



Ruthanne Fuller,
Mayor

Barney S. Heath
Director

Community Preservation Committee

MINUTES

December 8, 2020

The virtual meeting was held online on Tuesday, December 8, 2020 beginning at 7:00 pm. Community Preservation Committee (CPC) members present included Mark Armstrong, Dan Brody, Eliza Datta, Byron Dunker, Susan Lunin, Robert Maloney, Jennifer Molinsky, and Martin Smargiassi. Community Preservation Program Manager Lara Kritzer were also present and served as recorder.

Mr. Armstrong opened the CPC meeting and asked the CPC members to introduce themselves at this time.

PROPOSALS AND PROJECTS

Pre-Proposal Review of the Coleman House Senior Housing Preservation Project

2Life Communities Liz Heyer and Rose White presented their pre-proposal application for the preservation and renovation of the Coleman House. Ms. Heyer explained that this project would be requesting both CPA and CDBG/HOME funding. The Coleman House is a 149-unit senior living facility providing service enriched affordable housing that is located next to the JCC and across from the Wells Avenue Office Park in south Newton. The facility is thirty years old and in need of comprehensive renovations at this time. Ms. Heyer also thanked the Committee for the CPA funding for the Golda Meir House, noting that the project was in the process of closing now.

Beginning the presentation, Ms. Heyer explained 2Life's mission and their belief that every older adult deserves opportunities to lead a full life. 2Life currently works with 1,600 adults with roots in 30 countries. Their properties have long time managers who work closely with the residents and develop programs as well as volunteer opportunities. She noted that while 30-40% of their residents qualified for nursing home care, only 2% actually went into nursing homes because of the resources and opportunities at their properties which encouraged residents to remain active.

Ms. Heyer explained 2Life's development capacity and program. Because 2Life retained all of the properties that they developed, they were concerned with the building life cycle. They currently have six campuses with 1,320 units in the Boston area. At present, the company is working on three major renovation projects as well as new development and has a full-time real estate team on staff to develop these projects.

For the Coleman House, their first goal is to preserve all 146 units of very low-income senior housing. Their plans call for making all of the units adaptable, particularly in terms of the bathrooms and kitchens, to further their model of aging in community. Some of their units are also now out of

website www.newtonma.gov/cpa

staff contact Lara Kritzer, Community Preservation Program Manager

email lkritzer@newtonma.gov, *phone* 617.796.1144

compliance with Federal accessibility requirements as well. Their program for the building would meet enterprise green standards while also modernizing, expanding, and enhancing community areas and resources. Ms. Heyer noted some of the existing programs and services at Coleman House, including Marvin's Garden convenience store, fitness and learning centers, etc. The building has a 100% Section 8 contract and the median income of its residents is \$12,000 while the median age is 82. Their staff is bilingual, and they have a robust waiting list of 550 people. Coleman House was actually built in two phases in the 1980s with Coleman House I residents typically waiting 8 years for an open unit while Coleman House II residents generally waited five years.

The proposed focus for the requested CPA funding is the full life cycle investment into the building. The structure needs electrical work and a new holistic HVAC system, and they are also planning to convert all systems to electric to get away from carbon-based systems. The requested HOME funds would be 100% used for the reconfiguration of the units to adaptable design. This included both fixtures and new features chosen to support residents while they age in place such as sensitive lighting and flooring, the use of appropriate patterns, etc. They provided existing residents with information on sample unit layouts and fixtures and were able to get feedback on various proposals. This feedback led them to consider changes to the bathroom layout to allow a full turning radius for wheelchair and walker use, which Ms. Heyer thought made the overall units more friendly for those who needed more accessible designs. She presented the fixture choices for the units and noted that some fixtures would double as grab bars in the bathrooms. They had also provided residents with three sample palettes for additional feedback. Because of Covid, they had to work creatively to organize their sample forums and gather feedback, but they would also have a model unit in the future which they hoped to be able to bring residents through to gather additional feedback and ideas.

The presentation then moved to the timeline. They planned to begin relocating residents in March 2021 and 2Life would be working with a company that specialized in relocations. To address Covid concerns, they were currently doing weekly testing and developing programs to address concerns. They hoped to be ready to begin construction in April/May, depending on the Covid situation, and anticipated that the construction would cost approximately \$25,330,000.

Ms. Heyer next moved to review the costs and sources of funding for the project. The total cost of the project was estimated at \$30,493,141 with \$24,830,000 coming from 2Life Communities. Ms. Heyer explained that 2Life had refinanced the buildings and would be able to use the equity to complete much of the proposed renovations as 100% of the proceeds of the refinancing were going back into the buildings. Ms. Heyer explained that they were proposing to fill in the funding gap with a mix of City and HOME Consortium funds. They were also anticipating receiving utility rebates. She thought that the proposed work would also yield substantial outcomes in sustainability as the project would include all electric systems and new adaptable units.

Members next discussed the CPA funding request. Mr. Armstrong noted that the Golda Meir Project had requested a similar percentage of CPA funding for the project, with a total of \$4.7 million in CPA funding allocated to the \$40 million dollar project. Mr. Maloney asked if all of the gap funding would be covered by the CPA funding request. Ms. Heyer answered that \$250,000 of the needed funds would come from other sources. Ms. Datta thought that they had given a great presentation and was curious about the overall financing of the project. She thought that it was refreshingly simple and

asked how they had arrived at this plan. Ms. Heyer answered that this was a 202 PRAC project that had units subsidized by Section 8. They had considered requesting tax credits but had decided against it because they had already raised a substantial amount of the funding and were working with the state on other projects. She added that the 4% tax credits were targeted at at-risk projects and they had not thought that this project would meet the state's priorities. Ms. Heyer added that 2Life was planning to construct another middle market housing building, Opus Newton, that would connect to Coleman House and there were concerns that tax credits would make that project more complicated.

Ms. Datta asked how comfortable the applicants were with the construction budget. Ms. White answered that they had just received updated pricing based on the new design and it was right on target with their estimates. Their design team and contractors had a good relationship and they did not expect the pricing to change significantly at this point. Mr. Armstrong asked if the project was only for the renovations to the existing building or if it included new construction. Ms. White confirmed that the current project was only to renovate and restore the existing building, noting that they did need to do some exterior masonry on the existing Coleman House as part of the project. Mr. Smargiassi asked if all of the units would be renovated and Ms. White answered yes. Mr. Smargiassi asked if there would be a change in the square footage of the units. Ms. White answered that there would be no change in the square footage. All of the units were one-bedroom with 600 – 650 sf. A question was raised about the cost per square foot of the project, which was noted in the attachments to be \$222/sf.

Ms. Molinsky thought that this was an exciting project and asked questions about the level of accessibility to be provided. She noted that the City's existing affordable units generally lacked accessibility and was eager to see more accessible units in Newton. She also noted that there were some questions as to how the CPA funding could be used in the project. Ms. Kritzer explained that CPA funding cannot be used to renovate units which were not acquired or created with CPA funding. CPA funding can be used to preserve existing affordable housing facilities, though, and could be used for overall work on the building and its systems. Ms. Heyer stated that the adaptability changes were important to the project. She explained that they were a key feature which mirrored many of the requirements for accessibility and were designed through working closely with their residents to discover what improvements would be most useful to them. For example, they had gone back and forth on whether to install cooktops and wall ovens or stoves in the kitchens. For accessibility, they needed to provide options to be seated while cooking, but their research showed that the populations in their buildings were probably not doing much cooking. They found that it was their younger clients who were looking for true accessibility in the units. Ms. Heyer added that they were working to take advantage of innovations in technology in all of their units and had hired a technology officer to help address those questions. They were also making Wi-Fi a part of all of their communities and Ms. Heyer noted that connectivity and support was now an ongoing expense. Lastly, Ms. Heyer stated that they had also been discussing how to bring more health care services into their buildings.

Mr. Maloney stated that the project had components that could and could not be funded. He asked what percentage of the project is building and systems work that CPA funding could be used for. Ms. White stated that they were considering this and could break down the funding uses by source. They were looking to spend any CPA funding they received for building envelope and systems work such as windows, siding, insulation and heating, but would not spend any funding on individual unit fixtures

or work. She stated that this work exceeded the \$4 million requested at this time and estimated that CPA funding would be used to cover 70% - 80% of this work.

Mr. Maloney noted that the CPC liked to see a 50% match on these types of projects and asked if the Committee should be counting the funding that would be going to things that the CPA funds could not be used for. Mr. Armstrong stated that he did not believe that the CPC had ever looked at that question. Mr. Brody stated that he did not think this was an issue due to the other costs of the project, noting that it was still only 18% of the project even if it was 100% of what the CPA could fund. Mr. Dyson asked if the 50% match was a requirement or a guideline and it was noted to be a guideline for the CPC to use in considering whether or not to fund new projects.

Mr. Brody asked for more information on the additional funding. Ms. Heyer noted that the equity had come from a previous loan and that refinancing the loan had allowed them to take cash out. This would not be an amortizing loan but would be structured as a sponsor loan. Mr. Brody noted that this has been a challenging year and that a lot of assumptions about how we live and how buildings operate have been changed. Ms. Heyer agreed and stated that they had learned a lot over the last year, particularly about air quality and safety, and noted that they were now installing additional air handling systems as a result. Their new projects were also taking air flow into account as well. She stated that they felt more passionately than ever about the need for community and were working to ensure that their residents were safe and not alone. Ms. Heyer explained that their Residential Coordinators were reaching out to their clients regularly for wellness checks and were focusing on keeping people well. Prior to Thanksgiving, less than 1% of their clients had been ill.

Ms. Datta noted that the budget did not include the typical financing costs and noted the savings benefits of not having to include them. She asked if they would need to take out construction or bridge loans as part of this project. Ms. Heyer answered that they would not need to take out loans and Ms. White noted that their project came in at \$202 per square foot without the contingency funds.

Mr. Armstrong noted that this project would be going through design development over the new few months and asked if they would have an updated budget for the complete applications. Ms. White answered that the CPC would probably be asked to vote on the project before their next budget repricing. She added that they did have weekly meetings on the projects, though, and that their budget numbers would be as up to date as possible. Mr. Armstrong asked that these numbers be updated as much as possible for this project.

Mr. Brody moved to invite 2Life Communities to submit a full proposal for the Coleman House Senior Housing Preservation project. Ms. Molinsky seconded the motion. The motion passed unanimously by roll call vote.

Discussion of Project Progress and Potential Additional Changes to the Covid-19 Rental Housing Assistance Program

Planning and Development Director Barney Heath, Housing and Community Development Director Amanda Berman, and Housing Development Planner Eamon Bencivengo were present for this discussion. Ms. Berman explained that this project was back before the CPC at this time to request

that the program time period be extended from six months to eight months. She gave a brief presentation on the program to date, noting that the program had assisted 211 households to date. Only six of these had been homeowners, but this was not surprising as the program was only available to homeowners living in affordable deed restricted units. The program began providing housing assistance on July 1 and 73% of the current funding recipients began receiving funding on that date. Of the \$2.5 million originally awarded to the program, \$1.3 million had been awarded in direct assistance to households. This included all of the CDBG funding, which had been used up in September. At present, only CPA funding was being used to assist these households.

Ms. Berman explained that the average household received \$1,400 per month and that 90% of the households in the program had incomes at or below 65% Area Median Income (AMI). She added that 55% of the program's households had far lower incomes that were at or below 30% AMI. As a result, the program was assisting some of Newton's most vulnerable households. Only five of these households lived in Newton Housing Authority units, and one had a mobile voucher. Many others lived in mixed/inclusionary zoning units throughout the City, while others were in market rate units.

Ms. Berman explained that the current request would extend the time period for participants to receive funding from six months to eight months with the goal of housing stabilization. The majority of the program's households continued to need this assistance and this program provided a lifeline. The program had been designed as a temporary program, but Ms. Berman noted that the anticipated end of the eviction moratorium in January made the need for such a program even greater at this time. Under the current six-month funding program, the 154 households who began receiving assistance in July would be out of the program at the end of December. Under their initial estimates, the program expected to help 301 households with six months of assistance, with program funds anticipated to run out in May 2021. By extending the program to eight months, the 154 households that would have stopped receiving funding in December will receive assistance through February. The total number of households assisted would go down to 227 households and the program would stop taking in new households in January. This change would extend the program through August 2021, with the hope that the economic scenario would improve by that date. The City would also ask Metro West Collaborative Development (MWCD) which oversaw the day to day operations of the program to do a second recertification on any households that wished to continue to receive funding. Ms. Berman noted that recertifications were done after three months and that the second recertification would be done after six months in the program.

Ms. Berman reviewed the funding scenarios and explained how the amount of funding and participant households had been determined. She explained that they had looked at extending the program to nine months, which would extend the program through September 2021, but would need an additional \$285,000 for this extension. They had also considered extending the program for a full year, providing funding for the initial recipients through June 2021. Ms. Berman explained that to extend the program to a year, they anticipated needing roughly \$1.1 million in additional funding.

Ms. Berman explained that they had wanted to discuss the realities of the situation with the CPC and to get a sense as to whether there was support for extending the program. She noted that many of the original households that began receiving funding last July are still in difficult situations at this time. Mr. Armstrong noted that the CPC had approved the first extension of the program from three to six months and thought that a further extension was a reasonable course of action. He hoped that

the City was beginning to see the end of the current economic situation but agreed that there were still many in need.

Ms. Molinsky thought that there was wisdom in extending the program to use up the existing pot of funds. It was noted that the second round of CDBG funding would be targeting services rather than housing and that there were more options available for using those funds. Ms. Molinsky thought that extending the program made a lot of sense given the ongoing situation.

Mr. Maloney asked how often participants would be recertified. Ms. Berman answered that it would be done every three months based on the fact that the program had originally been designed to provide assistance for only three months. She added that the City was working with MWCD on this process. Ms. Datta noted that when the City was designing this program, they had reached out to other communities with similar programs for guidance. She wondered how these other communities were doing and whether there were any comparisons available between Newton's program and those in neighboring communities. Ms. Berman answered that she was not sure but that MWCD's Jennifer Van Campen was the point person for the program and was also working in other communities on similar programs. Ms. Berman noted that other communities had used Newton's program as a model and noted that Needham had only recently started their own program.

Mr. Dunker moved to extend the existing Covid-19 Emergency Housing Relief Program's timeframe from six to eight months. Mr. Smargiassi seconded the motion which passed unanimously by roll call vote.

Ms. Kritzer asked if members were open to seeing a proposal for additional funding to extend the program through one year. Mr. Maloney stated that he would be open to this and that he would want to see what happened in future months. Ms. Molinsky expressed concern with the issue of back rents and wondered if there were other existing programs available to help households with this problem. Ms. Berman noted that the state's RAFT and ERMA programs also provided assistance with housing payments but was not sure how the two would interwork with the City's programs. She stated that this was something that they could look into further. She noted that they could think over how these programs worked together if they came back with a new proposal. Ms. Berman also noted that the current program only paid for up to 70% of housing costs, and so households might have built up some back rent if they were struggling to pay the remaining 30%. Members agreed that they were open to seeing a further proposal to extend the program through 12 months.

OTHER BUSINESS

Members briefly reviewed the existing financial information and agreed to postpone the review of the November minutes to the next meeting.

Mr. Dunker moved to adjourn the meeting. Mr. Armstrong seconded the motion which passed by unanimous voice vote. The meeting was adjourned at 8:20 P.M.