



KATJANA BALLANTYNE
MAYOR

CITY OF SOMERVILLE, MASSACHUSETTS COMMUNITY PRESERVATION COMMITTEE



MINUTES

MARCH 1, 2023

MEMBERS

Heather Heimarck, Chair
Rose White, Vice-Chair
Dick Bauer
Laura Beretsky
Jahan Habib
David Turin

STAFF

Roberta Cameron

The Community Preservation Committee (CPC) virtually held its monthly meeting at 6:30 pm on the GoToMeeting platform in compliance with Chapter 22 of the Acts of 2022 regarding the Open Meeting Law during the COVID-19 crisis.

Members Present Rose White (serving as Chair), Jahan Habib, David Turin, Dick Bauer

Members Absent Laura Beretsky, Heather Heimarck

Staff Present Alan Inacio, Alison Maurer

Others Present

Roll Call

Acting as Chair, Rose White opened the meeting at 6:35. She reminded everyone that the meeting was being held virtually and being recorded in accordance with Chapter 22 of the Acts of 2022 and the Mayor's order. CPA Manager Cameron called the roll.

Agenda Item 1: Approval of Meeting Minutes

Member Turin moved to approve the meeting minutes from December 14, 2022, seconded by member Habib. The motion passed unanimously, 4-0.

Member Habib moved to approve the meeting minutes from January 25, 2023, seconded by Turin. The motion passed unanimously, 4-0.

Agenda Item 2: Continued Deliberation and Vote on Remaining Applications

Cameron shared the Funding Scenarios document and reminded committee members that the FY23 projects that remain to be decided include the Adams-Magoun House, Grace Baptist Church, and Somerville Museum. She further reviewed the remaining funds available for this funding round.

Cameron provided an update regarding the Adams Magoun House. The Law Department provided a set of conditions that aim to meet the CPC's preferences for how the grant might be structured while following precedent for comparable situations under state law. The first condition would provide for a "claw-back" provision that would require that the funds be returned to the City if the property is transferred within a span of time. It is still to be determined what the span of time should be. Cameron shared that she conferred with the applicant about the proposed conditions. She is amenable to going forward with the grant under these conditions only for the most urgent repairs (the first priority identified in the Condition Assessment report.) Should the CPC recommend the funding for the project, the City

would develop a draft covenant to comply with the first condition and provide this, along with a model Preservation Restriction to the applicant and ask that she sign a memorandum of agreement to acknowledge that, if the grant is approved, she will file the covenant and the PR before the funds will be disbursed. This Memorandum of Agreement will be included as part of the submission of the funding recommendation to City Council to give a more concrete understanding of what the City and grantee are agreeing to as a condition of the grant.

Member Turin asked what would be the definition of "transfer of property", and whether this would apply to the transfer of property to the grantee's children. Cameron agreed that the potential for transfer to a trust or to family members is a detail that will need to be worked out in the drafting of a covenant. Cameron also pointed out that the Law Department requested addition of language in the descriptive section of the recommendation letter that the grantee is strongly encouraged to seek legal representation before agreeing to the terms of the grant, which she has also discussed with the applicant.

Turin asked whether the work that the CPC would fund will depreciate over time. Cameron noted that the request is now limited to the highest priority items from the conditions report, and that according to the project budget soft costs represent about 30% of the request.

White asked for clarification about the proposed condition stating that the City would have Right of First Refusal to purchase the house. Cameron explained that this means the City will have the option to acquire the house at market value if it is going to be sold in the future. This condition was included at the request of the Planning Department due to the significance of this property. Turin suggested that this also needs to be specific in terms of what kind of transfer or sale will trigger the provision.

Cameron pointed out that if either the applicant does not agree to the conditions of the grant or the City cannot develop acceptable instruments that comply with these conditions, then the grant would not be able to move forward. Turin asked whether the project is setting a new precedent for a type of project that has not been funded before by other CPA communities and Cameron affirmed to the best of her knowledge that this is unprecedented, in terms of a grant of this size for a private homeowner, or to give a grant through the CPC versus through a small grant program.

Member Bauer pointed out that when the CPC previously granted funds to a private homeowner, the condition of the grant was the placement of a Preservation Restriction on the property which was not otherwise protected. In this case the fact that the house is in a LHD means that the PR adds less value than it would for an unprotected property. Cameron stated that at the request of the Planning Department a PR on the Adams-Magoun House would extend to the interior as well as the exterior, so that it would expand on the protection offered by the LHD.

Bauer discussed the proposed condition that would require the funds to be repaid to the City upon transfer of the property within some number of years (40 years having been shown in the draft recommendation letter as an example). The number of years and the forms of transfer that would be subject to this condition need to be clarified. Cameron explained that the Law Department preferred to use a time-limited covenant to meet the CPC's objective to require repayment of the grant because this is consistent with the limited precedent that they have found for similar situations. Turin agreed that a time-limit on the requirement for repayment might be reasonable because the improvements the City is paying for will depreciate.

Habib agreed with the condition as shown in the draft but questioned what would happen if the applicant returned to the City to request a second grant some time in the future. He wanted to know what would happen to the 40 year clock.

Members felt it would be important to be cautious in establishing fair, even-handed procedures and guidelines as this is a precedent-setting action. Bauer would prefer to see the term of the covenant be as long as possible or in perpetuity. Turin asked whether the homeowner is currently restricted with respect to the kind of windows they replace, to which Bauer replied that the HPC would require historically appropriate windows, but that this sometimes results in a stalemate where the windows are not replaced at all. He advocates for the city's interest in historic preservation but would like to see the private benefit of the city's investment be limited – recognizing that an interest free loan is already a substantial benefit. White pointed out that income-eligibility is not a formal criteria for the CPC's grant, even though it is a factor in the CPC's evaluation of this specific project. Bauer recalled that there had been an applicant in a previous year who requested funds for a commercial property because they preferred to seek a grant rather than take out a mortgage to improve the property, which the CPC denied. He posited that the uniqueness of this house contributes to their inclination to fund this property, as long as the City's interest can be protected. White suggested that the CPC needs to have a procedure that is blind to financial need.

Cameron suggested that if the property were to be transferred to her children or to a trust in the future then they might be able to take out a mortgage to repay the City at that time. Turin suggested that theoretically the homeowner might be able to get a home equity loan now. He asked whether the City or state had other low-interest or no-interest loan programs for housing rehab. Cameron replied that the historically appropriate windows would exceed the funding cap for housing rehab programs.

Cameron reiterated that this house might be put into a class of its own to merit funding because of its unique historical significance. White and Habib suggested that it would be preferable that an entity other than the CPC formally recognize the house's unique significance. Bauer offered that the HPC could give a recommendation that the house be treated as an extraordinary case.

Members discussed whether the term of the covenant could be longer than 40 years. Cameron explained that the Law Department's position was that this had to be a grant, not a loan, which is the reason that they wanted it to be time-limited. The only example the Law Department has seen has a 10 year term. They took the position that it cannot be a loan and there should not be any interest or equity share because historic preservation is not a purpose for which the City can generate revenue. The City's objective is to preserve the property and in the process to hold everyone harmless. Cameron pointed out that many communities have grant agreements for grants to nonprofit organizations with 10-year claw-back provisions triggered by transfer of the property, but that in this case the CPC is looking for a covenant, rather than only including the provision in the grant agreement. Turin pointed out that the difference between nonprofit applicants versus a private homeowner might justify the expansion of the term to 40 years or no limit rather than 10 years.

Cameron summarized that the CPC will hold onto this decision to wait for the HPC to recognize the unique significance of the project based upon their criteria. The CPC will then make a recommendation setting their preferred term for a "claw-back" covenant (either with 40 years or longer or no term limit) and then amend the recommendation later if required by the Law Department.

Cameron reviewed the status of the funding request for Grace Baptist Church. She informed the committee that the Hispanic Association for Community Development submitted an application for ARPA funding for the elevator and accessible bathrooms that were originally part of the CPC's FY23 request, and reflected that the highest priority work items that were identified by the architect at the previous meeting in January amounted to \$425,000.

Member White said that she supports this project but would not want to pay for improvements to interior spaces. Cameron explained that all of the proposed improvements (besides the handicapped accessibility) are for the exterior envelope. White also noted that the larger scope of tasks that are funded at one time, the more efficiently the project can be managed.

Bauer moved to recommend \$425,000 to the Somerville Hispanic Association for Community Development to continue improvements to its building, the Grace Baptist Church. The motion passed unanimously, 4-0.

Turin moved to approve the draft Recommendation Letter stating the conditions 1) the CPA-funded portion of the project must be initiated within 3 years unless an extension is granted by the CPC, and 2) CPA funds will be used only for CPA-eligible expenses, seconded by Bauer. The motion passed unanimously, 4-0.

Committee members noted that they would like to see substantial progress toward the completion of the portions of the project that are funded this year (including the FY21, FY22 and FY23 grants and ARPA, if received) before awarding SHA4CD funds for further scope items.

Cameron reminded the committee that in December they had reached a consensus that they would be willing to fund the collection care specialist and restoration of paintings, but not the storage furniture listed in the Museum's application scope. In the January meeting the committee was considering funding the entire request (except for the storage furniture) if there were funds available after the decisions on funding other projects. In the meantime Cameron learned that the Museum had applied for ARPA funds which would pay for the feasibility studies for mechanical systems (in addition to implementing the mechanical system installation). Cameron suggested that the CPC can make a decision tonight whether to fund the feasibility studies tonight in which case they would be eliminated from the ARPA grant, or take a risk that the Somerville Museum would have to request the studies again next year if the ARPA grant doesn't come through.

Turin moved to recommend \$151,000 to the Somerville Museum to fund their Collection Care project, including the Collection Care specialist, restoration of artworks, and Bullfinch Staircase, seconded by Bauer. The motion passed unanimously, 4-0.

Turin moved to approve the draft Recommendation Letter stating the conditions 1) artifacts that have been preserved using CPA funds may not be sold or disposed of without first obtaining City approval, 2) the CPA-funded portion of the project must be initiated within 3 years unless an extension is granted by the CPC, and 3) CPA funds will be used only for CPA-eligible expenses, seconded by Bauer. The motion passed unanimously, 4-0.

Agenda Item 3: Art Farm Next Steps

Cameron reminded committee members that the based upon the update from ___ regarding Artfarm last month, the CPC needed to determine whether the current project is sufficiently similar to what was proposed when the CPC recommended funding back in 2019, or if a new recommendation is needed to reflect a change in the vision for the site. Committee members agreed that, unless there is a deadline for reaching a decision they would like to have more time to review the original application materials before taking action on this item.

Agenda Item 4: Review Application Process and Draft Application Materials

Cameron asked for CPC members' input on the format for the Annual Public Hearing. Cameron explained that the law requires the CPC to hold an advertised public hearing annually to talk about community needs and goals. While it has been Somerville's practice to invite testimony from grantees and stakeholders, the CPC could consider a shorter format with fewer or no invited guests. Committee members reached a consensus that Cameron should give a brief presentation about the CPC and last year's funding allocations and goals. In addition to this, White suggested that it would be helpful to hear from the Office of Housing Stability. The CPC would also like to ask PSUF to come with a targeted presentation to answer the question: What is the City's strategy for meeting the open space goals established in SomerVision. To address historic preservation needs, the CPC would like to ask the City's Historic Preservation planner to discuss the City's needs or goals with respect to historic preservation.

Referring to the 2023 CPC Agenda Calendar, Cameron pointed out that the CPC will be receiving project updates from all grantees with ongoing projects for the April meeting. She asked whether CPC members would like to invite any of the grantees to attend for Q&A. Members concluded that they would like to have AHT come to present their report in April, but only written reports from other grantees. Turin asked to confirm that reporting is required as a part of the grant agreements.

Cameron noted additional ways that the CPC is gathering input to inform its plan update. An online/paper survey is running through the month of March, and there are a series of tabling events in different locations. Cameron is also interviewing staff from various City departments to share information about the initiatives they are working on, to identify community needs, potential future CPA projects, or opportunities for collaboration.

Committee members agreed to hold the discussion of application materials until the next available meeting.

Agenda Item 6: Other Business

Cameron shared with committee members the CPC's calendar for 2023 and highlighted the steps of the annual review process to be carried out over the next three months. The application materials are scheduled to be reviewed and approved in February, public hearing and other outreach events will take place in March, and updates on all ongoing projects are to be delivered in April.

Adjournment

Member Bauer moved to adjourn the meeting, seconded by Habib. The motion passed unanimously, 4-0.

Documents and Exhibits

1. Agenda
2. Draft Minutes 12/14/22

3. Draft Minutes 1/25/23
4. FY23 Application Materials
 - a. CPA project funding scenarios 3-1-23
 - b. Adams Magoun House Application
 - c. Adams Magoun House Draft Funding Recommendation
 - d. Overview of building restoration phases identifying highest priorities for FY23 grant
 - e. SHA4CD Organization Profile
 - f. Schedule for completion of FY21, FY22, and FY23 highest priority work items
 - g. Grace Baptist Church draft funding recommendation
 - h. Somerville Museum FY23 Application
 - i. Somerville Museum Phasing proposal
 - j. Somerville Museum draft funding recommendation
5. ArtFarm
 - a. Presentation
 - b. CPA FY19 Funding Recommendation
 - c. 2019 Artfarm application, presentation and funding recommendation
6. Evaluation Materials
 - a. Draft public hearing format
 - b. CPC 2023 calendar
 - c. Tabling events schedule
7. FY24 Application Packet