Performance," AIA Conference, June 2019

"A Tale of Two Facades: Boston University Center for Integrated Life Sciences and Engineering?" *Architectural Record Innovation Conference East*, November 2016

Planning and Verifying LEED Platinum, *ABX/Architecture Boston Expo*, November 2015

"Using BIM to Maximize Space Utilization in Existing Science Facilities," *Tradeline College and University Science Buildings Conference*, October, 2011

"Lab of the Year," *Laboratory Design Conference*, 2009

### PUBLICATIONS

Fusion - The Performance of Architecture, *The Monacelli Press*, 2020

"Dining Hall Renovations & Addition, *Sterling Law Buildings*" *Interiors*, January 2002

"History of the GSFA," *University of Pennsylvania*, March, 2000

### RELEVANT EXPERIENCE

#### **Boston University**

- Rajen Kilachand Center for Integrated Life Sciences & Engineering: 180,000 GSF.

#### **The University of Connecticut**

- New STEM Research Center: 200,000 GSF.

#### **University of Hartford**

- New Academic Building for Health Sciences and Engineering: 67,000 GSF.

#### **Massachusetts Institute of Technology**

- Media Lab Clean Room, 2,000 GSF.

#### **Bryn Mawr College**

- Park Science Center Renovation.

#### **Brown University**

- School of Engineering and Brown Institute for Brain Science Programming Study: 400,000 GSF Study.

#### **George Washington University**

- Milken Institute School of Public Health: 161,100 GSF.

#### **University of Washington School of Public Health**

- Programming and Visioning Study.

#### **Columbia University**

- SEAS Data Science Institute: 30,000 GSF.
- Gary C. Comer Geochemistry Building at the Lamont-Doherty Earth Observatory: 70,000 GSF.
- Fu Foundation School of Engineering and Applied Science Space Utilization and Feasibility Study.
- Applied Sciences NYC Proposal for SEAS Manhattanville: 1,280,000 GSF. Planning Study.
- Northwest Corner Building 1200 & 1300 Level: New laboratories for the Chemistry Department: 3,400 GSF.