

City of Newton



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Newton Affordable Housing Trust

APPROVED MINUTES

September 8, 2022

The hybrid meeting was held on Thursday, September 8, 2022, beginning at 5:00 P.M. Newton Affordable Housing Trust (NAHT) members City Councilor Andrea Bowman, Ann Houston, Peter Sargent and Judy Weber were present in Room 204 and Tamirrashe Gambiza was present virtually. Trustees Mayor Ruthanne Fuller and Jason Korb were not present for this meeting.

Staff present in Room 204 included Planning and Development Director Barney Heath, Director of Housing and Community Development Amanda Berman Housing and Community Preservation Program Manager Lara Kritzer with Development Planner Eamon Bencivengo also attending virtually. Ms. Kritzer also served as recorder. Ms. Houston opened the meeting and noted the members present in the room and on screen.

Review of Draft Strategic Plan and Guidelines

Following the last meeting, staff had revised the original draft Strategic Plans and Guidelines to reflect the changes made at that meeting and sent them out to Trustees for review. Trustees began their discussion with the “Goals of the Trust” section.

Ms. Houston noted that the revised draft now includes a list of relevant City plans and housing documents with weblinks. Ms. Houston suggested that the guidelines refer to a “review” of the documents rather than an “analysis.” Several Trustees stated that they had read through the executive summaries of the documents and felt that the draft document would fit in with the City’s other documents and forms. Councilor Bowman asked if the Newton Leads 2040 plan was formally adopted by the City Council. Ms. Berman and Mr. Heath answered that it has not. Councilor Bowman wondered if having the Trust rely on a document that had not been formally adopted might raise issues with some City Councilors in the future. Ms. Berman noted that the document contained critical data on the City’s affordable housing needs and could be a very useful document for the Trust to have. Ms. Houston agreed and thought that its information was consistent with the information in the other adopted documents and that its graphics were very good. She asked if Trustees would be more comfortable referring to it as a needs assessment rather than a plan. Councilor Bowman noted that if Newton Leads 2040 is consistent with the City’s Comprehensive Plan, then the Trust could always refer back to that as well. Trustees discussed the role of the City Council in the Trust’s appointment and review processes. Council Bowman stated that she wanted to be mindful of how the Trust reviews and approves future projects.

Trustees agreed that they would like to have a joint meeting with the Housing Partnership, Fair Housing Committee, and any other groups that work with affordable housing in the City to discuss

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these questions. Staff was asked to work with those groups to figure out the best dates for those meetings. Ms. Weber noted how the Community Preservation Committee reviewed projects and interacted with other City committees and agreed that the Trust could be more proactive. She also suggested that the Trust include “action items” at the end of each agenda to remind Trustees and staff of any work to be done before the next meeting.

Discussion turned to the twelve goals for the Trust’s funding listed in this section. Trustees agreed to change the numbered list to bullet points as they did not want to give the sense that any of the individual goals would be prioritized over the rest at this time. Trustees agreed that they could come back to the list in the future and make changes, but that for the time it should be considered as a list of allowed purposes, not a prioritized one.

Trustees moved on to the “Income Criteria” section. Ms. Weber thought that the document should use a consistent definition of income throughout. Other Trustees agreed and it was determined that the references to “Extremely Low, Very Low, and Low Income” would be carried throughout the document.

Moving to the “Types of Assistance” section, Mr. Heath stated that he was not sure that the Trust would ever have enough to do all of the potential funding programs listed here. He noted that the Trust was not going to do either individual loans or tenancy stabilization work at this time. Ms. Weber asked if the Trust wanted to only fund projects with set number of units. She asked whether the Trust wanted to be primarily focused on funding projects which could have a larger impact. Mr. Sargent noted that Staff had told the Trust at the last meeting about the City’s other programs and resources available to individuals. Since those programs were already in place, he thought funding to individuals should be a lower priority for the Trust unless there are future surplus funds. Ms. Houston thought that by not giving funding to individuals, the Trust was setting a minimum for the level of development that it would support.

Mr. Gambiza thought that the Trust needed to consider the objectives that they were trying to achieve and how the Trust could use its funds to make the most impact on affordable housing. Noting the current median price of homes in Newton, he questioned whether giving individuals loans would make enough of an impact on the overall community. He noted that there were also programs at the state level which provide individuals with homebuyer loans and suggested that the Trust consider how it could use Trust funds to complement these other programs and focus on where the Trust could have a bigger impact. He was not sure that funding individuals would ever give them the impact that working with a small or medium developer would have. He stated that he leaned towards working with developers and noted that it would be hard to see their funding passed on to the next person with individual loans. Ms. Houston agreed that larger projects would be a more effective use of the Trust’s funds.

Mr. Heath suggested that the Trust could include individual loans as a goal of the Trust so that it would not be lost if there was an interest in a future program. He thought that the Trust could then be more specific in the Terms of Assistance to focus applicants on what types of funding can be requested. He suggested that this be included in general terms with the understanding that it would not be something that the Trust was interested in pursuing now. Mr. Gambiza stated that he was fine with that solution. He added that he wanted to focus on ways that the Trust can stay sustainable, suggesting that they consider issuing low interest loans, replenishing the Trust funds by charging

some interest, giving applicants the opportunity to refinance and control interest, etc. Ms. Houston thought that the “Terms of Assistance” section would be a better location for those details.

Councilor Bowman did not think that the Trust should do loans to individuals not just because of the amount of Trust funding needed but because of the amount of staffing this work would require. She thought that if an applicant came to the Trust who wanted to provide that service, then they could consider providing that funding but did not think that the Trust was prepared to take on this service. Ms. Houston summarized the discussion, explaining that they would keep individual loans within the Trust’s goals but would eliminate individual loans and tenant stabilization programs from “Types of Assistance.” Trustees agreed to keep the program grant section and to change the heading to “Current Types of Assistance.” Ms. Weber asked if the Trust could consider bond issue funds. Trustees agreed to hold that discussion for a later meeting.

In the “Terms of Assistance” section, Ms. Houston thought that this section got to the issue that Mr. Gambiza raised about in the second paragraph with the statement that “loans may or may not carry interest” and asked whether this should change. Mr. Gambiza thought that the text should read “shall carry” but Ms. Houston preferred to keep “may carry” as the City might want to show support for a project by allowing any loans to be forgiven. She asked Mr. Gambiza if he was comfortable with using “may or may not” based on these facts. Mr. Gambiza suggested that the loans could still carry interest but be forgiven in the future at the City’s discretion. Trustees discussed the language to be used and decided to leave the text as “may or may not.” Ms. Houston stated that she was comfortable with the section with that one change. Mr. Sargent agreed and thought that the change would give the Trust some initial flexibility that they might want in the future.

Discussion moved to “Repayment Terms.” Ms. Houston stated that her questions on this section had been reflected in the discussion. She wanted the Trust to have the room they needed to structure loans based on the specific deal. Ms. Weber expressed her concern that Trustees might have different ways of making that determination. She liked the flexibility as well but was concerned with what types of proposals might be submitted. Ms. Houston questioned the provision that any City money that goes into a project would be taken back out at the construction closing. She explained that she had never seen a time when the local funding did not convert to permanent funds. She noted that local funds often came in for early costs and were then converted to long term loans at the construction closing.

Mr. Sargent thought that there might be an expectation or perception that the local funder would be repaid but that in practice it never happens due to construction contingencies. Mr. Gambiza asked what would happen when the loans matured and came due and suggested that when the loans were refinanced in the future the Trust could be eligible to recoup funds as it would still be in the chain of funding. Trustees agreed that applicants could come back in and negotiate at that time. Mr. Gambiza expressed concern that if they removed this language now, the Trust might be limiting its ability to get funding back if a project did not go forward for any reason. Ms. Houston thought that that issue could be addressed in the loan documents.

It was noted that the “Sources of Trust Funding” descriptions for the CPA and Inclusionary Zoning (IZ) funds did not reflect the Trust’s recent funding application or the proposed changes to the IZ ordinance. Ms. Kritzer stated that she would update these sections following the City Council Committee meetings to be held this week. A question was raised about the definition of close

contacts in the “Conflict” section at the end of the document. It was noted that the Trustees would have to go through state ethics training at some point in the future and must comply with all state ethics laws. Councilor Bowman noted that City Councilors could file a disclosure if there were concerns about a potential conflict with a project under review. Ms. Kritzer stated that she would check with the Law Department on this definition.

Trustees agreed that they wanted to review a final, clean copy of the draft guidelines before approving them. Staff was asked to complete the discussed edits to the document for further review and a vote at the September 28 meeting. Trustees also agreed that the draft was ready to be released to the public and noted that any public comments could be sent to Staff.

Review of existing Affordable Housing Plans and Documents

A question was raised about the City’s work on Zoning Redesign. Ms. Houston thought that as part of their work as a voice for affordable housing, Trustees should also be talking about whether they were prepared to advocate and support other programs and legislation that will further affordable housing. She noted that the zoning redesign process would lay the groundwork for additional housing and additional affordable housing. She asked Trustees if they were comfortable taking on that role.

Ms. Weber asked if the Trust should be doing this collectively with other City groups. Mr. Heath explained that the Zoning Redesign review was already in progress and that the Main Library exhibit was up for review now. The Zoning and Planning Committee would be discussing the MBTA communities at their second meeting in September, and they planned to have the maps ready for the village districts in October in order to continue the conversation at the November meeting. Councilor Bowman noted that there was a virtual discussion this evening on the Library’s Zoning exhibit which would explain how the public could comment. Mr. Heath stated that now was the time for the Trustees to comment but that there was no rush. Councilor Bowman thought that this was a great opportunity for the City to make sure that the zoning maximized its affordable housing potential. It was also noted that there were two processes under review at this time – the MBTA communities changes and the City’s ongoing Zoning Redesign. Mr. Heath noted that these processes overlapped but that their results could be different.

Trustees agreed that this was a good time for the Trust to comment on the proposed changes. Mr. Gambiza thought that the timing of this review was good but wanted to better understand where the conflicts and commonalities were in the process. Councilor Bowman noted that feedback on the Main Library exhibit was due in mid-October. Ms. Houston suggested that a subcommittee of two people meet to gather their thoughts and develop a plan for how the Trust can be most useful in helping the process and sharing its input. Mr. Heath stated that he and the Planning staff would be happy to be a resource to the Trustees on this. Ms. Weber asked if there was any downside to doing this now and whether the guidelines should be completed first. Trustees agreed that the Zoning Redesign review process could begin before the guidelines were finalized. Ms. Houston explained that the committee of two would come back to the Trust at a future meeting to explain what the proposed MBTA and village center rezoning could do to support affordable housing and how the Trust could best address these issues. It was agreed that a proposed response from the Trust could then be sent to the Zoning and Planning Committee.

Councilor Bowman noted that the Trust had already gathered information on how affordable housing was developed in other communities and asked whether there was anything that the City could learn from other communities that could inform the current process. It was noted that the Affordable Housing Partnership was also looking at this process and that it might be good to have a conversation with their chair, Lizbeth Heyer, on how the two groups could work together. Trustees also noted that it would be helpful to have affordable housing developers look at these proposals, noting that Mr. Korb had previously commented on how allowing larger projects would create more affordable housing. Trustees also discussed the issue of what can be done by right versus what required a special permit.

Mr. Sargent suggested that Mr. Korb and Mr. Gambiza work together as the two member subcommittee on the Zoning Redesign review. Mr. Gambiza seconded the motion which passed by unanimous vote. Ms. Houston stated that she would email Mr. Korb. Mr. Heath noted that there was a ton of information on the website about the Zoning Redesign process, including the entire Main Library exhibit. Ms. Houston encouraged Trustees to consider if there are other places where the Trust as a whole would want to weight in.

Trustees discussed the timeline for meeting with other affordable housing groups and the potential agenda for the next meeting on September 28. In regard to the City's existing affordable housing plans and documents, Ms. Kritzer noted that the Trustees had already addressed most of these documents in their review for the draft guidelines and that Staff would be giving a presentation on the City's existing affordable housing programs at the September 28 meeting. Ms. Berman noted that these documents were rich in detail and data which she thought Trustees would find useful. She also explained that Staff would be presenting the City's FY23 Action Plan in a few weeks and could include some of that information in next month's staff review. Ms. Berman stated that their review would give an overview of what is happening in the City and touch on how the IZ ordinance creates affordable housing funds. If there was enough time, staff could also go deeper into the documents that are referenced in the guidelines and focus on what the big issues are for the City's affordable housing plans.

Ms. Weber stated that she would also like to hear where Staff is on these issues. Ms. Houston stated that she would like to have some high level City demographics such as income mix, renters v. homeowners, etc. Ms. Berman suggested that they look at the Newton Leads 2040 information. She noted that the numbers will have changed a bit but that there had been no drastic changes since this was completed and it would provide a strong picture of the housing situation in Newton. She added that they could provide updated information as well at the next meeting. Mr. Sargent stated that he had found Newton Leads 2040 and the FY 23 Annual Action Plan to be very interesting and noted that the 2007 Comprehensive Plan had been created in a different world. Ms. Berman agreed but had found it to be on trend with many of the City's current situations.

Trustees asked Staff to consider where have things shifted in the last five years and where a deeper look was needed. Ms. Berman stated that one change was that they were now focusing on low income rather on moderate income households as was suggested in the 2007 Comprehensive Plan, and that there was now a clearer understanding of where the need was. Mr. Sargent added that he had seen a sea change in recent years in terms of racial inclusion and equity. Ms. Houston thought that there was also a better understanding of the extreme vulnerability of some Newton residents that was not known before the pandemic. Councilor Bowman noted that there was also a growing

senior population in the City with extremely low incomes. Ms. Weber stated that she was interested to see how the two new senior projects at the Golda Meir and Haywood House would do and noted that they were both coming online at the same time. It was also noted that the Newton Housing Authority now had four new bilingual staff members to work with its residents.

Update on Status of CPA Funding Proposal

Ms. Kritzer noted that the Community Preservation Committee (CPC) had recommended that the Trust funding be allocated at the full amount requested. That recommendation was scheduled for review with the Zoning and Planning Committee at their September 12 meeting. The project would then be reviewed by the Finance Committee. Councilor Bowman believed that if all went smoothly the City Council could be ready to vote to approve the funding on October 17. Ms. Houston thought that they needed to be ready to address any questions from the Councilors on when the Trust would need to be up and running, when they would begin taking applications, and what types of projects they might be prioritizing. Trustees also agreed to discuss ways in which they can get the word out about the funding's availability once it is approved.

Review and Approval of Draft Minutes for June 29 and July 20 meetings

Ms. Weber explained that the CPC assigned one member to do an initial review of the draft minutes at each meeting and suggested that the Trust do this as well. The designated Trustee would be responsible for reading through the initial draft and sending revisions to staff. Mr. Sargent offered to take on this role for the Trust.

Copies of the draft June 29 and July 20 meeting minutes had been sent out to the Trustees prior to the meeting. Mr. Sargent moved to approve the draft minutes from both the June 29 and July 20 meetings at this time. Ms. Weber seconded the motion which was unanimously approved.

Other

Ms. Kritzer stated that she would get a copy of the final draft of the guidelines and application out to members next week. Ms. Houston suggested that the subject line of that email include the deadline for submitting any revisions.

Trustees agreed to continue meeting at 4pm and to keep the meeting to approximately 90 minutes. Ms. Houston asked if the Trust needed to have a public hearing for comments at some point during the year. It was noted that this was not a requirement unless there were applications under review.

Ms. Weber moved to adjourn the meeting. Mr. Sargent seconded the motion which was passed by unanimous vote. The meeting was adjourned at 5:30 P.M.

Action Items from September 8 Meeting:

- Schedule Future Meetings with other Affordable Housing Groups in Newton
- Staff will revise draft Guidelines
- Staff will compile high level City demographics such as income mix, renters v homeowners, etc.