



Finance Committee Report

City of Newton In City Council

Monday, March 8, 2021

Present: Councilors Grossman (Chair), Malakie, Humphrey, Kalis, and Noel; 1 vacancy

Absent: Councilor Gentile and Norton

City staff present: Chief Financial Officer Maureen Lemieux, Comptroller Sue Dzikowski, Director of Planning & Development Barney Heath, CPA Program Manager Lara Kritzer, Fire Chief Gino Lucchetti and Commissioner of Public Buildings Josh Morse

#85-21 **Accept grant funds from the Homeland Security FY2020 Assistance to Firefighters**
HER HONOR THE MAYOR requesting authorization to accept, appropriate and expend a grant in the amount of twenty thousand seven hundred eight dollars and twenty-three cents (\$20,708.23) from the Homeland Security FY2020 Assistance to Firefighter Grant program-Covid-19 Supplemental (AFG-S) for the purchase of PPE and related supplies. This grant to be matched at a rate of 10% or \$2,070.82.

Action: **Finance Approved 4-0 (Councilor Malakie not voting)**

Note: Fire Chief Gino Lucchetti explained that the department has been applying for this grant and others throughout the year to fund the replacement of PPE that has been used during the pandemic. The Chief noted that the \$2,070.82 will be coming out of the Fire Department's operating budget. The department has a stockpile of PPE to be able to support the City if there is another surge.

Committee members asked the following question:

Q: How does the Fire Department learn about the different grants and funding sources available?

A: Chief Lucchetti explained that one of the functions of the training division is to research these grants. There is a Captain in that division that has been writing the applications for the grants.

Committee members thanked Chief Lucchetti and his department for the work they have done.

Councilor Noel motioned to approve which passed 4-0 with Councilor Malakie not voting.

Referred to Public Facilities and Finance Committees

#87-21 **Appropriate \$68,746 to fund the replacement of the boiler at Crafts Street Stable**
HER HONOR THE MAYOR requesting authorization to appropriate and expend the sum of sixty-eight thousand seven hundred and forty-six dollars (\$68,746) from Acct #

7902C104-337902 Unrestricted Capital Funds to fund the replacement of the boiler at the Crafts Street Stable.

Public Facilities Approved 5-0 on 03/03/21

Action: **Finance Approved as Amended to Acct # 7939-337902 4-0 (Councilor Malakie not voting)**

Note: Josh Morse, Commissioner of Public Buildings explained that on December 31, 2020 the boiler at the Craft Street Stable failed to a point that it was no longer safe to operate. The Craft Street Stable is one of the support facilities that houses the snow and highway division operations, especially during the winter months. The boiler has already been replaced because it was an emergency situation and was paid for out of the Public Buildings operating budget. Commissioner Morse noted that they received three bids for the project and went with the lowest bid which is the amount that is being requested.

Maureen Lemieux, Chief Financial Officer noted that the request tonight is to reimburse the Public Building's budget with the money that is in the Capital Stabilization Fund. Ms. Lemieux explained that this is an account that has approximately \$95,000 in it. These funds most likely came from a project that the Council approved, and for which there were leftover funds when the project was completed. There are a limited set of uses for this money because it is a Capital Stabilization fund.

Committee members thanked Commissioner Morse and his team for their work during this time.

Sue Dzikowski, Comptroller explained that the account listed in the docket item should be amended to Acct # 7939-337902 Capital Stabilization Fund-Unrestricted.

Councilor Humphrey motioned to amend the docket item to Acct # 7939-337902 Capital Stabilization Fund-Unrestricted which passed 4-0, Councilor Malakie not voting.

Councilor Humphrey motioned to approve as amended which passed 4-0, Councilor Malakie not voting.

Referred to Land Use and Finance Committees

#51-21 Approval of \$4,214,622 in CPA funding for the Coleman House
COMMUNITY PRESERVATION COMMITTEE recommending appropriation of four million two-hundred and fourteen thousand six hundred and twenty-two dollars (\$4,214,622) in CPA Community Housing funds to 2Life Communities for the Coleman House Senior Affordable Housing Preservation project.

Land Use Approved 7-0 on 03/02/21

Action: **Finance Approved 4-0 (Councilor Malakie not voting)**

Note: Mark Armstrong, Chair of the Community Preservation Committee and Lara Kritzer, CPA Program Manager were present to discuss the above docket item. The Committee was also joined by 2Life Communities representatives Lizbeth Heyer, Elise Salinger, and Rose White.

Mr. Armstrong explained that the Coleman House helps low-income seniors with housing and other support services. These funds will help preserve this building.

Ms. Kritzer's presentation is attached to this report.

Committee members asked the following questions:

Q: Who signs off on making sure the funds are available when the City Council approves a project?

A: Sue Dzikowski, Comptroller explained that her office checks to see if there are enough funds in a prospective account. Ms. Dzikowski noted that the funds requested here are available for this project.

Q: What opportunities does the location of the JCC next door, as well as the surrounding neighborhood, present for the residents of Coleman House?

A: Mr. Armstrong noted that they are working on a campus expansion project. Lizbeth Heyer, Chief of Real Estate and Innovation for 2Life Communities, explained that the JCC does offer a discounted membership for the residents of the Coleman House. It was noted that there are many social and cultural events that happen within the Coleman House but some residents do use the facilities at the JCC. There is also a van that helps residents participate in events that are happening in Newton and the Greater Boston Area. 2Life Communities also assists residents in utilizing the NewMo system to get around the City. They have also been in contact with the Community Farm across the street to be able to have fresh produce at Coleman House as well as other 2Life properties.

Ms. Heyer noted that they are looking to purchase land from the JCC as part of a campus expansion project. They will also be re-routing the road to connect the campus expansion to the existing Coleman House location. This will create a new income-inclusive community and will create more programming opportunities for residents. They are also looking to connect Nahanton Park to this site and have been working with Parks, Recreation & Culture to deal with some of the mobility challenges in this area.

Committee members made the following comments:

At a later date, the Finance Committee should discuss the process of making sure that funds are available for projects before being heard by the Committee.

Committee members thanked Ms. Kritzer, the Community Preservation Committee and 2Life Communities for their work on this project.

Councilor Noel motioned to approve which passed 4-0, Councilor Malakie not voting.

Chair's Note: *The following two items were discussed together.*

#395-20 Request for updates on budget and possible reimbursements at Newton Public Schools
The President of the Council, on behalf of the City Council, requesting updates to the Finance Committee from the Chief Financial Officer regarding budget expenditures and possible reimbursements related to school reopening at each meeting this fall.

Action: Finance Held 5-0

Chair's Note: *Chief Financial Officer Maureen Lemieux provided an update on the expenditure of funds for COVID-19 as related to item #239-20.*

Note: Maureen Lemieux, Chief Financial Officer explained that the City is in a period of transition where the rules are changing every day regarding COVID-19 reimbursements from the federal government. Ms. Lemieux has been watching the President's new stimulus package carefully and will update us when she can about the implications for municipalities. The specifications regarding whether the new package can be used to reimburse lost revenue could be particularly impactful. Ms. Lemieux explained the FEMA reimbursement level has changed to 100% and the City was recently informed that FEMA is looking at what costs will be eligible for school reopening. She explained that the School Department and other city staff are working hard to make sure the school buildings are ready for kids to safely return to the classroom. Ms. Lemieux noted that she hopes by the next Finance meeting this will all be clearer.

Committee members made the following comments:

A representative from the School Department should be present at one of the next Finance meetings to be able to understand the costs of reopening the schools.

In future meetings, the Committee would like to discuss the administration's priorities for the new stimulus funds.

Councilor Humphrey motioned to hold item #395-20 which passed unanimously.

The Committee adjourned at 7:50 p.m.

Respectfully submitted,

Rebecca Walker Grossman, Chair

Coleman House Senior Housing Preservation Funding Recommendation

Community Preservation Committee
Presentation to Finance Committee
March 8, 2021

Project Overview

- ▶ Entirely affordable housing serving extremely and very low-income seniors (below 50% AMI)
- ▶ Median Age of Residents: 82
- ▶ Median Income: \$12,000/year
- ▶ Residents provided with supportive services including social, cultural, educational and wellness programs
- ▶ 2 Life Communities owns and operates building



Current Funding Request

- ▶ 2Life Communities requests CPA funding to preserve the affordable housing by funding:
 - ❖ New building wide systems (electrical, plumbing, HVAC, fire prevention),
 - ❖ Installation of New Roof
 - ❖ Installation of New Windows
 - ❖ Repair of Exterior Masonry, including new waterproofing and insulation
- ▶ Project will also rehabilitate all 146 of the existing units to be fully adaptable
- ▶ New systems and features will meet Enterprise Green Community Standards
- ▶ Project meets High Priority needs of FY16-20 Consolidated plan and complies with Newton COA design standards

Development Funding Sources

Funding Source	Status	Amount
Coleman House I Sponsor Loan	Confirmed	\$24,830,000
West Metro HOME Consortium FY20 Funds	Confirmed	\$418,519
Newton CDBG Funding	Confirmed	\$411,898
Newton HOME Funding	Confirmed	\$118,102
Newton CPA Funding Request	Requested	\$4,214,622
West Metro HOME Consortium FY21 Funds	Anticipated	\$292,365
MassSaves Utility Rebates	Anticipated	\$100,000
TOTAL SOURCES		\$30,385,506

CPA Funds represents 14% of project costs

Development Budget - Uses

Funding Uses	Amount
Construction	\$25,136,677
Architect/Engineer, Clerk, Permits, Legal, Low Voltage	\$2,805,249
Relocation	\$955,541
Contingency (5%)	\$188,039
Developer Overhead	\$1,300,000
Total Uses	\$30,385,506

CPA Funding to be used specifically for Construction expenses associated with the preservation of the affordable housing resource (systems and exterior elements previously noted)

Timeline

- ▶ **Winter 2021:** Complete Construction Documents and Competitive Subcontractor Bidding
- ▶ **Spring 2021:** Closing and Anticipated Start of Construction
- ▶ **Winter 2023:** Anticipated Completion of Construction

CPA Available Funds as of March 2, 2021

Total Unrestricted Funding	\$10,805,419
Current Housing Reserve Fund	\$0
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Total Funding Available for Housing Projects	\$10,805,419
Coleman House Senior Housing Project Funding	\$4,214,622
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Total Remaining Funding Available	\$6,590,797

Questions & Discussion

► Thank you!

CPA Funded Housing Projects FY18-FY21

Project	Total Funding Received	Anticipated Spending Timeframe			
		FY21	FY22	FY23	FY24
Haywood House/NHA	\$3,077,900	\$3,077,900 (Anticipated Timing)			
Golda Meir House/2Life Communities	\$4,494,857		\$4,494,857 (Anticipated Timing)		
NHA -CANDO Housing Acquisition	\$1,105,000	\$1,105,000 (Actual)			
Covid-19 Emergency Housing Assistance	\$3,200,000	\$2,500,000 - \$3,000,000 (Estimated)	\$200,000 - \$700,000 (Estimated)		
Coleman House/2Life Communities	\$4,214,622		\$4,214,622 (Anticipated Timing)		

CITY OF NEWTON

IN CITY COUNCIL

DRAFT

ORDERED:

That, in accordance with the recommendations of the Community Preservation Committee through its Chair, Mark Armstrong and the Finance Committee through its Chair Councilor Rebecca Walker Grossman, the appropriation of four million two-hundred and fourteen thousand six hundred and twenty-two dollars (\$4,214,622) in CPA Community Housing funds to 2Life Communities for the Coleman House Senior Affordable Housing Preservation project is hereby approved as follows:

FROM:	CPA Undesignated Fund Balance	
	(5800-3599).....	\$4,214,622
TO:	Coleman House Senior Housing- Undistributed	
	(58C11415-579500)	\$4,214,622

Under Suspension of Rules
Readings Waived and Adopted
Draft

(SGD) DAVID A. OLSON

City Clerk

(SGD) RUTHANNE FULLER

Mayor

Date: _____

CITY OF NEWTON

IN CITY COUNCIL

DRAFT

ORDERED:

That, in accordance with the recommendation of the Finance Committee through its Chair Rebecca Walker Grossman, the authorization to accept and expend a grant in the amount of twenty thousand seven hundred eight dollars and twenty-three cents (\$20,708.23) from the Homeland Security FY2020 Assistance to Firefighter Grant program-Covid-19 Supplemental (AFG-S) for the purchase of PPE and related supplies be and is hereby approved.

Under Suspension of Rules
Readings Waived and Approved
DRAFT

(SGD) DAVID A. OLSON
City Clerk

(SGD) RUTHANNE FULLER
Mayor

Date _____

CITY OF NEWTON

IN CITY COUNCIL

DRAFT

ORDERED:

That, in accordance with the recommendation of the Public Facilities Committee through its Chair Alison M. Leary and the Finance Committee through its Chair Rebecca Walker Grossman, to appropriate and expend the sum of sixty-eight thousand seven hundred and forty-six dollars (\$68,746) to fund the replacement of the boiler at the Crafts Street Stable is hereby approved as follows:

FROM:	Capital Stabilization Fund-Unrestricted (7939-337902).....	\$68,746
TO:	Crafts Street Stable Boiler Expense-Undistributed (7828B115-579500)	\$68,746

Under Suspension of Rules
Readings Waived and Approved
DRAFT

(SGD) DAVID A. OLSON

City Clerk

(SGD) RUTHANNE FULLER

Mayor

Date: _____