



Finance Committee Report

City of Newton **In City Council**

Monday, April 26, 2021

Present: Councilors Grossman (Chair), Malakie, Humphrey, Kalis, Norton, Gentile, Oliver and Noel

City staff present: Chief Financial Officer Maureen Lemieux, Comptroller Sue Dzikowski, Housing Development Planner Eamon Bencivengo, CPA Program Manager Lara Kritzer, Director of Senior Services Jayne Colino and Assistant Fire Chief Greg Gentile

#144-21 Appointment of M. Ronald Mendes as the City's Treasurer/Tax Collector

HER HONOR THE MAYOR requesting approval of the appointment of M. Ronald Mendes as the City's Treasurer/Tax Collector (90 days: 07/14/21)

Action: **Finance Approved 8-0**

Note: Maureen Lemieux, Chief Financial Officer presented the request to approve the appointment of M. Ronald Mendes as the City's Treasurer/Tax Collector. Ms. Lemieux explained that Mr. Mendes has spent the last several years as the Treasurer/Tax Collector, Assistant Town Administrator and Procurement Manager for Swampscott. She noted that Mr. Mendes did previously work for Newton in the Public Works Department and has worked in Wilmington as their Treasurer/Tax Collector. Ms. Lemieux has been the acting Treasurer since the previous Treasurer had retired.

Mr. Mendes explained that he has been working for 20 years in municipal finance. He noted that while he was working in Swampscott he was able to work in different aspects of municipal finance but explained that the Treasury Department is his specialty.

Committee members asked Mr. Mendes the following questions:

Q: What has brought you back to the City of Newton and what best practices and lessons learned can you bring back to Newton from the other communities you have worked for?

A: Mr. Mendes explained that he always brings his experiences to a new city or town he is working for. He explained that when he left Newton, he did bring the idea of the customer service department to Swampscott. Mr. Mendes explained that he feels that customer service skills are important and continuously looks for ways to improve operations. He also noted that he oversaw a debt management plan in Swampscott that looked at the complete debt picture and how it affected the operating budget. His hope is to bring aspects of this plan to Newton.

Q: How much do you know about Newton's financial management guidelines?

A: Mr. Mendes explained that he has reviewed the City's financial policies and has drafted these kinds of policies in other communities. He hopes to further investigate Newton's policies once he begins his work here.

Committee members made the following comments:

Once Mr. Mendes is settled it would be helpful to get an update on the implementation of the City's divestment ordinance.

Mr. Mendes should further investigate the reporting requirements for the Treasury Department to the City Council and the CFO through the Finance Committee. There are reports that are supposed to be completed and presented on a quarterly basis to make sure that the City's financial policies are being followed.

A few years ago, the investment guidelines for the Rainy Day Stabilization Fund were updated. The current balance of this fund is currently \$22 million, where five years ago it was \$18 million. The point of updating the guidelines was to give the Treasurer more flexibility to be able to make investments with this fund, and that has not happened to date. The City also has an Investment Advisory Committee that should be working with the Treasurer and Finance Committee to grow the Rainy Day Fund through investments. Mr. Mendes should investigate this as the new Treasurer.

Mr. Mendes explained that in other communities, he has had made a list of legal investments for the Rainy Day Fund and did make these investments to grow the fund. The average rate of return was approximately 6% to 7%, where previously these funds had been in a savings account. He noted it is important to deposit the funds as soon as possible, then review the banks' policies and see what investments can be made from there. The goal is also to have these funds in a place that will earn more without sacrificing security or liquidity.

Ms. Lemieux explained that they will be docketing an item to transfer approximately \$900,000 to the Rainy Day Fund because the current investments have not been performing. The City's goal is to have the Rainy Day Fund at 5% of the operating budget.

Committee members thanked Mr. Mendes for his willingness to serve.

Councilor Gentile motioned to approve which passed unanimously.

#141-21 Acceptance of grants funds from MassDOT's Community Transit Grant Program

HER HONOR THE MAYOR requesting authorization to accept and expend the sum of two hundred thousand dollars (\$200,000) in grant funding from MassDOT's Community Transit Grant Program FY21 for operating assistance for the NewMO Program.

Action: Finance Approved 8-0

Note: Jayne Colino, Director of Senior Services presented the request for the sum of \$200,000 in grant funding from MassDOT's Community Transit Grant Program FY21 for operating assistance for the NewMo Program. Ms. Colino explained that this is the second year of grant funding for NewMo. She noted that this year there is not a requirement for the City to match these funds, so Newton is receiving double than what was expected.

Committee members asked the following questions:

Q: What impacts has the pandemic had on NewMo?

A: Ms. Colino explained that NewMo was not able to operate at its normal capacity. The City has not returned to a shared ride program at this time. She explained that one of the challenges is that the fleet is made up of sedans and one van that could accommodate more riders. Ms. Colino explained that currently the program provides approximately 200 rides per week, whereas before the pandemic NewMo provided approximately 500 rides per week. The demand is currently increasing which has caused the wait times to increase.

Q: What is the destination for most rides?

A: Ms. Colino explained the rides are mostly for medical appointments. The destinations also include the senior center and the library. The village centers and Needham Street are also places that NewMo takes residents.

Q: What has the City spent on NewMo?

A: Ms. Lemieux explained that in the FY21 budget \$350,000 was allocated with \$100,000 coming from this grant. There were also other grants and revenues. The administration does not currently know what the City will put in for the next fiscal year.

Councilor Norton motioned to approve which passed unanimously.

#142-21 Acceptance of grants funds from the Executive Office of Public Safety

HER HONOR THE MAYOR requesting authorization to accept and expend the sum of twenty-six thousand dollars in grant funding from the Executive Office of Public Safety and the Department of Fire Services to cover firefighter safety equipment expenses.

Action: **Finance Approved 8-0**

Note: Greg Gentile, Assistant Fire Chief presented the request to accept and expend the sum of \$26,000 in grant funding from the Executive Office of Public Safety and the Department of Fire Services to cover firefighter safety equipment expenses. Assistant Chief Gentile explained that he and Chief Lucchetti have been working with the training officer to find these types of grants and apply for them.

Committee members asked the following questions:

Q: What will these grant funds be used for?

A: Assistant Fire Chief Gentile explained that they have been able to get “bail out kits” that are used by firefighters that are trapped in an elevated area. This is a rope and harness system. This grant will help to restock these kits. Another item is an ice sled which will increase the department’s capabilities during ice rescues. Each year the department does get multiple ice calls. The department is also looking to replace power tools and equipment that are coming to the end of their useful life. They will be moving from gasoline-powered saws to battery-operated saws which are more reliable.

Committee members thanked Assistant Fire Chief Gentile and the Fire Department for their work on this grant and during the pandemic.

Councilor Norton motioned to approve which passed unanimously.

#143-21 **CPC Recommendation to appropriate \$21,270 in CPA funding for the West Newton Armory**
COMMUNITY PRESERVATION COMMITTEE recommending the appropriation of twenty-one thousand two hundred and seventy dollars (\$21,270) in Community Preservation Act community housing funds to the West Newton Armory Affordable Housing Development Project in order to complete pre-development studies and assessments necessary for the acquisition of the site for future affordable housing development.

Action: **Finance Approved 8-0**

Note: Lara Kritzer, CPA Program Manager and Eamon Bencivengo, Housing Development Planner presented the request to appropriate \$21,270 in Community Preservation Act community housing funds to the West Newton Armory Affordable Housing Development Project in order to complete pre-development studies and assessments necessary for the acquisition of the site for future affordable housing development. Ms. Kritzer presented the attached presentation.

Committee members asked the following questions:

Q: Is there an up-to-date budget for this project?

A: Mr. Bencivengo explained that the closest they have to a budget is an investment forecast that was put together by Affirmative Investments during the feasibility analysis. Affirmative Investments envisions this budget to be made up of Low Income Housing Tax Credit (LIHTC) funds, soft loans from the state, additional CPA funding and possibly some Community Development Block Grant (CDBG) funds. Mr. Bencivengo estimated that this whole project could cost approximately \$20 million.

Q: Will the City be contributing any funds or bonding any funds for this project?

A: Ms. Kritzer explained that there has not been a discussion on bonding CPA funds at this time. Ms. Lemieux noted that she has not been involved in any conversation regarding the City providing funds or bonding for this project. Ms. Kritzer estimated that the CPA will most likely contribute approximately \$3 -\$4 million to the eventual total project cost based on current, similarly-situated projects. Mr. Bencivengo explained that Affirmative Investments did not anticipate the City bonding in any capacity for this project.

Q: Will the \$21,270 exhaust the grant funds that were given by the state?

A: Mr. Bencivengo explained that this is correct. The city received grants that have a ceiling of \$200,000. Initially Affirmative Investments budgeted this portion of the project at \$180,000. They were able to go up to the ceiling of the grant which allowed the City to split the costs between the CPA and the state grant.

Q: Will the noise from construction be an issue in this area?

A: Mr. Bencivengo explained that there are ways noise can be reduced by architectural choices.

Committee members made the following comments:

The budget for this project should continue to be investigated to anticipate any future funds that may be requested from City resources other than CPA funds.

A councilor noted that due to the low cost of the land this project may not need to be funded at all by the City. These projects are usually done by for-profit companies who have investors and the state does provide funds.

Councilor Malakie motioned to approve which passed unanimously.

#118-21 Submittal of the Comprehensive Annual Financial Report, and external audit reports
COMPTROLLER transmitting the Comprehensive Annual Financial Report and external audit reports for fiscal year ending June 30, 2020 for City Council review/acceptance.

Action: **Finance Approved 7-0 (Councilor Norton not voting)**

Note: The Committee met with Matt Hunt of Clifton, Larson, Allen, LLP, (CLA), the City's external auditing firm, to discuss CLA's review of the City's Comprehensive Annual Financial Report, review of the single audit report and the management letter for Fiscal Year 2020. The Comprehensive Annual Financial Report, Federal Grants Report (single audit report) and the Management Letter can be found at: <https://www.newtonma.gov/government/city-clerk/city-council/friday-packet>

Comprehensive Annual Financial Report

Mr. Hunt began the discussion by reviewing the financial highlights of the Comprehensive Annual Financial Report. The auditor's opinion on the Comprehensive Annual Financial Report is unmodified

which is the best opinion available. The Government-wide Financial Statements are reported on pages 18-21 of the Comprehensive Annual Financial Report, which shows the City's assets, liabilities, and net position. The City's debt payable is at \$325 million, the OPEB liability is at \$850 million and the pension liability is just under \$300 million. Those three liabilities make up the majority of the City's liabilities and this is why the net position shows a deficit. At the end of June 2020, the net position was at a deficit of \$630 million and the unrestricted net position was in a deficit of \$980 million. This is not uncommon for a municipality of this size.

Mr. Hunt then explained the modified accrual financial statements, in particular the general fund, starting on page 22. The total general fund balance is at \$73 million. The balance sheet shows that there are various components to this fund. The unassigned balance is at \$48 million, which includes \$22 million dollars of the City's Rainy Day Stabilization Fund. On page 12, there is a five-year summary of the unassigned fund balance as a percentage of revenues. This number is important this year as an illustration of how the pandemic impacted the City's financials from a general fund perspective. Mr. Hunt explained that the pandemic did not have an impact on this portion of the financials, with the unassigned balance staying almost level. In addition, pages 24-26 provide a reconciliation of the governmental fund balance to the statement of net position that pinpoints how the general fund compares to the budget. The general fund did increase over all by \$2 million. Revenues also came in \$6 million higher than expected and expenses came in \$23 million lower than budgeted. A piece of the \$23 million were funds that were not spent but will be carried over to next year's budget.

Mr. Hunt reviewed the financial highlights related to the enterprise funds and internal service funds on pages 28-30. He noted that all of the City's enterprise funds show strong positive balances and positive increases in net position for the year. The sewer enterprise fund is at \$82 million in net position, with \$14 million unrestricted and an increase of approximately \$5 million. The water enterprise is at a net position of approximately \$50 million, with \$6 million unrestricted and an increase of \$1 million. The stormwater enterprise fund has a net position of \$5 million, with \$1.7 million unrestricted and an overall increase of \$1.3 million. The internal service funds represent the City's self-insurance for health claims and workers' compensation. The net position of this fund is at approximately \$25 million, with health claims at approximately \$19 million and workers comp claims at \$6 million. The overall net position was at a positive \$5 million. The ratio to focus on here is how many months of claims are in covered by the net position. This is usually 4 months' worth of claims.

Mr. Hunt continued with a review of the fiduciary funds financial statements found on pages 31-32 of the Comprehensive Annual Financial Report, which provides the total of both the Pension and OPEB Trust Funds. A breakdown of both funds is provided on pages 79 and 80. The overall net position for the pension trust fund is \$395 million, which is a \$53 million increase from the previous year. This increase indicates a positive year for investment income. The OPEB trust fund has a net position of approximately \$15 million and an overall increase of \$3 million. A piece of this change is due to the investment income, but the City does also contribute to the OPEB trust fund every year.

In addition, Mr. Hunt provided a quick review of the footnotes included in the Comprehensive Annual Financial Report. The Comprehensive Annual Financial Report footnote related to long-term debt can be found on pages 58-66. During FY20, the City's long-term debt was at approximately \$360 million

with \$37 million of new debt being added. This included \$14 million for the Webster Woods land acquisition and \$15 million for different infrastructure projects.

There was also a large increase to the OPEB liability this year. The reason for this is the change in the discount rate. The discount rate under the new standards requires that if the City does not have enough in the OPEB trust fund to pay expected retirements over a 30-year horizon, the rate we must use is the 20-year municipal bond rate.

Committee members asked the following questions about the financial statements:

Q: If there was more money in the OPEB trust fund would the stock market doing well overcome the increase in the liability, and/or the required use of the 20-year municipal bond rate as the discount rate?

A: Mr. Hunt explained that the City's actuary would need to determine this. He did explain that when the actuary calculates to 30-year horizons and evaluates how much of the trust fund can pay future benefits, if the City is investing the OPEB trust fund in investments that are geared towards 7% a year (as an example), then the actuary will use 7% as the discount rate for as long as the OPEB trust fund is able to pay benefits. Once that cut-off point is reached, they need to use the municipal bond discount rate. Ms. Lemieux explained that there would have to be \$100 to \$200 million more in the account to make a difference.

Q: Will the City's AAA bond rating change because of the liabilities?

A: Mr. Hunt explained that he has limited interactions with the rating agencies, but does not have a reason to believe that they are too concerned with the City's OPEB liability. They do look to make sure that the City has a plan in place to deal with the pension and OPEB liabilities. He noted that he has not seen a municipality get a lower bond rating because of their liabilities.

Single Audit Reports (GAO and OMB Reports)

The total federal grant spending in Newton was approximately \$11.7 million. The auditor does need to select which grants to review. This decision is based on the amount of the grants and the risk of the grant. The risk of a grant is dependent on whether the grant has been audited recently. Through this process the auditor identified three grants to audit: the HOME investment partnerships, Special Education Cluster and Public Assistance Programs (FEMA). Based on the work that has been completed there was only one finding related to the FEMA grant. It was noted that fifteen out of the forty payroll transactions were not accurately supported by time and effort documentation. The variances were small, and Mr. Hunt noted that he does not believe there will be any issues in terms of returning funds to the federal government. The auditor explained that in the future with respect to FEMA grants, the City should ensure that payroll does match the grant documentation.

Ms. Lemieux explained that it is always difficult to capture all of the costs, especially when it deals with a blizzard where the costs are being put together quickly. They are looking into how to improve payroll documentation and find ways to have a centralized system. Ms. Lemieux noted that they will be coming forward with recommendations in this area.

Committee members asked the following question:

Q: Are there any best practices the City should be implementing with respect to the massive amounts of grant funds that are coming in this year so there are not findings?

A: Mr. Hunt explained that there will be a meeting with the Financial Audit Advisory Committee where they will decide what special projects will be part of next year's audit. There have already been conversations about further investigating the Covid-19 grants. The City has done a great job of tracking all of these different grants. He noted that it is difficult to keep up with the requirements with all of the sources of funds. Mr. Hunt noted that the most important thing is to make sure to use the funds are spent for what they are supposed to be used for. The Chair of the Financial Audit Advisory Committee, Councilor Kalis noted that the next time they meet they will work with the CFO on which area should really be further investigated.

Management Letter

Mr. Hunt continued with a review of the Management Letter. The prior year's comments are summarized in the Management Letter. Mr. Hunt noted that he wanted to focus this conversation on the current year comments.

One of the special projects this year was regarding police details, which can be found on page 9. One of the recommendations is that the Police Department implement a formal policy and set of procedures for police details. There should also be a standardized form that gets utilized by all of the officers. There was a test on police detail forms and six out of fifteen were not signed by the officer. Additionally, seven out of fifteen were not signed by the vendor. He did note that sometimes it is not possible to get the signature from the vendor.

On page 10, the Community Education special project is reviewed. Mr. Hunt explained that the recommendation is that there should be a reconciliation of the number of participants in a class and the corresponding fee. There is also a discount that is offered to veterans and school department employees but there is not a formal process for verification. The auditor did recommend that a formal process be made for this discount. There is also not a formal process for a supervisor to review contracts that are signed by teachers. Additionally, the school department should be looking at payroll on a weekly basis to make sure that classes are being taken and not cancelled. The auditor also recommended that there is a formal budget process or financial forecasting for the program.

The audit also included comments on the IT Department on page 12. The recommendations include that password complexity could be strengthened. Also, there should be a formal IT risk assessment done by a third party each year. The auditor also tests every year if there are any terminated employees on the active users list. It was determined that there were some terminated employees still on active user lists. There is also not an annual process to review policies and procedures.

Committee members asked the following questions:

Q: It was noted in the Management Letter that the City does not have resources or funds to accommodate all of the recommendations for the IT Department. What kind of resources or funds does the City need to address these recommendations?

A: Ms. Lemieux explained that the City does perform a tremendous amount of risk assessment during the year and the Council has approved \$500,000 to replace the storage area network and to replace the firewall. She added that when the IT Department came before the Financial Audit Advisory Committee, the Chief Information Officer, Joe Mulvey did explain that risk assessments were being done periodically. Mr. Mulvey noted in the committee meeting that he was comfortable with what the department has been doing. It was noted that the Council can ask these questions of the IT Department during the budget process.

Q: How are the special projects decided and when was the last time police details were investigated?

A: The Chair of the Financial Audit Advisory Committee did note that the committee discusses the choice of special projects in late April/early May. There is usually one school project that is done and one municipal project. The Committee discusses what is currently happening in the City and what special projects have been done in the past. Mr. Hunt explained that he has been the lead on the City's audit for the past 5 to 6 years and this is the first time they have done police details. Ms. Lemieux explained that they did discuss police details before Mr. Hunt's time. This was due to the large amount of uncollectable detail payments. She noted that the auditors helped the City deal with this issue, and it has improved. The details are on a separate system, but the goal is to add the process of police details to the Munis payroll system.

Q: Is the issue of not being able to collect revenues from police details also an issue in other communities?

A: Mr. Hunt explained that this is often a problem in other municipalities. Ms. Lemieux explained that there is a list of vendors that have not paid for their details in the past, and the City does not perform another detail for those vendors until they get paid.

Councilor Kalis motioned to approve which passed 7-0 with Councilor Norton 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 Voted No Action Necessary 6-0 (Councilors Norton and Noel not voting)**

#114-21 Discussion on Covid-19 expenditures
FINANCE COMMITTEE requesting updates from the Chief Financial Officer on the expenditure of funds for Covid-19.

Action: **Finance Held 6-0 (Councilors Norton and Noel not voting)**

Note: The Chair noted that the Committee may want to entertain a motion of No Action Necessary on item #395-20. This item requested the CFO to update the Committee through fall 2020 on Covid-19 expenditure needs related to the reopening of schools. There is also a new docket item (#114-21) that the Committee plans to keep on its regular agendas this term related to all Covid spending needs, including in the schools.

Ms. Lemieux explained that FEMA funds have still not been sent to the City. Also, the first round of CARES Act funding has not been given to the City. That means that these costs are still sitting in departments without having the funds to transfer. The hope is that the City will see these funds soon to be able to process the transfer bills. Guidance has also not been given to the City on the ARPA funding.

Ms. Lemieux explained that they have been working on the budget and explained that the City is expected to receive approximately \$90 million in Covid-related grant funding. FEMA is also going to be reimbursing 90% of Covid-related funds. She did note that the ARPA funds will be able to be spent until December 2024. Ms. Lemieux explained that the ARPA funding will cover at least some lost revenue. By the end of FY22, the City is estimated to lose \$30 million in revenue. She noted that she expects at least \$24 million of ARPA funding will be spent by May 10th.

Committee member asked the following question:

Q: As the schools reopen, have there been any needs for additional resources?

A: Ms. Lemieux explained that they have been working closely with the School Department. They have been working on what grant funding will be spent. She noted that they are trying to preserve the ESSER funds to be able to help students that were not able to make progress while they were learning remotely. Ms. Lemieux noted that the administration will continue to work with the School Department and School Committee to ensure they have what they need financially to reopen the schools safely. The high schools did go back to full in-person learning on April 26th and the middle schools will be back on April 28th.

It was noted that if the committee would like to speak to Assistant Superintendent Liam Hurley in the future a new item can be docketed.

Councilor Humphrey motioned to vote no action necessary on item #395-20 which passed 7-0 with Councilor Norton not voting.

Councilor Kalis motioned to hold item #114-20 which passed 6-0 with Councilor Norton not voting.

Referred to Public Safety & Transportation and Finance Committees

#296-20 Discussion regarding MGL Chapter 150E

COUNCILORS NORTON, ALBRIGHT, BOWMAN, DOWNS, KRINTZMAN, LEARY, LIPOF, MARKIEWICZ, NOEL, WRIGHT and KALIS requesting a discussion regarding MGL Chapter 150E and the limitations it places on the City of Newton to unilaterally make changes to the Newton Police Department functions without having to negotiate them with the police unions.

Public Safety & Transportation Voted No Action Necessary 7-0-1 (Councilor Malakie abstaining) on 04/07/21

Action: Finance Voted No Action Necessary 5-0-1 (Councilors Norton and Noel not voting and Councilor Malakie abstaining)

Note: The Chair noted that the Public Safety & Transportation Committee voted No Action Necessary on this item due to the fact that they will be reviewing this topic through the Police Reform Task Force process. This will also be discussed with the new Police Chief.

In the short term, the Public Safety & Transportation Committee will be reviewing the police budget and there will also be a meeting for the Council with the new Chief on May 6th.

Committee members made the following comments:

It does make sense for the Finance Committee to vote No Action Necessary on this item. The idea is that this topic will be addressed through the lens of the Police Reform Task Force work.

It was noted that the Committee may want to hold this item so that it does not get crowded out by other items the Police Task Reform Force may be working on.

Councilor Oliver motioned to vote No Action Necessary which passed 5-0-1 with Councilors Norton and Noel not voting and Councilor Malakie abstaining.

Respectfully submitted,

Rebecca Walker Grossman, Chair

CITY COUNCIL

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RECEIVED
Newton City Clerk

CITY OF NEWTON

DOCKET REQUEST FORM

2021 MAR 17 AM 10:10

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.

Newton, MA 02459

To: Clerk of the City Council

Date: March 17, 2021From (Docketer): Lara Kritzer, Community Preservation Program ManagerAddress: Planning Department, Newton City Hall, 1000 Commonwealth Avenue Newton MA 02459Phone: 617-796-1144E-mail: lkritzer@newtonma.govAdditional sponsors: Community Preservation Committee

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

Recommendation from the Community Preservation Committee for the allocation of \$21,270 in Community Preservation Act community housing funds to the West Newton Armory Affordable Housing Development Project in order to complete pre-development studies and assessments necessary for the acquisition of the site for future affordable housing development.

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

- | | |
|--|---|
| <input checked="" type="checkbox"/> Fact-finding & discussion | <input type="checkbox"/> Ordinance change |
| <input checked="" type="checkbox"/> Appropriation, transfer, | <input type="checkbox"/> Resolution |
| <input checked="" 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)

☒ Lara Kritzer☒ _____☒ Barney Heath☒ _____☒ Amanda Berman☐ _____☒ Eamon Bencivengo☐ _____☐ _____☐ _____

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, the City's West Newton Armory Affordable Housing Development proposal, and the March 9 project presentation to the CPC are attached.

(*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]

City of 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

Community Preservation Committee
Funding Recommendation for the West Newton Armory
Affordable Housing Development Project

Date: March 16, 2021
From: Community Preservation Committee
To: The Honorable City Council

PROJECT GOALS & ELIGIBILITY This proposal requests \$21,270 in CPA community housing funds for pre-development costs associated with the acquisition of the West Newton Armory building and site. The State offered the property to the City in 2019 for \$1 so long as it was used for a completely affordable housing development. After a year of studying the feasibility of such a development at this site, City Council voted on February 1 to have the Mayor purchase the property for future affordable housing. The current request for funding relates to the pre-development work necessary to acquire the site for this purpose, namely the completion of a Phase II Environmental Assessment of the property. This assessment, as well as a noise assessment and a Memorandum of Agreement with the Massachusetts Historical Commission, are required by HUD and must be completed before the property is acquired later this year.

This project is eligible for CPA funding for the support and acquisition of community housing.

RECOMMENDED FUNDING At its monthly meeting on Tuesday, March 9, 2021, the Community Preservation Committee unanimously recommended, with a vote of 9 to 0, that \$21,270 in Community Preservation Act community housing funding be appropriated from the FY21 CPA Annual Budgeted Reserves to the control of the Planning & Development Department for the completion of the Phase II Environmental Assessment required for the acquisition of the West Newton Armory for future affordable housing development.

CPA Funding Sources and Uses	
FY21 CPA Annual Budgeted Reserves (Account #58R10498-579000)	\$939,541
West Newton Armory Affordable Housing Development Project Funding	\$21,270
Remaining Funding in Account Available After Project Funding	\$918,271

www.newtonma.gov/cpa

Lara Kritzer, Community Preservation Program Manager
lkritzer@newtonma.gov 617.796.1144

Preserving the Past  Planning for the Future

SPECIAL ISSUES CONSIDERED BY THE CPC

The CPC recognizes that this is a necessary first step to a much larger affordable housing project which will assist Newton in meeting its affordable housing goals. The project is well leveraged with other grant funding received by the City for affordable housing work and has documented support from the City Council and public.

Funding leverage & project costs: The CPA funding request is 52% of the overall project and is matched with \$20,000 from the DHCD grant received by the City for the development of this site. The grant was initially used to hire the affordable housing consultants who assisted the City in determining the feasibility of the site and are now helping to draft an RFP to find an affordable housing developer to continue the project. The matching funds and CPA funding will be jointly used to cover the studies necessary to complete the City's due diligence for HUD and allow it to move forward with the purchase.

Community Need: Newton has a well-documented need for the additional affordable housing units which are the ultimate goal of this project. The property is located on one of Newton's main thoroughfares between two villages with direct access to bus routes and the commuter rail, making it an excellent location for future affordable housing development. The City has already stated its support for the acquisition of the site specifically for use as affordable housing.

ADDITIONAL RECOMMENDATIONS *(funding conditions)*

1. CPA Funding may only be used for work associated with the predevelopment of the site, including the completion of the Phase II Environmental Assessment, Noise Assessment, or MHC Memorandum of Agreement required by HUD for the acquisition of the West Newton Armory for future development as affordable housing.
2. All recommended CPA funds should be appropriated by the City Council within 6 months and in use within 1 years of the date of any CPC recommendation. If either deadline cannot be met, the applicants should request a written extension from the CPC, which the CPC may grant at its discretion.
3. Any periodic reports or interim deliverables prepared as part of this project, as well as the final Phase II Environmental Assessment, must be shared with the CPC for online posting.
4. Any CPA funds appropriated but not used for the purposes stated herein must 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 complete the requirements necessary for the City's successful acquisition of the West Newton Armory site for the future development of affordable housing units.

ATTACHMENTS

- Proposal and selected attachments submitted to the CPC for the March 9, 2021 Public Hearing
- March 9, 2021 Project Presentation to the CPC

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

<https://www.newtonma.gov/government/planning/community-preservation-program/proposals-projects/west-newton-armory>



Ruthanne Fuller
Mayor

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

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(617) 796-1089
www.newtonma.gov

Barney S. Heath
Director

February 12, 2021

Lara Kritzer
Community Preservation Program Manager
1000 Commonwealth Avenue
Newton, MA 02459

RE: West Newton Armory Affordable Housing Development

Dear Community Preservation Committee members:

Thank you for the opportunity to present this funding proposal for environmental costs necessary for the City's acquisition of the West Newton Armory for redevelopment into 100% affordable housing. On February 1, 2021, the City Council voted to recommend that the Mayor purchase the Armory from the Commonwealth for \$1 for affordable housing. This vote was the culmination of a fourteen month process that involved the creation of a Joint Advisory Planning Group and involvement of an affordable housing consultant. At the conclusion of 2020, the JAPG and housing consultant both released separate reports and determined that affordable housing at the Armory was not only the City's best use of the property, but also feasible.

In order to acquire the property from the Commonwealth, the City must conduct a Phase II environmental assessment, a environmental noise assessment, and execute a Memorandum of Agreement with the Massachusetts Historical Commission. While a portion of these costs are being funded with remaining grant funds awarded to the City from the Massachusetts Department of Housing and Community Development, the Planning Department is requesting that the Community Preservation Committee fund the balance. This would fund the cost of the Phase II assessment, which is an important step in the acquisition process.

The Planning Department will continue to work closing with the City's housing consultant to ensure that these steps are completed in a satisfactory and timely manner. I look forward to presenting the proposal to the Committee at its March 11, 2021 meeting. Please feel free to contact me in the meantime if you have any questions or would like any further information.

Sincerely,

Barney Heath, Director
Planning and Development Department

City of Newton



Ruthanne Fuller
Mayor

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

(For staff use)
date rec'd:

2/12/21

☐

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 or contact us:

Community Preservation Program Manager,
City of Newton Planning & Development Department, 1000 Commonwealth Ave., Newton, MA 02459
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.

Project TITLE	West Newton Armory Affordable Housing Development Project			
Project LOCATION	Full street address (with zip code), or other precise location. 1135 Washington Street, West Newton 02465			
Project CONTACT(S)	Name & title or organization	Email	Phone	Mailing address
Project Manager	Amanda Berman, Director of Housing and Community Development, Planning and Development Department	aberman@newtonma.gov	617-796-1147	Newton City Hall 1000 Commonwealth Ave. Newton, MA 02459
Other Contacts	Barney Heath, Director, Planning & Development Department	bheath@newtonma.gov	617-796-1120	Newton City Hall 1000 Commonwealth Ave. Newton, MA 02459
Project FUNDING	A. CPA funds requested: \$21,270.00	B. Other funds: \$20,000.00	C. Total project cost: \$41,270.00	
Project SUMMARY	Explain how the project will use the requested CPA, CDBG, and City of Newton HOME 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>In 2019, the State approached the City with the opportunity to purchase the West Newton Armory for use as either 100% affordable housing or a municipal use. The purchase conditions, which are outlined in Special Legislation signed by the Governor, allow the City to purchase the Armory for one dollar if used for 100% affordable housing or a percentage of the Armory's full market value if used for a municipal use. To assist the City in deciding which purchase option to pursue, a Joint Advisory Planning Group (JAPG), comprised of a group of nine citizens appointed by the Mayor and the City Council President, was formed in December 2019. After a year of investigation and study, the JAPG voted unanimously in November 2020 to recommend the City move forward with the agreed upon purchase price of one dollar to use the Armory for 100% affordable housing. The JAPG was assisted in its examination of the financial feasibility and conversion of the Armory into affordable housing by the City's housing consultant, Affirmative Investments (AI). The City was able to hire AI after receiving a \$200,000 grant award from the State for the purposes of conducting a feasibility analysis. AI found that development of the Armory into affordable housing was financially feasible. At its January 2021 meeting, the Council's Real Property Reuse Committee voted to recommend to that the Mayor purchase the Armory for \$1 for affordable housing. The full Council voted in favor of this recommendation on February 1, 2021.</p> <p>In order for the City to achieve the next steps of acquiring the property and issuing a RFP for qualified affordable housing developers to develop the project, the City must complete a Phase II environmental assessment, a noise assessment, and execute a Memorandum of Agreement (MOA) with the Massachusetts Historical Commission (MHC). The Planning Department is specifically requesting that the CPC fund the cost of the Phase II, as well as a portion of the increased overhead fee from AI, who is managing the process. Affirmative Investment had a Phase 1 environmental assessment completed at the Armory, which showed the need for further study through a Phase 2. The Planning Department as been directed by HUD that this Phase II needs to be completed before the City officially takes ownership of the site. As the City anticipates using federal</p>				

HUD funds to support the project once a qualified affordable housing developer has been identified through the RFP process, this HUD directive must be followed.

Not only is the Phase II an important facet of the acquisition process, but the activities comprising the total project cost, the noise assessment and execution of a MOA with MHC, are also vital. The completion of a noise assessment is another HUD requirement for the City to complete prior to acquisition. The assessment will measure whether the proximity of the Armory to the Mass Turnpike and MBTA rail line exceeds permissible levels of sound pollution. The execution of the MOA is also an important component of not only the acquisition, but preservation of this historic building. The City must execute the MOA prior to acquiring the site. The MOA, as executed by the City and MHC, outlines the review process of development proposals submitted to the RFP. With this process in place, historic preservation of the Armory must be considered and incorporated into any development proposal. The cost of the executing the MOA results from the involvement of a historic consultant who is managed by AI.

Project TITLE	West Newton Armory Affordable Housing Development Project	
USE of CPA and HOME Funds	COMMUNITY HOUSING	Creation, Support
COMMUNITY NEEDS	From each of at least 2 plans linked to the <i>Guidelines & Forms</i> page of www.newtonma.gov/cpa , 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.	
The redevelopment of the West Newton Armory supports affordable housing as recognized in the following plans:		
<p>Comprehensive Plan:</p> <p>The Housing Section emphasizes the importance of protecting the City's diversity and lists it as the first of the section's "Housing Goals" (p. 5-12). The section stresses the need to "undertake a program of positive actions that will assure fair and equal housing opportunities for a population that is at least as diverse as at present." The goal also recognizes the need for this diverse population to be able to "maintain suitable housing at affordable costs." The creation of either affordable senior, family, or special needs housing at the Armory helps the City in its obligation to both increase the affordability of its housing stock and the socioeconomic diversity of its citizenry.</p> <p>Affordable housing near amenities and within mixed-use developments - The West Newton Armory, located at 1135 Washington Street, is just east of West Newton Square, a historic square containing mostly older brick buildings, including the West Newton Cinema, coffee shops, restaurants, a wine bar, small independent retail shops, dry-cleaning and hair salons, a CVS pharmacy, banks, the Newton Police headquarters, the Newton District Court, service providers, a small park and some offices. The armory is located .4 miles, a five to ten-minute walk, from the heart of the square. The Armory is directly surrounded by a two-story Trader Joe's grocery store, a two- of a two-story nursing home and parking lot located to its rear, and the soon to be completed Dunstan East project. Dunstan East was approved as a Section 40B affordable housing development and will contain 234 residential units with 59 affordable units, 8,318 square feet of retail space, and a small community green space that will be open to the public. There are two modes of nearby public transportation. Closest to the armory are MBTA buses that run frequently during commuting hours Monday through Friday and hourly during non-commuting hours and on Saturday. In addition, the West Newton MBTA commuter rail stop is within a ten-minute walk, while the Newtonville MBTA commuter rail stop is about a fifteen-minute walk.</p> <p>Washington Street Vision Plan:</p> <p>In December 2019, the Newton City Council approved the "Washington Street Vision Plan," which describes various goals for Washington Street between West Newton Square and Crafts Street in Newtonville. These goals include enhanced vitality of the village centers, rebuilding Washington Street to convert it to a more attractive and pedestrian and biker-friendly boulevard, including possibly narrowing it to a two lane-road with a third lane for turns, the addition of a bike lane, and landscaping in the middle of the street, and maintaining</p>		

the diversity of housing stock along Washington Street. The development of the Armory fits into the Vision Plan by benefiting from the proposed enhancements, while serving as an enhancement itself.

**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, Engine 6	godine@comcast.net		
Ted Hess-Mahan, Chair of Armory JAPG	tedhessmahan@gmail.com	508-847-4855	871 Watertown St, Newton, MA 02465
Sue Parsons, Co-Chair of Armory JAPG	s_a_parsons@comcast.net	617-877-2930	172 Washington St, Newton, MA 02458

Project TITLE	West Newton Armory Affordable Housing Development Project	
SUMMARY CAPITAL/DEVELOPMENT BUDGET		
Uses of Funds		(rounded amounts)
Completion of Phase II environmental assessment		\$20,770
Completion of noise assessment		\$ 6,500
Historic consultation for execution of MOA		\$ 4,000
Affirmative Investments management		\$10,000
D. TOTAL USES (should equal C. on page 1 and E. below)		\$41,270
Sources of Funds	Status (requested, expected, confirmed)	(rounded amounts)
Newton CPA Funds	Requested	\$21,270
State (DHCD) Grant Funds	Received	\$20,000
E. TOTAL SOURCES (should equal C. on page 1 and D. above)		\$41,270
SUMMARY ANNUAL OPERATIONS & MAINTENANCE BUDGET (cannot use CPA funds)		
Uses of Funds		(rounded amounts)
Not applicable		
F. TOTAL ANNUAL COST (should equal G. below)		\$
Sources of Funds		(rounded amounts)
Not Applicable		\$
		\$
		\$
G. TOTAL ANNUAL FUNDING (should equal F. above)		\$

Project TIMELINE	Phase or Task	Season & Year
Submission of funding requests		February – April 2021
Completion of Noise Assessment		February – March 2021
Phase II		April - June 2021
Initiation and Completion of MOA Process with Massachusetts Historical Commission		February – July 2021

Project TITLE		West Newton Armory Affordable Housing Development Project	
<input type="checkbox"/> Check off submitted attachments here. See also supplemental checklist for housing proposals.			
REQUIRED	AI Final Report	PHOTOS	of existing site or resource conditions (2-3 photos may be enough)
		MAP	of site in relation to nearest major roads (omit if project has no site)
Pre-proposals: separate attachments not required, just use page 3 of form.	PROJECT FINANCES printed and as computer spreadsheets, with both uses & sources of funds		
Full proposals: separate, detailed budget attachments REQUIRED .	See Phase II Proposal	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)	
		Operating/maintenance budget, projected separately for each of the next 10 years (CPA funds may not be used for operations or maintenance)	
		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	
		Purchasing of goods & services: briefly summarize sponsor's understanding of applicable state statutes and City policies	
REQUIRED for full proposal.	SPONSOR QUALIFICATIONS, INSTITUTIONAL SUPPORT		
	NA	For sponsoring department or 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.)	
	X	Cover Letter From head of City department, board or commission confirming: current custody, or willingness to accept custody, of the resource and commitment of staff time for project management Planning Dept or Mayor to take responsibility. Summary of proposal	
	X	For project manager: relevant training & track record of managing similar projects	
REQUIRED for all full proposals involving real estate acquisition, construction or other building/ landscape improvements.	SITE CONTROL, VALUE & DEED RESTRICTIONS		
	NA	Owner's agreement to a permanent deed restriction for affordability	
	ZONING & PERMITTING		
	NA	Short email confirming review by the Development Review Team (DRT)	
	See Summary attachment	Brief property history: at least the last 30 years of ownership & use (ask CPC staff for assistance with sources) Summary of process with DCAMM and next steps	
	NA	Environmental mitigation plans: incl. lead paint, asbestos, underground tanks	
	NA	Zoning relief and permits required: incl. parking waivers, demolition or building permits, comprehensive permit or special permit	
	NA	Other approvals required: Newton Conservation Commission, Newton Historical Commission, Newton Commission on Disabilities, Massachusetts Historical Commission, Massachusetts Architectural Access Board, etc.	
	DESIGN & CONSTRUCTION		
	AI Final Report	Professional design & cost estimates: include site plan, floor plans & elevations	
	Materials & finishes; highlight "green" or sustainable features & materials		
OPTIONAL for all proposals.		LETTERS of SUPPORT	from Newton residents, organizations, or businesses

West Newton Armory Project Summary

In 2019, the State approached the City with the opportunity to purchase the West Newton Armory for use as either 100% affordable housing or a municipal use. The purchase conditions, which are outlined in Special Legislation signed by the Governor, allow the City to purchase the Armory for one dollar if used for 100% affordable housing or a percentage of the Armory's full market value if used for a municipal use. To assist the City in deciding which purchase option to pursue, a Joint Advisory Planning Group (JAPG), comprised of a group of nine citizens appointed by the Mayor and the City Council President, was formed in December 2019. After a year of investigation and study, the JAPG voted unanimously in November 2020 to recommend the City move forward with the agreed upon purchase price of one dollar to use the Armory for 100% affordable housing.


The JAPG was assisted in its examination of the financial feasibility and conversion of the Armory into affordable housing by the City's housing consultant, Affirmative Investments (AI). The City was able to hire AI after receiving a \$200,000 grant award from the State for the purposes of conducting a feasibility analysis. AI found that development of the Armory into affordable housing was financially feasible. At its January 2021 meeting, the Council's Real Property Reuse Committee voted to recommend to that the Mayor purchase the Armory for \$1 for affordable housing. The full Council voted in favor of this recommendation on February 1, 2021.

The City will now begin the process of closing on the property with the State. In addition, the City will continue working with AI to draft a RFP to solicit proposals from qualified affordable housing developers to develop the Armory into 100% affordable housing. The Planning Department expects the closing to occur and the RFP to be released by early summer 2021.

West Newton Armory Pre-development Funding Request

CITY OF NEWTON COMMUNITY PRESERVATION COMMITTEE

MARCH 9, 2021



The West Newton Armory




- Located at 1137 Washington Street, midway between Newtonville and West Newton.
- Built in 1910 as a training facility for the Massachusetts National Guard, but has not been used by the Guard for several years.
- Comprises approximately 30,000 square feet with a front head house and rear drill shed typical of many armories built in the Commonwealth at that time.


Armory Acquisition Process

- In 2018, the Commonwealth declared the Armory a surplus property after the National Guard no longer required it for training purposes. At that time, DCAMM approached the City about acquiring the Armory.
- DCAMM presented the City with two scenarios for the purchase, which were formalized in special state legislation:
 - Reuse as 100% permanently affordable housing for individuals and households at or below 80% AMI. If used for this purpose, the City could acquire the property for \$1
 - Reuse as a municipal use, such as a library or community center. This acquisition price would not be \$1.00. The property would be appraised as restricted for that particular municipal use, and the City would pay an amount that reflected that type of use.
- In June 2019, the City Council authorized the Mayor to purchase the Armory for affordable housing or a municipal use.
- To help the City determine which purpose the Armory should be acquired, the Council's Real Property Reuse Committee created a JAPG in December 2019. The JAPG spent the next 11 months holding regular public meetings to research uses of other similarly aged armories throughout Massachusetts and hear presentations by experts.


Affordable Housing Consultant

- The work of the JAPG was supported by the City's housing consultant, Affirmative Investments.
 - Because the City is designated as a Housing Choice Community by the State, the City applied for and was awarded a \$200,000 housing choice capital grant from the State to hire AI to conduct a feasibility analysis on affordable housing at the Armory.
 - In conducting its analysis, AI considered four scenarios:
 - full preservation
 - partial demo by preserving the front head house and demolishing the rear drill shed for seniors/SN
 - partial demo by preserving the front head house and demolishing the rear drill shed for families
 - full demolition for new construction
 - AI found that the first scenario was not financially feasible, but the remaining three were not only financially feasible but also structurally and architecturally feasible
- 

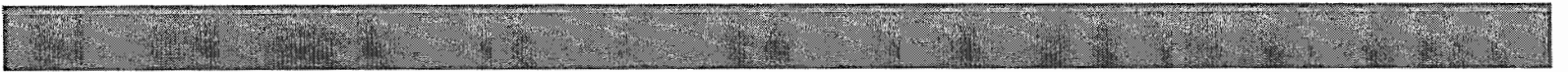
Final Recommendation and Report

- In addition to receiving the analysis from AI, the JAPG interviewed the City's Public Buildings Commissioner and Chief Operating Officer to better understand if the Armory could be used for a municipal purpose. Both found the Armory to be insufficient to meet the needs of a City Department of other municipal use.
 - In November 2020, the JAPG summarized its findings and the analysis from AI into its final report recommending to the Real Property Reuse Committee that the City purchase the Armory for 100% affordable housing.
 - The Real Property Reuse Committee held two public hearings to review the report. In January 2021, the Committee voted to recommend to the full Council that the Mayor purchase the Armory for 100% affordable housing.
 - On February 1, the full Council voted to affirm this recommendation.
- 

Current Status and Future Timeline

- The City will now begin the process of closing on the property with the State and work with its housing consultant to draft an RFP to solicit proposals from qualified affordable housing developers to develop the Armory into 100% affordable housing.
 - It is anticipated that the closing and release of the RFP will occur in summer 2021.
 - The Planning Department estimates the Armory is four years away from welcoming its first housing residents as a developer must be identified, secure financing, receive building approvals, and perform the construction.
- 

CPC Funding Request

- For the City to achieve the next steps of acquiring the property and issuing its RFP, the City must complete a Phase II environmental assessment, a noise assessment, and execute a Memorandum of Agreement (MOA) with the Massachusetts Historical Commission (MHC).
 - These steps will be managed by Affirmative Investments.
 - The CPC funding request of **\$21,270** will fund the Phase II, which is required by HUD before the City can acquire the property and make the project eligible for federal funds once a developer is identified.
- 

Thank you

