

City of Newton



Ruthanne Fuller,
Mayor

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

Telephone
(617) 796-1120
Telefax
(617) 796-1142
TDD/TTY
(617) 796-1089
www.newtonma.gov

Barney S. Heath
Director

Newton Affordable Housing Trust

APPROVED MINUTES

November 17, 2022

The hybrid meeting was held on Thursday, November 17, 2022, beginning at 4:00 P.M. Newton Affordable Housing Trust (NAHT) members Tamirirashe Gambiza, Ann Houston, Jason Korb, Peter Sargent and Judy Weber were present in Room 204 and City Councilor Alicia Bowman attended virtually. Trustee Mayor Ruthanne Fuller was not present for this meeting.

Staff present in Room 204 included Community Development Amanda Berman and Community Preservation Program Manager Lara Kritzer. Planning and Development Director Barney Heath and Housing Development Planner Eamon Bencivengo also attending virtually. Ms. Kritzer served as recorder. Ms. Houston opened the meeting and Trustees and staff introduced themselves at this time.

Staff presentation on the City's CPA funding program

Ms. Kritzer reviewed the City's Community Preservation Act program and presented a brief presentation on how the City had used its funding to date. It was noted that over the life of the program, the City had allocated approximately 44% of its overall funding to affordable housing projects within the City.

Councilor Bowman stated that she hoped that the NAHT would make the case to the Community Preservation Committee (CPC) to maintain the same excellent level of funding for affordable housing in the future despite other needs for funding in the City. She noted that housing was a critical need for the community. Ms. Houston pointed out that the CPC had set a 35% funding target for affordable housing but noted that the City must have gone well beyond that amount in the past if the average over time is 46%. She thought that they should look for opportunities to go beyond the minimum target amount where possible.

Ms. Weber stated that that CPC had a very balanced group of people and that housing has gotten a lot of CPA funding in the last few years. She believed that the CPC would stand by their commitment to allocate 35% of the program's annual funding to housing but noted that there are projects in other funding categories that are anticipated in the next year which might limit how much extra funding could be spent on housing. Mr. Gambiza asked how much CPA funding has been used to create new housing and how much has gone towards existing housing units. Ms. Kritzer noted that the Colman House project was an existing site where CPA funding was going towards preserving the structure, while the Haywood House and Golda Meir projects were new construction.

staff contact Lara Kritzer, Community Preservation Program Manager
email lkritzer@newtonma.gov, *phone* 617-796-1144

Mr. Sargent had found the chart presented on the percentage of affordable units being used by voucher holders to be very helpful. He asked how many of these vouchers were mobile vouchers. Ms. Berman answered that the chart looked at mobile vouchers and explained how they considered these to be “moment in time” vouchers in comparison to project based vouchers. A question was raised as to whether the City also tracked project based vouchers. Ms. Houston suggested that the Trust should continue this conversation in the future and asked whether the Trust would want to encourage the Housing Authority to make their housing vouchers project based rather than mobile. Ms. Weber stated that half of the Housing Authority’s vouchers are used outside of Newton and that she would like to see more of them used in Newton in the future. Ms. Houston thought that these vouchers were a huge resource and stated that she would like to see how they could expand the number that Newton had available. Ms. Berman referenced a recent Boston Globe article on how Boston, Brookline, and Cambridge had worked to have the amount of subsidy applied to the vouchers varied by zip code to allow voucher holders a greater ability to live in higher priced areas. Ms. Berman wondered if that was something that could be done in Newton as well and agreed to come back in the future to specifically discuss vouchers with the Trust.

Review and Approval of Draft Trust Funding Application

Mr. Korb had worked on revisions to the proposed funding application between meetings and reviewed his proposed changes at this time. Under the Financial Information section, Mr. Sargent noted that they needed to balance their mandate to be nimble, quick and responsible with the use of the funding with the practical needs for showing accountability. He wanted to allow applicants more flexibility as each project would be unique. It was noted that predevelopment was an example of a unique issue as the Trust might base the information they requested on whether the applicant was someone with more experience or who was new to affordable housing. Trustees agreed that they might change how they looked at the information required based on those questions.

Trustees agreed that the first step was to determine if the application was for a predevelopment or full development proposal. It was suggested that the Trust could also pull a lot of its information from other agency applications. Trustees agreed that they did not want to be perceived as adding a lot of additional requirements but wanted to be thorough. It was also noted that who the applicant was and their background would also set the mindset for what the Trust felt it would need to see.

A question was raised as to the Trustees comfort level with providing predevelopment funding. It was noted that the Trust may be asked to fund opportunities which did not pan out and Trustees questioned how much they would be willing to lose through that process. It was agreed that the Trust needed to develop an understanding of what they were willing to work with – for example, were they willing to risk \$40,000 to see if a project could move forward.

Concerning feasibility assessments, Ms. Houston wondered if the need for this would again come down to who was asking for the funding. Mr. Korb noted that Mass. Development could provide funding for site assessments and believed that other agencies such as the Community Economic Development Assistance Corporation (CEDAC), Local Initiatives Support Corporation (LISC), Boston City Capital, and Bluehub provided those options as well. Preservation Massachusetts was also noted to have development funds that could pay to hire a preservation consultant for a project.

Mr. Sargent asked what the context would be for an early stage loan or whether the Trust could provide grants. Mr. Korb stated that the funding could not be a grant if the applicant was a for-profit developer. He also noted that cash was not always readily available for smaller developers. Ms. Houston thought that this might be where track record comes into the discussion. Mr. Sargent agreed that the Trust might ask for more information from a new applicant who had not previously done affordable housing in the area. Mr. Korb stated that he would also want to include option payments.

Ms. Weber expressed concern that the application assumed that the project would be of a certain scale and might scare off smaller projects. Mr. Sargent believed that the Trust would also want to see smaller projects put this level of effort into their early work to develop the project. Ms. Houston suggested that the Trust should also be ready to point applicants to other organizations to complete some of the work. She thought that with high risk funding, it was good to have others share the risk. Mr. Gambiza suggested only setting aside a certain percentage per year for this type of project.

Mr. Sargent agreed that the application should not intimidate or turn away applicants. He suggested that they allow some flexibility in terms of accountant reviews vs. audits. He did think that they should set clear standards, though, for what the Trust would require and what disclosures would be needed. It was suggested that an applicant could just submit a financial report that included their CPA's assertion that it was accurate. Mr. Korb stated that in his experience, an accountant would not do this unless they were doing a full review of the accounts or an audit anyway. He did not think that a CPA would do just a cursory review for this purpose.

Ms. Weber stated that she was working with the City of Berkely, CA which required a lot of contracting and paperwork but was trying to push out a lot of money quickly. When she had asked why their contracting process was so difficult, they had responded that it had to do in part with the source of the funding and other funders. She suggested that this requirement might also depend on the situation. Mr. Korb suggested that applicants be asked to provide internally prepared financials in place of audits for some projects. Members discussed the CPA program requirements and noted that they did not necessarily require applicants to submit this level of financial information. Ms. Houston noted that the Trust had also discussed at the last meeting the possibility of having third party review financials and opine on whether they met the needs of the project. She thought that there needed to be an initial threshold requirement and that if a project got to a certain point, then additional materials might be required.

Mr. Gambiza thought that it would speed up the process to have set requirements. Ms. Weber noted that the Trust could go ahead and issue an RFP for a standing consultant to review financial information and just leave it open so that the review process was ready to begin whenever it was needed. It was also noted that the Trust set the questions and/or narrow the scope of this review if necessary. Mr. Gambiza asked who would pay for this review, what that cost might be, and whether it would be taking away some of the CPA funding for housing to do this.

Ms. Houston brought the discussion back to the size of these project and what the boundaries might be for predevelopment feasibility. She asked if the Trust wanted to set a floor for this funding which included doing a financial review if the project went beyond a set point. Members agreed to discuss this question further at a future meeting.

Ms. Houston asked if there were any other issues that needed to be resolved. Mr. Korb expressed concern that everyone needs to be treated equally and thought that that could be a challenge if one person brought in a somewhat risky project while another brought in one that was a sure thing. Mr. Sargent reiterated that this would also depend on the applicant's track record and familiarity with Newton. Ms. Houston thought that the Trust could have different levels of review for each applicant. Councilor Bowman also liked the idea of having on-call consultants available for financial reviews.

Ms. Houston thought that the application looked good and thought that if staff could clear up the area's discussed at this meeting, it could be ready for use. She suggested that they consider whether or not to fund pre-development projects between now and the next meeting and just not advertise that option yet. Ms. Weber moved that the Trust adopt the draft application as revised during the discussion. Mr. Gambiza seconded the motion which passed by unanimous vote.

Discussion of Letters of Support for Village Center Rezoning and West Newton Armory Project

The Trust had been asked for letters of support for both the Village Center Rezoning process and the West Newton Armory project and drafts of these letters had been sent out before the meeting. In discussing the West Newton Armory letter, it was noted that the total cost per unit was \$625,000. The project was described as intergenerational and would have one, two and three bedroom units with underground parking. Councilor Bowman asked if this project also included the restoration of the original head house building. Staff answered yes but noted that the cost of construction was going up daily. Trustees endorsed the draft letter and asked staff to put it on letterhead for the Zoning Board of Appeals meeting on December 7.

Trustees next reviewed the Village Center Rezoning letter. Ms. Houston noted that the letter had not included the Trust's suggestion that additional height be allowed for affordable housing projects. Councilor Bowman liked how the letter reviewed the parking elements of the proposal. Ms. Houston noted that after reading through the meeting notes she had realized that the draft letter did not include the Trust's discussion on the additional height benefits that could be allowed for affordable housing and asked if that should be entered. Councilor Bowman thought that it would be good to add as a height bonus could be a critical element of the proposal. Mr. Heath agreed that this would be good to note and explained that the Housing Partnership has studied how these had been used in Cambridge and Somerville's overlay districts. Ms. Houston asked if the Trustees would endorse the letter with those changes. Trustees unanimously agreed to endorse the letter as revised.

Councilor Bowman left the meeting at this time.

Revisions to Annual Report section of NAHT Priorities, Goals & Guidelines

Trustees had discussed amending the last section of the Priorities, Goals and Guidelines to align the annual report process with the process as explained in the ordinance. Ms. Weber moved to approve the language on the annual report as revised. Mr. Korb seconded and all voted in favor.

Review and Approval of Draft Minutes for September 28 and October 20 meeting

Members had reviewed the draft minutes from the September 28 and October 20 meeting prior to the meeting. Mr. Sargent moved to approve the minutes as presented. Mr. Gambiza seconded the motion and all voted in favor.

Ms. Weber move to adjourn the meeting at 5:32P.M.

Action Items from November 17 Meeting:

- Schedule future discussion on mobile vs. project based housing vouchers
- Financial documentation requirements for pre- development and development sections.
- Discuss whether or not the Trust wants to fund pre-development proposals.