



Joint Zoning & Planning Committee and Finance Committee Report

City of Newton In City Council

Thursday, February 4, 2021

Present: Councilors Grossman (Finance Chair), Malakie, Humphrey, Noel and Kalis, Crossley (Zoning & Planning Chair), Albright, Leary, Wright, Krtintzman, Danberg, and Ryan

Absent: Councilors Gentile, Norton and Baker

Also Present: Councilors Greenberg, Kelley, Markiewicz, Bowman and Laredo

City Staff: Director of Planning & Development Barney Heath, Director of Housing and Community Development Amanda Berman, CPC Program Manager Lara Kritzer

Referred to Zoning & Planning and Finance Committees

#52-21

Approval of CPA funds for Covid-19 Emergency Housing Relief

HER HONOR THE MAYOR requesting the appropriation the approval of one million two hundred thousand dollars (\$1,200,000) in CPA funds to provide additional emergency housing relief to income eligible households through June 2021.

Action:

Zoning & Planning Approved as Amended 7-0

Finance Approved 4-0-1 (Councilor Malakie abstaining)

Note: The Zoning & Planning and Finance Committees met jointly to discuss item #52-21. The Committees were joined by the Director of Planning and Development Barney Heath, Director of Housing and Community Development Amanda Berman and CPA Program Manager Lara Kritzer for the discussion. Community Preservation Committee (CPC) Program Manager Lara Kritzer presented the request for \$1.2 million dollars for Covid-19 Emergency Housing Relief funds. Details of the request can be found on the attached presentation. Ms. Kritzer explained that the Council approved \$2.5 million dollars in emergency funding for the Covid-19 Emergency Housing Relief Program in May 2020. The program was implemented to provide housing stabilization funds by offering short-term assistance with monthly housing costs (rental units, deed restricted affordable housing) to residents who have had their economic status negatively affected during the Covid-19 emergency. The program was designed to provide up to \$2,500/month or up to \$7500 per household over a three-month period to residents with incomes below 80% AMI (preference to households below 60% AMI). The City partnered with MetroWest Community Development and used CPC (\$2 million) and CDBG (\$500,000) funds to initiate the program. In July 2020, the first checks were issued. The program to date has helped

226 households and the payments are averaging approximately \$1410 dollars per household. Of the 226 households, 92% are below 65% AMI and 55% are below 30% AMI. Ms. Kritzer noted that 50% of the participants in the program are residents of color.

To date, the program has expended \$2.1 million dollars. Residents who enrolled and were accepted to the program in July will complete their eight months of assistance in February. If the funding is approved, the program can extend to a full year. Ms. Kritzer noted that the residents still in the program have not seen housing relief elsewhere and could face hardship without the additional funding. If approved, it is estimated that the total number of households assisted through June 2020 will be approximately 285. Ms. Kritzer confirmed that while no residents have been denied due to lack of funding, some applications remain incomplete.

With respect to administrative fees, Ms. Kritzer explained that no additional funds were needed. 7.5% of the original funds approved were set aside to cover administrative expenses. This number was based on the number of anticipated participants. As there have been less participants than expected, approximately half of the administrative fees remain. If the administrative fees are not expended, the funds will be used to pay for rental assistance or will be returned to the CPA fund. Ms. Kritzer confirmed that the City is promoting the program through online outreach, the Mayor's Newsletter, the School Department, the Friday Report and via other non-profits.

The Committee questioned how the City is working with participants regarding job search assistance/referral to appropriate human service organizations. Director of Planning and Development Barney Heath noted that the participant information provides a mechanism by which the City can track and refer residents. He explained that while it is difficult to evaluate employment readiness, the Planning Department can refer participants to resources available at the state level as well as programs within the City. Ms. Berman noted that there are annually funded CDBG program and CARES Act funds have been appropriated for human service programs which provide case management and support services.

A Councilor noted that approval of the CPC funds may take opportunities away from permanent, affordable housing. Committee members questioned whether there is a plan for after June 30, 2021 and if the City has considered using CARES Act funding to fund the program.

Mr. Heath and Ms. Berman explained that the City has received two installments of CDBG funds under the CARES Act. Ms. Berman noted that much of the funds are distributed to communities with greater than 200,000 residents or to the states. She noted that the City does not typically receive a direct installment. It was noted that there are competing requests the CARES Act. Funds were used for the Small Business Recovery Program (Round 2) as well as the second round of the CARES Act human services program which provide assistance to low to moderate income residents. Ms. Kritzer noted that the current proposal to fund the program ends on June 30, 2021. She explained that depending on the need and additional funding opportunities, the City may reevaluate for additional funds in the future. It was noted that the CPA has a

strong undesignated fund of approximately \$9 million dollars and a strong state match is expected this year. Ms. Kritzer explained that the CPA is continuing to fund affordable housing projects and reiterated that this program is helping to stabilize housing to 226 Newton households. Ms. Berman explained that at this point there are no additional funds coming from the CARES Act. She noted that a new relief package could include additional funds for some communities.

Councilors noted that CPA funds should be spent to support the City's affordable allocation, particularly while there are residents in need during the Covid-19 emergency. It was noted that the public health emergency is anticipated to last through the end of 2021. Councilors were supportive of allocating funds for the Emergency Housing Relief Program but questioned whether there might be ways to fund the program through relief funds from the state or federal government.

Ms. Kritzer confirmed that the Planning Department can provide an update to the Committee on the status of the program funds in April 2021. In Zoning and Planning, Councilor Albright moved approval of the item subject to the following two conditions:

1. If federal or state funds become available and are eligible to be used for Housing Assistance, the Planning Department will return to the Committee with information and/or a plan to use those funds in place of any unused CPA dollars.
2. The Planning Department will provide the Committee with information with respect to the organizations that they are referring program recipients to for job search assistance.

The Zoning & Planning Committee voted 7-0 in favor of approval. The Finance Committee voted 4-0-1 (Councilor Malakie abstaining) in favor of approval of the main item with no conditions.

Referred to Zoning & Planning and Finance Committees

#458-20 **CPC Recommendation to appropriate \$1,433,000 in CPA funding for Grace Church**
COMMUNITY PRESERVATION COMMITTEE recommending the appropriation of one million four hundred and thirty-three thousand dollars (\$1,433,000) in Community Preservation Act historic resource funding to the Grace Episcopal Church Tower Restoration project for the stabilization and preservation of the historically significant ca. 1872 conical stone spire, tower and belfry.

Action: **Zoning & Planning Approved 4-3 (Councilors Danberg, Ryan and Leary Opposed)**
Finance Approved 3-2 (Councilors Humphrey and Noel Opposed)

Note: CPC Program Manager Lara Kritzer, CPC Chair Mark Armstrong and Grace Church representative Scott Aquilina joined the Committees for discussion on this item. Associate City Solicitor Andrew Lee presented updates to the Committee on outstanding questions. Atty. Lee noted that the Committee had questioned whether approval of the funds can be subject to
 a.) a condition that requires the property to be landmarked and/or

b.) a condition that the City require the funds to be repaid in the event that the church sells the property.

Atty. Lee explained that the City cannot require landmarking, as landmarking is subject to the Historic Commission’s jurisdiction. He noted that the City may also not require repayment upon sale of the property because the CPA authorizes expenditure of the funds for specific reasons (i.e. rehabilitation, restoration of an important architectural building/structure). He stated that it is the Law Department’s recommendation that the Council include a condition requiring that the church grant the City a Preservation Restriction. Atty. Lee noted that a Preservation Restriction would be recorded in the property deed and run with the land. Requiring a Preservation Restriction would grant the City a property right and would automatically require repayment of the funds when the purpose of the grant is no longer satisfied (at a rate of fair market value of the preservation restriction).

The Chair of the Zoning and Planning Committee noted that at the previous meeting, the Committee had requested information relative to the metrics by which the CPA makes decisions with respect to the approval of funds. Staff did not clarify the metrics used to support CPA appropriate projects, but the CPC Chair noted they would endeavor to develop these. The Chair explained that the CPA has published on its website, established priorities for funding requests in 2018 that were readopted in 2020. The Community Preservation Plan can be found here: <https://www.newtonma.gov/home/showpublisheddocument?id=39613> . The Plan features a chart detailing the appropriate levels of funding for different project categories. The chart is shown below.

3. Support projects that are CPA-appropriate and that leverage non-CPA funds.

Newton’s CPC prioritizes projects that are not only CPA-eligible but also CPA-appropriate, and that leverage the maximum possible funding from other sources. The CPC also recognizes that a project may need a relatively high share of CPA funding in its initial phases (such as design) in order to raise funds primarily from non-CPA sources for its later phases (such as construction).

project categories	CPA appropriateness & funding leverage
<p>special public resources and public-private partnerships: publicly or privately owned assets that benefit all Newton residents & neighborhoods, including housing that is both deed restricted to ensure permanent affordability and proactively marketed to all eligible households</p>	<p>highest priority for CPA funding, with these minimums from other sources: 30% for public projects, 50% for private projects</p>
<p>limited-benefit special public resources: publicly owned assets that benefit only some Newton residents or neighborhoods</p>	<p>lower priority for CPA funding, with a target of at least 60% non-CPA funding</p>
<p>core public resources: assets already in public ownership and that the City of Newton would be obligated to rehabilitate even if Newton had not adopted the CPA</p> <p>with one primary exception: CPA funding may be appropriate for the <i>difference</i> between lowest-cost and historically appropriate methods or materials for the rehabilitation of publicly owned historic resources</p>	<p>usually not appropriate for CPA funding,</p>
<p>limited-benefit private resources: privately owned assets that benefit only some Newton residents or neighborhoods</p>	<p>not appropriate for CPA funding</p>

Based on this information, the Chair explained that an assumption must have been made when approving the funds that this property benefits all of Newton and its neighborhoods. It was noted that recommendations are typically accompanied by a summary detailing how the proposed project meets the criteria.

It was noted that the City undertook a conditions assessment of municipal buildings in 2010. The Board then approved funding for additional analysis relative to buildings with historic features and ranked those worth preserving. The ranked list of buildings can be found on the City's CPA and Public Buildings websites.

Understanding that the church tower is architecturally and historically significant, Councilors questioned whether preservation of the church tower is worthy of and appropriate for CPA funds. It was noted that research shows that other Massachusetts municipalities have provided between \$150,000 - \$425,000 in CPA funds for steeple restoration projects (representing 1/3 of the project budget). It was suggested that the funds requested are to support the historic preservation of the architecturally significant buildings and not to support religious aspects of the project.

It was suggested by one Councilor that the tower restoration fits into category 4 and therefore should not be eligible for funding according to the CPC's published guidelines. A Councilor stated that if the CPC will be funding private institutions using the City's 1% surcharge on taxpayers, they should rewrite the priorities on their website and include updated criteria to guide private entities with information relative to eligibility. The CPC recommendation is to approve funds under category #1 representing 50% of the project cost. It was noted that the Allan House and Durant Kenrick House projects were funded under the same category. Some Councilors suggested that the public purpose served here is lacking and the primary purpose serves the parishioners. With that, Councilor Albright moved that the Council approve a lesser amount of \$935,000 which represents approximately 1/3 of the project cost.

Some Councilors expressed concern, noting that allocating 1/3 of the project will cause the project to fail, if as the church maintains, it cannot raise more than 50% of the project cost in private donations. Councilors noted that the church has agreed to return funds to the CPA fund in the event they are able to raise more money than is needed for the project. Some Committee members suggested that the CPA funding categories are outdated and do not provide a reason to dismiss the project, which has tremendous benefit. Councilors noted that over the past 10 years, over 300 projects (including private, religious institutions) have been supported through CPA funding in various communities as a means to support architectural heritage. Councilors suggested that the working bell tower is a citywide symbol of community and noted that 60% of the many letters of support come from outside of the ward. It was noted that this project is appropriately categorized in category #1 as it benefits all residents by way of preservation of the historic architecture. Councilors noted that the CPA is not a housing fund and a portion of these funds (10%) are expressly intended to preserve architecturally significant buildings. A

Committee member stated that the City may not exclude a church because it is a religious institution. It was noted that the neighborhood has not changed in many years and removal of the tower will have a significant detrimental impact to the historic neighborhood landscape.

Some Councilors noted that approval of these funds will set a precedent for funding requests from privately-owned as well as religious institutions and may invite litigation. Committee members emphasized that there are many historic City buildings and structures in need of repair with similar public benefits. Councilors questioned how this money could be used for affordable housing. It was noted that while there have been since last summer, several letters that express opposition to granting CPA funds for this kind of project, the only letters that were initially circulated to the Council and in the CPC project materials were letters of support for the project.

Councilor Albright motioned in Zoning & Planning to amend the request to an amount representing 1/3 of the project cost at \$935,000. The motion carried 4-3 (Councilors Danberg, Ryan and Leary opposed). Councilor Albright motioned to approve the amended item which carried 4-3 (Councilors Danberg, Ryan and Leary opposed). Councilor Kalis moved approval of the item as proposed (\$1,433,000.) in Finance which carried 3-2 (Councilors Humphrey and Noel opposed). Atty. Lee confirmed that the Law Department will work to draft a Council Order which incorporates a draft condition relative to the Preservation Restriction. He confirmed that he will provide an explanation of how the Preservation Restriction will impact the City's rights on the property.

The meeting adjourned at 9:55 pm.

Respectfully Submitted,

Deborah J. Crossley, Chair of the Zoning & Planning Committee

Rebecca Walker Grossman, Chair of the Finance Committee