

## NEWTON HOUSING PARTNERSHIP

Newton Housing & Community Development Program  
492 Waltham St., West Newton, MA 02465. Phone 617-796-1156. TDD/TTY 617-796-7089

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### July 11, 2007 MEETING MINUTES

Date: July 11, 2007  
Time: 7:45 a.m.  
Location: City Hall, Room 202

Members Present: Phil Herr, Josephine McNeil, John Wilson, Andrew Franklin, Maritzie Rudden, Dan Violi, David Stein, Peter Macero, Lynne Sweet, Jeanne Strickland, and Bart Lloyd

Staff: Trisha Guditz, Steve Gartrell, Margaret Siciliano

Minutes prepared for the Housing Partnership by Margaret Gibbs Siciliano, Housing Development Planner

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**1. May minutes:** Minutes from the May Housing Partnership meeting were approved with comments.

**2. Establish Nominating Committee for annual election of Chair and Vice Chair:** Josephine McNeil and Dan Violi reported that the Nominating Committee received nominations for Chair and Vice Chair. Phil Herr has been nominated for Chair and Bart Lloyd for Vice Chair. Elections will be held at the next Partnership meeting.

**3. Conflict of interest:**

Steve Gartrell introduced Cedric Kam from HUD and Gayle Smalley from the City Law Department to explain the conflict of interest policy.

Cedric Kam explained that the conflict of interest regulations are primarily designed for beneficiaries (people assisted directly by housing or services) and anyone with a financial interest. An individual with a financial interest shouldn't be able to benefit from funding.

Josephine McNeil asked if there had been any rulings on the definition of financial interest. She asked, "what if HUD funds are not used to directly pay someone's salary?"

Lynne Sweet added that Second Step receives CDBG funds for public services which help pay for Nancy Slamin's salary. She asked if this is a conflict of interest?

Steve Gartrell answered that the Partnership doesn't make decisions on human service funding so Nancy Slamin would be exempt. He added that there are two tests to determine conflict of interest: 1. Does the person receive a financial interest? and 2. Did the person participate in the decision making process?

Cedric Kam explained that any potential conflict needs to be publicized and well documented as a basis for a HUD waiver. Notices need to be posted in town hall and receive recognition during town council discussions.

Steve Gartrell stated that at the last Partnership meeting there was a question as to what constitutes a financial interest. This is defined on page 2 and there is a process for exemption.

John Wilson asked, “what is the difference between voting and discussion?”

Gayle Smalley replied that if someone has a conflict and has not received a waiver from HUD they cannot participate in the decision making process. This includes discussion, not just voting. If there’s competition for funding there might be a conflict. For example, CAN-DO and NCDF are in competition for federal funds. Jeanne Strickland would not participate in the decision making process on CAN-DO’s proposal. She would have to excuse herself from the Partnership and be a member of the public by physically moving away from the table. She could still be called on for comment as a member of the public.

Jeanne Strickland asked, “what if Ellen Feingold were here. Her organization has received funding in the past and will possibly seek it in the future?”

Cedric Kam asked, “how certain is it that she’d come in later?”

Phil Herr stated that if she did participate she poisons the well.

Steve Gartrell stated that if she participated in discussion and then her plans changed and she requested funding then she could request a waiver.

Dan Violi asked, “how long does the waiver take?”

Cedric Kam responded that the waiver should only take a couple of weeks (before the next meeting of the Partnership).

Steve Gartrell added that the waiver first needs to be looked at by the Law Department and Community Development staff.

Lynne Sweet asked whether the Partnership is going to have problems with quorums and voting on funding decisions.

Phil Herr responded that the Partnership will have problems with this and somehow the Partnership will have to work around it.

Phil Herr asked, “what if a person has a financial interest but is not the executive director?”

Steve Gartrell replied that it depends on the size of the agency. There may not be a conflict if it is a large agency but we’d have to make a determination.

Cedric Kam added that the City of Newton has a responsibility to make sure there is not a conflict. HUD goes after the city not the individual. The city would sanction the agency. The Department of Justice would go after the individual.

Phil Herr stated that there have been past discussions on priorities and policy discussions. What if an agency seeking funding participate?

Gayle Smalley stated, "then there is a conflict and that person needs to remove themselves from the table and become a member of the public."

Steve Gartrell added that the conflict of interest policy is now in effect.

Cedric Kam pointed out that cities all over the country have this problem

David Stein suggested that the department could choose Partnership members that wouldn't have as many members with potential conflicts. The Partnership bylaws should be changed.

Steve Gartrell added that Brookline doesn't allow funding agencies to be on the board.

#### **4. Report from Project Review Committee on CAN-DO's 29 Coyne Road proposal: Bart Lloyd**

Josephine McNeil from CAN-DO, Inc. (applicant) and Jeanne Strickland from NCDF stepped away from the table and removed themselves as members of the Partnership for this discussion.

Bart Lloyd explained that Josephine McNeil has met with the Project Review Committee. The committee generally felt that the project was a good one but had some questions regarding the completeness of the application, funding limitations, and the project's financial viability. Josephine McNeil was asked to come back with a proposal that addresses the committee's questions and concerns.

Margaret Siciliano explained that the proposal seen by the Project Review Committee requested \$450,000 in CDBG funds, another \$450,000 in CPA funds, and 32,700 in NHRF funds. The project included 3 affordable units on the site, two affordable at 80% AMI and one affordable at 100% AMI. The project consisted of a single-family home in the front and a modular duplex in the rear. At the time of the committee's review CAN-DO's proforma showed a gap in its operating budget. She explained that CAN-DO has a revised proposal which she is here to present to the Partnership.

Josephine McNeil began by explaining the history of the project and the site plan and location. CAN-DO purchased the property in 2004. The former owner first approached NWW who was unable to purchase the property due to DMR rules so then the owner approached CAN-DO. The former owner sold the house to CAN-DO for affordable housing and received a tax credit. CAN-DO bought the property at its assessed value. CAN-DO has been paying interest on its loan with Bank of America for the last two years. At the time of purchase, CAN-DO planned to add a unit onto the back of the single-family home and was told by the Planning Department that it could so. CAN-DO applied to NHRF for lead paint funds and applied for CDBG funds for acquisition. It was later discovered that the property was split zoned and was partially zoned for multi-residence and single-family residence. Coyne Road was put on hold since CAN-DO was busy with the

lotteries and selling its condo units at Millhouse Commons and Linden Green. Now that things have settled down with this CAN-DO is now looking to move forward on this project.

CAN-DO is going to seek a comprehensive permit through the LIP program for two additional units on the site. The LIP application has not been filed. The property has a big backyard that slopes down in the back and there are several two-family properties around it. The site plan calls for five parking spaces. The modular duplex will be 3-bedroom and 1 ½ bath units. One unit will be affordable at 80% AMI and the other will be a market rate unit. The existing single-family home has 2 bedrooms and is now being proposed as a HOME unit affordable at 60% AMI. The Planning Department asked for a sidewalk so CAN-DO has added steppers. CAN-Do has held a neighborhood meeting. The neighbors all objected except NWW. There is also a property owner who has assembled several properties surrounding 29 Coyne Road but no one is sure what the owner's intentions are. The house is currently occupied by a low-moderate income household with a 3-bedroom Section 8 Voucher. The existing tenant would likely move to the 3-bedroom affordable modular unit. CAN-DO is proposing an aggressive schedule. It plans to go to the ZBA in August so it can begin construction by the end of the year with occupancy in January. If this doesn't happened building will have to wait until the spring. The decision to do rental housing was based on CAN-DO's current experience with selling its units at Millhouse and Linden.

Discussion began with Lynne Sweet questioning whether the rents CAN-DO proposes are attainable and if they include utilities.

Josephine McNeil responded that the rents do not include utilities and that the rents listed are based on the rents received at her current projects.

Jeanne Strickland thought that a more realistic rent for the 2-bedroom unit would be \$2,100/month rather than \$2,400/month and \$2,000 for the 3-bedroom affordable unit.

Lynne Sweet asked if CAN-DO plans to apply for DHCD HOME funds and why CAN-DO isn't looking at any other funding sources.

Josephine McNeil responded that CAN-DO does not plan to seek state HOME funds and other sources because of timing and the project wouldn't be competitive. Also, state and local HOME funds can't be used together.

Lynne Sweet asked, "why modular units?"

Josephine McNeil responded that CAN-DO had success with modular units at Chestnut Street.

Bart Lloyd thought that it seemed like a lot of subsidy for two affordable units.

Andrew Franklin questioned whether this sort of development is the most effective way to get affordable housing. He wondered how the cost of Coyne Road compared to the costs seen at CAN-DO's other affordable developments.

Peter Macero asked if CAN-DO has spoken with the abutter about doing business together.

Josephine McNeil responded that she does not want to do business with the abutter.

Bart Lloyd commented that the Project Review Committee thought it was a good project but at the time of review they didn't have a complete financial picture.

Lynne Sweet asked if CAN-DO has looked into doing sales instead of rentals. She thought this might help with the project costs.

Josephine McNeil responded that this issue goes back to the Partnership's priority discussions and what are the needs of the community. She thought that the CPC likes rental projects.

Discussion on the project subsided and Phil Herr pointed out that the project did not have a quorum so it could not vote on the project.

**5. Approval (for the official record) of the local preference policy.** The Partnership could not approve the local preference policy because it did not have a quorum.

#### **6. Other business**

Lynne Sweet was recently approached to lend support to the Chestnut Hill Square development. There was recently an article in the newspaper on the impact of the large scale 40B developments on Newton's school enrollment. Lynne wanted to know if there was any research on how many kids have moved into these developments, where they came from, and who is applying for the lotteries. Phil Herr indicated that he has done some research on this issue and has spoken with the school department which recently conducted an enrollment study. He did not agree with their projections and felt that there is a real need to educate the city on what the real impact of these large scale developments are on Newton's schools.

#### **Adjourn**