



PLANNING & DEVELOPMENT BOARD JOINT MEETING WITH COMMUNITY PRESERVATION MINUTES

January 12, 2021

Members Present:

Peter Doeringer, Chair
Sonia Parisca
James Robertson
Jennifer Molinsky
Barney Heath
Kelley Brown
Kevin McCormick

Ruthanne Fuller
Mayor

Barney Heath
Director
Planning & Development

Members

Peter Doeringer, Chair
Kelley Brown, Member
Sudha Maheshwari, Member
Jennifer Molinsky, Member
Sonia Parisca, Vice Chair
Chris Steele, Member
Barney Heath, *ex officio*
Kevin McCormick, Alternate
James Robertson, Alternate

1000 Commonwealth Ave.
Newton, MA 02459
T 617-796-1120
F 617-796-1142

www.newtonma.gov

CPC members Present: Community Preservation Committee (CPC) members present included Mark Armstrong, Dan Brody, Eliza Datta, Byron Dunker, Susan Lunin, Robert Maloney, Jennifer Molinsky, Martin Smargiassi, and Judy Weber

Staff Present:

Barney Heath, Director of Planning and Development
Lara Kritzer, Community Preservation Program Manager
Amanda Berman, Director of Housing & Community Development
Tiffany Leung, Senior Community Development Planner
Eamon Bencivengo, Housing Development Planner
Cat Kemmett, Planning Associate

Meeting held virtually by Zoom Meeting

1. Request for a Substantial Amendment to the FY21 Annual Action Plan to allocate \$400,000 in Newton CDBG funds and a pre-commitment of \$130,000 in FY22 HOME Funds towards the Coleman House Senior Housing Preservation Project developed by 2Life Communities.

Mr. Armstrong, chair of the CPC, stated that the Planning and Development Board and CPC were meeting jointly to review the proposal from 2Life Communities for funding of the Coleman House Senior Housing Preservation project. The project was introduced by Jeff Sacks, who explained that he was starting his three-year term as chair of 2Life Communities' Board of Directors. He noted that he was a former housing representative member of the CPC and was excited to see the Committee meeting jointly with the Planning Board on this project. He noted that both the Planning Board and CPC had previously supported 2Life Communities with the funding for the Golda Meir project. He appreciated their support for the Coleman House project, explaining that it provided housing for very low and extremely low-income senior households. For over fifty years, 2Life Communities (previously known as Jewish Community Housing for the Elderly) has provided a dynamic and supportive environment for the seniors living in its affordable housing. Mr. Sacks noted the challenges of the current proposal to completely rehabilitate and restore the property with its residents still living there and noted how their team had designed the project to improve accessibility and adaptability within each unit. He ended by noting that the proposal requested \$4.5 million in CPA funding and \$530,000 in CDBG and HOME funding.

Lizbeth Heyer, Chief of Real Estate and Innovation for 2Life, gave a presentation on the Coleman House Preservation proposal. She noted that this was an important affordable housing preservation opportunity. 2Life Communities is the long-term owner, operator, property manager, and service provider for all of its properties and currently manages 1,300 apartments on five campuses. Their residents include 1,600 individuals from thirty different countries. Ms. Heyer noted that 30% to 40% of their residents were nursing home eligible but that only 2% moved to nursing homes annually due to the support and benefits provided to their residents.

Ms. Heyer explained that the Coleman House is adjacent to the Jewish Community Center (JCC) and was built in two parts in the 1980s and 1990s. She noted that they had onsite resident services in all of their properties with the goal of 100 residents to each resident service coordinator. Ms. Heyer explained that many of the coordinators were bilingual and reviewed the cultural, social, physical, and educational services and benefits that they provided to their residents. Ms. Heyer explained that the buildings also had live-in staff and would continue to after the renovations.

The Coleman House buildings include 146 units available to very low and extremely low-income households, those with incomes well below 50% AMI. Ms. Heyer explained that they were able to supply this affordable housing through a mix of Section 8 and PRAC project-based contracts. The median income for their residents is \$12,000 and the median age is 82. Ms. Heyer added that 53% of residents needed some level of assistance and that 40% of residents used a cane or walker for mobility.

Ms. Heyer explained that all units will be adaptable, and a certain number would be fully accessible. Adaptable units were based on resident needs to remain in their units over time and included better turning radiuses for walkers and wheelchairs, installing blocking for future grab bars in different locations, and easily removeable cabinets in the kitchen. The project would also include a full life cycle investment for the building envelope and infrastructure. They are working to get as close as possible to full electric systems to reach Enterprise Green Community standards. Ms. Heyer noted that it was also important to them that their systems be efficient as they paid for all of the utilities in the buildings.

Ms. Heyer stated that they were requesting that local support cover 18% of the project using CDBG, HOME, and CPA funding. The project also anticipated using some Consortium HOME funds as well. The largest share of the costs, approximately \$25 million, would come from 2Life Communities itself as they reinvested equity back into the building. The project costs included \$25 million in construction and \$4 million in soft costs. Because they were using fewer funding sources, their transaction costs were lower, and they planned to have only a modest developer fee. The CPA funding would be dedicated to costs involved with repairs and replacement work on the building envelope and infrastructure. Ms. Heyer estimated that the project included \$10 million in project costs for building envelope and infrastructure elements. The project proposed to use the HOME funding for construction, and to use the requested CDBG funding to assist with relocation costs for their residents. Ms. Heyer added that this was 2Life's fourth project in an occupied building and that they had a good sense of how to do these now. Their approach was to empty a stack of units, renovate them, and to then relocate the residents from the next stack of to be developed units into the finished units so that residents remained in the same building throughout the process.

Ms. Heyer reviewed the project schedule, explaining that they were ready to proceed and hoped to have the completed construction documents in February. The relocation work was anticipated to begin in March with construction underway in April. Project completion was estimated to be by April 2023.

Mr. Armstrong found it interesting that the CPA funding was considered to be for preservation here, noting that the building and work to be done was very different from the CPC's usual preservation projects. Mr. Doeringer asked what level of Enterprise Green status they were aiming for. Elise Salinger, 2Life's Real Estate Innovation Manager, explained that the status would be equivalent to a silver or gold

LEED certification. Mr. Doeringer asked if all the non-HOME funded units would be affordable in perpetuity. Ms. Salinger answered that all the units were permanently affordable. Additionally, the HOME units would have restrictions on them which went beyond the minimum requirements for that funding.

Ms. Datta stated that she was a member of the Newton Housing Partnership as well as the CPC and was very supportive of the project. She noted that the Housing Partnership recognized that it is hard to develop and preserve deeply affordable units like the ones at Coleman house. The Partnership had also discussed the adaptability and accessibility of the rehabilitated units and Ms. Datta thought that it was great that 2Life was investing in these improvements. Ms. Datta also appreciated the simplicity of the financial structure of the project and its more predictable schedule.

Ms. Molinsky stated that she worked in aging in housing and noted that 2Life Communities was a national leader in the field. She stated that she was very supportive of the project and thought that the ability to adapt the units should not be underestimated as it would provide a tremendous benefit to residents.

Housing Development Planner Eamon Bencivengo then gave a presentation on the use of the CDBG and HOME funding for the project. He explained that 2Life's request for \$530,000 equaled 1.7% of the project with \$411,898 coming from CDBG funding and \$118,102 from HOME funds. He explained that there was also a small change in the funding since the Planning and Development Board's memo. The HOME funds had been lowered with a placeholder added for May/June when the City would know more about the status of FY22 federal funds. The lower HOME funding amount has been paired with additional CDBG funds. Mr. Bencivengo explained that the results would be the same but that this provided a more conservative approach to using the HOME funds. He added that the project had previously been awarded West Metro HOME Consortium funds and explained that these came from pooled funds from all of the Consortium member communities and were released in regular funding rounds. Mr. Bencivengo stated that the current project met all the eligibility requirements for this funding and was highly leveraged. The project addressed many of the City's housing goals with its deeply affordable units for seniors and would be more sustainable, which was a long-term goal of the City. He added that the Housing Partnership had voted last week to recommend full funding to the project and that staff also recommended approval.

Mr. McCormick asked if there was already a permanent affordability restriction on the property. Ms. Heyer answered no, that the affordability was instead guaranteed by their HUD and other housing contracts. Rose White, 2Life Communities' Housing Finance Specialist, stated that the permanent affordability of the property will be tied to the financing and that the property would not have a separate restriction. Mr. Doeringer questioned tying the affordability to the financing, asking whether the affordability would be compromised if the HUD financing ever ended. Ms. White stated that that any affordability restrictions would most likely be renewed with any refinancing of the project. Ms. Berman added that there were restrictions tied in with the city funding including a 20 year or longer restriction for the HOME funded units. Ms. Weber asked how long their contracts were for and Ms. Heyer answered that they had both annual and fifteen-year contracts. Ms. Weber added that the federal government had continued to show support for senior housing and did not show any signs of walking away from it. Ms. Heyer noted that 2Life Communities had been providing affordable senior housing for 55 years and was a stable and well capitalized company that was expanding.

Mr. Maloney noted that the property had been recently refinanced and that the project had long term financing in place that represented a high percentage of the property value. He thought that the proposed funding request was for a good cause.

Mr. Brown asked the applicants how they had determined the appropriate project for the project. Ms. Heyer stated that they had begun with a capital needs assessment of the building that evaluated the condition of the building envelope and systems. They had developed the core of the project around a thirty-year usable life scope, then had brought in a contractor to start testing their assumptions by looking into the walls. They then looked at any additional goals which would meet the desired programmatic outcomes. Ms. Heyer stated that their goal at Coleman House was that no one should ever have to leave their units for a nursing home and that 2Life Communities had a passionate commitment to sustainability. They had then set their budget and scope around these goals. Mr. Brown asked about the Consortium HOME funding. It was noted that there had been no other applicants for that funding this round. Mr. Brown asked if there were any other projects that were not being funded due to this project. Ms. Berman answered that there were other projects but that it was hard to qualify for these funds. She noted that the HOME funds required that a project already be pretty far along with the rest of its funding in place. It just happened that this was ready when those other projects were not. She noted that for the HOME Consortium funds, not all applicants wanted to deal with the restrictions and complications that came along with the fund. Mr. Brown asked if there was anyone waiting to use the Newton funds. Ms. Berman answered no, that the only other potential use for the Newton funds was the Armory, adding that this project was a very appropriate and strong use of this funding.

Ms. Parisca stated that this is a wonderful project. She asked if all of the units were assigned or if there was a waiting list for units. Ms. Heyer explained that they were currently holding some units open for relocations but that the buildings were otherwise fully occupied with a 500-person waiting list. Mr. Armstrong asked if 2Life Communities had any plans for adding new units. Ms. Heyer answered that they were working on a new development for the site, Opus, which would provide middle income housing to those who wished to age in community. 2Life was getting ready to submit their special permit application for the project this spring. Ms. Heyer explained that the construction on Opus was still a few years away and noted the challenges of bringing in services to middle income households which currently only exist in high-end facilities. The project had been difficult to design, but 2Life thought that it would be an overall enhancement to the Coleman House facilities.

Discussion was opened to the public at this time.

Diana Murphy, Chair of the Council on Aging, expressed her support for the project. She noted that Newton was in desperate need of senior housing and that many seniors were remaining in their homes longer than they should because they had no other option. She stated that 2 Life Communities is innovative and had a fantastic track record, and that the Council strongly endorsed this project. Robin Nasson assisted Constance, an 18-year resident of the community, in voicing her support for the project and organization. Constance stated that 2Life took wonderful care of its residents and offered many programs and services.

Peter Barrer of Green Newton stated that he was a retired engineer and was very concerned with sustainability. He noted the City's goal of being carbon free by 2050 and was concerned with the proposed project scope. Ms. Selinger clarified and expanded on the project's sustainability plans, explaining that this work would put the property on a clear path to zero carbon in 2050. She discussed with Mr. Barrer their plans for air sealing as well as upgrading systems and insulating the building cavities, adding that the plans had evolved since their original submission and that she was happy to provide additional guidance on their sustainability approach.

Mr. Maloney moved to close the CPC's public hearing on the Coleman House project proposal. Ms. Lunin seconded the motion which passed by unanimous voice vote.

Ms. Molinsky then moved to close the Planning and Development Board's public hearing on the Coleman House project funding. Ms. Parisca seconded the motion which also passed by unanimous voice vote.

Ms. Lunin moved to recommend \$4,214,622 in CPA Community Housing funds to the Coleman House Senior Housing Preservation project. Mr. Maloney seconded the motion which passed by a unanimous roll call vote.

Ms. Parisca moved that the Planning and Development Board recommend approval of the proposed substantial amendment and pre-Commitment of the HOME funds to the Coleman House project. Mr. McCormick seconded the motion which passed 6-0-1, with Mr. Heath abstaining.

2. Adjournment

The Planning & Development Board portion of this meeting was adjourned at 8:10 P.M.