

**NEWTON HOUSING PARTNERSHIP**  
Newton Housing & Community Development Program  
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**MINUTES January 14, 2009 meeting DRAFT**

Members present: Phil Herr, Chairman, Nancy Andersen, Deb Crossley, Andrew Franklin, Peter Macero, Josephine McNeil, David Stein, Jeanne Strickland, Dan Violi, Myra Tattenbaum and John Wilson

Visitors: Patrick Dober, Jon Hacker and Bill Henderson (Newton Housing Authority) and Robert Engler and Geoff Engler (Stockard Engler Brigham, LLC)

Staff: Trisha Kenyon Guditiz, Steve Gartrell

Visitors: Candace Havens, David Ennis, Bob Engler and Geoff Engler

Draft minutes prepared for the Housing Partnership by Trisha Kenyon Guditiz, Housing Program Manager

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**192 Lexington Street:** Phil Herr began the project update by reporting to the NHP that the Community Preservation Committee is meeting on the evening of January 14. The purpose of the public hearing is for applicants for Community Preservation Funds to introduce their proposed projects. Two of these projects are community housing projects and include 192 Lexington Street and Bob and Geoff Engler (Stockard Engler Brigham).

Bob Engler summarized the status of the project which includes 10 affordable housing units. The revised household income mix is now seven units at 95% AMI and three units at 75% AMI. This revised mix is a result of recommendations from the Housing Partnership's Project Review Committee that met with SEB at a special meeting on January 9. Bob added that DHCD will approve this mix.

Bob then referred to a list of questions and comments about the proposed project:

**Site plan:** Bob explain that the road through the development was modified after conversations with the planning staff. Another change includes the orientation of the units which now all face the park.

**Condo budget/fees:** Geoff Engler distributed a proposed condo budget dated January 11, 2009. The budget will have to be revised to reflect higher sales' prices (due to the eligibility of higher income households e.g. 75% and 95%).

Development budget: SEB agreed that construction monitoring should be included in the construction budget.

Need for funds as a private development entity: Bob said that SEB does not have sufficient funds to undertake the project without subsidies and currently, SEB is using their own funds for the architect, attorney, etc. Bob explained without the subsidies, SEB could do a 40B mixed-income development consisting of three HOME-assisted units and seven market rate units. The subsidies are enabling the entire development to be 100 % affordable.

Status of the appraisal: The appraisal is not available yet.

Long-term affordability: SEB is working on a specifications package currently and has contracted with the Green Round Table for assistance. Bob said that SEB is happy to return to the Housing Partnership to discuss trade-offs once process are in.

Deb Crossley said “We would like this to be a model of what happens when you put money into paying for long-term affordability.” She went on to ask if SEB could make a long-term commitment to EnergyStar benchmarks. She asked “If it was going to cost more to do this (meet EnergyStar benchmarks), how would you pay for this?”

Bob responded “We will show you when we have real prices. We will come back and talk to you about trade-offs.” He said that SEB will give the Housing Partnership an “EnergyStar commitment.” He added that SEB requested additional Community Preservation Funds to accommodate the City’s request for sprinklers in the units.

Dan Violi asked if the Housing Partnership needs to provide anything to the Community Preservation Committee for their meeting later that day.

Phil responded that Alice (Ingerson) said that the Housing Partnership does not have to provide anything for the meeting.

Bob said that everything is in flux until prices come in.

Josephine said that she didn’t think that the members needed to supply any comments that evening.

David Stein asked if the Housing Partnership should submit something so that SEB could reference {the Housing Partnership} meeting to the Community Preservation Committee.

Dan remarked that he agreed. “We still have a lot of major questions but at this level, we can support the project as a concept.” Dan went on to say that the members could express support for the project and say that they expect a more detailed report in the future. He said that the letter should say that the Housing Partnership supports and endorses the concept (of the project).

John Winslow followed with several site plan related questions regarding how the green space will be divided (between owners), the location of trash receptacles and how mail will get delivered.

Bob responded that the green space can be deeded/designated and that everyone will know where to park. Trash collection will be private and will be picked at two different locations on site.

John asked where the tradesmen and visitors would park.

Bob responded that there are a couple of visitor spots.

John asked where the UPS trucks would turn around and questioned if there was enough public support to open the site up to Albert Street (currently, a lock box is proposed). Phil added that the development is not a cul-du-sac and questioned where people would turn around.

Bob said that the turning issue needs to be worked out.

The members then had a brief discussion concerning process and when public input is acceptable.

Josephine asked “Do you want a mushy statement for tonight or should we hold off and be more comprehensive?”

Bob responded “How is this any different than any CAN-DO projects? This is the stage that projects come here. Developers always come in with schematics until prices and working plans are available. I don’t know why you wouldn’t make a statement today.”

Candace Havens stated that she appreciated SEB efforts and that the City’s Development Review Team liked where the project was going. She remarked that SEB is innovative and able to look at things creatively. She reported that it helped her staff to hear from the Housing Partnership at this juncture.

Deb said “I agree that we should speak tonight or send a letter. There’s a commitment to coming back to see a durability plan and how it impacts condo fees. I like the commitment to EnergyStar as a baseline.”

Dan responded that the Housing Partnership should vote to express (through some venue) its endorsement of the project as a concept. The letter or statement of support should say something like “we look forward to working with the developer in this process.”

Josephine said “I think you need to include the need to answer the turnaround issue.”

Geoff Engler said that he understood the Housing Partnership's concern but that the request for a turnaround presents a list of issues. "We have an 18' wide road with parking spaces which are mostly empty during the day. Trucks can turn in these spaces."

Bob remarked that SEB will address how deliveries will be made.

David said "We want to stay at 1,000 feet (viewpoint) not 50 feet. We have discussed this enough for an endorsement."

**1600 Washington Street, Warren House:** Nancy Andersen said that MassHousing counsel informed her that she can't be involved in any discussions regarding the Warren House project but that she can discuss questions related to refinancing (in general) and cap rates.

David Ennis summarized NCDF's request for Community Preservation Funds and Inclusionary Housing Development Funds. He explained that NCDF didn't have the extra cash flow to support more of a mortgage. The City had previously encouraged NCDF to look at the full scope of work needed which results in \$4 million of hard costs. He explained that MassHousing will not allow NCDF to refinance and get the capital necessary to pay off the limited partners as well as do the necessary capital repairs to the building. He explained that the roof is bad and that the situation is continuing to deteriorate. He said that the building is an important City resource for the following reasons:

- Historic building
- Day care center for the community
- 21 of the 59 units are affordable

Deb remarked that the members didn't have the financials prior to the meeting but that it is clear that the work needs to be done. She remarked that the Law Department thinks that this is chiefly an historic preservation project but "...it is still important to protect the housing units." She then asked "How are you going to get the total amount of funds needed?"

David (Ennis) responded "We need to convince MassHousing that not enough work was done in 1991."

Josephine said that MassHousing is the stumbling block and wanted to know who was involved in the process to try to influence MassHousing.

David responded that NCDF talked about a more political process but then didn't ask the Mayor to advocate for the refinance.

Josephine said "You need to ask the Mayor and the legislative committee to advocate for you."

Nancy said that it is not unusual for municipal contingents to go to MassHousing.

Dan and David then spoke briefly about the use of historic tax credits (yes, they were used) and David described what volume cap funds were (federally-regulated resource for private activity uses).

Deb asked if the building had a slate roof and if the slate could be replaced.

David responded that the building had a slate roof and all work needed to comply with the *Secretary of the Interior's Standards for the Treatment of Historic Properties*.

Peter Macero asked if NCDF could refinance with a private bank.

Nancy answered saying that MassHousing prohibits that option.

Jeanne and David then answered the questions developed prior to the meeting:

- Yes, they can make rent rolls available;
- 21 units restricted below 60% AMI; 20 are Section 8 voucher holders; 1 unit is affordable due to the LIHTC program;
- Every unit is individually monitored;
- \$2.5 million needed to buy-out the limited partners;
- NCDF wants to extend the ground lease.

Andy Franklin said “We need a list of all the different restrictions with the associated timeframes e.g. what happens in 2012? 2022/ 2056?” “How long are the units affordable?” “When can they convert to market rate?” “This is a band-aid. What if you can’t get the rest of the funds?”

David responded “This is part of our broad plan; we are doing this in stages. We are hoping we can refinance in two to three years.”

Phil asked if the Housing Partnership should require NCDF to push back on MassHousing.

Josephine said “You haven’t used the political people that could have helped you. You should still do this. You will make a better case for yourself.”

Phil asked “What is the cost of following Josephine’s recommendation?”

David responded that there is already a lot of political pressure on MassHousing and that pressure from Newton won’t make a difference. “There are 150 projects lined up.”

Deb said that NCDF needs to have a long term strategy that shows how all the work will be accomplished. “How will you get there?”

Jeanne said that NCDF is already working on the other capital needs. Once NCDF resyndicates, there will be between \$5-6 million available to the project.

The Housing Partnership then discussed what would be included in a letter to the Community Preservation Committee. The letter will include:

- Recognition of the merit of the project
- Support of the use of City funds
- Recognition of the importance of continued affordability
- A request that NCDF approach MassHousing again regarding refinancing

David Ennis said that approaching MassHousing again is a “non-starter.” He said that NCDF wants to present a two-phased plan that includes the proposal to the Community Preservation Committee and long-term financing through MassHousing.

Steve Gartrell announced Margaret Siciliano’s departure and requested that the Programs and Policy Committee meet to review the proposed changes to the City’s Housing Rehabilitation Program.

The meeting adjourned without a quorum.