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Barney S. Heath  
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**Newton Affordable Housing Trust  
 Funding Application**

Date: \_\_\_\_\_

PRE-PROPOSAL

FULL PROPOSAL

<b>Project Title</b>			
<b>Project Address</b>			
<b>Contacts</b>	Primary Contact		Additional Contact(s)
	Address		Address
	Email		Email
	Phone		Phone
<b>Project Funding</b>	Amount of Trust Funds Requested:	\$	
	Projected Funding from Other Sources:	\$	
	Total Anticipated Project Cost:	\$	
	Total Anticipated Project Cost Per Unit:	\$	
<b>Project Summary</b>	<p>Provide a summary that includes the following elements. Please <b>bold</b> each of the topics below in your summary, and feel free to bullet sections (i.e., project timeline, etc.) as appropriate:</p> <ul style="list-style-type: none"> <li>• Project’s uses, target population, and housing types</li> <li>• Proposed NAHT funding uses and anticipated form (grant, long or short term loan)</li> <li>• If the project serves populations with special needs/disabilities, identify the populations to be served and potential support service providers</li> <li>• How the project will increase the social, racial and economic diversity of the City of Newton</li> <li>• Any special features and challenges of the project (historic preservation, sustainability, easements, environmental (hazmat and soil), permanent and/or temporary relocation, occupied rehab, etc.)</li> <li>• How this project meets previously recognized community needs/goals detailed in the <a href="#">Newton Affordable Housing Trust Priorities, Goals &amp; Guidelines</a>, <a href="#">Newton Comprehensive Plan</a>, the <a href="#">FY21-25 Consolidated Plan for the City of Newton Housing and Community Development Program</a>, the <a href="#">FY23 Annual Action Plan</a>, and/or <a href="#">Newton Leads 2040: A Blueprint to Promote Affordable, Diverse Housing and Economic Growth</a> by providing a brief quote which includes the plan title, year, and page number, etc. Applicant do not need to provide a quote from every plan and/or may also list other community benefits not mentioned in these plans;</li> <li>• Any required federal, state and/or local permits, and explain how the permitting will be completed</li> <li>• Anticipated project timeline which includes permitting, funding commitments, construction period, and lease-up or unit sales phases</li> <li>• Projected sustainability features and ratings (PHIUS, LEED, Enterprise Green Communities, etc.)</li> <li>• Acquisition stage and terms (offer/P&amp;S/deeded) and if acquisition is to a related party</li> <li>• Any other information that would be useful to the NAHT in assessing the application</li> </ul>		

<b>Project Title</b>	
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<b>PROPOSED USES OF FUNDS</b> <i>Check all that apply</i>		<b>TARGET POPULATION</b> <i>Check all that apply</i>		<b>TYPE OF HOUSING</b> <i>Check all that apply</i>	
<input type="checkbox"/>	Acquisition	<input type="checkbox"/>	Individuals	<input type="checkbox"/>	Rental
<input type="checkbox"/>	Rehabilitation	<input type="checkbox"/>	Families	<input type="checkbox"/>	Ownership
<input type="checkbox"/>	New Construction	<input type="checkbox"/>	Seniors	<input type="checkbox"/>	Condominium
<input type="checkbox"/>	Mortgage buydown/ refinance	<input type="checkbox"/>	Homeless/ At Risk of Homelessness	<input type="checkbox"/>	Cooperative
<input type="checkbox"/>	Site preparation/ remediation	<input type="checkbox"/>		<input type="checkbox"/>	Group/Congregate Living

**UNIT COMPOSITION** *List number of units in each category.*

UNIT TYPE	≤ 30% AMI	≤ 50% AMI	≤ 80% AMI	≤ 80% AMI	80-100% AMI	Market rate	TOTAL
<b>SRO</b>							
<b>Studio</b>							
<b>1 BR</b>							
<b>2 BR</b>							
<b>3 BR</b>							
<b>4 BR/+</b>							

<b>Project Title</b>	
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**Additional Information and Attachments Checklist**

Please Note: Applicants should check with Staff prior to submitting a proposal to confirm the additional information and attachments which will be required for a complete application.

Check all that are attached	<b>Attachments</b> <i>Please note what is required for your project's current stage</i>
	<b>Photos</b> – Existing site keyed to a plan
	<b>Maps</b> – City-wide map with site highlighted and birds-eye aerial view
	<b>Project Sponsor Information</b> – Provide a summary of previously completed similar projects with photographs and information on the Board of Directors or individuals that control the sponsorship entity including their skills, experience, tenure & City board/commission affiliations. In addition, please provide the most recent 3 years audited or unaudited (if no audit exists) financials for the sponsor. Please note if the sponsor has violated any federal, state or local subsidy or fair housing requirements.
	<b>Development Team</b> – List all development team members including, but not limited to, the general contractor, architect, and property manager. Please indicate if any development team members are related to the sponsor. <b>Applicants must demonstrate a strong ability to assemble a team (including the project sponsor) that includes historically disadvantaged businesses in the design, construction, and implementation of the project, including those certified by the Commonwealth of Massachusetts Economic office of Administration and Finance Supplier Diversity Office (SDO) as Minority Business Enterprises (MBE) and/or Women Business Enterprises (WBE) and/or are self-certified.</b> Early-stage projects that have not finalized development team selections may include more than one potential development team member. For non-early stage projects, the NAHT requests that the sponsor provide DHCD's Appendix C: M/WBE Self-Evaluation that is included in DHCD's <a href="#">QAP</a> . Please indicate any team members that meet the above criteria.
	<b>Development Pro Forma/Capital Budget</b> <u>For All Projects:</u> Include all sources separately listed, hard and soft cost summary and a detailed hard and soft costs budget (if known, otherwise summary and cost per unit) <u>For Rental Projects:</u> Include a detailed operating budget (break out rents for each income category, expenses (if known, otherwise summary and cost per unit), first mortgage calculations, tax credit calculations (including but not limited to LIHTC, HTC, ITC, NMTC, etc.), 15 year operating analysis trending at 2%/3% that includes DSCR, and indicate rental subsidies (if any) <u>For Homeownership Projects:</u> Include projected sales prices for each income category
	<b>Offer, Purchase &amp; Sale Agreement, or Deed</b>
	<b>Appraisal</b> – Completed by an independent, certified real estate appraiser. If an appraisal is not available at the time of the application, it must be submitted prior to the first funding review. (The NAHT may also commission its own, separate appraisal for land acquisition projects.)
	<b>Plans:</b> Provide any plans and/or renderings that are available or a design narrative.
	<b>Non-NAHT funding:</b> Include term sheets, commitment letters, federal and state historic tax credit approvals, rental subsidies, utility/PHIUS/equipment rebate estimates, fundraising plans, etc., including both cash and est. dollar value of in-kind contributions <i>(optional for predevelopment and acquisition funding)</i>
	<b>Letters of Support</b> – From City Departments, Newton residents, organizations, and/or businesses <i>(optional for predevelopment and acquisition funding)</i>
	<b>Environmental Reports</b> – Provide the ASTM Phase I/II, including radon, if possible, building materials (asbestos, lead paint, pcbs, etc.), wetlands, MEPA, NHESP, etc. <i>(optional for predevelopment funding, required for acquisition funding)</i>
	<b>Market Study and Marketing Information</b> – Provide Exhibits 3, 4 and 10.1 of the OneStop+ application. <i>(optional for predevelopment and acquisition funding)</i>
	<b>DHCD OneStop+</b> – Please provide an electronic copy of the OneStop+ with all Exhibits when it is submitted to DHCD or any other funding agency. Pdf copies must be bookmarked. <i>(optional for predevelopment and acquisition funding)</i>

## Application Summary for Coleman House Comprehensive Preservation

### Project's uses, target population, and housing types

2Life Communities' Coleman House provides 146 deeply affordable apartments to seniors ages 62 and older. The average age of residents is 82 years old, the median income is \$12,700, 100% of residents have incomes below 50% AMI and 100% of the apartments have vouchers. All Coleman House apartments are 1-bedroom, 1 bath apartments. Coleman I has 100 apartments, with Section 8 contracts for 99 apartments deed restricted up to 60% of the Area Median Income ("AMI") and one apartment for live-in staff. Coleman II has 46 apartments, with PRAC contracts for 45 apartments deed restricted up to 50% AMI and one apartment for live-in staff. The 2021 renovation transaction preserved these affordability levels in perpetuity for both Coleman I and II.

Coleman I is a six story property built in 1984 (39 years) and Coleman II is an eight story property built in 1998 (25 years) and neither property had been modernized previously. Coleman I and II are physically connected and operate as one community. The Coleman comprehensive preservation project set out the following objectives based on extensive pre-construction due diligence drawing on the knowledge of our own site staff, plus professional design, construction and engineering support and investigation.

#### Preservation Project Objectives

- Preserve 146 units for low income seniors in perpetuity with existing project based contract
- Make 100% of the apartments adaptable so that housing is never a reason for a senior to move
- Life cycle investment to preserve building infrastructure and systems
- Significantly reduce carbon emissions through change to all electric VRF system with ERV – energy modeling projects a 50% reduction in natural gas use

### Proposed NAHT funding uses and anticipated form (grant, long or short term loan)

It is 2Life's goal to accomplish a comprehensive 30-year life cycle renovation primarily using revenue generated from 2Life refinancing proceeds in 2018 from Coleman I (\$24,830,000) and funding from the City. As a non-profit, 2Life Communities invested these funds back into the property not just for capital improvements but for sustainability and adaptability goals. Given the high transaction costs of a more complicated financing scheme, a simple approach was- and still is the right path for financing.

In 2020 and 2021, 2Life received CPA, HOME, WestMetro HOME and CDBG funding awards totaling \$5.2 million following positive engagement with City staff, City council members, the Council on Aging, the WestMetro HOME consortium and the Community Preservation Committee (CPC). The project closed on this additional financing and commenced construction in September 2021.

The Coleman House comprehensive preservation project is now seeking \$2,547,065 from the Newton Affordable Housing Trust Fund to pay for construction cost overruns.

During the course of construction, a number of unforeseen/unanticipated existing conditions and new code requirements arose, the cost of which exceeds our owner construction contingency. There is a separate table and narrative as an attachment to this application that describes the scope changes and contingency needs in detail. The project budget showing sources and uses is also provided in the attachments. The scope changes fall into the two primary categories below: (1) Unforeseen/unanticipated conditions despite due diligence and (2) Code requirements after the permit was issued. 2Life implemented significant scope reductions and deferrals to offset these costs as Owner credits.

A summary of the scope areas and owner credits is below:

Unforeseen/unanticipated conditions despite due diligence	\$1,471,893
Code requirements after permit was issued	\$2,580,832
All other change orders to date	\$1,194,222
Owner credits	(\$447,122)
<b>Total Change Orders</b>	<b>\$4,799,825</b>
Original owner contingency (10%)	(\$2,252,760)
<b>Funding Request</b>	<b>\$2,547,065</b>

The NAHT funding request represents 7.8% of the total development cost, or approx. \$17,500 per unit. If we are so fortunate to receive this funding award, the total local funds in the project would be \$7.8 million, approx. 24% of the total project cost, or \$53,500 per unit.

2Life has explored other federal and state sources speaking with staff at these agencies including HUD, CEDAC and DHCD. Unfortunately, the Coleman preservation project is not eligible for any of the current funding opportunities.

**If the project serves populations with special needs/disabilities, identify the populations to be served and the potential service providers**

Coleman House has a high percentage of seniors requiring assistance with activities of daily living who need accessible and adaptable housing. Over 43% of residents are over the age of 85. For 56% of residents, English is not their first language. 2Life's aging in community model provides extensive programs and services so that all residents can find their way into community and live full lives of connection and purpose in a dynamic supportive environment. Coleman House staff include: Executive Director, Director of Resident Services, Residential Services Coordinators, Group Programs and Activities Coordinator, a Lease compliance staff member and

two maintenance staff members. Coleman House resident services staff provide care navigation services so that residents can access state subsidized home and personal care services for free through Medicaid and the Executive Office of Elder Affairs.

In addition, 2Life's central programs team provide resident services including fitness classes, wellness nursing services, spiritual care, lifelong learning, mental health support, computer and technology training and other social/emotional programming. All of these program staff members are funded through philanthropy since the rents do not support these enhanced programs.

### **How the project will increase the social, racial and economic diversity of the City of Newton**

Coleman House provides housing for low income seniors, and all residents in 2023 were at or below 50% AMI, with the majority extremely low income with a median household income of \$12,700. But for the two resident manager apartments, all Coleman apartments have project-based vouchers, where residents pay just 30% of their monthly income towards rent..

Coleman House has a racially and ethnically diverse population. Coleman residents are ethnically diverse and multi-national, 10% of residents are Asian and Coleman residents come from seven different countries including China, Russia and multiple countries from the former Soviet Union. 2Life Communities has robust affirmative marketing to individuals least likely to apply for all of our properties. These individuals are added to the five year long HUD managed waitlist as vacant apartments become available.

### **Any special features and challenges of the project (historic preservation, sustainability, easements, environmental (hazmat and soil), permanent and/or temporary relocation, occupied rehab, etc.)**

The Coleman House comprehensive preservation project was completed with residents temporarily relocating to vacant "hotel" apartments within Coleman House while their apartment was renovated. 2Life is partnering with Housing Opportunities Unlimited (HOU) to manage the Uniform Relocation Act requirements. .

The Coleman renovation was not anticipated to include significant environmental remediation work. Prior to starting construction, Boston Environmental completed an assessment of the building and found small amounts of asbestos on the underside of Coleman I sinks and this sink remediation and removal cost was in the project budget. We did this due diligence even though the property was built after these types of asbestos uses were restricted by law in 1978. Mastic asbestos was discovered on the window flashing and through-wall air conditioner flashing behind the brick during Coleman I masonry work. The additional asbestos remediation created significant extra cost as well as time delays on the project, further increasing the general conditions and staffing costs.

There are no special features for the ongoing renovation work or the electrical infrastructure work.

**How this project meets previously recognized community needs/goals detailed in the Newton municipal plans by providing a brief quote which includes the plan title, year, and page**

The remaining scope of work for the project will preserve and enhance this existing stock of affordable housing in a village center setting, with adaptable features, resident services and supports for low income seniors in the City of Newton.

- Newton Affordable Housing Trust Priorities, Goals and Guidelines
  - “preserving existing affordable housing... with an emphasis on providing housing for extremely low and very low income households”
  - “to preserve existing affordable housing ... that are affordable in perpetuity to low and moderate income households”
  
- Consolidated Plan for the City of Newton and WestMetro HOME Consortium
  - Affordable rental units with affordable and sustainable support services for extremely low-income to moderate-income seniors looking to age in community. (Consortium-wide)
  - In Newton, housing instability and an increased risk of homelessness are directly linked to the insufficient supply of deed-restricted affordable housing options for a diversity of income levels and household types. Escalating rents, stagnant wages, and increased demand on existing affordable units have forced many families and individuals to leave Newton. The lack of units affordable to households at or below 50% AMI, in particular, has created an unsustainable environment for Newton’s most vulnerable families, seniors, and individuals. Additionally, a lack of fully-accessible, affordable units for individuals at or below 50% AMI, and those at or below 30% AMI, continues to create instability for those persons with disabilities and seniors on fixed-incomes.
  - The largest age group with a disability is Newton residents aged 65 years and older. Approximately 8% of Newton’s population has a disability, of which 56% are elderly. According to the City’s assessment, Living and Aging in Newton: Now and In the Future, the elderly population, defined in this report as ages 60+, will continue to grow substantially with an estimate of 24,163 senior residents living in Newton by 2030. As a result, services, programs, and housing options must be made available and accessible to the elderly population to encourage aging in the community and to prevent homelessness. (p. 86)

**Any required federal, state and/or local permits, and explain how the permitting will be completed**

All zoning and building permits have been received for work completed to-date and the building permit will remain in use for the upcoming work.

**Anticipated project timeline which includes permitting, funding commitments, construction period.**

The Coleman preservation project is ongoing with renovations in apartments, corridors, and building system replacement on track to be wrapped up this year.

The additional electrical infrastructure work is well underway. We have made significant progress over the past year including:

- New generator is on site
- Ordered the new electrical switchgear last fall and it will be on site by year end
- Filed the work order with Eversource
- Completed electrical room drawing with the required clearances

The design and engineering work that remains in 2023 includes:

- Finalizing transformer load calculations to release the transformer order, which is estimated to be available in Fall 2024.
- Order all other electrical equipment

The construction work in 2024 includes:

- Creating the double door opening in the existing electrical room for the equipment and saw cutting slab to access existing conduit
- Exterior infrastructure work to replace primary buried cables
- Install electrical equipment, including transformer, generator, electrical equipment and fire pump controller

**Projected sustainability ratings (PHIUS, LEED, Enterprise Green Communities, etc.)**

The project retained New Ecology as the sustainability consultant and it is on track to receive Enterprise Green Communities certification and MassSave rebates at the conclusion of the project.

**Acquisition stage and terms**

N/A- the Coleman House ownership has not changed.

**Other information**

N/A



**ATTACHMENTS**

Photos	N/A – Existing property
Maps	N/A – Existing property
Project Sponsor Information	Included with recent project profiles and summary narrative, Board of Directors list, three years of financials
Development Team	Included project team list
Development Proforma	-Sources and Uses Included; -Scope changes and contingency matrix included -Operating Budget is N/A- property is in operations with existing Section 8 and PRAC contracts and full staffing
Offer, Purchase & Sale Agreement	N/A – Existing property
Appraisal	N/A – Existing property
Plans	N/A – Renovation is permitted and ongoing
Non-NAHT funding	Included- CPA, HOME and CDBG funding agreements
Letters of Support	Included narrative on pre-development outreach and support
Environmental Reports	Radon, Phase 1 FONSI and Asbestos Remediation Report Included
Market Study	N/A – HUD waiting list in place- 5 years long
DHCD OneStop	N/A – No State funding