

Town of Needham, Massachusetts
Community Preservation Committee
Meeting Minutes
March 8, 2023

Place: Hybrid Meeting, Select Board Chambers, 1471 Highland Avenue, Needham
The Board will attend in person. The public may attend in person or via Zoom.

Present: Chair, Peter Pingitore; Vice-Chair, Robert Dermody, Joe Barnes, Reg Foster,
Dave Herer, Jeanne McKnight

Remote: Laura Dorfman, Rick Zimbone

Absent: Dina Hannigan

Staff: Cecilia Simchak

Call to Order

At 5:30 p.m., Chair Pingitore called the meeting to order, read the Open Meeting Law statement, the rules for commenting, and disclosed the meeting is being video recorded.

Chair's Updates

There were no updates.

Preparation for Public Hearing

- CPC Liaisons will make statements referencing grant requests (scope, application)
- Representatives for the applicant/proponent will present (Cheryl Goffman, Margaret Loring, Steve Merritt, Stacey Mulroy)
- FY2024-01 Linden Chambers Redevelopment
- FY2024-02 NHA Seabeds Cook Preservation
- FY2024-03 DeFazio Playground Tot Lot

Discussion Regarding Finance Committee Consultation

The Chair will present the CPA Plan and CPC Policies and Procedures documents to the Finance Committee this evening. See P. Pingitore's memo in the packet for this meeting.

The Sense of the Committee

The CPC would follow what was done for FY2022 and FY2023 to fund Community Housing at 22% with the goal that Community Preservation receipts of 20% would land in that reserve account which is double the statutory requirement and double the amount being allocated to Open Space and Historic Preservation.

FY2024 CPC Applications

MOTION: P. Pingitore moved to approve withdrawal of the Parks and Recreation Application, FY2023-04, Claxton Field.

SECONDED: J. McNight

VOTE: J. Barnes, aye; R. Dermody, abstain; L. Dorfman, aye; D. Herer, aye;
R. Foster, aye; J. McKnight, aye; P. Pingitore, aye; R. Zimbone aye.

None opposed.

MOTION CARRIES: 7-1-0

FY2024-01: NHA Linden Chambers Redevelopment

Update, Discussion, and Preliminary Support Poll

Team: R. Dermody, L. Dorfman, R. Zimbone

R. Dermody:

- There is concern over the housing which is greatly needed.
- Other concerns include the amount of risk for the Town, the change in the amount of the request, the timeline, changes in scope, and what other sources of funding are available.
- Another challenge is giving the project due diligence to understand what is being asked.

L. Dorfman:

- There is concern that the zoning issues have not been resolved. Without that information, we don't know what can be built to understand the cost or the timeline.
- The request is ahead of where the actual project stands now.
- She truly wants the units upgraded and repaired.

R. Zimbone:

- He shares the concerns of other members.
- There are about 6 outstanding requests for information. The project is complex and evolving.
- Two key aspects:
 - 1) Consider the Sources and Uses document for the whole development.
 - 2) With the uncertainty of 6 outstanding requests for information, there is an issue if CPC plans to invest all this money with additional funds requested this Fall.
- The timeline factors into the process and what shape the project will take with zoning.
- How will DCHD Department of Community Housing Development weigh in?
 - The first funding request we approved last year started to be spent this January.
 - DCHD delayed approval of selecting the architectural engineering firm.
 - If that type of input is needed as this project moves forward, it will affect the timeline.
- This project is in dire need of moving forward.
- We're still deciding whether to replace the units that exist; this is Phase I of 3 phases.
- There is an expenditure to be proposed for the High Rock Estates. All of this will be a significant drain on Community Preservation funds. Where will those funds come from?
- You can't exhaust funds on one or two projects; other projects in Town need to be funded.
- Answers to questions may not be received in time to vote.
- If CPC cannot fund the Housing Authority project, they have \$1.? million in ARPA funds available to be spent by the end of 2024. If HA believes they can meet schedules they put forward, they can use the ARPA money. We could hold, in advance, the CPC money and add it to the construction without holding up their timeline.

J. Barnes:

- He favors the project. There is no question of the need.
- We need answers before moving forward.

D. Herer:

- He supports this project. We need to support the Needham Housing Authority.
- There are risks with every project. The project is complicated.
- It may be too early to ask for funding.

J. McKnight:

- We came up with a good strategy if it needs new zoning.
- The strategy is to use the Friendly 40B procedure which may take 3-4 months.
- Unless someone appeals, it could be in place to meet application deadlines to get the funds.
- If that does not happen, it could still go before Town Meeting with only a majority vote.
- This is a project that is well supported by the community.
- The proponent will return to CPC in October with a funding request for construction.
- If the LIP Local Initiative Program is used and works as expected, an October ask for funding is an appropriate timeline. If it does not work, we are looking to the 2024 Town Meeting.
- Housing Specialist, Karen Sunnarborg, is very knowledgeable about State and federal housing programs and is an expert on housing development. She knows who to recommend to advise.

P. Pingitore:

- He is concerned the underlying premise has changed from what CPC agreed to in FY2023.
- The \$1,250,000 ARPA funding and the \$1,500,000 Partnership for Growth earmark was going to be leveraged. Between that number and the \$1,386,000 those resources were going to take care of all pre-development costs. We saw our Sources of Uses and Funds which said the total ask from CPC for Phase I would be \$4,000,000 with the caveat that the Housing Authority understands that CPC funding may not be available at that level.
- He is protecting the program and is an advocate in favor of redevelopment of Linden Chambers while at the same time keeping an eye on the sustainability of this program and questions of equity and fairness.
- The latest ask from Needham Housing Authority for Phase I of the 62 unit project is \$5,000,000.
- Other local housing authorities were reviewed:
 - Chelmsford's Housing Authority project received DHCD funding as a low income tax credit in a suburban or medium sized local housing authority. This was a 116 unit building of 100% affordable units. The CPC contribution for a low income housing tax credit development was \$2,100,000 which is roughly half of what will be requested of Needham for nearly double the number of units we will receive - 62 units instead of 116 units.
 - Somerville's Housing Authority received \$4,000,000 from CPC for a 216 unit project.
 - Medford received \$2,750,000 CPC funding for a 144 unit project.
- CPC is asked to contribute in multiples of what other towns have contributed for similarly sized projects.

- Needham Housing Authority has a consultant, Cambridge Housing Authority. CPC needs a consultant.
- There is a \$2,000,000 developer's fee in Sources and Uses of Funds. The Housing Authority will earn a \$2,000,000 fee by completing this housing development. Could CPC contribute less? We should seek the expertise of a third party review from our perspective.
- CPC wants to continue to support deeply low income people. Other developments have a mix of low, middle, and moderate income households to relieve the pressure on CPC funding.
- Is that how other Towns were able to finance similar projects without tapping so deeply into CPC funds?
- CPC has increased Community Housing funds by taking money from the General Fund and allocating it to Community Housing. With a \$5M ask, this project will draw Community Housing funds down fully.
- CPC's responsibility is to look at the actual impact of this and whether those wants are appropriate given the fact CPC will have many other requests for funding.
- CPC may not have enough information this funding round to vote on this project.
- CPC should be going slow and deliberate on this project but is being asked to go very quickly.
- Addressing R. Foster:
 - The asterisk in the CPC application says "NHA understands that Needham CPA funding at this level may not be available or possible given other Town priorities." Please unpack what the cryptic statement means.
 - Mr. Foster said there are answers for all the concerns.
 - He apologized for any misunderstanding last year; NHA did not mean to say plans were concrete and would not change.
 - He looks forward to opportunity to address concerns on March 22.
 - NHA will have a Zoning meeting to follow up with staff.

FY2024-02: NHA Seabeds Cook Preservation

Update, Discussion, and Preliminary Support Poll

Team: R. Dermody, L. Dorfman, R. Zimbone

- Members support this important project moving forward.
- The amount requested seems appropriate for the eventual benefits.
- There is concern that the sum requested from CPC would be the sum total for the project.
- All requests for information were responded to with no outstanding items.

Questions posed to the Applicant:

- Zoning questions may not apply as they are not proposing redevelopment but preservation, renovation.
- Local zoning exemptions for State and Federal projects will be shared with the CPC Team.
- The CPC Team has not yet reviewed the Applicant/Proponent responses to CPC questions.
- With financial re-engineering, there will be capital infusion. What is the financial necessity?
- Predevelopment borrowing is at a higher interest rate but we will benefit from a subsidy.

March 8, 2023

- Dates - the application date does not match with dates in the grant. See page 5, Article X of the attached 3/3/23 memo from Chair Pingitore reference Consultation with the Finance Committee of 3/8/23.
 - Correction: "The Application is going to HUD in December 2022" should be April 2023.
 - Correction: Approvals expected at the end of the Summer 2023, not April 2023.
 - RPAS to sign a contract and NHA to choose a development partner by Fall 2023.
 - In parallel, construction to start toward early 2024, find a development partner, fund money from revenue stream.
 - It will take about one year to do design work from end of Summer 2023 to June of 2024.
 - Construction bidding will take place from June 2024 to August 2024.
 - The award is the end of 2024. Construction will begin at the end of 2024.
 - This is the only request for CPA.
 - Reasons for approval:
 - CPC invested in 5 training sessions with the Board of Education to understand the complex programs.
 - Cambridge Housing Authority did well in explaining the complex programs.
 - Final decision meeting was 2/11/23. CPC formally voted to submit the applications.
 - Pursue repositioning or financial strategies that lead to \$2,700,000 of additional, annual subsidy.
 - Use the cash flow to get mortgages like a private sector landlord.
 - In December 2023-March 2024, select the lender.
 - In June 2024-August 2024, do construction bidding.

Roundtable Discussion and Sense of the committee

J. Barnes	He is in favor of the project
R. Dermody	In favor as presented and documented
D. Herer	Supports the project
L. Dorfman	Supports the project as presented
R. Foster	Supports the project
J. McKnight	Supports the project
R. Zimbone	Supports this project with the suggested change that CPC fund this out of CPA Free Cash
P. Pingitore	Supports the project based on the information and is inclined to fund the project out of CPA Free Cash. See D. Davison summary memo. Free Cash is available until June 30.

FY2024-03: DeFazio Playground

Update, Discussion, and Preliminary Support Poll

The consultants were not present.

Updates to CPA Plan and Procedures Document

The Chair will present the CPA Plan and CPC Policies and Procedures documents to the Finance Committee this evening.

IGR Guidance

Members decided this can be discussed after Town Meeting.

Matters not reasonably anticipated by the Chair 48 hours in advance - There were none.

The packet with meeting materials for this meeting is available at this link:
<https://www.needhamma.gov/ArchiveCenter/ViewFile/Item/11525>

Adjourn

MOTION: R. Zimbone moved to adjourn the meeting at 8:27 pm.

SECONDED: D. Herer

VOTE: J. Barnes, aye; R. Dermody, aye; L. Dorfman, aye; D. Herer, aye;
R. Foster, aye; J. McKnight, aye; P. Pingitore, aye; R. Zimbone aye.
None opposed.

MOTION CARRIES: 8-0

Respectfully submitted,

Dale Michaud
Recording Secretary