



# Finance Committee Agenda

## City of Newton In City Council

**Monday, September 25, 2017**

**7 PM**  
**Room 211**

### **Items Scheduled for Discussion:**

**Note: The Committee will meet jointly with the Programs & Services Committee to discuss the below item:**

#### **Referred to Programs & Services and Finance Committees**

**#259-17**

**Increase the number of years the City can lease Weeks House**

HIS HONOR THE MAYOR requesting consideration of a request to petition the General Court for special legislation to increase the number of years the City of Newton is authorized to lease the Weeks House from the current period of sixty-five years, as authorized by the Acts of 1981, Chapter 330, to a period of up to ninety-nine years. [08/07/17 @ 2:23 PM]

#### **Referred to Land Use and Finance Committees**

**#221-17**

**\$977,000 for CAN-DO to create 8-units of affordable housing at 236 Auburn Street**

COMMUNITY PRESERVATION COMMITTEE recommending the appropriation of three hundred thousand dollars (\$300,000) for historic rehabilitation and six hundred seventy-seven thousand seven hundred dollars (\$677,700) for affordable housing for a total of nine hundred seventy-seven thousand dollars (\$977,000) from the Community Preservation Fund, to the Planning & Development in Newton (CAN-DO), to create 8 units of permanently affordable rental housing at 236 Auburn Street, Auburndale, including 5 units in a congregate home to be owned and operated by the Barry L. Price Rehabilitation Center, as described in CAN-DO's proposal submitted to the Community Preservation Committee in May 2017. [06/19/17 @ 5:19 PM]

**Land Use Approved 6-0 on 09/07/17**

### **Items Not Scheduled for Discussion at this Meeting:**

**#217-17**

**Acceptance of MGL to create a special revenue fund for PEG and Cable funds**

COUNCILOR LAPPIN requesting the acceptance of General Laws Chapter 44, Section 53F¾, which establishes a special revenue fund known as the Public, Educational, and Government (PEG) Access and Cable Related Fund, to reserve cable franchise fees and

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The location of this meeting is accessible and reasonable accommodations will be provided to persons with disabilities who require assistance. If you need a reasonable accommodation, please contact the city of Newton's ADA Coordinator, Jini Fairley, at least two business days in advance of the meeting: [ifairley@newtonma.gov](mailto:ifairley@newtonma.gov) or (617) 796-1253. The city's TTY/TDD direct line is: 617-796-1089. For the Telecommunications Relay Service (TRS), please dial 711.

other cable-related revenues for appropriation to support PEG access services and oversight and renewal of the cable franchise agreement, the fund to begin operation for fiscal year 2019, which begins on July 1, 2018. [06/13/2017 @ 1:41 PM]

**Referred to Public Safety; Zoning & Planning; and Finance Committees**

- #140-14 (2) Amend ordinances to add licensing requirements and criteria for lodging houses**  
ZONING & PLANNING COMMITTEE requesting to amend Chapter 17, City of Newton Ordinances, to establish licensing requirements and criteria for lodging houses.

**Referred to Public Facilities and Finance Committees**

- #171-17 Ordinance Amendment Sec 29-80 Sewer Use Charge**  
HIS HONOR THE MAYOR requesting an amendment to Section 29-80 Sewer Use Charge of the City of Newton Ordinances by adding the following sentence at the end of Paragraph (a): Notwithstanding the foregoing, seasonal water takers not eligible for an outdoor meter under said Section 29-24, shall pay a charge for the use of sewerage works in proportion to water consumption. [05/30/17@ 3:21 PM]

**Referred to Programs & Service, Public Facilities and Finance Committees**

- #178-17 Appropriate \$500,000 for renovations to the Newton Free Library**  
HIS HONOR THE MAYOR requesting authorization to appropriate the sum of five hundred thousand dollars (\$500,000) from bonded indebtedness for the purpose of funding renovations at the Newton Free Library to include expansion of the Children's Room and other improvements to the First Floor. [05/30/17 @ 2:38 PM]  
**Item split into Part A and Part B. Part A – \$75,000 for design and soft costs. Part B - \$425,000 for construction costs**  
**City Council Approved Part A on 06/19/17**
- #142-17 Funding for a Public Information Plan for site clean-up at the Horace Mann School**  
HIS HONOR THE MAYOR requesting authorization to transfer the sum of fifteen thousand dollars (\$15,000) from the following accounts to the Public Building Department for the development of a public information plan regarding the site clean-up at the Horace Mann School for an oil leak that occurred in 1998. [05/08/17 @ 6:49 PM]

Comptroller Wage & Salary Reserve (0110498-5197)	\$5,375
Comptroller Budget Reserve (0110498-5790)	\$3,810
Free Cash (01-3497)	\$5,815

- #110-17      Appropriate \$2 million from Free Cash to the Rainy Day Stabilization Fund**  
HIS HONOR THE MAYOR requesting authorization to appropriate two million dollars (\$2,000,000) from Free Cash to the Rainy Day Stabilization Fund. [04/12/17 @ 9:37 PM]

**Referred to Public Safety & Transportation, Public Facilities, and Finance Committees**

- #179-17      Request for parking meter pilot(s)**  
COUNCILORS ALBRIGHT, KALIS, LAREDO AND LEARY requesting a parking meter pilot or multiple pilots in Fiscal Year 2018 using the latest technology, which allows payment by credit card and other features, such as monitoring meter usage, providing feedback to administrators, information to drivers, and allowing time-based fee adjustment. 05/22/17 @ 9:15 AM]

**Referred to Land Use and Finance Committees**

- #122-17      Discussion on fees for Special Permits**  
COUNCILOR COTE requesting a discussion with the Planning & Development Department regarding the fees charged for Special Permits and what the actual costs are for issuing Special Permits. [04-18-17 @ 12:32 PM]

**Referred to Public Facilities and Finance Committees**

- #123-17      Pilot Program for curbside food waste collection**  
COUNCILORS SANGIOLO, NORTON, CROSSLEY, LENNON, AUCHINCLOSS, HARNEY, FULLER, ALBRIGHT, LAPPIN, AND LAREDO requesting the City through the Department of Public Works, pilot a curbside food waste collection program. [04/21/17 @ 11:15 AM]

**Referred to Public Facilities and Finance Committees**

- #91-17      Licensing agreement for wireless carriers to install equipment on city poles**  
COUNCILORS CROSSLEY, ALBRIGHT AND LAPPIN requesting a discussion with the administration regarding possible licensing agreements with wireless carriers, and to create a policy and to develop and adopt a uniform license agreement for wireless carriers to install wireless communication devices on city-owned poles in the public way. [03/27/17 @ 4:44 PM]

**Referred to Public Facilities and Finance Committees**

- #56-17      Request to increase the Public Works Department by one full-time position**  
HIS HONOR THE MAYOR requesting authorization to add one full-time employee within the Public Works Department to manage all detail requests submitted to the Police Detail Coordinator. [02/27/17 @ 2:42 PM]

**Referred to Public Facilities and Finance Committees**

- #6-17**      **Request to establish filing fee for wireless attachments in the public way**  
COUNCILORS CROSSLEY, ALBRIGHT, LAPPIN AND GENTILE requesting the establishment of a filing fee from petitioners seeking to attach wireless communications devices to existing or proposed structures in the public way. [12/23/2016 @ 8:37 AM]  
**Public Facilities Approved 6-0 and referred the item to Finance**

**Referred to Zoning & Planning and Finance Committees**

- #444-16**      **Amendment add fines for certain violations of the Accessory Apartment Ord.**  
COUNCILOR BAKER AND COMMISSIONER OF INSPECTIONAL SERVICES proposing an amendment to Chapter 20 of the City of Newton Revised Ordinances to allow non-criminal ticketing of certain violations of the Accessory Apartment Ordinance. [12/16/16 @ 1:40 PM]

**Referred to Public Facilities and Finance Committees**

- #385-16**      **Discussion about the Community Solar Share Program**  
PUBLIC FACILITIES COMMITTEE requesting discussion with the Administration and Public Buildings Department about the Community Solar Share Program, which intends to provide credits resulting from solar power generated at 70 Elliot Street to qualifying low income residents. [10/26/16 @ 4:20 PM]  
**Public Facilities Held on 11/09/16**

**Referred to Public Facilities and Finance Committees**

- #357-16**      **Reallocate \$250,467.24 for decommissioning two elevated storage tanks**  
HIS HONOR THE MAYOR requesting authorization to reallocate the sum of two hundred fifty thousand four hundred sixty-seven dollars and twenty-four cents (\$250,467.24) from the Waban Hill Reservoir Improvements Account to be used for the decommissioning of the Stanton Avenue and Winchester Street elevated storage tanks. [10/11/16 @ 11:29 AM]  
**Public Facilities Approved 6-0 on 10/19/16**

- #353-16**      **Review/Acceptance of the FY 2018 – FY 2022 5-year Financial Forecast**  
HIS HONOR THE MAYOR submitting the Fiscal Years 2018 to 2022 5-Year Financial Forecast for City Council review/acceptance. [10/11/16 @ 11:28 AM]

**Referred to Land Use, Programs & Services and Finance Committees**

- #256-16**      **Request to extend notification area of notice for special permit petitions**  
COUNCILORS COTE, NORTON, HARNEY, BLAZER, BROUSAL-GLASER, AND LEARY requesting an amendment to the City Council Rules, Article X; Section 6 – Additional Notification Requirements, to include that the area of notice for special permit petitions be expanded beyond the abutters to abutters within 300' required by Massachusetts General Law Chapter 40A to also include property owners within 600' of the subject

property. This notification will apply to all classes of building except for residential 1 and 2-family units that will remain 1 or 2-family units after receiving a special permit. Only abutters to abutters within 300' will be entitled to the rights conferred by Massachusetts General Law Chapter 40A. [07/01/16 @2:09 PM]

**#209-16 Discussion of expenditures related to the Complete Streets Grant**

COUNCILOR FULLER requesting discussion regarding expenditures related to the Complete Streets grant with representatives of the Department of Public Works. [05/26/16 @ 1:11 PM]

**#112-16 Appropriation of mitigation funds for pedestrian and traffic improvements**

HIS HONOR THE MAYOR requesting authorization to appropriate and expend the following Mitigation Funds:

A. Village Café at 719 Washington Street	\$2,500
B. 258 Nevada Street at Linwood Street	\$1,500
C. Cherry Street at Washington Street	\$2,000
D. O'Hara's Restaurant, Newton Highlands	\$2,500
E. Rox Diner Parking & Pedestrian Improvements	\$2,500
G. Canton Circle LLC, 714-724 Beacon Street	\$10,000

**#40-16 Request to accept MGL 149 Sec 148C related to earned sick time for employees**

COUNCILOR SANGIOLO requesting that City of Newton formally accept and/or take all necessary steps to accept Massachusetts General Law Chapter 149, Section 148C, in order to qualify full-time, part-time, seasonal, and temporary employees coverage under the earned sick time regulation, 940 CMR 33, as approved by the voters of Massachusetts in the 2014 Election as Ballot Question 4 – Earned Sick Time for Employees. [01/19/16 @ 2:35 PM]

**Referred to Public Facilities and Finance Committees**

**#223-15 Discussion on the process of licensing the use of city buildings**

ALD. LAREDO requesting a discussion of the process of licensing the current and future use of city building, including: (a) how licensees may request the use of city buildings; (b) the process for determining which licensees will get the use of city buildings; (c) how the fees for the use of city buildings are set; and (d) how the current process compares to the process for permitting the use of school buildings. [08/13/15 @ 11:20 AM]

**#190-15 Discussion of policy to record all meetings and post meeting materials online**

ALD. SANGIOLO requesting a discussion with the Executive Department relative to creating a policy to require audio recordings of all meetings of boards and commissions and requiring them to be posted to the City's website, as well as posting of all

documentation that is reviewed by boards and commissions and/or by their designated City staff member.

**Referred to Zoning & Planning, Land Use and Finance Committees**

- #104-15**      **Qualification of affordable units developed at Comm Ave, Pearl St, and Eddy St**  
ALD. JOHNSON, LAREDO, AND GENTILE requesting a report from the Planning Department re how many of the affordable units developed at Commonwealth Avenue, Pearl Street, and Eddy Street qualify for inclusion on the State's Subsidized Housing Inventory List; if a property is not on the list, what can be done to make it eligible. [04/09/15 @ 12:00 PM]

**Referred to Land Use and Finance Committees**

- #49-14**      **Implementation of technology to monitor compliance with special permits**  
LAND USE COMMITTEE requesting discussion with the Chief Financial Officer and the Chief Information Officer regarding the critical need to implement technology which enables the development, management and use of shared, searchable, mobile-accessed (both read and write) database which contains parcel-based information that can be accessed by all city departments (including Planning, Inspectional Services (ISD), Assessing, Engineering, Fire, Police, Health), the Board of Aldermen and the community. This technology must support the work of ISD and other departments in both the office and the field to more effectively and efficiently monitor and enforce compliance with approved special permits and other related Board Orders. [02/10/14 @ 6:47 PM]

Respectfully submitted;

Leonard J. Gentile, Chair



City of Newton, Massachusetts  
Office of the Mayor

SETTI D. WARREN  
MAYOR

#259-17

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swarren@newtonma.gov

August 7, 2017

Honorable City Council  
Newton City Hall  
1000 Commonwealth Avenue  
Newton Centre, MA 02459

RECEIVED  
Newton City Clerk  
2017 AUG -7 PH 2:23  
David A. Olson, CMC  
Newton, MA 02459

Ladies and Gentlemen:

I write to request that your Honorable Council docket for consideration a request to petition the General Court for special legislation to increase the number of years the City of Newton is authorized to lease the Weeks House, formerly the John W. Weeks School, from the current period of sixty-five years (as authorized by special legislation Acts 1981, c. 330) to a period of up to ninety-nine years. The building is leased to the Newton Community Development Foundation ("NCDF") for elderly and affordable housing.

In addition, I request that this Honorable Board docket for consideration a corresponding request to petition the General Court for special legislation to allow the City of Newton to grant an extension of the current lease to NCDF without the need to undertake a procurement process under M.G.L. c. 30B.

The need for this special legislation stems from a request from NCDF to extend their current lease beyond the original 65 year period so that they may obtain new financing from MassHousing for substantial capital maintenance and improvements over the next twenty years. HUD and lenders require that the lease be extended as a condition of the financing. Please see the attached memorandum for a more detailed background.

Thank you for your consideration of this matter.

Sincerely,

Setti D. Warren  
Mayor

## Weeks House –Special Legislation Request

### Background:

- In 1983, the City leased the Weeks School, now known as the Weeks House, to Newton Community Development Foundation, Inc. (NCDF) as result of 1979 and 1980 re-use board orders and recommendations for its use for affordable and elderly housing. Currently, Weeks House provides 75 units of mixed income rental, 42 of which are rented to very low income seniors and families at or below 50% of area median income.
- The lease term is 65 years, commencing December 1, 1983. The current lease term will expire on November 30, 2048.
- In order to legally lease a municipal building for more than the 30 years allowed by statute (MGL c. 40 §3), the City, in 1981, obtained special legislation authorizing it to lease any of its municipal buildings for up to 65 years. (Acts 1981, c. 330).
- NCDF is current on its annual rent payment to the City in the amount of \$60,000 plus 20% of the amount by which gross effective rent for any year exceeds the amount projected by the original lender as of date of first occupancy.

### 1. Lease Extension Request

- NCDF wishes to obtain new financing (in the form of HUD/HFA Risk Share Financing) from MassHousing for substantial capital maintenance and improvements over the next twenty years. As a condition for the loan, HUD and lenders require that the lease from the City be extended at least through 2066 (an additional 18 years beyond the current expiration date of 2048).
- City action that would be required: in order to extend the lease beyond the original 65 years (the maximum allowed by the 1981 special legislation), the City will have to submit a new home rule petition to authorize it to lease a municipal building for more than the 65 years authorized in the 1981 special act.

**RECOMMENDATION:** seek home rule legislation allowing the City to lease the Weeks School for up to a 99 year term in order to provide the City with flexibility to extend the lease as required by HUD and lenders as a condition for NCDF's refinancing.

### 2. MGL c. 30B Procurement Issue

MGL Chapter 30B would require the City to undertake a procurement process in order to grant a lease extension for the property. Because the new lease interest would not even begin until 2048, when the current lease ends, no entity other than NCDF is likely to bid.

**RECOMMENDATION:** Rather than expend time and money on what would essentially be a meaningless procurement process, seek special legislation to specifically authorize the City to grant the lease extension for Weeks House to NCDF notwithstanding the requirements of Chapter 30B.



**DRAFT**

AN ACT AUTHORIZING THE CITY OF NEWTON  
TO LEASE THE JOHN W. WEEKS SCHOOL  
FOR A TERM OF YEARS NOT EXCEEDING  
NINETY-NINE YEARS AND TO GRANT A LEASE EXTENSION TO THE  
CURRENT LESSEE OF THE FORMER JOHN W. WEEKS SCHOOL  
WITHOUT UNDERTAKING A PROCUREMENT PROCESS

Be it enacted as follows:

Section 1. Notwithstanding the provisions of section three of chapter forty of the general laws or chapter 330 of the Acts of 1981 or of any other law to the contrary, the City of Newton is hereby authorized to lease the John W. Weeks School for a term of years not exceeding ninety-nine years.

Section 2. Notwithstanding the provisions of chapter 30B of the general laws or of any other law to the contrary, the City of Newton is hereby authorized to grant a lease extension to Newton Community Development Foundation, Inc., the current lessee of the John W. Weeks School, without undertaking a procurement process

Section 3. This act shall take effect upon its passage.



Setti D. Warren  
Mayor

City of Newton, Massachusetts  
Department of Planning and Development  
1000 Commonwealth Avenue Newton, Massachusetts 02459

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Barney S. Heath  
Director

**Community Preservation Committee  
Funding Recommendation for  
AUBURN STREET  
Affordable Housing & Historic Rehabilitation**

date: 23 June 2017  
from: Community Preservation Committee  
to: The Honorable City Council

**PROJECT GOALS & ELIGIBILITY**

This project will create 8 units of rental housing permanently affordable to households at up to 60% of the area median income (AMI): one 3-bedroom unit in the oldest part of a rehabilitated Italianate home originally built in the 1860s; a new modular building with one 3-bedroom and one 2-bedroom unit; and a second, fully accessible modular building designed as a 5-bedroom congregate home for adults with intellectual disabilities, to be owned and operated by the Barry L. Price Rehabilitation Center.

The project is eligible for CPA funding as the creation of affordable housing. The adaptive reuse of the historic house is also eligible for CPA historic resources funding, based on the Newton Historical Commission's declaration that the house is significant in Newton's local history and on the sponsor's commitment to comply with the federal historic rehabilitation standards required by the Community Preservation Act (MGL Ch. 44B).

**RECOMMENDED FUNDING**

After its public hearing on 31 May 2017, on 8 June 2017 the Community Preservation Committee (CPC) voted 7-0 (chair Jonathan Yeo and member Don Fishman absent) to recommend appropriating \$977,700 for this project as shown below, from the Community Preservation Fund's reserves and fund balances for housing and historic resources and if needed from the Fund's general reserve, to the Planning & Development Department for a grant to CAN-DO, for any purpose implied in this summary budget:

USES	by type of construction & (no. of housing units)	Congregate -	Family -	Family -	Total
		New (5)	Historic (1)	New (2)	
acquisition		\$256,645	\$526,634	\$161,721	\$945,000
construction		\$780,318	\$605,485	\$551,327	\$1,937,129
soft costs, including but not limited to: architecture, engineering, legal, permitting, marketing/tenant selection, taxes, insurance, development consultant		\$163,029	\$68,524	\$105,041	\$336,594
developer overhead / fee (50% / 50%; combined total ≈ 10% of other costs)		\$119,999	\$120,064	\$81,809	\$321,872
capitalized operating reserves			\$4,500	\$10,500	\$15,000
<b>TOTAL DEVELOPMENT COST</b>		<b>\$1,319,991</b>	<b>\$1,325,207</b>	<b>\$910,398</b>	<b>\$3,555,595</b>
<b>SOURCES</b>					
CPA (\$300,000 historic resources, \$677,700 affordable housing)				\$977,700	
CDBG (\$1,020,000) and HOME (\$447,900)				\$1,467,900	
Facilities Consolidation Fund (state funds, for congregate home only)				\$659,995	
sale of completed congregate home to Price Center (using bank mortgage)				\$450,000	
<b>TOTAL SOURCES</b>				<b>\$3,555,595</b>	

website [www.newtonma.gov/cpa](http://www.newtonma.gov/cpa)

contact Alice E. Ingerson, Community Preservation Program Manager

email [aingerson@newtonma.gov](mailto:aingerson@newtonma.gov) phone 617.796.1144

## SPECIAL ISSUES CONSIDERED BY THE CPC

As for past small-scale affordable housing projects, many CPC members expressed concern about this project's high per-unit costs and about the long-term economic sustainability of the family units, to be owned by CAN-DO. However, all members also recognized that the congregate home provided important leverage for Newton public funds through access to state funds for which the rest of the project could not qualify and through the Price Center's capacity to carry a mortgage for that building, which it will own.

The Committee recognized that many reasons for the project's high costs were also reasons for the strong community support expressed at the public hearing, including from abutters. The project is in an ideal village-center location, close to shopping and transportation. The project's small scale will minimize its visual impact on the neighborhood streetscape. The project will preserve a relatively rare and early (pre-1870) historic home by moving it onto a new foundation, preserving or restoring its exterior, and rehabilitating its extensively reconfigured and deteriorated interior. Finally, the project's congregate home for residents with medically intensive disabilities will be costly to construct, but it will also allow these young adults to remain in their community, near their families.

## ADDITIONAL RECOMMENDATIONS *(funding conditions)*

1. All recommended CPA funds will be appropriated within 6 months, and the project will be completed within 24 months, after the date of this recommendation. If either deadline cannot be met, CAN-DO may request a written extension from the CPC, which the Committee may grant at its discretion.
2. All housing units created through this project will be listed on the state Subsidized Housing Inventory.
3. CAN-DO, as the final owner of the family housing, and the Barry L. Price Center, as the final owner of the congregate home, will grant to the City of Newton a permanent preservation restriction on the historic home and permanent affordability restrictions on all housing units. Affordability restrictions for the family housing will allow for "high HOME" rents, based on incomes up to 60% of the area median.
4. The phased release of CPA funds for the project will be governed by a detailed grant agreement that includes but is not limited to the conditions required of past CPA-funded housing projects: initial release upon final commitment of all funding required to complete the project, plus receipt of a Comprehensive Permit; initial release for construction upon procurement of a construction contract through the City of Newton Purchasing Dept., plus receipt of a building permit; phased release of developer overhead, based on construction progress; release of the funding for the developer fee upon completion of construction; and release of final 10% of the CPA grant upon receipt and presentation of a final report to the CPC.
5. Any CPA funds appropriated but not used for the purposes stated herein will be returned to the Newton Community Preservation Fund.

## KEY OUTCOMES

The Community Preservation Committee will evaluate this project based on how well it meets conditions 1 through 3 above.

## ATTACHMENTS *(delivered to the clerks of the Land Use Committee and Finance Committee)*

- ◆ Copy of the CPC's project webpage showing all information available there, including community comments received in writing: [www.newtonma.gov/gov/planning/cpa/projects/auburn.asp](http://www.newtonma.gov/gov/planning/cpa/projects/auburn.asp)  
In addition, once minutes of the CPC's 31 May 2017 public hearing and 8 June 2017 are approved, they will be posted on the CPC's [Committees & Meetings](http://www.newtonma.gov/gov/planning/cpa/committees/committees.htm) page: [www.newtonma.gov/gov/planning/cpa/committee/default.asp#Meetings](http://www.newtonma.gov/gov/planning/cpa/committee/default.asp#Meetings).
- ◆ Slide presentation to the CPC on 31 May 2017
- ◆ Key portions of the proposal to the CPC, including: project budgets, Newton Historical Commission review, site & floor plans, elevations and construction cost estimates
- ◆ Underwriting analysis by independent consultant, required for Newton HOME funding
- ◆ Background on the affiliation between CAN-DO and Metro West Collaborative Development

## Newton CPA Proposals & Projects

# Auburn Street

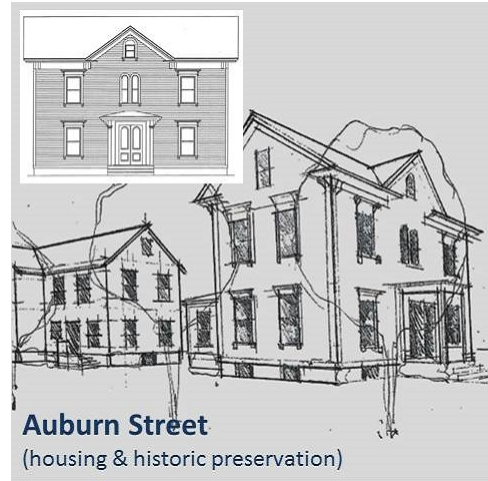
## Affordable Housing & Historic Preservation

### location:

236 Auburn Street, Auburndale, MA 02466

### goals:

Rehabilitate an 1860s Italianate home and add modular new construction to create 8 units of permanently affordable rental housing: 3 units for families at up to 60% of the area median income (one 2-bedroom unit and two 3-bedroom units) and 5 units in a congregate home for adults with developmental disabilities, at up to 30% of the area median income.



### funding:

\$300,000	CPA funding, historic resources (recommended)
\$677,700	CPA funding, affordable housing (recommended)
\$1,020,000	CDBG funding (federal funds allocated to Newton)
\$447,900	HOME funding (federal funds allocated to Newton)
\$659,995	Facilities Consolidation Fund (FCF), for clients of the Massachusetts Dept. of Developmental Services
\$450,000	sale of completed congregate facility to the Barry L. Price Rehabilitation Center
\$3,555,595	TOTAL PROJECT COST

### contacts:

- Jennifer Van Campen, Executive Director & Josephine McNeil, Executive Director Emeritus  
Citizens for Affordable Housing in Newton Development Organization (CAN-DO)  
79-B Chapel Street, Nonantum, MA 02458  
emails: (Van Campen) [jvc@metrowestcd.org](mailto:jvc@metrowestcd.org), (McNeil) [jam\\_cando@msn.com](mailto:jam_cando@msn.com)  
phones: (Van Campen) 617.923.3505, (McNeil) 617.964.3527  
website: [www.newtoncando.org/](http://www.newtoncando.org/)
- Jennifer Van Campen, Executive Director & Linda Moody, Real Estate Project Manager  
Metro West Collaborative Development  
79-B Chapel Street, Nonantum, MA 02458  
email: [linda@metrowestcd.org](mailto:linda@metrowestcd.org)  
phone: 617.923.3505  
website: <http://metrowestcd.org/>
- Justin Salloway, President  
Barry L. Price Rehabilitation Center  
27 Christina Street, Newton Highlands, MA 02461  
email: [jsalloway@thepricecenter.org](mailto:jsalloway@thepricecenter.org)  
phone: 617.244.0065, x1001  
website: [www.thepricecenter.org/home.html](http://www.thepricecenter.org/home.html)

## Funding Process

### 2016

25 August 2016 - [property inspection report](#)

### 2017

February-June 2017 - **historic preservation reviews:**

- 17 February-April - [Newton Historical Commission actions](#), including declaration of local historic significance (required for CPA eligibility) and approval of site & preservation plan
- 23 March-June 2017 - [submission to Massachusetts Historical Commission](#) (MHC), as part of environmental review required for requested CDBG/HOME funding

17 March 2017 - **pre-proposal** to the CPC, including:

- [project summary, budgets, site & floor plans, state funding pre-application](#)
- [site photos & maps](#)
- [analysis of historic significance & historically significant features](#), required for CPA historic resources funding (partially duplicates MHC submission below)

28 April-1 June 2017 - **full proposal** to the CPC, including:

- [updated CPA funding request & funding sources](#) (rec'd 18 May - 1 June 2017)
- [project summary & budgets](#), plus: funding sources, evidence of site control, tenant policies & procedures: tenant selection, accommodation for tenants with disabilities, supportive services
- [site photos & maps](#) (repeated from pre-proposal above)
- [project sponsors](#): organizational finances, portfolios of past projects, project team qualifications; see also submission below for 5 June 2017 Planning & Development Board discussion
- [project design](#): historic significance & preservation, zoning, site & floor plans, construction scope & cost estimate
- Note: This file includes a brief summary of the phase 1 environmental report on this site. For the full report, [click here](#).
- [support petition with community signatures](#) (rec'd 31 May 2017)

April-June 2017 - **submissions to Planning & Development Board:**

- 3 April 2017 - background on [affiliation between CAN-DO and Metro West Collaborative Development](#)
- 31 May 2017 - information for 5 June 2017 discussion of [CAN-DO/Metro West organizational finances](#): draft 2016 audited statements; schedule of real estate owned/operated by both organizations; organizational chart; organizational budget projections for 2017-2021

9 May 2017 - [independent underwriting analysis & risk assessment](#) (required for requested use of Newton's federal housing funds)

31 May 2017 - [project presentation](#) to CPC public hearing

5 June 2017 - [community letters received to date about this proposal](#)

2 June 2017 - [project analysis by City of Newton housing & community development staff](#)

23 June 2017 - [CPC funding recommendation](#)

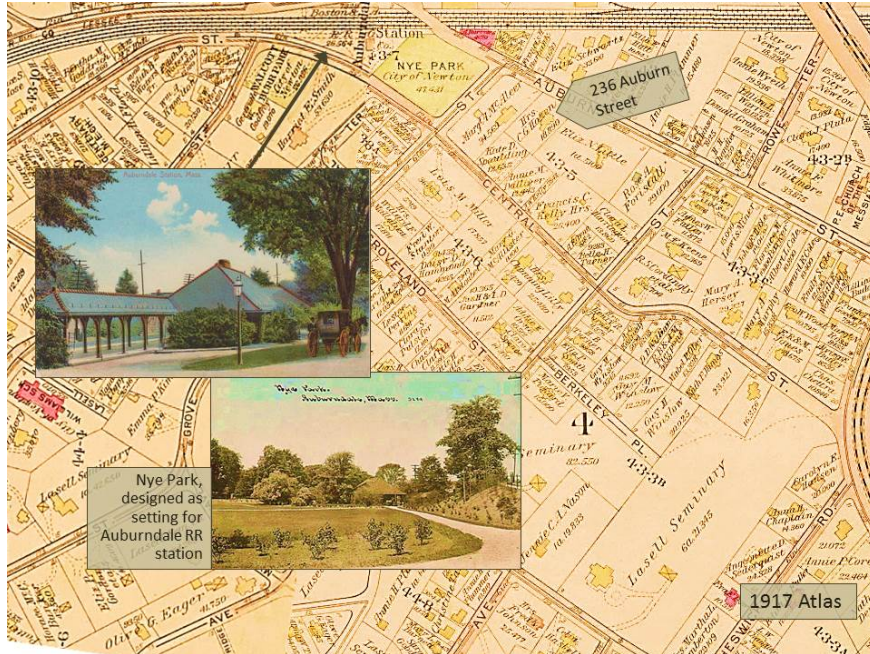


## Project Background & News 2017

30 March 2017 - [aerial photograph & property record from Newton Assessors' Database](#)

17 April 2017 - full [phase 1 environmental report](#) (559 pp.)

1874-1917 - [historic maps & postcards](#) of the neighborhood



# 236 AUBURN STREET



presentation to Newton  
Community Preservation  
Committee public hearing,  
31 May 2017

CITIZENS FOR AFFORDABLE HOUSING IN NEWTON DEVELOPMENT ORGANIZATION, INC

# WHO WE ARE

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## CAN-DO

- A private non-profit community development corporation.
- Started to create and preserve affordable family housing in Newton.

## The Barry Price Center

- An organization for individuals with intellectual and developmental disabilities.
- Residential, day habilitation and employment programs that foster clients' self-confidence and maximize their physical, emotional and intellectual capabilities.





# WHAT'S PROPOSED

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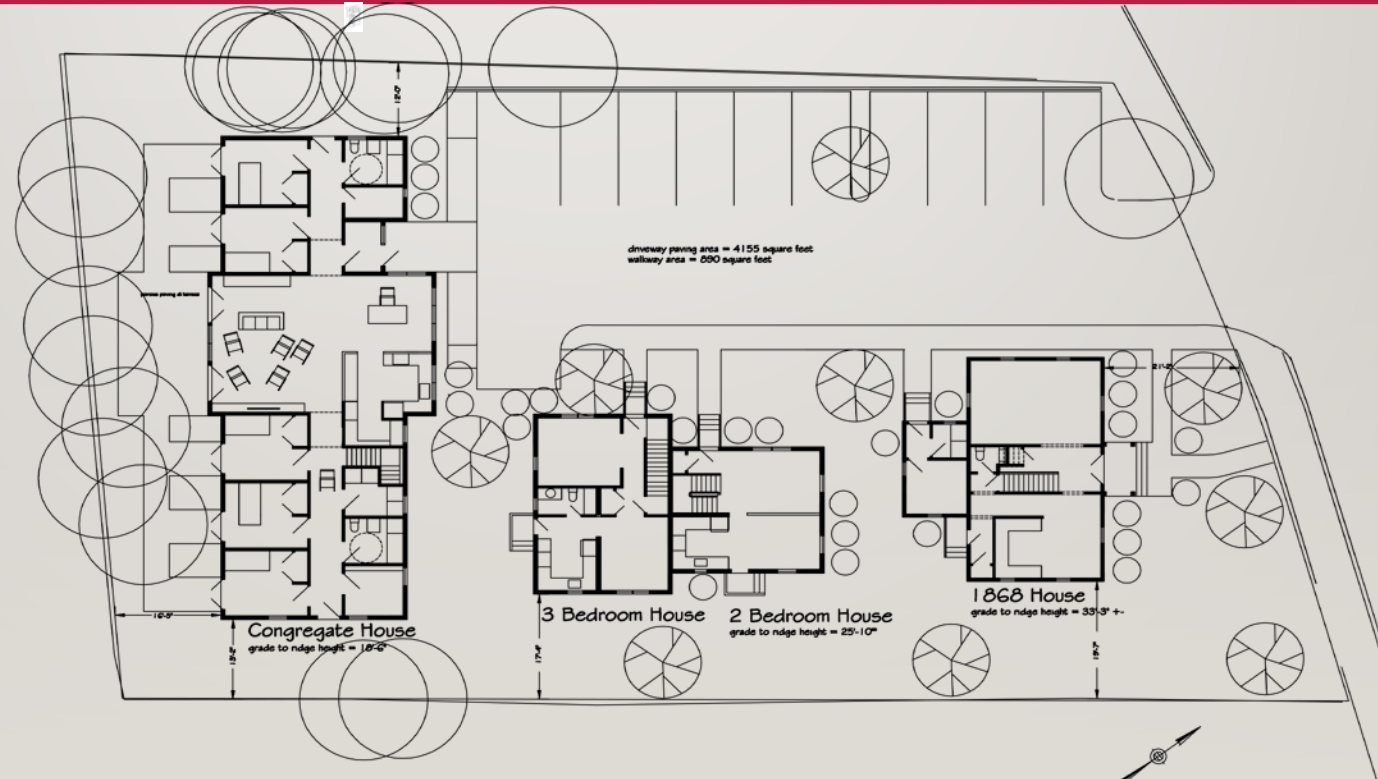
- One house for five developmentally disabled adults
- Three units of affordable family housing:

One existing historic house restored and made into a 3 bedroom affordable rental unit

Two new attached units including a 3 bedroom and a 2 bedroom affordable unit



# THE SITE PLAN



PROPOSED SITE PLAN 236 AUBURN STREET, NEWTON, MA  
for CAN-DO



# THE HISTORIC HOUSE

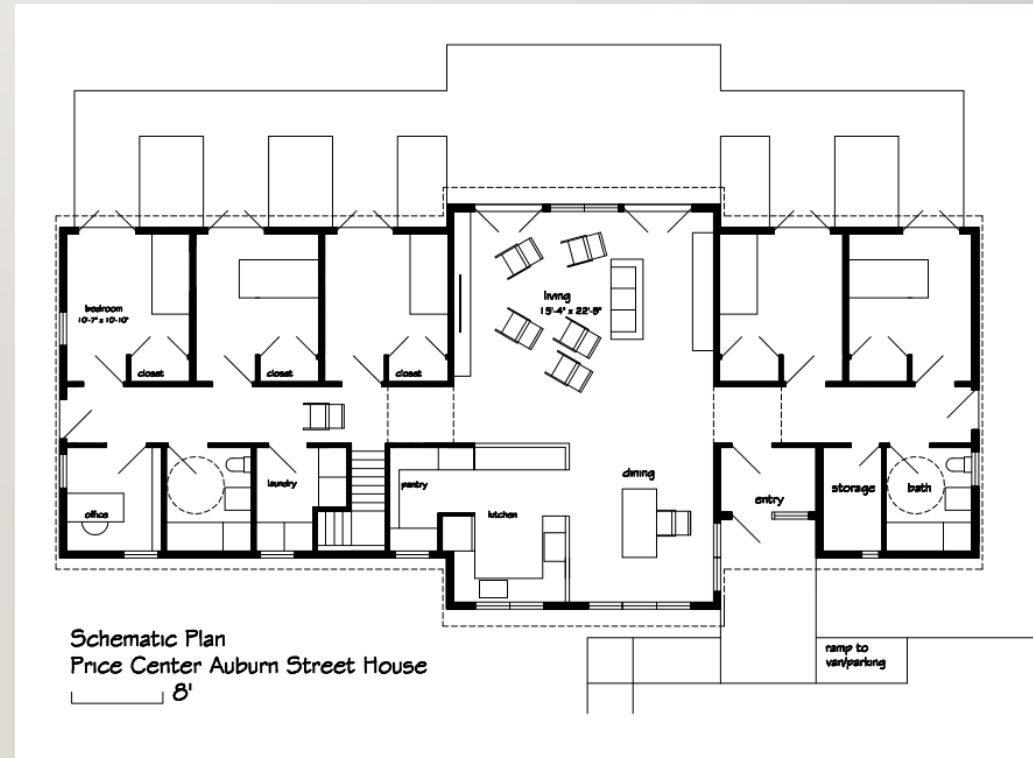
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- Restoration of the existing house to become a three bedroom affordable family unit



# THE CONGREGATE HOUSE

- Construction of a five bedroom congregate home for the developmentally disabled



# THE TWO FAMILY HOUSE

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- Construction of one new house with two affordable family rental units: a three bedroom and a two bedroom





# ELIGIBILITY FOR RESIDENCY

- Five developmentally disabled adults
- Three low income families

Household size	1 person	2 person	3 person	4 person	5 person	6 person
Income Limit 50% area median	\$36,200	\$41,400	\$46,550	\$51,700	\$55,850	\$60,000
Income limit 30% area median	\$21,700	\$24,800	\$27,900	\$31,000	\$33,500	\$36,000

2017 data

AUBURN STREET UNITS	Total	≤ 30% AMI	≤ 50% AMI
congregate units	5	5	
2 BR	1		1
3 BR	2		2

# TOTAL PROJECT COSTS

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	<u>Total</u>	<u>Congregate</u>	<u>Historic</u>	<u>Family</u>
Acquisition	\$945,000	\$256,645	\$526,634	\$161,721
Construction	\$1,937,129	\$780,318	\$605,485	\$551,327
Soft Costs	\$336,594	\$163,029	\$68,524	\$105,041
<u>Developer fees</u>	<u>\$336,872</u>	<u>\$119,999</u>	<u>\$124,564</u>	<u>\$92,309</u>
<b>Total Development Cost</b>	<b>\$3,555,595</b>	<b>\$1,319,991</b>	<b>\$1,325,207</b>	<b>\$910,398</b>
<b>TDC per unit: \$444,449</b>				

# POTENTIAL SOURCES OF FUNDS\*

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## City of Newton

- CPA: \$977,700
- CDBG: \$1,020,000
- HOME: \$447,900

## Commonwealth of Massachusetts

- Facilities Consolidation Funds \$659,995

## Private sources

- Sale to Price Center: \$450,000
- **TOTAL BUDGET:** **\$3,555,595**

\*Currently proposed/housing division recommendation (modified from original CPC submission)



# 236 AUBURN STREET



END

To: Members of the Community Preservation Committee

From: Jennifer Van Campen, Executive Director, CAN-DO

Date: May 18, 2017

### Updated CPA Funding Request & Sources for 236 Auburn Street

The CPC proposal submitted by CAN-DO on April 28, 2017 requested \$945,600 in CPA funds for historic preservation and affordable housing at 236 Auburn Street in Auburndale. The below explains a small modification of that request.

The Department of Planning and Development's Housing Division staff has reviewed the development budget and funding sources for 236 Auburn Street and has recommended changes based upon the City's CDBG and HOME allocations and the regulations governing those programs. In the original proposal, CAN-DO requested \$472,800 in CPA historic preservation funds and \$472,800 in CPA affordable housing funds for a total CPA request of \$945,600. Given that the CDBG funding will be used to fund demolition, site improvements, and the rehabilitation of the historic structure, staff recommended reducing the CPA funding for historic preservation and reallocating these funds towards CPA-funded affordable housing.

The proposed reallocation will increase the total CPA request by \$32,100 or 3.4%. The CPA funding request as originally proposed by CAN-DO and the current CPA funding request as recommended by Housing Division staff are detailed in the table below.

Original Proposal		Currently Proposed (Housing Division Recommendation)	
CPA Historic	\$472,800	CPA Historic	\$300,000
CPA Housing	\$472,800	CPA Housing	\$677,700
<b>Total Request</b>	<b>\$945,600</b>	<b>Total CPA Request</b>	<b>\$977,700</b>

All currently proposed funding sources for the project, including CDBG and HOME funds and state and private funding, are included in the table below.

Original Proposal		Currently Proposed (Housing Division Recommendation)	
CPA Historic	\$472,800	CPA Historic	\$300,000
CPA Housing	\$472,800	CPA Housing	\$677,700
CDBG	\$1,000,000	CDBG	\$1,020,000
HOME	\$500,000	HOME	\$447,900
Facilities Consolidation Funds	\$659,995	Facilities Consolidation Funds	\$659,995
Sale to Barry Price Center	\$450,000	Sale to Barry Price Center	\$450,000
<b>Total Request</b>	<b>\$3,555,595</b>	<b>Total Request</b>	<b>\$3,555,595</b>

The proposed reallocation of funding will allow the CPA housing funds to be used towards the two new rental units in the duplex building as well funding to support the construction of the five-bedroom congregate residence that will be owned by the Barry Price Center.

We appreciate your consideration.

Development budget attached, updated to reflect this change.

Updated version rec'd by CPC staff 19 May 2017					
<b>Auburn Street</b>					
<b>USES</b>	<b>Total</b>	<b>Congregate</b>	<b>Historic</b>	<b>Family</b>	<b>Total</b>
<b>ACQUISITION</b>					
Acquisition: Land	900,000	234,633	97,196	147,851	479,680
Acquisition: Building			420,320		420,320
Acquisition: Carrying Costs	45,000	22,012	9,118	13,870	45,000
<b>Acquisition Subtotal</b>	<b>945,000</b>	<b>256,645</b>	<b>526,634</b>	<b>161,721</b>	<b>945,000</b>
<b>CONSTRUCTION</b>					
Direct Construction	1,539,275	620,158	462,818	456,299	1,539,275
Demolition & Site work	243,601	98,144	73,244	72,213	243,601
Construction Contingency (5-15%)	154,253	62,016	69,423	22,815	154,253
<b>Construction Subtotal</b>	<b>1,937,129</b>	<b>780,318</b>	<b>605,485</b>	<b>551,327</b>	<b>1,937,129</b>
<b>SOFT COSTS</b>					
Architecture & Engineering	176,182	86,179	35,699	54,304	176,182
Survey & Permits	20,000	9,783	4,053	6,165	20,000
Clerk of the Works	-	-	-	-	-
Environmental Engineering	25,000	12,229	5,066	7,706	25,000
Bond Premium		-	-	-	-
Legal - Developer Only	25,000	12,229	5,066	7,706	25,000
Title / Recording	10,000	4,891	2,026	3,082	10,000
Accounting & Cost Certification		-	-	-	-
Marketing & Rent-up	3,000	-	900	2,100	3,000
Real Estate Taxes	9,812	4,800	1,988	3,024	9,812
Insurance	10,000	4,891	2,026	3,082	10,000
Relocation		-	-	-	-
Appraisal	-	-	-	-	-
Security	-	-	-	-	-
Construction Loan Interest		-	-	-	-
Inspecting Engineer	9,000	4,402	1,824	2,774	9,000
Fees: Construction Loan		-	-	-	-
Fees: Permanent Loan		-	-	-	-
Development Consultant	10,000	4,891	2,026	3,082	10,000
Other: Lender Legal	5,000	2,446	1,013	1,541	5,000
Other: LIP app fee	3,000	1,467	608	925	3,000
Soft Cost Contingency 10%	30,599	14,821	6,229	9,549	30,599
<b>Soft Costs Subtotal</b>	<b>336,594</b>	<b>163,029</b>	<b>68,524</b>	<b>105,041</b>	<b>336,594</b>
<b>Subtotal Acq. + Const. + Soft</b>	<b>3,218,723</b>	<b>1,199,992</b>	<b>1,200,643</b>	<b>818,089</b>	<b>3,218,723</b>
<b>DEVELOPER FEE % OH, RESERVES</b>					
Developer Overhead 5%	160,936	60,000	60,032	40,904	160,936
Developer Fee 5%	160,936	60,000	60,032	40,904	160,936
Capitalized Operating Reserves	15,000		4,500	10,500	15,000
<b>Subtotal Dev Fee &amp; OH, Reserves</b>	<b>336,872</b>	<b>119,999</b>	<b>124,564</b>	<b>92,309</b>	<b>336,872</b>
<b>TOTAL DEVELOPMENT COST</b>	<b>3,555,595</b>	<b>1,319,991</b>	<b>1,325,207</b>	<b>910,398</b>	<b>3,555,595</b>
	per unit	263,998	1,325,207	455,199	
		5	1	2	
	per unit across all				444,449
	per bedroom across all				273,507



CAN-DO Operating ProForma  
 236 Auburn St.

INCOME					Year												
	Unit	bedrooms	Rent No.	units	Trending	1	2	3	4	5	6	7	8	9	10		
duplex	Low HOME	2	953	1	2%	11,436	11,665	11,898	12,136	12,379	12,626	12,879	13,136	13,399	13,667		
single	Low HOME	3	1,084	1		13,008	13,268	13,534	13,804	14,080	14,362	14,649	14,942	15,241	15,546		
duplex	Low HOME	3	1,098	1		13,176	13,440	13,708	13,982	14,262	14,547	14,838	15,135	15,438	15,747		
Gross Potential Annual Income						37,620	38,372	39,140	39,923	40,721	41,536	42,366	43,214	44,078	44,959		
Vacancy 5%						(1,881)	(1,919)	(1,957)	(1,996)	(2,036)	(2,077)	(2,118)	(2,161)	(2,204)	(2,248)		
<b>Effective Annual Income</b>						<b>35,739</b>	<b>36,454</b>	<b>37,183</b>	<b>37,927</b>	<b>38,685</b>	<b>39,459</b>	<b>40,248</b>	<b>41,053</b>	<b>41,874</b>	<b>42,711</b>		
EXPENSES					per unit												
						1,000	3%	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
						500	3%	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
						1,000	3%	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
						500	3%	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
						0	3%	0	0	0	0	0	0	0	0	0	0
						2,000	3%	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829
						1,400	3%	4,200	4,326	4,456	4,589	4,727	4,869	5,015	5,165	5,320	5,480
						1,500	3%	4,500	4,635	4,774	4,917	5,065	5,217	5,373	5,534	5,700	5,871
						300	3%	900	900	900	900	900	900	900	900	900	900
						1,936	3%	5,808	5,982	6,162	6,347	6,537	6,733	6,935	7,143	7,357	7,578
						10,136											
<b>Total Annual Expenses</b>						<b>30,408</b>	<b>31,293</b>	<b>32,205</b>	<b>33,144</b>	<b>34,112</b>	<b>35,108</b>	<b>36,134</b>	<b>37,191</b>	<b>38,280</b>	<b>39,401</b>		
<b>Net Operating Income</b>						<b>5,331</b>	<b>5,161</b>	<b>4,978</b>	<b>4,782</b>	<b>4,574</b>	<b>4,351</b>	<b>4,114</b>	<b>3,862</b>	<b>3,594</b>	<b>3,310</b>		
Debt Service						0	5.50%	30	0	0	0	0	0	0	0	0	0
Debt Service Coverage																	
Cash Flow						5,331	5,161	4,978	4,782	4,574	4,351	4,114	3,862	3,594	3,310		

## Price Center Operating ProForma

units 5

				Year										
Unit	BR	Rent	Trend	1	2	3	4	5	6	7	8	9	10	
DDS Rent	1	11,000	2%	1,371,000	1,398,420	1,426,388	1,454,916	1,484,014	1,513,695	1,543,969	1,574,848	1,606,345	1,638,472	
Gross Potential Annual Income														
Vacancy	3%			(41,130)	(41,953)	(42,792)	(43,647)	(44,520)	(45,411)	(46,319)	(47,245)	(48,190)	(49,154)	
<b>Effective Annual Income</b>				<b>1,329,870</b>	<b>1,356,467</b>	<b>1,383,597</b>	<b>1,411,269</b>	<b>1,439,494</b>	<b>1,468,284</b>	<b>1,497,650</b>	<b>1,527,603</b>	<b>1,558,155</b>	<b>1,589,318</b>	
<b>EXPENSES</b>		per unit												
Personnel		178,884	3%	894,418	921,251	948,888	977,355	1,006,675	1,036,876	1,067,982	1,100,021	1,133,022	1,167,013	
Support		4,000	3%	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	
Occupancy		7,000	3%	35,000	36,050	37,132	38,245	39,393	40,575	41,792	43,046	44,337	45,667	
Transportation		3,020	3%	15,100	15,553	16,020	16,500	16,995	17,505	18,030	18,571	19,128	19,702	
Consumables		7,400	3%	37,000	38,110	39,253	40,431	41,644	42,893	44,180	45,505	46,870	48,277	
Equipment		2,700	3%	13,500	13,905	14,322	14,752	15,194	15,650	16,120	16,603	17,101	17,614	
Condo Fee		2,000	3%	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	
Management & Gen.		6,100	3%	30,500	31,415	32,357	33,328	34,328	35,358	36,419	37,511	38,636	39,796	
Admin.		26,200	3%	131,000	134,930	138,978	143,147	147,442	151,865	156,421	161,113	165,947	170,925	
		237,304												
<b>Total Annual Expenses</b>				<b>1,186,518</b>	<b>1,222,114</b>	<b>1,258,777</b>	<b>1,296,540</b>	<b>1,335,436</b>	<b>1,375,500</b>	<b>1,416,765</b>	<b>1,459,267</b>	<b>1,503,046</b>	<b>1,548,137</b>	
<b>Net Operating Income</b>				143,352	134,354	124,820	114,728	104,058	92,784	80,885	68,335	55,109	41,181	
Debt Service														
450,000	####	30		28,988	29,858	30,754	31,676	32,627	33,605	34,614	35,652	36,722	37,823	
Debt Service Coverage				4.95	4.50	4.06	3.62	3.19	2.76	2.34	1.92	1.50	1.09	
Cash Flow				114,364	104,496	94,066	83,052	71,431	59,179	46,271	32,683	18,388	3,358	

Description of Planned Ownership Structure, Market Analysis, Non-CPA Funding, Purchase of Goods and Services, Transition Plan, Fair Housing Training, Owners' Agreement to Permanent Deed Restrictions

**236 Auburn Street Ownership Structure**

236 Auburn Street will be owned by a condominium trust, which will have two member/owners: CAN-DO and the Price Center. Each will own 50% of the ownership of the condominium trust. CAN-DO's 50% will include the historic house and two attached town homes and the land they sit on. The Price Center's 50% will include the congregate house and the land it sits on. Each will be responsible for the maintenance and associated operating expenses of their own property. Both will equally own common space that will minimally include the driveway and may include some or all of the parking. The two parties will contribute to the operating expenses of the common areas through a monthly condominium fee.

**Market Analysis**

The Price Center, with the Department of Developmental Services, has already identified five individuals for residency at this location. 3 are Newton families.

With market-rate rents of \$3,500 on average in Newton, the three affordable family units will be in high demand. CAN-DO is currently advertising the availability of two units at Cambria Rd. and over 110 have already applied to be included in the lottery and the deadline is May 3<sup>rd</sup>. This is similar to the response to the affordable units at Myrtle Village where 279 people applied for 7 units.

**Existing Current Rents in the Newton Area:**

Avalon, Chestnut Hill, Newton	1 Bedroom	\$2,610
	2 Bedroom	\$3,420
	3 Bedroom	\$3,625
Chestnut River Landing, Needham	1 Bedroom	\$3,045
	2 Bedroom	\$3,785
	3 Bedroom	\$5,270
1940 Washington St., Newton	1 Bedroom	\$2,731
	2 Bedroom	\$3,029
	3 Bedroom	\$4,035
199 LaGrange St., Newton	1 Bedroom	\$3,350
	2 Bedroom	\$4,150

**Non-CPA Funding**

The project has submitted a pre-application to the Community Economic Development Assistance Corporation for a deferred interest loan from a publicly funded resource called the Facilities Consolidation Fund, which is available to developers of housing for individuals with disabilities. These



funds would help support the construction of the Price Center portion of the project. \$659,995 have been requested.

Additionally, the project is in the process of seeking support from the City of Newton's CDBG and HOME funding programs. \$1,500,000 have been requested.

The Price Center will purchase their portion of the project from CAN-DO at construction completion. The proceeds from the sale will help offset some of the development costs. The sale price will be \$450,000. A draft Option to Purchase has been circulated to the Boards of Directors of both organizations and a final signed agreement is anticipated in late May.

### **Purchasing of Goods and Services**

In the process of constructing 236 Auburn Street, CAN-DO will comply with all City of Newton procurement requirements as well as the those required under the federal CDBG and HOME Programs that will insure a) competitive pricing is obtained and b) no vendors nor their principals are currently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation.

### **Transition Plan**

In January 2017 the Board of Directors of both CAN-DO and Metro West Collaborative Development, Inc. amended their by-laws to allow for the creation of one merged Board that is responsible for both organizations, which will each continue to exist and fulfill their missions as defined in their articles of organization and by-laws.

The purpose of CAN-DO remains, "To expand the supply of decent and affordable housing for low income persons and families in Newton." CAN-DO owns and operates 39 units of affordable housing in Newton. CAN-DO Executive Director Emeritus, Josephine McNeil, will retire in July 2017 and CAN-DO will no longer have any paid staff. Staffing will be provided by Metro West CD. The organization will continue to seek affordable housing development opportunities in Newton while also effectively stewarding the assets already under ownership.

The purpose of Metro West CD remains, "to organize residents, mobilize resources, and identify ideas that improve the quality of life for resident of Metro West communities." Metro West CD owns and operates 44 units of affordable housing in Watertown. It also currently has site control of parcels in Norwell and Medway that are projected to provide 66 units of affordable housing in 2018-2019. Metro West CD has 4.5 full time equivalents including an Executive Director, Senior Real Estate Project Manager, Affordable Housing Programs Manager, Special Projects Coordinator and an AmeriCorps Member. In addition to housing development Metro West CD provides consulting services to other non-profits, private developers and municipalities in their efforts to build and preserve affordable housing. Current clients include:

- The Towns of Hudson, Bolton, Boxborough, Stow, Littleton
- Developers of projects in Dedham, Westwood and Scituate
- Lexington Housing Assistance Board, Belmont Housing Trust and Newton Community Development Foundation

Metro West CD is also a MassHousing approved 40B compliance monitor and is involved in projects in: Stoughton, Concord, Southborough, Danvers, North Andover, Needham and Watertown. Metro West

CD responds to over 3,000 callers per year and also provides one-on-one housing search assistance to individuals seeking affordable housing.

This merged Board structure, but independent organizations, provides for some economies of scale that will reduce costs, including a reduction in administrative overhead, as well as increased financial strength through a more diversified funding and program base as well as greater staff capacity as more projects in more communities allow the organizations to recruit and keep talented staff and a highly skilled Board of Directors.

**Fair Housing training, past complaints & resolution**

Metro West CD staff participate regularly in trainings on Fair Housing provided by the Department of Housing and Community Development, the West Metro HOME Consortium and the Mass Housing Partnership. Neither Metro West CD or CAN-DO have had a fair housing complaint filed against them.

**Owners' agreement to permanent deed restrictions**

Both CAN-DO and the Price Center are fully committed to affordable housing and willing to enter into permanent deed restrictions with the City of Newton.

## 236 Auburn Street Home

The proposed 236 Auburn Street home is being designed to house five residents with significant physical and developmental disabilities. The Price Center's mission statement is: "To empower individuals with intellectual and developmental disabilities to thrive in their living, social, and work communities." The following are key elements that will be taken into account as the program is developed and operated:

- Creating a home in which family and friends are always welcome
- Respecting the dignity of each resident
- Hiring caring staff who demonstrate compassion and respect for the residents
- Promoting personal growth of each resident
- Encouraging full participation in community life
- Exceeding standards for quality and safety
- Adhering to the highest ethical standards

The five individuals who are planning to move to this home are at risk problematic health outcomes, being isolated from their community, and being marginalized by staff and community neighbors. However, through the efforts of the resident's family, friends and Price Center staff we will provide a supportive approach to tap the potential for each resident to participate in a rich community life with a variety of experiences and the cultivation of new friendships. We also hope that as we participate in individualized community activities with each of these residents, we also create communities that are more caring and more inclusive.

Given the medical needs of the residents at the Auburn Street home, there will be on-site nursing to oversee the medical needs of each resident and provide training to the staff on the various medical/nursing needs of each resident. The house will provide staffing coverage for the times the individuals are in the program. It is anticipated the residents will go to The Price Center Day Program during the week days. All staff will be certified to administer medication (certification through the Medication Administration Program-MAP), will be First Aid and CPR trained. Additionally they will be finger printed and CORI checked to ensure they do not have any outstanding criminal offenses.

The home is being designed to accommodate people in wheelchairs. Each bedroom will have double doors leading to the outside that allow for beds to be moved out of the home and onto a patio for emergency evacuation. There will be a generator as a back-up when electricity is out to ensure we have the ability to power respirators and any other medical device in the event of a power outage. The program will be supervised by Ms. Jen Thompson, Director of Residential Services at The Price Center.

The program's operations will primarily be funded by a contract with the Massachusetts Department of Developmental Services (DSS). Other sources of funding include charges for care charges to individual which would be based of 30% of each resident's benefits, and Medicaid billing to cover transportation and day program costs.

Performed by: Daniel R. Gaulin, subcontractor to FinePoint Associates  
May 9, 2017

- WestMetro HOME Consortium \$500,000 subsidy
- 3 HOME units – 1 low HOME 2-BR units and 2 low HOME 3-BR units

I reviewed the proforma and supporting documentation submitted as part of the full proposal from CAN-DO and Metro West Collaborative Development (CAN-DO) to the Community Preservation Committee dated April 28, 2017. This analysis follows the underwriting guidelines of the United States Department of Housing and Urban Development and the WestMetro HOME Consortium.

### **Project Description**

CAN-DO purchased 236 Auburn Street, a historic house containing three units located on 18,760 sf lot in a Multi-family 1 zoning district. It is proposing to rehabilitate the house into a 3-BR rental unit and build two new structures: a duplex containing one 2-BR and one 3-BR unit and a 5-BR group home for individuals with medically intensive disabilities. The project is seeking Facilities Consolidation Funding from the state and HOME, CDBG and Community Preservation funding from the City of Newton.

The proposed HOME amount is within the subsidy limits.

There will be a total of 3 fixed HOME units (the 2-BR and 3-BR units) which the developer has proposed to designate as low HOME units.

The proposed group home will be developed by CAN-DO and sold to The Price Center, a large non-profit that specializes in providing housing and support services for disabled residents.

### **Market Risk Analyses**

There is negligible market risk. The proposed rent for the 2-BR is \$953/month and the 3-BRs are \$1,084/month. These rents are a third of the market rents in Newton.

The proposed group home has a letter of support from the Massachusetts Department of Developmental Services (DDS) which is willing to provide residents to the development as well as a contract for residential services and support. DDS reports it has potential residents identified for the proposed group home.

### **Developer Risk Analyses**

The project has a complicated development plan that involves three development entities: CAN-DO, Metro West Collaborative Development and The Price Center. The success of the project depends on the ability of each entity to execute its part of the development.

CAN-DO, founded in 1994, has focused on increasing the supply of affordable rental housing in Newton. Metro West Collaborative Development, founded in 1991 as Watertown Community Housing, initially focused on the development and preservation of ownership and rental affordable housing in Watertown, but it has recently taken on development and consulting projects in nearby towns (Belmont, Lexington and Weston) as well somewhat further away (Norwell and Medway). CAN-DO owns and operates 39 scattered-site units in Newton. Metro West owns and operates 44 units in two developments in Watertown, and it has two projects in development outside of Watertown that are projected to add 66 units to their portfolio.

Two years ago, the Board of Directors of CAN-DO began to plan for the retirement of Josephine McNeil, its founding Executive Director. The Board decided to retain CAN-DO as an organization but to merge the Board with Metro West and enter into a contract for services for Metro West to operate CAN-DO's rental portfolio and provide development services for 236 Auburn Street.

Ms. McNeil of CAN-DO has lent her expertise to the acquisition of the property and in community outreach to neighbors and City Councilors. She is currently CAN-DO's Executive Director Emeritus. She will be retiring in July and Metro West, which has been working along with CAN-DO from the beginning of the project, will have primary responsibility for the remainder of the development.

CAN-DO now shares an Executive Director with Metro West: Jennifer Van Campen. Ms. Van Campen led Metro West's developments at St. Joseph Hall and Belmont Street which had larger, more complicated, financing than Auburn Street. Metro West also employs Linda Moody, a part-time project manager who is a licensed architect and continues to operate her own architectural firm. The development team is further strengthened by the addition of Daniel J Violi, a consultant in affordable housing financing who has experience in all types of affordable housing, including group homes.

The Price Center is a Newton-based nonprofit provider of services for individuals with intellectual and developmental disabilities and their families, including group homes for the individuals with disabilities. Established in 1977, it has grown into an organization with annual revenue of over \$7,000,000 and currently operates four group homes. Its role in the process is to help obtain \$659,995 in state financing for the group home and to purchase the completed the group home from CAN-DO for \$450,000. The Price Center has a strong track record with the state and it has a strong balance sheet and strong letter of interest from Village Bank to provide mortgage financing for the purchase price. Prior to closing on the HOME/CDBG/CPA funds, Newton should require that The Price Center provide a firm commitment for financing and evidence of sufficient cash to complete the purchase of the group home.

The architect for this project is Terrence Heinlein. Mr. Heinlein specializes in residential construction and has extensive experience with historic preservation and modular construction.

The contractor will be chosen in an open bidding process, managed by the City of Newton Purchasing Dept.

This development team has completed projects of larger size and complexity. Newton should review the final plans and specifications and review the qualifications of the contractor selected in the bid process.

### **Project Risk Analyses**

The project as proposed is not allowed under current zoning. It will need to obtain a comprehensive permit from the City of Newton. There is a chance that the project will not obtain a permit. To mitigate against this risk, the City of Newton should condition its HOME funds on the receipt of a comprehensive permit for the project as proposed.

### **Sources and Uses**

The total development cost is projected to be \$3,555,595 (\$444,449/unit). The project sources are also projected to be \$3,555,595.

CAN-DO purchased the property for \$900,000 on December 29, 2016. The acquisition lender, Village Bank, commissioned an appraisal performed by William J. Lanciloti by Village Bank which indicates an as-is Market Value of \$950,000 as of September 29, 2016. The appraisal assumed that

the building which is currently vacant but was last used as a three-family house could be demolished and replaced with an attached two-family structure. The appraisal considered five comparable sales – four two-family houses and one two-family lot. All sales were within Newton with appropriate adjustments for location, size of the lots and inflation of .5% per month. The adjusted values ranged from \$942,000 to \$975,000, which provides strong support for the value of \$950,000.

The hard costs excluding contingency are projected at \$1,864,275 or \$169.25/sf. The contingency is 8.3% which is a blended rate of 10% for the new group home, 15% for the historic rehabilitation and 5% for the new modular duplex. The estimated hard cost in the proforma is \$105,121 (5%) lower than the cost estimate prepared by D G Jones International.

The soft costs are projected at \$326,594 or 9.2% of the total development costs. This project has higher than permitting and carrying costs since it requires a comprehensive permit and its architectural fees reflect that there are three distinct projects: a historic rehabilitation, a new group home and a modular duplex. The projected soft costs are reasonable for the size and complexity of the project.

The gross developer fee and overhead and consultant fee is projected at \$331,872 or 9.3% of all other project costs. This fee is below the maximum fee allowed under DHCD's Tax Credit Qualified Allocation Plan (\$391,308). It is a reasonable fee for the amount of work it takes to put together a transaction of this size and complexity.

There are 6 sources of funds involved in the project:

1. WestMetro HOME:	\$ 500,000
2. Newton CDBG :	\$1,000,000
3. Newton CPA - Historic:	\$ 472,800
4. Newton CPA - Housing:	\$ 472,800
5. Mass Facilities Consolidation Fund	\$ 659,995
6. The Price Center	\$ 450,000

## Income and Expenses

All income and expenses are noted on the 1-Stop application Version 3.

The projections for income and expense inflation are reasonable: 2% for affordable rents and laundry income, 3% for all expenses. The vacancy rate assumption for residential units is a reasonable 5%.

The maintenance and operating budget of the three family units is projected at \$30,408 or \$10,040/unit/year. This is based on the actual costs in CAN-DO's portfolio and includes \$500/unit for supportive services and an estimate of \$1,500/unit for property taxes. The Consortium may want to confirm with the City Assessor that the value of the property as restricted by the HOME/ CDBG/ CPA funds is in line with a tax bill of \$4,500/year. At Newton's current tax rate of \$11.12 per thousand, the development team is estimating an assessed value of \$404,675 for the three family units.

Metro West intends to manage the property and the rest of the CAN-DO portfolio utilizing a maintenance service available 24 hours a day and its office staff to collect rent and pay bills. Metro West will re-evaluate this approach after a trial run of 6-12 months and determine whether to continue or seek a property management company to handle all of the management tasks. Since all of CAN-DO's current properties for which Metro West will be responsible have some amount of financing from the City of Newton, the Consortium should monitor Metro West's management performance prior to final commitment.

**Cash Flow - Return on Equity**

Since there is no debt service on the three family units, a debt service coverage ratio cannot be calculated. We can note that the projected initial cash flow is \$5,331 per year represents a cushion of 17.5% above all other expenses.

The proforma does not explicitly identify developer equity; however, two sources totaling \$109,436 can be imputed from the proposal. The appraised value of the property is \$50,000 higher than carried on the proforma and the developer is taking a \$59,436 lower fee than would be allowed under the Massachusetts Tax Credit Allocation Plan, a widely used underwriting benchmark in the state. The projected cash flow results in a modest 4.9% return on imputed equity.

HOME Rental Projects – Underwriting and Risk Assessment Checklist

Source: Franke Consulting Group

	Risk Category – Risk Factor	Acceptable Risk	Reducible Risk	Unacceptable
1	<b>Market Risk</b>			
	<u>Market Trends</u> – General market trends (vacancy levels, prices) support the development of the additional units at the proposed pricing	✓		
	<u>Neighborhood market</u> – The immediate project area market conditions are positive and support development of the units at the proposed pricing	✓		
	<u>Community conditions</u> – The physical and social conditions in the immediate environment surrounding the proposed project are suitable for the target audience	✓		
	<u>Target population pool</u> – A sufficient pool of target households exists in the primary geographic market area to support the project; or sufficient primary data (waiting lists or client lists) is presented to support timely occupancy of the development upon completion	✓		
	<u>Affordability</u> – The prices are affordable to a reasonable range of income levels (range = minimum income required to afford: maximum eligibility income)	✓		
	<u>Needs</u> – The project design (unit types, sizes, amenities, services) reflects the apparent needs & desires of the target population	✓		
	<u>Competition</u> – The project’s price, location, condition and amenities are reasonably attractive in comparison to other housing choices available to low-income area HHs	✓		



HOME Rental Projects – Underwriting and Risk Assessment Checklist

Source: Franke Consulting Group

	Risk Category – Risk Factor	Acceptable Risk	Reducible Risk	Unacceptable
	Other market risk factors:  <i>None</i>	✓		
2	<b>Borrower Risk</b>			
	<u>Compatibility</u> – The project is compatible with the mission and strategic focus of the applicant	✓		
	<u>Board capacity</u> – The board (if a nonprofit) is stable and has the skills and experience to oversee development	<i>Merger of two boards results in stronger oversight</i>		
	<u>Staff development capacity</u> – The applicant’s staff & development team have the required skills to undertake & complete the project		✓ <i>Developer has reduced risk by hiring a consultant</i>	
	<u>Past performance</u> – The applicant has performed adequately on previous projects of a similar nature	✓		
	<u>Backlog/current project</u> – The current workload will not affect the ability of the applicant to complete this project	✓		
	<u>Equity/pre-dev funds availability</u> – The applicant has the cash needed for its equity contributions, pre-development advances & organizational overhead to support the project during planning and implementation (5 – 10% of TDC)	<i>Developer obtained acquisition and pre-development financing from Village Bank</i>		
	<u>Liquidity/financial ability to absorb overruns/delays</u> – The applicant has sufficient financial strength to absorb reasonable project delays and cost overruns (check current ratio and liquidity of current assets)		✓ <i>Budget contains adequate hard and soft contingency</i>	
	<u>Opportunity costs</u> – The applicant will not be prevented from accomplishing its other key activities as a result of undertaking this development	<i>Proposed project is at the heart of developer mission</i>		

HOME Rental Projects – Underwriting and Risk Assessment Checklist

Source: Franke Consulting Group

	Risk Category – Risk Factor	Acceptable Risk	Reducible Risk	Unacceptable
	project			
	<u>Contingent/portfolio liabilities</u> – The financial obligations of the organization with respect to its portfolio or other programs present no significant risks to the proposed project	✓		
	<u>Ongoing management capacity</u> – The applicant (or its identified management agent) has the capacity to manage the ongoing real estate, and to provide services as proposed		✓ <i>Review Metro West's management performance over the next 6 months.</i>	
	Other Borrower risk factors:		<i>It will be managing the CAW-DO portfolio.</i>	
<b>3</b>	<b>Project Risk</b>			
	Development budget cost reasonableness:			
	<u>Acquisition cost</u> – The acquisition cost is supported by appraisal or other evidence of market value, and is reasonable given site remediation, infrastructure and prep costs	✓		
	<u>Hard costs</u> – Construction/rehab costs: <ul style="list-style-type: none"> <li>▪ The design incorporates “green principles” for energy-efficiency;</li> <li>▪ The scope will ensure property standards compliance &amp; economic useful life for at least the compliance period;</li> <li>▪ Costs are reasonably related to scope;</li> <li>▪ Costs are final or based on detailed specifications to be considered reliable; and</li> <li>▪ There is a reasonable contingency provision for construction costs</li> </ul>	✓		

HOME Rental Projects – Underwriting and Risk Assessment Checklist  
 Source: Franke Consulting Group

Risk Category – Risk Factor	Acceptable Risk	Reducible Risk	Unacceptable
<p><u>Soft costs</u> – All non-construction line items are reasonable and supported, and reflect all expected project-related costs</p>	✓		
<p><u>Developer/consultant fees</u> – Total fees (including other fees collected by the developer or related parties) are reasonable compared to other projects</p>	✓		
<p><u>Reserves</u> – The project has adequate provisions for operating &amp; replacement reserves:</p> <ul style="list-style-type: none"> <li>▪ Capitalization of initial operating deficit is sufficient to reflect a reasonable rent-up period</li> <li>▪ Reserves are capitalized or reasonable annual contributions are in the operating budget</li> </ul> <p><u>Operating budget cost reasonableness:</u></p> <ul style="list-style-type: none"> <li>▪ <u>Rental Revenue</u> – Rents comply with HOME limits and are reasonable compared to market rents; vacancy/collection loss allowance is adequate</li> <li>▪ <u>Operating Expenses</u> – Total operating expenses (per unit per annum, or month) are reasonable for this type of project; all individual line items are reasonable</li> <li>▪ <u>Management Expenses</u> – sufficient allowance for management costs for this type of project</li> <li>▪ <u>Reserve Contributions</u> – Reasonable contributions to operating and replacement reserves (taking into account capitalized contributions to</li> </ul>	<p><i>\$15,000 capitalized reserves for 3 units</i></p> <p><i>Low HOME are well below market</i></p> <p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>	<p style="text-align: center;"><i>Confirm real estate taxes</i></p>	

HOME Rental Projects – Underwriting and Risk Assessment Checklist

Source: Franke Consulting Group

Risk Category – Risk Factor	Acceptable Risk	Reducible Risk	Unacceptable
<p>reserves – see above)</p> <ul style="list-style-type: none"> <li>▪ <u>Net Operating Income</u> – NOI and net available for debt service are reasonably calculated to maximum borrowing potential; debt service coverage ratio is reasonable or reflects lender requirements</li> <li>▪ <u>Cash Flow</u> – Cash flow projections are reasonable and not excessive for equity invested (if any)</li> <li>▪ <u>Services</u> – Adequate provision for services to reflect the target population’s needs; service revenue sources identified sufficient to cover service expenses (separate from real estate operations)</li> </ul>	<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p> <p style="text-align: center;"><i>rents projected to cover service budget of \$1,500/yr.</i></p>		

HOME Rental Projects – Underwriting and Risk Assessment Checklist

Source: Franke Consulting Group

Risk Category – Risk Factor	Acceptable Risk	Reducible Risk	Unacceptable
<p><u>Readiness to Proceed</u> – Project plans are sufficiently advanced to ensure timely commencement of project upon award:</p> <ul style="list-style-type: none"> <li>▪ <u>Site Control</u> – applicant owns or controls the site</li> <li>▪ <u>Status of Approvals</u> – local approvals are in place or strong support is in evidence</li> <li>▪ Funds are committed</li> <li>▪ Project designs are completed</li> </ul>	<p>✓</p>	<p>condition of obtaining permit condition on FCF + Village Bank commitments condition of completion</p>	
<p><u>Completion Risk</u> – Completion of the project on time and within budgeted resources is likely, taking into account the following risk factors:</p> <ul style="list-style-type: none"> <li>▪ <u>Site Acquisition</u> – The risk of not being able to complete acquisition of the site or require environmental remediation</li> <li>▪ <u>Likelihood of Approvals</u> – The risk of obtaining all required approvals to develop the site</li> <li>▪ <u>Adequacy of Funds</u> – The risk of losing or not being able to finalize all critical funding commitments</li> <li>▪ <u>Firmness of Budget</u> – The risk that budget estimates are insufficient to cover construction scope or unfunded cost overruns</li> <li>▪ <u>Realistic Schedule</u> – The risk of failing significantly behind on the proposed implementation schedule</li> </ul>	<p>✓ Site purchased Clean 21-E</p>	<p>condition of obtaining permit condition on FCF + Village Bank Condition on Final construction cost within budget</p>	

HOME Rental Projects – Underwriting and Risk Assessment Checklist

Source: Franke Consulting Group

Risk Category – Risk Factor	Acceptable Risk	Reducible Risk	Unacceptable
<p>Viability Risk – The risk that the project, upon completion, will not be able to be maintained as affordable housing for at least the compliance period:</p> <ul style="list-style-type: none"> <li>▪ Long-term operating projections (based on reasonable year-to-year rent and expense increases) provide adequate reserve contributions and positive cash flow;</li> <li>▪ Management &amp; maintenance plans are sufficient to protect physical property long-term</li> </ul>	<p>✓</p> <p>✓</p>		

**4 Overall Risk Rating & Project Changes**

Recommended project changes and conditions for commitment based on risk factors identified:

- Review of final plans and spec
- Review of contractor once selected
- Obtaining comprehensive permit
- Review of MetroWest management capacity of CARDO's portfolio
- Firm commitment of FCF funds

- If real estate tax assumption is faulty, consider allowing High HOME rents on 1 or 2 units
- Final construction budget within projected amount
- Firm commitment of mortgage financing to The Price Center in connection with its purchase of the group home



To: Members of the Newton Planning and Development Board  
From: Suneeth John, President CAN-DO and Metro West Collaborative Development  
Date: March 29, 2017

On January 1, 2017 CAN-DO and Metro West Collaborative Development became affiliates. The two organizations continue to exist as independent entities, and each maintain their 501(c)3 status, but have interlocked boards of directors.

Because the organizations remain independent the ownership structure of CAN-DO properties remains unchanged. Similarly, donors and supporters of CAN-DO efforts may continue to contribute to CAN-DO knowing that their contributions remain in Newton promoting affordable housing in Newton.

CAN-DO will cease to have employees effective April 1, 2017. All executive, financial and programmatic staffing will be provided by Metro West CD under a management agreement.

**Short term goals for the organizations:**

- 1) With support from the West Metro HOME Consortium the Board of Directors is participating in a 4-month training process with third party consultants to collectively understand the roles and responsibilities of a non-profit that undertakes and manages real estate.
- 2) A full analysis of the existing CAN-DO portfolio including assessing any capital needs, tenancy issues, and current methods of operations. This analysis will include meeting with funders and non-profit partners.
- 3) Facilitating a project at 236 Auburn Street that can be fully supported, funded and permitted by the City of Newton.

The leadership of both organizations feel that this affiliation is in the best interest of both organizations for their long-term sustainability. We look forward to working with you in the coming months and years.



## Management Contract

Between CAN-DO and Metro West Collaborative Development

The below services begin January 1, 2017 and may be altered or terminated upon 30-day notice by either party. The Transition Period for the purposes of this contract is January 1, 2017 through August 1, 2017.

### Property Management

Metro West CD with assistance from Josephine McNeil through the Transition Period will provide staff on behalf of CAN-DO and shall be responsible for the day to day operations of CAN-DO rental properties. This shall include:

- Collection of rent effective 2/1/17
- Responding to tenant questions and complaints
- Conducting annual income certifications
- Coordinating inspections with funders as necessary
- Coordination with Fitzimmons Contracting for property maintenance activities within the budget established by the CAN-DO Board of Directors
- Communication with other partners, including The Second Step, Newton Wellesley Weston, and third party vendors as necessary
- Preparation of required reports from third parties such as CEDAC and DHCD

### Project Management

Metro West CD shall provide staff on behalf of CAN-DO to do project management in collaboration with Josephine McNeil through the Transition Period for:

- The Auburn Street project
- The completion of Cambria Rd. and
- Pre-development efforts on new projects

### Administration

Metro West CD shall provide staff on behalf of CAN-DO as are necessary to ensure CAN-DO's compliance with federal, state and local accounting guidelines, affordable housing covenants and other regulations as may be required to maintain its 501(c)3 non-profit corporate status. Functions will include: bookkeeping, accounting, Executive and Administrative, fundraising, etc. Jennifer Van Campen, Executive Director of Metro West shall, from the date of execution through April 1, 2017 shall provide services as Executive Director – Elect of CAN-DO, and from April 1, 2017 forward shall be Executive Director of CAN-DO. Josephine McNeil shall remain as Executive Director of CAN-DO through April 1, 2017, and shall thereafter through the end of the Transition Period shall be Executive Director Emeritus.

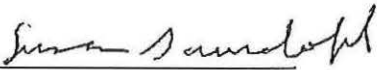
During the period between the date of execution and through April 1, 2017, the Executive Director-Elect and the Executive Director shall both have authority, individually, to represent CAN-DO in accordance with the following:

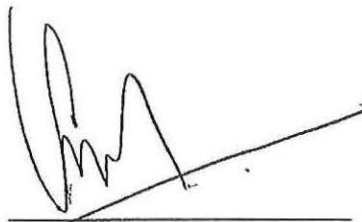


- 1) As Executive Director-Elect through April 1, 2017 Jennifer Van Campen shall be made aware of and kept apprised of administrative and executive decisions and actions that affect the budget, programs or real estate activities of CAN-DO. As Executive Director after April 1, 2017 Jennifer Van Campen shall have signing authority for all documents relating to CAN-DO as to which an Executive Director is authorized to sign. The CAN-DO Board shall confirm such authority in a duly adopted resolution.
  
- 2) As Executive Director through April 1, 2017, Josephine McNeil shall have authority as to which an Executive Director is authorized to sign to execute all documents on behalf of CAN-DO relating to Taft Ave., Cambria Rd., the Gala, and all normal operations functions relating to CAN-DO's operations.

All services will be provided as needed and Metro West CD will be reimbursed for time and materials and an overhead charge of 20%. Metro West CD will maintain a class in QuickBooks called "CAN-DO" so that all activity is easily reported.

Accepted by:

  
\_\_\_\_\_  
President  
CAN-DO

  
\_\_\_\_\_  
President  
Metro West CD



Setti D. Warren  
Mayor

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Department of Planning and Development  
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Barney S. Heath  
Director

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## MEMORANDUM

To: Planning and Development Board  
From: Nathan Robinson, Housing Planner  
Date: March 31, 2017  
Re: CAN-DO and Metro West Collaborative Development Affiliation

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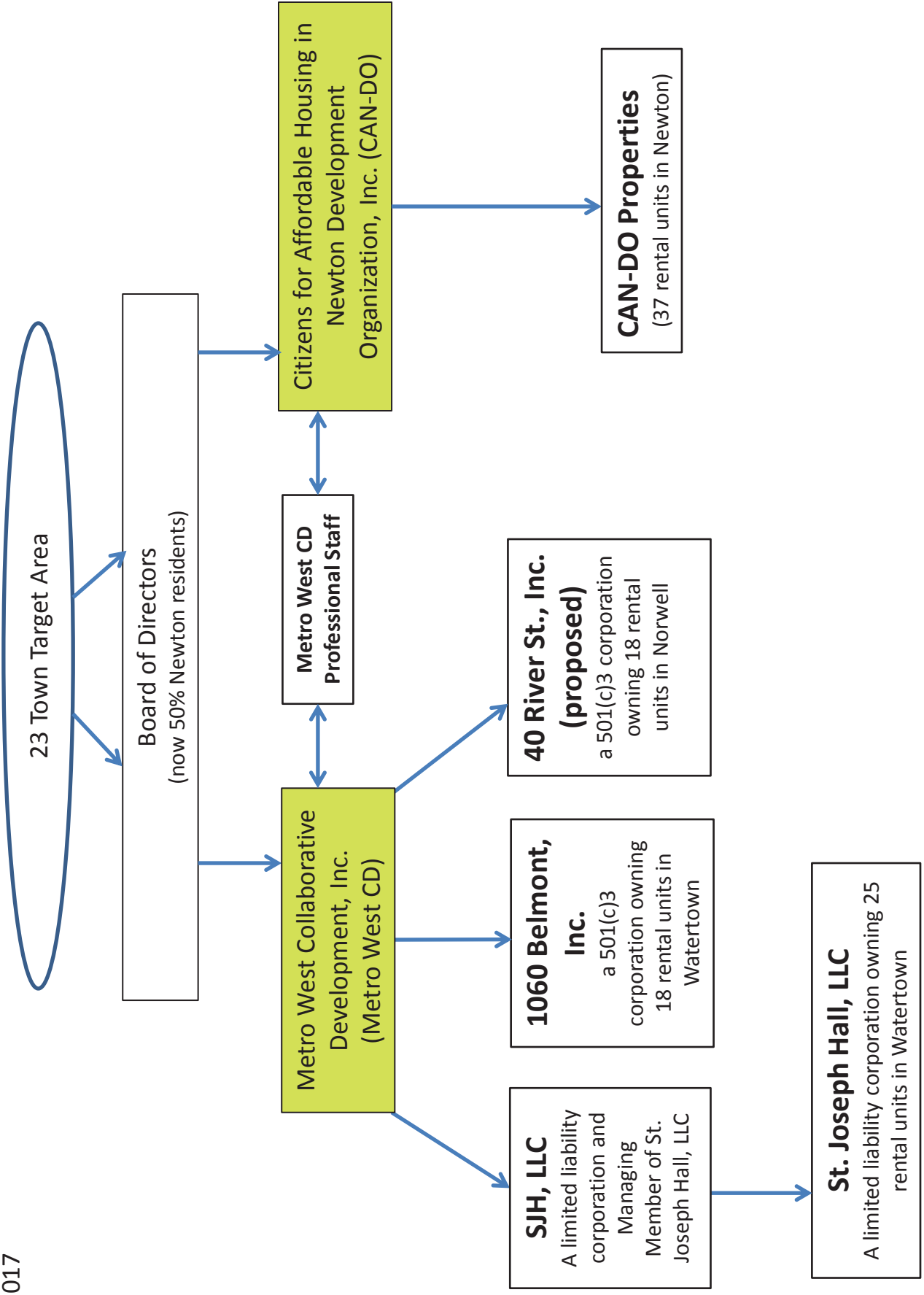
### Background

Since 1994, CAN-DO (Citizens for Affordable Housing in Newton Development Organization) has operated as nonprofit, Community Housing Development Organization (CHDO), creating affordable housing opportunities for low-income families in Newton. CAN-DO is one of three CHDOs in the West Metro HOME Consortium along with Metro West Collaborative Development and South Middlesex Opportunity Council (SMOC).

In anticipation of the retirement of CAN-DO's long-time executive director, Josephine McNeil, in 2017 CAN-DO and Metro West Collaborative Development formalized an organizational affiliation that will allow CAN-DO to remain an independent nonprofit in Newton. Through the affiliation, both organizations remain separate legal entities, with their missions unchanged, but they are now directed by a single board of directors. Under the affiliation, staffing for both organizations is now provided by Metro West Collaborative Development under a management contract between the two organizations.

Suneeth John and Bart Lloyd will be discussing the affiliation with Planning Development and Board. Mr. John is now the president of the board of directors for the organizations and was the president of Metro West Collaborative Development prior to the affiliation. Mr. Lloyd is a board member for both organizations and was on the board of directors of CAN-DO prior to the affiliation.

Enclosures: Memorandum from Suneeth John, President, CAN-DO and Metro West Collaborative Development; Management Contract, CAN-DO and Metro West Collaborative Development; CAN-DO and Metro West Collaborative Development



Schedule of Real Estate Owned								
CAN-DO rental properties								
Property Address	Number of Units	Vacancy Rate*	Amortizing Debt Balance	Deferred Debt	Monthly Debt Service Payments	Annual Debt Service	Other Operating Costs ^	Other Operating Costs / unit
<b>Property Address</b>								
236 Auburn St.	8	in pre-dev.						
10-12 Cambria	2	in final phase construction	\$ 761,778					
54 Taft Ave	2		\$ 996,742					
14 Nonantum	3	20%	\$ 108,018	\$ 279,000	\$ 784	\$ 9,408	\$ 66,966	\$ 22,322
90 Christina	5	7%	\$ 289,289	\$ 361,320	\$ 2,099	\$ 25,188	\$ 107,049	\$ 21,410
228 Webster St	6	0%	\$ 216,294	\$ 877,768	\$ 1,526	\$ 18,312	\$ 101,048	\$ 16,841
18-20 Cambria	2	0%	\$ 383,125	\$ 439,360	\$ 1,545	\$ 18,540	\$ 50,205	\$ 25,103
163 Jackson	2	0%	\$ 247,291	\$ 537,500	\$ 1,749	\$ 20,988	\$ 45,895	\$ 22,948
20-22 Falmouth	2	0%	\$ 245,439	\$ 537,500	\$ 1,634	\$ 19,608	\$ 46,606	\$ 23,303
11-13 Cambria	2	5.5%	\$ 216,371	\$ 550,000	\$ 1,350	\$ 16,200	\$ 53,898	\$ 26,949
Comm Ave./Veterans	2	20%	\$ 177,267	\$ 725,000	\$ 1,911	\$ 22,932	\$ 49,751	\$ 24,876
61 Pearl St.	3	3%	\$ 201,567	\$ 1,145,000	\$ 902	\$ 10,824	\$ 80,241	\$ 26,747
54 Eddy St.	2	0%	\$ 114,236	\$ 933,822	\$ 612	\$ 7,344	\$ 56,754	\$ 28,377
other								
<b>TOTAL</b>	<b>29</b>		<b>\$ 2,198,897</b>	<b>\$ 6,386,270</b>	<b>\$ 14,112</b>	<b>\$ 169,344</b>	<b>\$ 658,413</b>	<b>\$ 238,875</b>
<b>AVERAGE across CAN-DO portfolio</b>		<b>5.5%</b>	<b>219,890</b>	<b>638,627</b>	<b>1,411</b>	<b>16,934</b>	<b>65,841</b>	<b>23,887</b>
	<b>CAN-DO</b>	<b>Metro West</b>						
rental completed prior to 2017	29	53						
nearing completion or in pipe.	12	66						
ownership units sold	15	4						
total (in) development	56	123						
<b>Metro West CD rental properties</b>								
St. Joseph Hall, Watertown	25	2%	\$ 1,079,079	\$ 3,047,403	\$ 5,486	\$ 65,836	\$ 311,051	\$ 12,442.04
1060 Belmont, Watertown	18	5.5%	\$ 989,288	\$ 3,067,683	\$ 5,905	\$ 70,860	\$ 199,667	\$ 11,092.61
<b>TOTAL</b>	<b>43</b>		<b>\$ 2,068,367</b>	<b>\$ 6,115,086</b>	<b>\$ 11,391</b>	<b>\$ 136,696</b>	<b>\$ 510,718</b>	<b>\$ 23,535</b>

Schedule of Real Estate Owned								
CAN-DO rental properties								
Property Address	Number of Units	Depreciation	Potential Rental Income (Annual)	Net Cash Flow BEFORE Dep.(Annual)	Annual Tax Bill	Per unit tax bill	Operating Reserves	Rep. Reserves
Property Address								
236 Auburn St.	8							
10-12 Cambria	2							
54 Taft Ave	2							
14 Nonantum	3	\$ 26,091	\$ 69,072	\$ 18,789	\$ -			\$ -
90 Christina	5	\$ 47,750	\$ 97,481	\$ 12,994	\$ 9,402	\$ 1,880.40		\$ 6,177
228 Webster St	6	\$ 48,048	\$ 70,200	\$ (1,112)	\$ 6,796	\$ 1,132.67		\$ 23,111
18-20 Cambria	2	\$ 15,954	\$ 50,000	\$ (2,791)	\$ 5,872	\$ 2,936.00		\$ -
163 Jackson	2	\$ 19,271	\$ 41,675	\$ (5,937)	\$ 5,486	\$ 2,743.00		\$ -
20-22 Falmouth	2	\$ 19,569	\$ 37,586	\$ (9,059)	\$ 6,004	\$ 3,002.00		\$ -
11-13 Cambria	2	\$ 19,603	\$ 38,385	\$ (12,110)	\$ 6,122	\$ 3,061.00		\$ -
Comm Ave./Veterans	2	\$ 19,468	\$ 41,256	\$ (11,959)	\$ 7,692	\$ 3,846.00		\$ -
61 Pearl St.	3	\$ 37,675	\$ 45,736	\$ (7,654)	\$ 9,334	\$ 3,111.33		\$ -
54 Eddy St.	2	\$ 27,579	\$ 37,144	\$ 625	\$ 7,766	\$ 3,883.00		\$ -
other								\$ 2,761
<b>TOTAL</b>	<b>29</b>	<b>\$ 281,008</b>	<b>\$ 528,535</b>	<b>\$ (18,214)</b>	<b>\$ 64,474</b>	<b>\$ 25,595</b>	<b>\$ -</b>	<b>\$ 32,049</b>
AVERAGE across CAN-DO portfolio		28,101	52,854	(1,821)	6,447	2,844	-	2,914
	<b>CAN-DO</b>							
rental completed prior to 2017	29							
nearing completion or in pipe.	12							
ownership units sold	15							
total (in) development	56							
<b>Metro West CD rental properties</b>								
St. Joseph Hall, Watertown	25	\$ 353,382	\$ 379,154	\$ 2,267	\$ 39,158	\$ 1,566	\$ 300,238	\$ 43,920
1060 Belmont, Watertown	18	\$ 249,958	\$ 251,202	\$ (19,325)	\$ 14,481	\$ 805	\$ 186,346	\$ 56,720
<b>TOTAL</b>	<b>43</b>	<b>\$ 603,340</b>	<b>\$ 630,356</b>	<b>\$ (17,058)</b>	<b>\$ 53,639</b>	<b>\$ 2,371</b>	<b>\$ 486,584</b>	<b>\$ 100,640</b>

**Metro West Collaborative Development, Inc.**  
**Staff**  
**2017**

**Executive Director**, Jennifer Van Campen, 25+ years in community development field. Primary responsibilities:

- Financial oversight (with third party bookkeeping service), fundraising, marketing
- Staff management and organizational plan implementation
- Asset management and regulatory compliance oversight
- Zoning and financing applications for 18-unit project in Norwell and 48-unit project in Medway

**Senior Real Estate Project Manager**, Linda Moody, 25+ years as architect and construction supervision. Primary responsibilities:

- Zoning and financing applications for 236 Auburn St., Newton
- Zoning application support to 6-unit project for the Lexington Housing Assistance Board
- Pre-development analyses for sites in Wayland, Hudson, Wellesley and Medfield

**Affordable Housing Programs Manager**, Amie Lindenboim, 25+ years in environmental policy and regulatory compliance. Primary responsibilities:

- Affirmative Marketing Plans and Lottery and Wait List administration for municipal and private developers in: Concord, Newton, Medford, Scituate, Dedham, Stoughton, Watertown and Weston
- Affordable Housing Compliance Consulting to consortium of towns: Bolton, Boxborough, Hudson, Littleton and Stow
- MassHousing 40B compliance monitoring of projects in: Danvers, Needham, North Andover and Reading.

**Ready Renter Program Coordinator**, Holly Josephs, AmeriCorps Member. Primary responsibilities:

- Review and data entry of Ready Renter applications. Communicate to applicants of any file deficiencies. Currently 500+ people in program
- One-on-one housing search support to Ready Renter applicants. Approximately 5 people served per week.
- Research and data analysis. Currently providing support to the Belmont Housing Trust in the completion of a Housing Production Plan.
- Supported housing forums and events in Dedham, Lexington and Watertown

**Special Projects Coordinator**, Robyn Rufo, 15+ years in affordable housing and community development. Primary Responsibilities:

- CAN-DO portfolio integration into Metro West CD asset management systems
- Interface with CAN-DO property maintenance contractors
- Interface with CAN-DO tenants and their supportive services providers

**2017 Combined Organization Budget**

EXPENSES	2017 projection			2018 projection	2019	2020	2021
	CAN-DO	Metro West CD	Total	Combined	Combined	Combined	Combined
Salaries							
Executive	43,000	68,000	111,000	70,000			
Real Estate	26,000	88,000	114,000	90,500			
Housing Programs	-	60,000	60,000	61,500			
Gala/Special Projects	12,000	35,000	47,000	36,000			
AmeriCorps	-	15,000	15,000	15,000			
Property Management	29,553	-	29,553	30,000			
Benefits	13,640	48,000	61,640	64,500			
Audit & Accounting	29,500	60,000	89,500	85,000			
Rent & Office	21,270	53,550	74,820	55,000			
Insurance	4,950	10,000	14,950	12,500			
Auto Lease	1,890	-	1,890	-			
Consultant	1,500	35,000	36,500	35,000			
Supplies/Equip	2,100	7,500	9,600	8,500			
Postage & Printing	3,900	8,500	12,400	10,000			
Program Expenses/other	4,600	5,000	9,600	9,000			
REO*	505,163	64,000	569,163	586,238			
	699,066	557,550	1,256,616	1,168,738	1,203,800	1,239,914	1,277,111
			change	(87,878)			
<b>INCOME</b>							
CHDO	20,000	20,000	40,000	40,000	40,000	40,000	40,000
Grants/Foundations	21,000	40,000	61,000	61,000	61,000	61,000	61,000
Fundraising/Gala	110,000	-	110,000	110,000	110,000	110,000	110,000
Developer Fee	90,000	50,000	140,000	150,000	906,000	785,000	785,000
CITC	-	150,000	150,000	150,000	150,000	150,000	150,000
Aff. Marketing/Compliance	-	75,000	75,000	75,000	75,000	75,000	75,000
Asset Man./REO*	505,163	126,174	631,337	637,650	637,650	644,027	650,467
	746,163	461,174	1,207,337	1,223,650	1,979,650	1,865,027	1,871,467
			-				
	47,097	(96,376)	(49,279)	54,912	775,850	625,113	594,356

\*assumes CAN-DO REO breaks even