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**Community Preservation Committee
Funding Recommendation for
STANTON AVENUE Affordable Housing
(Golda Meir House Expansion)**

date: 24 October 2018
from: Community Preservation Committee
to: The Honorable City Council

PROJECT GOALS & ELIGIBILITY This project will add two new wings to the existing Golda Meir House at 160 Stanton Avenue in Auburndale. Of the planned net 69 new rental units, 57 will be restricted to residents at least 62 years of age, and 60 will be permanently affordable to households varying from 30% to 99% of the federally defined Area Median Income (AMI), including 9 designated for individuals with disabilities who have experienced chronic homelessness. Project sponsor Jewish Community Housing for the Elderly (JCHE) has requested state approval to reserve the maximum allowable 70% of these units for Newton residents.

The housing units described above are CPA-eligible as the creation of affordable housing.

The project will also include 9 housing units without income restrictions and a wellness center, which are not eligible for CPA funding.

RECOMMENDED FUNDING On 9 October 2018 by a vote of 7 in favor, 1 abstaining (Richard Kronish) and 1 absent (Robert Maloney), the Community Preservation Committee recommended appropriating \$3,250,000 from the Community Preservation Fund to the control of the Planning & Development Department, for a grant to JCHE for any CPA-eligible purposes stated or implied in this summary budget:

USES	Total
Acquisition	\$500,000
Construction (incl. 5% contingency)	\$23,304,140
Soft Costs, Etc. (incl. 5% contingency)	\$6,865,633
Architecture, Engineering, Survey, Clerk of the Works, Permits	\$1,684,135
Legal, Accounting, Appraisal, Taxes,	\$413,074
Relocation, Marketing, Rent-Up, Furniture	\$105,000
Loans & Mortgage: Interest & Fees	\$1,002,118
City & State (DHCD) Permitting & Application Fees	\$376,512
Developer Overhead/Fee (50/50) (\approx 8%)	\$2,500,000
Operating Reserves, Soft Cost Contingency	\$784,794
Total Uses	\$30,669,773

SOURCES	
Newton CPA Funds	\$3,250,000
Permanent Loan	\$9,190,000
Fed'l Tax Credit Equity	\$9,999,000
State Tax Credit Equity & Subordinate Debt	\$6,059,734
Utility Rebates	\$75,900
Program Partner Contribution	\$1,470,139
Deferred Developer Fee	\$625,000
Total Sources	\$30,669,773

website www.newtonma.gov/cpa

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SPECIAL ISSUES CONSIDERED BY THE CPC

Funding leverage & project costs: The CPC appreciated that CPA funds were requested for less than 11% of total project costs, with federal and state tax credits covering about 41%. The project's residential construction cost of about \$424,000 per unit, close to the maximum for state funding, reflects the steeply sloped site and the need for new construction to match the existing building's relatively expensive steel and concrete framing.

Community spaces & services: New residents will benefit from Golda Meir's recently renovated and expanded common spaces, strong supportive services, wide array of enrichment programs, and required but subsidized weekday lunch program. Newton-Wellesley Hospital will provide nursing-level care and geriatric care management through the new wellness center, for both Golda Meir tenants and other Newton residents.

[Hearth, Inc.](#), a well-respected nonprofit dedicated to eliminating elder homelessness, will select and provide support services for the 9 formerly homeless tenants.

Accessibility: The expansion project will add a new at-grade accessible upper entrance, 4 fully accessible units, 2 units adapted for residents with hearing impairments, and 65 units that are adaptable, with wide doorways, showers rather than tubs, existing grab bars plus framing for additional supports, and kitchens that can be reconfigured for roll-in use. The existing elevators will serve the new units.

Project design: In response to neighborhood concerns about traffic and parking, the wellness center will be located as close as possible to Washington Street, and street parking spaces on the Golda Meir side of Stanton Avenue will be moved onto JCHE property, effectively widening the street. Golda Meir residents can reach the Woodland T stop along an existing accessible path, well away from busy Washington Street.

Reason for abstention: CPC member Richard Kronish was concerned that this project would be applying for housing tax credits in the same round as another affordable senior housing project to which Newton recently committed CPA funds: the Newton Housing Authority's Haywood House. Kronish would have preferred to schedule these projects' local funding to avoid having them compete directly for this state and federal support.

ADDITIONAL RECOMMENDATIONS (*funding conditions*)

1. The CPC assumes all recommended funds will be appropriated within 6 months, and project construction will begin within 3 years, after the date of this recommendation. If either of these deadlines cannot be met, JCHE should submit a written request to the CPC to extend that deadline.
2. As soon as practical, JCHE should provide the CPC with a brief written and in-person update on the results of its housing tax credit application(s). If tax credits have not been committed for the project by October 2020, JCHE should re-start the CPA funding process with an updated proposal.
3. The grant agreement governing the phased release of CPA funds for this project should be executed only after the project's other required funding sources have been committed, particularly the housing tax credits. That agreement's conditions should include but not be limited to those usual in other recent grants for CPA-funded housing projects, such as permanent affordability, a final report to the CPC, and an independent "accessibility audit" to ensure as-built compliance with accessibility standards.
4. Any CPA funds appropriated but not used for the purposes stated herein should be returned to the Newton Community Preservation Fund.

KEY OUTCOMES

The Community Preservation Committee will evaluate this project based on its success in using Newton CPA funds to leverage non-Newton funds, and on its provision of not only income-restricted housing but also the supportive services described in JCHE's proposal.

ATTACHMENTS (delivered to the clerks of the Council's Land Use and Finance Committees)

- ◆ Copy of CPC project webpage, with links to additional information not attached to this recommendation, including petitions and community letters:

www.newtonma.gov/planning/cpa/projects/jche.asp

- ◆ Proposal and selected attachments submitted to the CPC in September-October 2018
- ◆ Presentation to October 2018 CPC public hearing