

CITY OF NEWTON

IN BOARD OF ALDERMEN

LAND USE COMMITTEE AGENDA

TUESDAY, DECEMBER 4, 2012

7:00 PM  
Room 222

#305-12     STEPHEN GUILLETTE petition for a SPECIAL PERMIT/SITE PLAN APPROVAL to EXTEND A NONCONFORMING STRUCTURE by replacing an existing rear deck with a mudroom addition and to locate two dimensionally non-compliant 9’x18’ parking stalls in the front setback and closer than five feet at 29 BREWSTER Road, Ward 5, Newton Highlands, on land known as SBL 54, 10, 13, containing approx. 5,176 sq. ft. of land in a district zoned SINGLE RESIDENCE 2. Ref: Sec 30-24, 30-23, 30-21(b), 30-15 Table 1, 30-19(g)(1) and (2) and 30-19(m) of the City of Newton Rev Zoning Ord, 2012. .

#212-12     MICHAEL SOKOLOWSKI, TRUSTEE of 1081 WASHINGTON STREET REALTY TRUST petition for a SPECIAL PERMIT/SITE PLAN APPROVAL and to EXPAND a NONCONFORMING STRUCTURE to waive 8 parking stalls; to locate parking within the side setback; to waive associated lighting, surfacing, and maintenance requirements for parking facilities of greater than 5 stalls; to waive the one required loading dock; and to extend a nonconforming structure as to yard and setback and to extend a nonconforming structure with regard to height or alternatively for a structure in excess of 24 feet in height in order to construct a new two-story building for retail use at 1081 WASHINGTON STREET, Ward 3, West Newton, on land known as SBL 31, 9, 6, containing approximately 8,736 square feet of land in a district zoned BUSINESS 2. Ref: Sec 30-24, 30-23, 30-21(b), 30-15 Table 3, 30-19(c), (d)(1), (d)(10), (h)(1), (l), (j), and (m) of the City of Newton Rev Zoning Ord, 2012.

**REFERRED TO LAND USE AND FINANCE COMMITTEES**

#413-12     COMMUNITY PRESERVATION COMMITTEE recommending that the sum of two hundred fifty-five thousand dollars (\$255,000) be appropriated from the Community Preservation Act Fund, to the control of the Planning and Development Department for the purpose of supporting a project that will create two units of perpetually affordable rental housing at 54 Eddy Street West Newton, as described in the proposal and supporting materials submitted by Citizens for Affordable Housing in Newton Development Organization (CAN-DO).  
[11/20/12 @ 9:19 AM]

2013 Auto Dealer Licenses

- #361-12 CLAY NISSAN OF NEWTON, INC.  
431 Washington Street  
Newton Corner 02458 (Class 1)
  
- #362-12 VILLAGE MOTORS GROUP, INC.  
d/b/a HONDA VILLAGE  
371 Washington Street (Class 1)  
Newton Corner 02458
  
- #364-12 AUTO EUROPA, INC.  
38 Ramsdell Street  
Newton Highlands 02461 (Class 2)
  
- #368-12 GLOBAL VENTURES GROUP  
d/b/a LUX AUTO PLUS  
1197-1201 Washington Street  
West Newton 02465 (Class 2)
  
- #369-12 JACOB & ASSOCIATES  
1232 Washington Street  
West Newton 02465 (Class 2)
  
- #371-12 LIFT THROTTLE AUTOMOTIVE  
26 Shepherd Park  
Waban 02468 (Class 2)
  
- #374-12 NEWTON AUTO GROUP, INC.  
1235 Washington Street  
West Newton 02465 (Class 2)
  
- #378-12 OLD TIME GARAGE LTD.  
1960 Washington Street  
Newton Lower Falls 02462 (Class 2)
  
- #381-12 REGAN'S INC.  
2066 Commonwealth Avenue  
Auburndale 02466 (Class 2)
  
- #382-12 ROBERT'S TOWING, INC.  
926r Boylston Street  
Newton Highlands 02461
  
- #384-12 SAM'S AUTO CENTER  
875 Washington Street  
Newtonville 02460 (Class 2)

#385-12 CITY OF NEWTON  
1000 Commonwealth Avenue 02459 (Class 2)

#386-12 ECHO BRIDGE SALVAGE, INC.  
16-24 Maguire Court  
Newtonville 02460 (Class 2 and 3)

#387-12 SCHIAVONE BROTHERS, INC.  
16-24 Maguire Court  
Newtonville 02460 (Class 2 and 3)

Respectfully submitted,

Ted Hess-Mahan, Chairman

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The location of this meeting is handicap accessible, and reasonable accommodations will be provided to persons requiring assistance. If you have a special accommodation need, please contact the Newton ADA Coordinator Trisha Guditz, 617-796-1156, via email at [TGuditz@newtonma.gov](mailto:TGuditz@newtonma.gov) or via TDD/TTY at (617) 796-1089 at least two days in advance of the meeting date

# 54 Eddy Street (housing)

## Funding Recommendation, Proposal & Supplemental Information



This proposal is online, along with all supporting documents, from:

<http://www.newtonma.gov/gov/planning/cpa/projects/default.asp#Pending>

Documents included in the printed packet:

- ◆ CPC recommendation
- ◆ Project webpage from CPC website, listing all documents
- ◆ PowerPoint presentation to the CPC
- ◆ Proposal & attachments, including development & operating budgets
- ◆ Deed, confirming purchase price
- ◆ Letter from Newton Housing Partnership
- ◆ Updated scope of work & cost estimates
- ◆ Selected pages from appraisals, with: sketch floor plans & photos, conclusion of independent appraisal commissioned by CPC
- ◆ Memo from City of Newton Housing staff
- ◆ Community feedback: from Mr. Michael Lepie (only public comments rec'd in writing)

Documents online but *not* included in the packet:

- ◆ Photos from realtor website & taken by City of Newton Housing staff (best in color)
- ◆ Appraisals: for bank & independent appraisal for CPC
- ◆ Acquisition/site control documents: P&S, deed, mortgage & assignment of rents
- ◆ Full home inspector's report (very thorough)
- ◆ Letter from sponsor re: other funding sources being explored (very preliminary)



## Community Preservation Program

### 54 Eddy Street

#### Affordable Housing

location:	54 Eddy Street Newtonville, MA 02465	
goals:	Create 2 units of permanently affordable rental housing, one for households at up to 50% of the area median income and one for households up to 80% in a two-family house with a total of 5 bedrooms, built in 1914.	
funding:	<b>\$255,000</b>	<b><i>CPA funds requested (community housing)</i></b>
	\$690,250	<i>CDBG funds requested</i>
	\$120,000	<i>long-term bank mortgage</i>
	\$50,000	<i>foundation grant</i>
	<hr/>	
	\$1,115,250	estimated total project cost
contacts:	Josephine McNeill, Executive Director Citizens for Affordable Housing in Newton Development Organization (CAN-DO) 1075 Washington St. West Newton, MA 02465 email: <a href="mailto:jam_cando@msn.com">jam_cando@msn.com</a> phone: 617.964.3527 website: <a href="http://www.newtoncando.org">www.newtoncando.org</a>	

### Proposal Review & Appropriations

13 June 2012	<a href="#">pre-proposal</a> , including preliminary budget
14 June 2012	<a href="#">online realtor photos</a>
<i>received</i>	<i>Previous versions rec'd June-July 2012, then updated; this long file may load slowly.</i>
30 August 2012	<a href="#">full proposal</a> , including development and operating budgets
11 June 2012	<a href="#">home inspection report</a>
23 July 2012	<a href="#">appraisal for bank</a>
31 July 2012	<a href="#">acquisition/site control</a> documents (deed, mortgage & assignment of

- rents) *This long document may load slowly.*
- 24 August 2012 letter from [Newton Housing Partnership](#) to Planning & Development Board, re: request for CDBG and CPA funds
- 13 September 2012 [independent appraisal](#) commissioned by CPC
- 18 September 2012 [site photos](#) taken by City of Newton Housing staff *This large file may load slowly.*
- 19 September 2012 updated [project scope of work & cost estimates](#)  
[other funding sources being explored](#) (letter from developer)
- 26 October 2012 [memo from City of Newton Housing staff](#) to Newton Planning & Development Board & Community Preservation Committee (replaces previous version addressed to Newton Housing Partnership, 2 August 2012)
- September-October 2012 [current financial statements](#) for CAN-DO and its past completed projects, submitted for review by the Planning & Development Board
- 5 & 14 November 2012 [presentation in support of proposal](#), to Newton Planning & Development Board & Community Preservation Committee  
[architect's photos](#), in support of development budget/scope of work  
*This very large file may load slowly.*
- 14 November 2012 [petition](#) (citizen signatures) supporting the project, as submitted by proposal sponsor
- 27 November 2012 [CPC funding recommendation](#)

## Project News

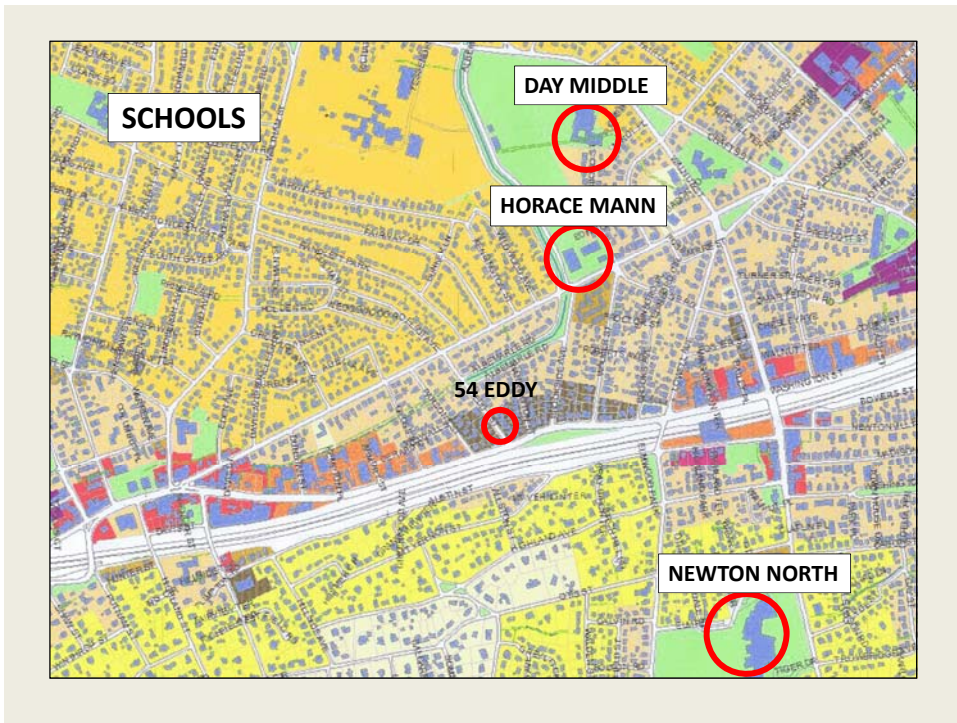
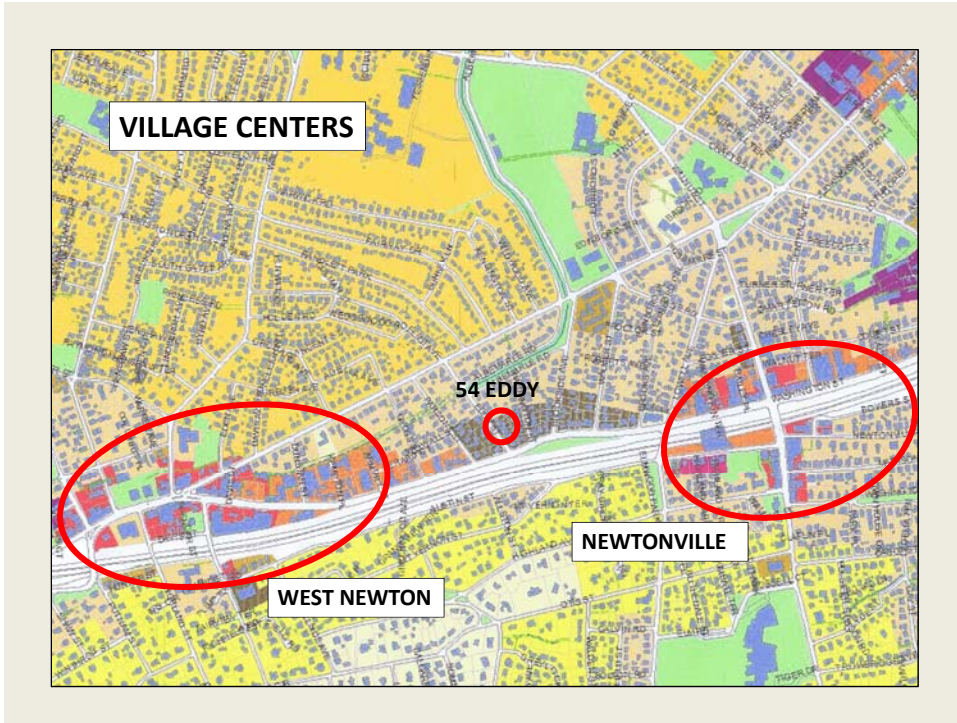
# 54 EDDY STREET



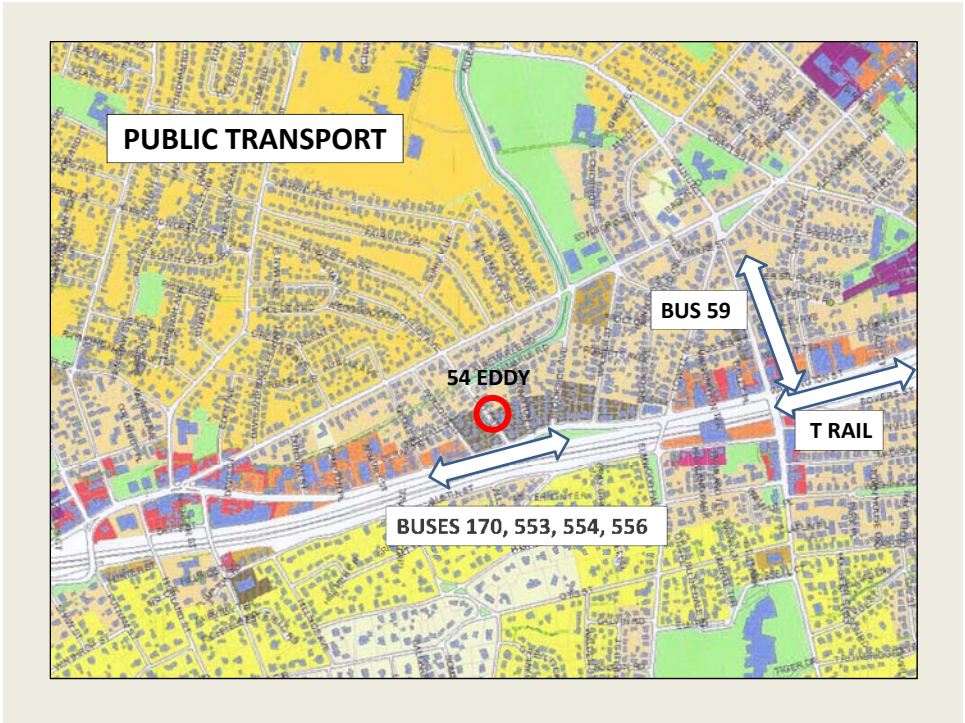
**CAN-DO PROPOSED AFFORDABLE HOUSING**  
For the Newton Planning & Development Board  
November 5, 2012











CITY OF NEWTON HOUSING & COMMUNITY DEVELOPMENT PROGRAM  
AND THE WESTMETRO HOME CONSORTIUM

## **FY 2013 Annual Action Plan**

of the FY11-FY15 Consolidated Plan

### **NEWTON (Page 40)**

**Priority #2:** Deeper development subsidies in affordable housing projects so that very low income renter households have a greater range of housing choices.

(Page 61)

Proposed Projects/1-year goals:

In FY13, the City will continue to support the policy of making deeper public subsidies per unit (CDBG and HOME funds) available to sponsors who provide at least one of the following: ... units for households that do not have rental assistance ...

<b>DEEPER SUBSIDIES PER UNIT</b>					
Bedrooms	Assumed persons	Maximum "affordable"		Eddy Proposal	
		% of AMI	Monthly rent	% of AMI	Monthly rent
3	4	70%	\$1,804	70%	\$1,500
2	3	70%	\$1,624	50%	\$1,200
<b>Annual total</b>			<b>\$41,136</b>		<b>\$32,400</b>

<b>DEVELOPMENT BUDGET</b>	
<b>COSTS</b>	
Acquisition	\$660,000
Construction	\$278,970
Other general development	\$84,335
Developer overhead & fee	\$81,945
Fund replacement reserve	\$10,000
<b>Total</b>	<b>\$1,115,250</b>
<b>FUNDING SOURCES</b>	
City of Newton CDBG	\$645,250
City of Newton Lead removal	\$45,000
CPA grant	\$255,000
Charlesbank Homes	\$50,000
The Village Bank mortgage	\$120,000
<b>Total</b>	<b>\$1,115,250</b>

<b>TOTAL DEVELOPMENT COST PER UNIT</b>				
Development	Units	TDC	TDC/unit	Rank
Falmouth Street	2	\$ 1,178,933	\$ 589,467	1
Jackson Street	2	\$ 1,178,048	\$ 589,024	2
<b>Eddy Street</b>	<b>2</b>	<b>\$ 1,115,250</b>	<b>\$ 557,625</b>	<b>3</b>
Veterans House	2	\$ 950,000	\$ 475,000	4
Pearl Street	3	\$ 1,370,000	\$ 456,667	5
11 Cambria Street	2	\$ 836,556	\$ 418,278	6
Average			\$ 514,343	
Sources: R. Muollo memo to P & D Board 10/26/2012, revised for 11 Cambria TDC.				

Citizens for Affordable Housing  
In Newton

**CAN-DO**



Development Organization, Inc.  
June 29, 2012

1075 Washington Street  
West Newton, MA 02465  
Phone: 617-964-3527  
Fax: 617-964-3593

E-mail: jam\_cando@msn.com  
Website: www.newtoncando.org  
Josephine McNeil, Executive Director

Ms. Trisha Guditz, Housing Planner  
City of Newton Planning Department  
Newton City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

Re: 54 Eddy Street – Eddy Street Project

Dear Ms. Guditz: *Trish*

Please find enclosed for your review our One Stop application requesting \$660,000 in CDBG funds for the acquisition of the above-referenced property.

CAN-DO plans to renovate this existing 2-family dwelling containing one 2-bedroom unit and one 3-bedroom unit to provide housing for one very low income family and one low-income family. We are setting rents at a level that would allow families without vouchers to rent the units. The 2-bedroom units is priced at \$1100 which is lower than the High Home rent and the 3 bedroom unit is priced at \$1600 and would be affordable to a family without a voucher earning 65% of the AMI.

We are using our now familiar method of financing the purchase with a loan from The Village Bank in the amount of \$660,000, which will be paid off to the amount of the permanent mortgage (\$120,000). On Tuesday of this week, we received approval from the CPC to submit a full application for \$255,000 in CPA funds. It is my understanding that this application to you satisfies the requirement for that application. The remaining funding for the project will be provided by Charlesbank Homes, assuming that our application for funding in the amount of \$50,000 is approved. I feel fairly confident, as we have received funding from them for each of our past projects of this type.

In the attached binder you will find the One Stop Application and the required attachments.

Please let me know if you are in need of any additional information.

Sincerely,

*Josephine*  
Josephine McNeil

Executive Director

CC: Alice Ingerson (Letter Only)

**Staff note:**

Revised as of July 15, 2012. Refer to staff memo dated August 1, 2012 for updated rents, CDBG request.

Project sponsor submitted revised development budget, operating budget and operating proforma (in Attachment 1).

Also included at end of this application is:

\* Construction Scope and Cost Estimates

\* Heating System Conversion Analysis

**CITY of NEWTON HOUSING PROJECT  
REQUEST for CPA, HOME and CDBG FUNDS**

413-12

**DATE SUBMITTED:** updates to this page  
rec'd by CPC 19 Sept 2012

Pre-proposal

Proposal

This form is NOT "do-it yourself" or comprehensive. Please complete it in consultation with staff.

**PRIMARY APPLICANT**

Contact (Name, mail & email address, daytime phone & fax)

Josephine McNeil  
1075 Washington Street  
West Newton, MA 02465

616-964-3527 Phone  
617-964-3527 Fax  
Jam\_cando@msn.com

Organization, if applicable: CAN-DO

**PROJECT MANAGER** responsible for budgets, deadlines, & reports

Contact (Name, mail & email address, daytime phone & fax) SAME AS ABOVE

Organization, if applicable:

Role (Co-applicant, owner, developer, other): Developer

<b>PROJECT TITLE</b>	<b>Eddy Street</b>	
<b>PROJECT ADDRESS</b>	54 Eddy Street, West Newton	
<b>BUDGET SUMMARY</b>	Total project cost: \$1,085,000	Total City funds requested: \$915,000
<b>PROJECT SUMMARY</b>	<p><b>Summarize proposed project:</b> Identify rental or homeownership; no. of affordable/market-rate units &amp; no. of bedrooms per unit; income level(s); special populations served, if applicable; accessibility barriers, if any; facial features (support services, sustainability or energy conservation, historic preservation, etc.).</p> <p>Purchase and renovation of a 2 family house at 54 Eddy Street. Both units of housing will serve very low and low income families (households with incomes up 50% - 80% of area-wide median).</p> <p>One unit has 2 bedrooms, a kitchen, a dining room, and a living room. The second unit has 3 bedrooms, a kitchen, a dining room, a living room, and a bathroom. There is a 2 car garage on the property. The building has vinyl siding. It has one oil heating system and the other is gas.</p> <p><b>RENOVATION:</b></p> <ul style="list-style-type: none"> <li>• Replace oil furnace with a gas furnace</li> <li>• Removal of lead and asbestos</li> <li>• Insulate exterior walls, basement and roof.</li> <li>• Replace portion of roof that is covered with rubber membrane</li> <li>• Replace brick pilings under porch</li> <li>• Repair, parge front steps</li> <li>• Front sidewalk retaining wall</li> <li>• Repave driveway</li> <li>• Remove wallpaper and repaint both units</li> <li>• Install outlets in all rooms</li> <li>• Redesign and build new kitchen in 3 bedroom unit</li> <li>• Design and build 3/4 bath in 3 bedroom unit</li> <li>• Remove existing steam boilers and radiators throughout, and replace with new hydronic boilers and baseboard radiators throughout. Patch all wall and floor surfaces where existing radiators and pipes removed, and new pipes are located.</li> <li>• To the greatest extent possible "green" products will be used, construction debris will be recycled whenever possible, all appliances will be energy star.</li> </ul>	



**1. SOURCES OF FUNDS** *Check all that apply and identify if funds are committed or proposed.*

X CDBG	\$ 660,000
<input type="checkbox"/> HOME	\$
X Community Preservation Fund	\$ 255,000
<input type="checkbox"/> Private bank loan	\$ 120,000
<input type="checkbox"/> Sales revenue	\$
X Other (identify source) Charlesbank Homes	\$ 50,000
<input type="checkbox"/> Other (identify source)	\$
<input type="checkbox"/> Other (identify source)	\$
<input type="checkbox"/> Other (identify source)	\$

**2. USES OF FUNDS** *Check all that apply.*

X Acquisition	X Rehabilitation	<input type="checkbox"/> New construction	X Mortgage buydown
<i>Categories below apply only to CPA funds -- please consult staff.</i>			<input type="checkbox"/> Site preparation/ remediation
X Creation	<input type="checkbox"/> Preservation	<input type="checkbox"/> Support	

**3. TARGETED POPULATION** *Check all that apply.*

X Individual/Family	<input type="checkbox"/> Elderly	X Homeless/At Risk of Homelessness
<input type="checkbox"/> Housing with support services (identify service providers):		
<input type="checkbox"/> Special needs (identify population):		
<input type="checkbox"/> Other (identify population):		

**4. TYPE OF HOUSING** *Check all that apply.*

Homeownership		Rental
<input type="checkbox"/> Single family		X Individual/family
<input type="checkbox"/> Condominium(s)		<input type="checkbox"/> Group residence, congregate
<input type="checkbox"/> Cooperative (s)		<input type="checkbox"/> Other (identify)

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

	Total	≤ 30% AMI	≤ 50% AMI	≤ 80% AMI	Between 80-100% AMI	Market rate
<b>SRO</b>						
<b>1 BR</b>						
<b>2 BR</b>	1		1			
<b>3 BR</b>	1			1		
<b>4 BR/+</b>						

**CITY of NEWTON HOUSING PROJECT  
REQUEST for CPA, HOME and CDBG FUNDS**

**ATTACHMENTS CHECKLIST**

**For pre-proposals, please submit only these attachments:**

- Development pro forma
- Site plans

**For full proposals, please submit all applicable attachments below,**

**starting with a 1-page table of contents listing all attachments provided.**

**1. FINANCIAL**

XDevelopment pro forma

XIdentify all proposed housing-related expenses such as utilities (rental projects only if the tenant pays the utilities), condominium, parking or other fees.

X10-year operating budget. Assumptions for both rental and homeownership projects should be conservative, with revenue from rents or fees increasing no more than 2-3% per year; expenses increasing at least 5% per year.

XInclude letters of financial commitment. If applicant does not have financing in place, describe what sources of financing are planned and the timeframe that funds are expected to be available, conditions, deadlines, limitations, etc. related to the commitment of non-City sources of funding.

- For rental projects only: Identify source of rental housing subsidy, if applicable. Submit commitment letters or an explanation of when the applicant will seek rental housing subsidies and from what source(s).
- For homeownership projects only: The City requires perpetual deed restrictions on all affordable units. In mixed-income homeownership projects, identify what percentage interest will be held by the restricted units.

**2. QUALIFICATIONS**

XDescribe the applicant's capacity for undertaking the project. Include previous experience developing similar, successfully completed projects. See Binder

XProvide photographs of similar projects if they are illustrative in some manner of the proposed project. See Binder

XFor nonprofit organizations only: Submit organization mission statement and most recent annual budget and audited financial statements. Housing Dept. in possession of these documents.

**3. COMMUNITY NEED**

XDescribe how the proposed project meets the housing needs identified in Newton's

- *Comprehensive Plan* [www.newtonma.gov/Planning/docs/2008-comp-plan.pdf](http://www.newtonma.gov/Planning/docs/2008-comp-plan.pdf)
- *FY11-15 Consolidated Plan* [www.newtonma.gov/Planning/Con%20Plan%20Master.pdf](http://www.newtonma.gov/Planning/Con%20Plan%20Master.pdf)
- if applicable, current *Community Preservation Priorities & Funding Guidelines*; see links from [www.newtonma.gov/cpa/program.htm](http://www.newtonma.gov/cpa/program.htm)

**See Binder**

**4. COMMUNITY OUTREACH & SUPPORT**

The City encourages applicants for both federal and CPA funds to provide information on the proposed housing project to the ward aldermen and the abutters/neighborhood.

XDescribe any efforts undertaken to communicate with the ward aldermen and abutters and/or neighborhood. See Binder

- Provide any letters of support, petitions, results of neighborhood meeting(s), etc.

**5. EVIDENCE OF SITE CONTROL**

xProvide purchase and sales agreement, option, or deed See Binder

- Provide appraisal by an independent, certified real estate appraiser.

NOTE for acquisition proposals: Special constraints apply to the use of CPA funds for real property acquisition. Please consult staff.

**6. SITE PLANS & ZONING / PERMITTING**

The full proposal should include a map(s) showing project's location and proximity to nearest major roads or intersections, public transportation, schools, parks, other public facilities and amenities, and surrounding land uses

XProvide photos of the project site and its surroundings (to assess impact on neighborhood character). See Binder

XProvide brief property history/environmental assessment, including:

- Prior owner and use/occupancy See Binder
- Applicable wetlands or other environmental requirements, including evidence that property is free of hazardous materials. If the proposed project will include remediation, describe the plan and funding to address the known hazard(s).

NOTE: Research on some aspects of property history, including past presence of wetlands, can be done easily using Newton's online historic maps:

[www.newtonma.gov/MIS/GIS/maplist/HistoricMaps.htm](http://www.newtonma.gov/MIS/GIS/maplist/HistoricMaps.htm)

XIdentify zoning/permitting relief required (for ex., a Special or Comprehensive Permit) and proposed schedule for zoning/permitting review. NONE

- For new construction: Provide preliminary site plans illustrating existing conditions and proposed development.

**7. DESIGN & CONSTRUCTION**

If applicable and available at the time the application is submitted,

- Provide preliminary schematics and floor plans.

xIdentify amenities. See Binder

xIdentify the proposed sustainable or “green” elements of the project. Estimate their general net benefits and costs over their useful life or the life of the project as a whole (for energy, operation, disposal, replacement, etc.). See Binder

**NOTE:** The City bodies that review funding applications, including the Newton Housing Partnership and (for CPA funds only) the Community Preservation Committee and Board of Aldermen, will ask for as much detail about these aspects of the project as possible; details may be revised or added as the application moves through the review process.

**8. FAIR HOUSING & EQUAL OPPORTUNITY**

XProvide proposed relocation plan and budget if existing tenants must be temporarily relocated during construction, deleading, etc. Describe any outreach efforts and/or notifications to residents to date. NOT APPLICABLE; NO RELOCATION

**NOTE:** It is the City’s policy to avoid permanently displacing residents.

xAffirmative Fair Housing Marketing and Resident Selection Plan See Binder

Applicants will be required to submit an Affirmative Fair Housing Marketing and Resident Selection Plan as part of the application review and approval process. These documents are not required to be submitted as part of the application attachments if they are not available when the application is submitted. Components of the plan include:

- Part I: Affirmative Fair Housing Marketing

Summarize the affirmative marketing procedures for the project. At a minimum, the plan must meet the outreach and marketing standards required by the MA Department of Housing and Community Development and described in “Guidelines for G.L. c.40B Comprehensive Permit Projects and the Subsidized Housing Inventory”

[www.mass.gov/Ehed/docs/dhcd/hd/fair/afhmp.pdf](http://www.mass.gov/Ehed/docs/dhcd/hd/fair/afhmp.pdf).

- Part II: Resident Selection

Summarize how the unit(s) will be distributed upon project completion (i.e., what will be the mechanism used to fill the unit(s)? Generally, this is accomplished through a lottery or other equitable procedure).

**NOTE:** The City of Newton has a local resident preference policy. If a lottery is used for unit distribution, the Affirmative Fair Housing Marketing and Resident Selection Plan must follow the local preference and referent procedures described in the “Guidelines for Uniform Local Resident Selection Preferences in Affordable Housing,” located in Appendix C of the *Newton Fair Housing Action Plan*:

[www.newtonma.gov/fairhousing/Final-version-FHAP.pdf](http://www.newtonma.gov/fairhousing/Final-version-FHAP.pdf)

XSubmit Reasonable Accommodation/Reasonable Modification Plan See Binder

- Describe any fair housing training the developer, sponsor, and/or property manager have completed.

XDescribe any fair housing complaints issued against the developer, sponsor and/or property manager in the past and what actions were taken to resolve the complaint(s) NONE

**9. ARCHITECTURAL ACCESSIBILITY**

The City encourages applicants to exceed the minimum state and federal requirements for architectural access for persons with disabilities to the extent feasible. For detailed guidelines, see: [www.newtonma.gov/cpa/program/Newton-Accessible-Affordable-Housing.pdf](http://www.newtonma.gov/cpa/program/Newton-Accessible-Affordable-Housing.pdf)

As part of the application review process, the City must be able to answer the following questions and complete the architectural access code compliance chart. Applicants are encouraged to complete this section but at a minimum must provide sufficient information for City staff to complete this section, as applicable and as information becomes available.

**Architectural access code applicability:**

**Q:** Are Section 504, Title II of the ADA, or the MABA applicable to the project based on the sources of funding? NO

**Q.** If it is an existing project , has it been required to prepare a Section 504 Compliance Plan? If so, describe the progress made and any deficiencies outstanding.

**Q.** If the project is existing, show calculations indicating the cost of the work relative to the value of the building per MAAB’s CMR 521 3.3, and relative to the replacement cost of the facility per Section 504 8.23(a), if Section 504 is applicable to the project.

**Q.** Describe any variances from MAAB’s requirements that are anticipated for permitting, and the status of the variance process. NONE

**Architectural access code compliance:**

Provide summary information regarding accessibility requirements in the table below. Include the most stringent applicable requirements of MAAB, the FHA, Section 504, the ADA, and any other local requirements. (Group 1 and Group 2 units referred to below are per MAAB).

**1. Site access – accessible route**

Requirement :	Proposed:

## EDDY STREET TABLE OF CONTENTS

### 1. FINANCIAL DOCUMENTS

- a. Development Proforma
- b. Operating Proforma
- c. The Village Bank Commitment Letter

### 2. QUALIFICATIONS

- a. Previous Experience of similar projects
- b. Existing photos
- c. 2012 Operating Budget

### 3. COMMUNITY NEED

### 4. COMMUNITY SUPPORT

### 5. SITE CONTROL

~~Purchase and Sale Agreement~~

P&S omitted from CPC packet for  
14 Nov 2012; CAN-DO now owns  
the property

### 6. LOCATION

Aerial view of site and surrounding area.

### 7. ANTICIPATED WORK

### 8. AFFIRMATIVE FAIR HOUSING MARKETING PLAN



ATTACHMENT I

FINANCIAL

- a. Development Proforma
- b. Operating Proforma
- c. The Village Bank Commitment Letter

*From:* Josephine McNeil <jam\_cando@msn.com>  
*To:* Robert Muollo <rmuollo@newtonma.gov>  
*Copies to:* Terri Heinlelin <heinleintg@aol.com>,  
David Fitzsimmons<fitzdavid59@yahoo.com>  
*Subject:* Eddy Street Revised documents  
*Date sent:* Tue, 17 Jul 2012 16:20:59 -0400

Hi Rob

Attached are a revised Operating Pro Forma, a revised 10 year Operating Budget and a breakdown of Scope of Work and Construction prices. Below is an explanation of our investigation of the conversion from steam to hot water.

#### CONVERSION

I arranged for my architect, contractor and plumber to visit the property to determine what would be involved in converting from a steam heating system with radiators to a hot water system utilizing the radiators or changing to baseboard radiation units. After looking at what would be required in order to retain the radiators; it was determined that the change to baseboard radiation was the preferable method given the current piping system.

The cost for the conversion would be in the range of \$26 to \$30,000. From that amount could be deducted approximately \$6000 for the cost and installation of the gas burner included in the original construction cost. The annual cost of oil will be \$3.75 to \$4.00 per gallon, the oil usage of 2000 gals would be at a cost of \$7500-\$8000 per year. Assuming, that the cost of gas is 60% less than oil, *the* fuel cost savings would be approximately \$3000 per year. Assuming that gas fuel increases efficiency 15%, the annual savings conservatively would be \$3300 per year. The payback period is seven to nine years.

At the suggestion of Matthew I spoke with Michael Scofield from CSG, the conservation company, that is hired by the utilities to manage their conservation programs. He was unequivocal in this urging to make the conversion. Factors he mentioned other than fuel savings were safety - hot radiators can be dangerous for small children and the fact that radiators provide less control of the environment and so people use open windows to cool off a room. Based on the above, I calculate that the increase cost would be in the range of \$20,000 to \$24,000.

Therefore I would like to request an additional \$25,000 in CDBG funds to cover the costs for the additional parts and labor as well as a contingency and contractor general conditions, overhead and profits.

I do want to point out that this adds an additional \$12,500 to the per unit cost. I hope that if the CDBG funds are awarded to the project that someone from the NHP will appear with me before the CPC and perhaps the Finance Committee of the Board of Aldermen to defend the increased cost.

Thanks, Josephine

<b>EDDY STREET</b>			
<b>ORIGINAL</b>			
ITEM			
<b>DEVELOPMENT BUDGET</b>		\$	660,000
<b>SUBTOTAL - ACQUISITION COST</b>		\$	<b>660,000</b>
<b>CONSTRUCTION COSTS:</b>			
Direct Construction Costs		\$	212,700
Construction Contingency	10%		21,270
Lead/asbestos Testing Removal			45,000
<b>Subtotal: Construction</b>		\$	<b>278,970</b>
<b>GENERAL DEVELOPMENT COSTS</b>			
Architecture & Engineering including survey		\$	22,000
Building Permits		\$	3,402
Legal		\$	5,000
Title and Recording		\$	5,000
Real Estate Taxes		\$	5,551
Liability Insurance		\$	3,500
Builder's Risk insurance		\$	5,000
Appraisal		\$	625
Loan Interest		\$	25,000
Pre-development		\$	1,590
Other			
<b>Total</b>		\$	<b>76,668</b>
Soft Cost Contingency	10%	\$	7,667
<b>Subtotal: Gen. Dev.</b>		\$	<b>84,335</b>
<b>Subtotal: Acquis., Const., and Gen. Development</b>		\$	<b>1,023,305</b>
>Developer Overhead/Fee	8%	\$	81,945
Fund Replacement Reserve		\$	10,000
<b>TOTAL DEVELOPMENT COSTS</b>		\$	<b>1,115,250</b>
<b>FUNDING SOURCES:</b>			
City of Newton - CDBG		\$	645,250
City of Newton - Lead/asbestos removal		\$	45,000
CPA GRANT		\$	255,000
Charlesbank Homes		\$	50,000
THE Village Bank		\$	120,000
<b>TOTAL SOURCES</b>		\$	<b>1,115,250</b>
CREATED JUNE 9, 2012			
revised July 30, 2012			

**54 EDDY STREET - OPERATING PROFORMA - July 15, 2012**

<b>INCOME:</b>	<b>ANNUAL</b>	
1 - 3 Bedroom - \$1500 monthly rent	\$ 18,000	
80% of AMI \$1,706 max rent: \$1,500 net rent, \$ 203 utilities, \$1,703 gross rent		
1 -2 Bedroom - \$1200 monthly rent	\$ 14,400	
65% of AMI \$1,408 max rent: \$1,200 net rent, \$174 utilities, \$1,374 gross rent		
<b>TOTAL RENT</b>	<b>\$ 32,400</b>	
VACANCY RATE - 5%	\$ 1,620	
<b><u>TOTAL INCOME</u></b>		<b>\$ 30,780</b>
<b>COST:</b>		
<b>Administrative</b>		
Management Fee	\$ 1,620	
Legal	\$ 300	
Audit	\$ 500	
<b><u>TOTAL ADMINISTRATIVE</u></b>		<b>\$ 2,420</b>
<b>Maintenance:</b>		
Landscaping/Snow Removal	\$ 1,500	
Decorating/Repairs	\$ 2,000	
Exterminating	\$ 500	
<b><u>TOTAL MAINTENANCE</u></b>		<b>\$ 4,000</b>
<b>Utilities:</b>		
Common area electric	\$ 250	
Water/Sewer	\$ 3,000	
<b><u>TOTAL UTILITIES</u></b>		<b>\$ 3,250</b>
<b><u>Other Costs</u></b>		
Real Estate Taxes	\$ 5,551	
Insurance	\$ 2,500	
Replacement Reserve	\$ 2,000	
<b><u>TOTAL OTHER COSTS</u></b>		<b>\$ 10,051</b>
<b><u>TOTAL OPERATING COSTS</u></b>		<b>\$ 19,721</b>
Debt Service (Interest & Principal)		
<b><u>BANK</u></b> \$120,000@5.25%	\$670	<b>\$ 8,040</b>
<b>TOTAL OPERATING &amp; DEBT SERVICE</b>		<b>\$ 27,761</b>
<b>NET OPERATING INCOME</b>		<b>\$ 11,059</b>
<b>DEBT SERVICE COVERAGE RATIO:</b>		<b>1.38</b>

EDDY ST OPERATING BUDGET 2F				2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual increase: income				0.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Annual increase: costs				0.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
<b>INCOME:</b>	<b>MONTHLY</b>	<b>ANNUAL</b>											
2 bedroom	\$ 1,200.00	\$ 14,400											
3 bedroom	\$ 1,500.00	\$ 18,000											
		\$ 32,400											
Vacancy rate - 5%		\$ 1,620											
<b>ANNUAL INCOME</b>		<b>\$ 30,780</b>	\$ 30,780	\$ 31,242	\$ 31,710	\$ 32,186	\$ 32,669	\$ 33,159	\$ 33,656	\$ 34,161	\$ 34,673	\$ 35,194	
<b>EXPENSES</b>													
<b>Administrative:</b>													
Mgmt Fee @ 5% of income		\$ 1,620											
Legal		\$ 300											
Audit		\$ 500											
<b>TOTAL ADMINISTRATIVE</b>		<b>\$ 2,420</b>	\$ 2,420	\$ 2,505	\$ 2,592	\$ 2,683	\$ 2,777	\$ 2,874	\$ 2,975	\$ 3,079	\$ 3,187	\$ 3,298	
<b>Maintenance:</b>													
Extermination		\$ 500											
Landscaping/Snow Removal		\$ 1,500											
Decorating/Repairs		\$ 2,000											
<b>TOTAL MAINTENANCE</b>		<b>\$ 4,000</b>	\$ 4,000	\$ 4,140	\$ 4,285	\$ 4,435	\$ 4,590	\$ 4,751	\$ 4,917	\$ 5,089	\$ 5,267	\$ 5,452	
<b>Utilities:</b>													
Common area electric		\$ 250											
Water/Sewer		\$ 3,000											
<b>TOTAL UTILITIES</b>		<b>\$ 3,250</b>	\$ 3,250	\$ 3,364	\$ 3,481	\$ 3,603	\$ 3,729	\$ 3,860	\$ 3,995	\$ 4,135	\$ 4,280	\$ 4,429	
<b>Other costs:</b>													
Insurance		\$ 2,500											
Taxes		\$ 5,551											
Operating Reserve		\$ 2,000											
<b>TOTAL OTHER COSTS</b>		<b>\$ 10,051</b>	\$ 10,051	\$ 10,403	\$ 10,767	\$ 11,144	\$ 11,534	\$ 11,937	\$ 12,355	\$ 12,788	\$ 13,235	\$ 13,698	
<b>TOTAL OPERATING COSTS</b>		<b>\$ 19,721</b>	\$ 19,721	\$ 20,411	\$ 21,126	\$ 21,865	\$ 22,630	\$ 23,422	\$ 24,242	\$ 25,091	\$ 25,969	\$ 26,878	
<b>NET OPERATING INCOME</b>		<b>\$ 11,059</b>	\$ 11,059	\$ 10,830	\$ 10,585	\$ 10,321	\$ 10,038	\$ 9,736	\$ 9,414	\$ 9,070	\$ 8,705	\$ 8,316	
Debt Service (P & I)	Monthly	Annual											
\$120,000@.0525	\$ 670	\$ 8,040											
<b>DEBT SERVICE</b>		<b>\$ 8,040</b>	\$ 8,040	\$ 8,040	\$ 8,040	\$ 8,040	\$ 8,040	\$ 8,040	\$ 8,040	\$ 8,040	\$ 8,040	\$ 8,040	\$ 8,040
<b>NET CASH FLOW</b>		<b>\$ 3,019</b>	\$ 3,019	\$ 2,790	\$ 2,545	\$ 2,281	\$ 1,998	\$ 1,696	\$ 1,374	\$ 1,030	\$ 665	\$ 276	
<b>DEBT SERVICE COVERAGE RATIO</b>			1.38	1.35	1.32	1.28	1.25	1.21	1.17	1.13	1.08	1.03	



307 Auburn Street • Auburndale, MA 02466 • Phone: (617) 527-6090 • Fax: (617) 965-8945 • E-mail: info@village-bank.com

**Your Village. Your Bank.**

June 20, 2012

Ms. Josephine McNeil  
 Executive Director  
 Citizens for Affordable Housing in Newton Development Organization, Inc.  
 1075 Washington Street  
 West Newton, MA 02465

Josephine:

I am pleased to submit this Commitment Letter for your consideration. The Village Bank (the "Bank") will provide purchase financing for 54 Eddy Street, Newton, MA subject to the terms and conditions detailed below.

**1) Borrower:**

Citizens for Affordable Housing in Newton Development Organization, Inc. (CAN-DO)

**2) Purpose:**

Proceeds of will be used to purchase the property located at 54 Eddy Street, Newton, MA

**3) Loan Amount:**

The Loan Amount will be \$660,000.

**4) Terms:**

One (1) year maturity.

**5) Interest Rates:**

The interest rate will be fixed at 5.25%.

**6) Fees:**

The Bank's standard 1.0% commitment fee will be waived.



Whether or not the Loan closes, the Borrower is responsible for paying all closing costs, including, but not limited to, legal, appraisal, recording, and flood certification fees incurred by the Bank.

**7) Repayment:**

Interest only payments will be due monthly until maturity when the entire loan balance and any outstanding interest and fees will be due and payable. Payments will be made in arrears and interest on the unpaid balance shall be computed on the basis of a 360-day year and actual days elapsed.

**8) Security:**

First real estate mortgage and assignment of rents on the subject property located at 54 Eddy Street, Newton, MA

**9) Guarantors:**

Not applicable

**10) Advances:**

This Commitment is conditional upon the Borrower being in full compliance with the terms of all loan documents. Should a default occur with regard to any provision of any loan document or of the Commitment Letter, this commitment may, at the option of the Bank, terminate without notice to the Borrower.

**11) Depository Account(s):**

The Borrower must maintain its main operating checking account(s) at the Bank.

**12) Prepayment**

The loan may be prepaid in part or full at anytime without penalty.

**13) Additional Provisions:**

A fully executed Purchase and Sales Agreement showing a purchase price of \$660,000 (*received*).

The receipt, review and approval by the Bank of an appraisal for the subject property. Granting of the loan is subject to the property having an "as is" value of no less than \$660,000.

Subject to evidence, satisfactory to the Bank, that the Borrower has applied for and has been approved for, CDBG funds in the amount of \$615,000. Upon receipt of these funds the loan will be paid down by \$540,000 to \$120,000 and funds of up to

\$120,000 will be re-available under the note to make monthly interest only payments for up to one year.

The Borrower also agrees to apply for, and make diligent efforts to receive, Community Preservation Act (CPA) funds of \$255,000.

**Assuming no adverse change in the Borrower's financial condition the Bank is willing to provide a permanent loan of up to \$120,000, repayable over 25 years. If the permanent loan were to close today the interest rate would be 5.25%. At the time the permanent loan closes the interest rate will be based on the then market rates.**

Boundary lines of the property offered as security for the mortgage loan shall be established by a recent survey prepared by a registered engineer or licensed surveyor showing any and all improvements, boundaries, access, egress, easements, encroachments and utilities above and below the ground.

Title insurance will be required by the Bank, written on the current form of ALTA Lender's Policy of Title Insurance, subject only to such title exceptions as shall be approved by the Bank.

The Borrower shall furnish the Bank with fire and extended insurance coverage sufficient to protect the Bank against all risks. Coverage shall be maintained so as to afford 100% coverage against loss. Policies should name The Village Bank ITS SUCCESSORS AND/OR ASSIGNS AS THEIR INTEREST MAY APPEAR, as the first lien holder, first mortgagee and loss payee.

Certification must be presented as to the property location relative to any flood plain zone. In the event the premises are situated in a flood plain area, the Bank shall be provided flood plain insurance naming the Bank as first mortgagee and loss payee.

Financial Covenants: Annual financial statements and tax returns for the Borrower must be submitted upon request. From time to time, such other financial data and information about the Borrower and affiliates as the Bank may reasonably request.

Evidence that the Borrower is duly established, validly existing and in good standing under the laws of the Commonwealth of Massachusetts.

With the exception of mortgages for the CDBG loan and CPA funds, no junior mortgages will be allowed on the subject property without the Bank's written consent.

The terms and conditions contained herein shall survive the closing of the Loan and shall be considered a part of the loan documentation. To the extent that the terms and conditions herein contradict the closing documents, the closing documents will govern.

This Commitment Letter can only be canceled, modified or amended by a written instrument executed by the parties hereto or their legal representatives and said contract supersedes and negates any and all prior or contemporaneous oral agreements.

The Bank's obligations hereunder are entirely contingent on there being no material adverse change in the financial condition, business or properties of the Borrower or Guarantors between the date hereof and the date of closing and that the Borrower is presently not in violation of any agreement, contract judgment, decree, statute, law or governmental regulation that would materially affect its financial condition or properties.


The Borrower is hereby notified that a default of any provision of any loan document or of this Commitment Letter shall be considered a default of all loan documents as well.

If applicable, you are entitled to receive a copy of the appraisal report on the collateral. If you wish to have a copy, you must request it in writing within 90 days of the date of this letter and we will be happy to provide it to you.

**This commitment is subject to the approval from the Bank's Security Committee which has not been received as of the date of this Commitment Letter.**

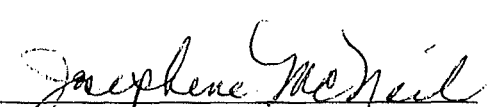
This commitment will be valid for a period of thirty (30) days from issuance. Please acknowledge acceptance of the above conditions by signing and returning one copy to me within five (5).

Sincerely,



David C. Pennybaker  
Assistant Vice President

The undersigned hereby accepts this commitment and agrees to the terms and conditions set forth herein.



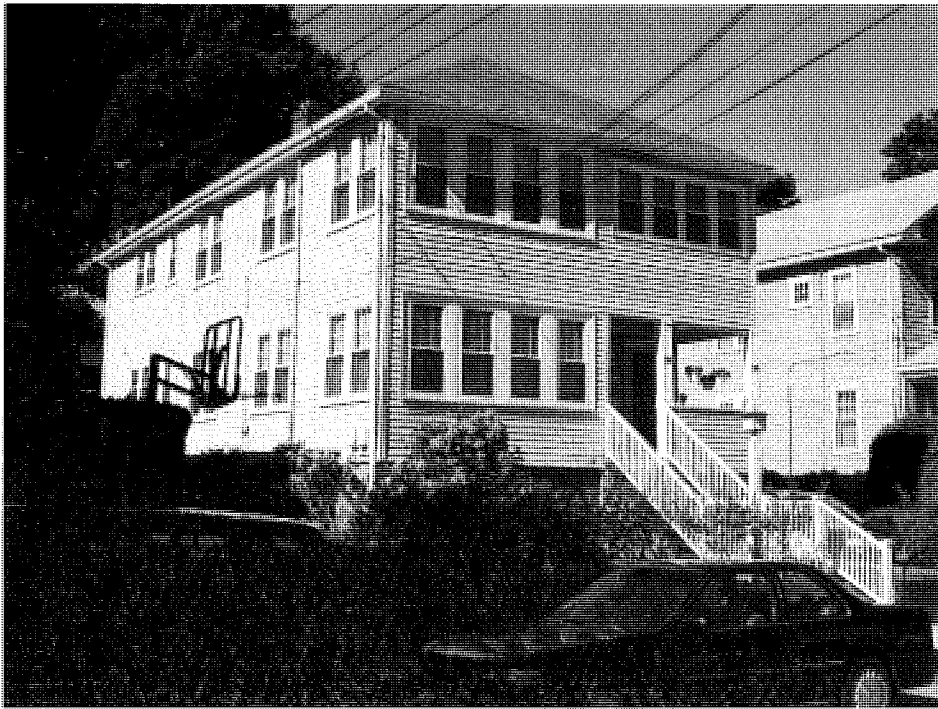
Citizens for Affordable Housing in Newton Development Organization, Inc.  
By: Josephine McNeil, Executive Director

Date: 6/25/2012

## ATTACHMENT 2

## QUALIFICATIONS

- a. Previous Experience of similar projects:  
CAN-DO has used the model set forth in the proposed project for the acquisition and renovation of 2-family dwelling to create housing affordable to low-income families over the past seventeen years. This model has produced 10 units of housing in Newton which will be affordable into perpetuity.
- b. Existing photos of: Falmouth Road; Jackson Road; 11-13 Cambria Road; 18-20 Cambria Road; and 2148-50 Commonwealth Avenue.
- c. 2012 Operating Budget. Housing staff is in possession of 201- Audited Financial Statement; 2011 should be available by end of month.



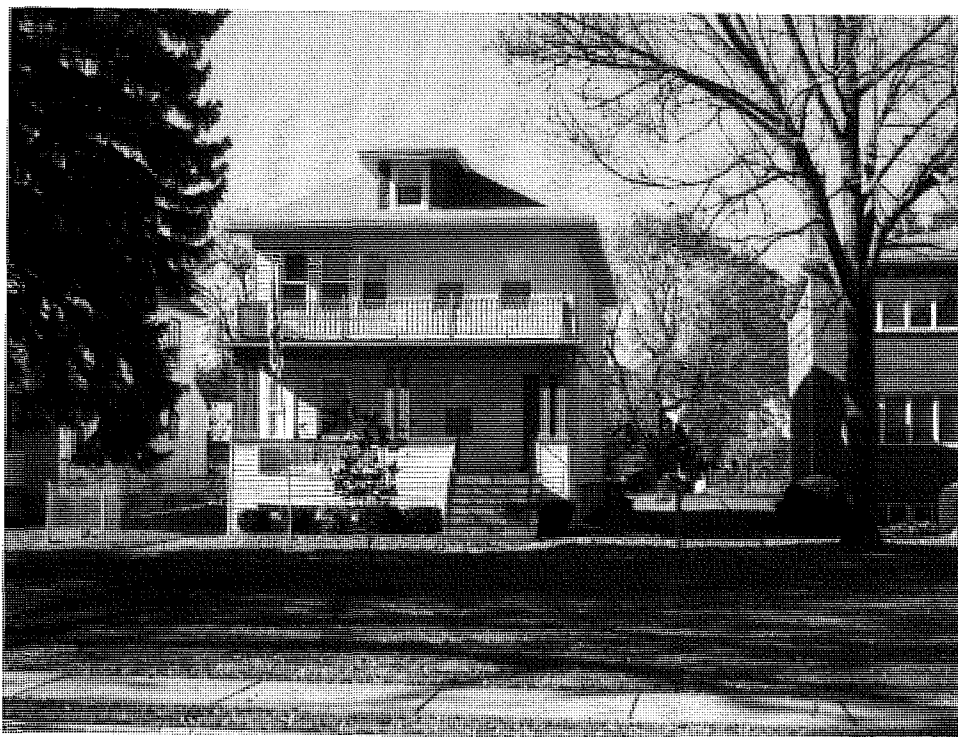
CAMBRIA ROAD



CAMBRIA ROAD



FALMOUTH ROAD



JACKSON ROAD



VETERANS HOUSE

**CAN-DO 2012 Operating Budget**

	<b>2012 Budget</b>
<b>INCOME:</b>	
CHDO GRANT	\$ 11,713
CONTRIBUTIONS/FUNDRAISING	\$ 110,000
DEVELOPMENT FEES/OVERHEAD	\$ 62,564
GRANTS	\$ 20,000
MANAGEMENT FEES/OVERHEAD	\$ 19,280
<b>TOTAL INCOME:</b>	<b>\$ 223,557</b>
<b>EXPENSES:</b>	
SALARIES	\$ 98,755
BENEFITS/TAXES	\$ 25,626
E.D. RETIREMENT	\$ 6,615
PAYROLL FEES	\$ 2,000
AUTO EXPENSE	\$ 2,500
ACCOUNTANT/BOOKKEEPER	\$ 15,500
LEGAL	\$ 1,000
INSURANCE	\$ 4,000
INTEREST EXPENSE	\$ 6,000
RENT INCLUDING UTILITIES	\$ 25,470
TRAVEL/TRANSPORTATION	\$ 500
CONFERENCE FEES	\$ 500
EQUIPMENT/FURNITURE	\$ 2,000
OFFICE SUPPLIES	\$ 1,500
PRINTING/COPYING	\$ 6,000
TELEPHONE/FAX/CELL	\$ 3,000
POSTAGE/DELIVERY	\$ 1,000
DUES AND SUBSCRIPTIONS	\$ 2,500
STAFF/BOARD DEVELOPMENT	\$ 1,000
PUBLIC RELATIONS	\$ 2,000
FUNDRAISING	\$ 16,000
<b>TOTAL EXPENSES:</b>	<b>\$ 223,466</b>
 <b>NET INCOME:</b>	 <b>\$ 91</b>



## ATTACHMENT 3

### COMMUNITY NEED

In both the Comprehensive Plan and the Consolidated Plan it states the need for additional rental housing for very low income families. The Consolidated Plan lists housing for homeless families as a priority. The Comprehensive Plan speaks of the need to bring affordability to existing properties in light of the lack of land for new construction project.

This project, the purchase and renovation of an existing 2-family dwelling targeted to serve very-low income and low income families responds to the needs highlighted in the above mentioned reports and plans.

## ATTACHMENT 4

## COMMUNITY OUTREACH &amp; SUPPORT

- a. I have notified the 3 ward aldermen (Hess-Mahan; Swiston and Salvucci) of CAN-DO's intention to purchase the subject property, renovate it and rent to low-income families.
- b. I have not notified the abutters as we are not proposing a use different from the existing one and there are no zoning implications.

ATTACHMENT 5

~~EVIDENCE OF SITE CONTROL~~

Omitted from packet for  
14 November 2012 CPC  
meeting; CAN-DO now owns the  
property. Bank & independent  
appraisal both available online.

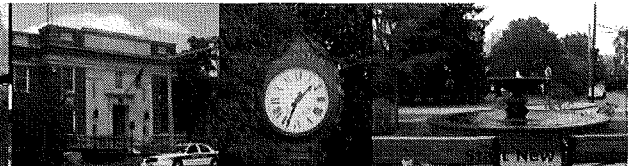
~~a. Purchase and Sales Agreement~~

~~b. The Village Bank has ordered the appraisal and  
should be available in 2 weeks.~~

## ATTACHMENT 6

### LOCATION

- a. Aerial view of site and surrounding area.
- b. History – This property was built as a 2 family structure in 1910. I found no evidence of a use other than residential in the building jacket.



1.22 mi

Scale 1" = 40.07 ft

[Print Property Record Card](#) | [View Sketch](#)

**Property SBL** 21037 0017

**Address** 54 EDDY ST

**Owner** HALLARAN HELEN M TR  
THE HELEN M HALLARAN TRUST

Basic Information

<b>Property SBL</b>	21037 0017
<b>Address</b>	54 EDDY ST
<b>Tax Bill Number</b>	2310589
<b>Land Use *</b>	104
<b>Land Use Description *</b>	TWO FAMILY
<b>Lot Size</b>	5,715 sq ft
<b>Frontage</b>	40 ft
<b>Zoning **</b>	MR3
<b>Map ID</b>	030SW
<b>FY 2012</b>	\$495,200

\* The land use and description listed here are for Assessing Department purposes based on historical records in the Assessing Department. For an official ruling on the legal use of the property pursuant to the state building code and/or Newton Zoning Ordinances, contact the Inspectional Services Department.

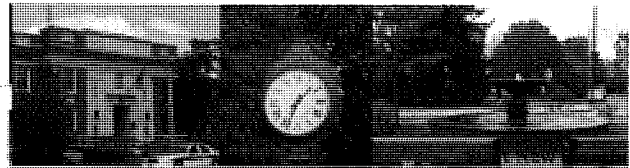
\*\* For reference purposes only. Please check with Engineering Department for official zoning designation.

Ownership

<b>Current Owners</b>	HALLARAN HELEN M TR THE HELEN M HALLARAN TRUST
<b>Mailing Address</b>	34 BERKLEY ST WALTHAM, MA 02451
<b>Latest Sale Date</b>	4/1/2005
<b>Latest Sale Price</b>	\$100
<b>Latest Legal Reference</b>	044986/0038
<b>Prior Owners</b>	HALLARAN HELEN M TR
<b>Prior Sale Date</b>	4/1/1992
<b>Prior Sale Price</b>	\$1
<b>Prior Legal Reference</b>	021979/0163

Assessment History

FY 2012	\$495,200
FY 2011	\$523,700
FY 2010	\$534,400
FY 2009	\$562,500
FY 2008	\$562,500
FY 2007	\$551,400
FY 2006	\$535,300
FY 2005	\$519,700



1.22 mi  
Scale 1" = 40.07 ft

[Print Property Record Card](#) | [View Sketch](#)

**Property SBL** 21037 0017  
**Address** 54 EDDY ST  
**Owner** HALLARAN HELEN M TR  
THE HELEN M HALLARAN TRUST

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Ownership

**Current Owners** HALLARAN HELEN M TR  
THE HELEN M HALLARAN TRUST

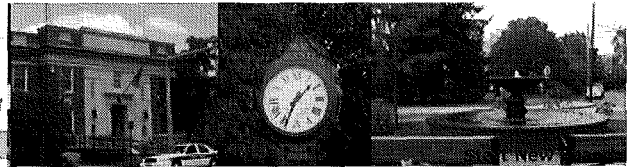
**Mailing Address** 34 BERKLEY ST  
WALTHAM, MA 02451

**Latest Sale Date** 4/1/2005  
**Latest Sale Price** \$100  
**Latest Legal Reference** 044986/0038

**Prior Owners** HALLARAN HELEN M TR  
**Prior Sale Date** 4/1/1992  
**Prior Sale Price** \$1  
**Prior Legal Reference** 021979/0163

Assessment History

FY 2012 \$495,200  
FY 2011 \$523,700  
FY 2010 \$534,400  
FY 2009 \$562,500  
FY 2008 \$562,500  
FY 2007 \$551,400  
FY 2006 \$535,300  
FY 2005 \$519,700



1.22 mi

Use the Select tool to add or remove properties from the abutters selection

Search Distance: 50 ft  Add  Remove

[Print Property Record Card](#) | [View Sketch](#)

**Property SBL** 21037 0017

**Address** 54 EDDY ST

**Owner** HALLARAN HELEN M TR  
THE HELEN M HALLARAN TRUST



**Property ID** 21037 0018

**Address** 46-48 EDDY ST #46

**Owner** KATZ EMANUEL & ILANA TE

**Property ID** 21037 0018A

**Address** 46-48 EDDY ST #48

**Owner** GRIFFITH JOHN L JR

**Property ID** 31011 0009

**Address** 51-53 EDDY ST

**Owner** WANGLER THOMAS E & GAIL M TRS

**Property ID** 21037 0017

**Address** 54 EDDY ST

**Owner** HALLARAN HELEN M TR

**Property ID** 21037 0016

**Address** 56 EDDY ST

**Owner** GALLINELLI ALDO & JUDITH

**Property ID** 31011 0010

**Address** 57 EDDY ST

**Owner** DENUCCI ALEXANDER J & MARY E

**Property ID** 21037 0015

**Address** 60 EDDY ST 1

**Owner** WILSON KEVIN & ALISON C

**Property ID** 21037 0015A

**Address** 60 EDDY ST 2

**Owner** FLINT ALEXANDER AND LYNN

**Property ID** 21037 0004

**Address** 15 HARRINGTON ST

**Owner** NEWBERG KATHRYN J

**Property ID** 21037 0005

**Address** 21 HARRINGTON ST

**Owner** CACCIA LOUIS J & LAURA S TRS

**Property ID** 21037 0006A

**Address** 25 HARRINGTON ST 2

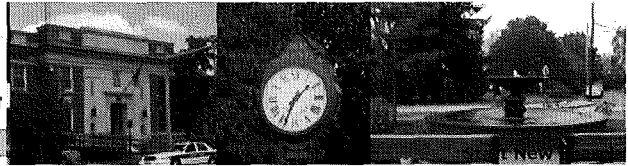
**Owner** LISSANCE ALIZON

**Property ID** 21037 0006

**Address** 25 HARRINGTON ST 1

**Owner** WAGNER CHARLES P

**Property ID** 21037 0007



1.22 mi

Scale 1" = 143.36 ft

[Print Property Record Card](#) | [View Sketch](#)

**Property SBL** 21037 0017

**Address** 54 EDDY ST

**Owner** HALLARAN HELEN M TR  
THE HELEN M HALLARAN TRUST

\* For questions regarding the GIS layers please contact the City's GIS Manager [gisinfo@newtonma.gov](mailto:gisinfo@newtonma.gov)

- Neighborhood Info
- Basemap
- Parcels
- Traffic and Street Lights
- Permitting and Conservation
- Zoning
- Aerial Photography (2008)

Click on the  icons in the Legend above to view more layers.

THE CITY OF NEWTON'S MAPS AND ASSOCIATED DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND AS TO THE CONTENT, SEQUENCE, ACCURACY, TIMELINESS OR COMPLETENESS OF ANY OF THE DATABASE INFORMATION. THE CITY OF NEWTON SHALL ASSUME NO LIABILITY FOR:

1. ANY ERRORS, OMISSIONS, OR INACCURACIES IN THE INFORMATION PROVIDED REGARDLESS OF HOW CAUSED; OR
2. ANY DECISION MADE OR ACTION TAKEN OR NOT TAKEN IN RELIANCE UPON ANY INFORMATION OR DATA FURNISHED HEREUNDER.

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## ATTACHMENT 7

## ANTICIPATED WORK

- a. Preliminary Schematics and Floor –NOT APPLICABLE
- b. Amenities will include: coin-operated washer and dryer in basement; and dishwashers.
- c. Sustainable and green elements – Contractor will recycle demolition materials; entire building will be insulated; one oil burner will be replaced with gas burner; building will be delead and asbestos in basement will be removed; paint used will be low VOC; flooring will be green and motion sensors will be used in common areas.

## ATTACHMENT 8

## FAIR HOUSING AND EQUAL OPPORTUNITY

## a. Part I. Affirmative Fair Housing Marketing:

There is no federal requirement to create a plan for 2 units of housing; however CAN-DO has developed a standard plan, Attached hereto, which we will use for each project we develop with less than 5 units.

## b. Part II. Resident Selection Plan

See plan mentioned above.

## AFFIRMATIVE FAIR HOUSING MARKETING PLAN

While CAN-DO is not required by HUD to have an Affirmative Fair Housing Marketing Plan for projects with less than four units, it will take the following actions when it has vacancies in its permanent housing rental units.

**Marketing :** CAN-DO owns 8 transitional housing units for homeless families who are survivors of domestic violence. Three of the units are at Garfield House located at 14 Nonantum Place in Newton Corner and the other five units are at the Kayla Rosenberg House located at 90 Christina Street in Newton Highlands. The families residing in these units participate in a supportive service program offered by The Second Step (TSS). It's case managers provide housing search services to the women, among other services to help them attain independence. Families in those units who have satisfied the requirements of the program and are in receipt of a Section 8 voucher from the Newton Housing Authority will receive priority for any vacant units in CAN-DO's permanent rental housing portfolio.

When CAN-DO receives a 30 day notice that an existing tenant in one of its permanent housing rental units is planning to move, an e-mail will be sent to the case managers at TSS notifying them that a unit will be available. If there is a family ready to move, the case manager and the tenant will meet with CAN-DO staff and complete the paperwork required by the Newton Housing Authority. In the event there is more than one family ready to move, the tenant who has had her voucher the longest and assuming she has a good tenancy record, while living in her transitional unit, will have priority. If CAN-DO is informed that there are no families ready to move from its transitional units, then CAN-DO will consult its waiting list for permanent units.

A separate waiting list will be maintained for 2, 3 and 4 bedroom units.

Those families on the applicable waiting list will be contacted by telephone to determine if they remain interested in the unit. If they are unable to be reached by telephone, a letter will be sent to the most recent address noted on the waiting list. If they wish to receive an application, it will be sent along with a copy of CAN-DO's Reasonable Accommodation/Reasonable Modification policy, as well as a copy of CAN-DO's Occupancy Rules. They will also be asked to sign a CORI Release. The applicant will be directed to return the application and the mentioned documents by mail or dropped off at CAN-DO's office within seven days. When the completed application, signed Occupancy Rules and CORI release are returned, the selection process will begin.

**Selection Process:** Upon receipt, the applications will be given a number based upon date received and time; earliest return will receive the lowest number. The first 3 applications will be processed. If he/she have the ability to pay rent, have no criminal record and receive a favorable reference from the former landlord, he/she will be offered the unit. If more than one applicant is qualified, the person with the lowest number will be selected. If none of the three applicants are qualified, then the next person on the list will be notified and the same process followed until a qualified person is found.

- **Marketing of accessible units:** When an accessible unit becomes available, it will be listed on the MassAccess Registry. Notices will be sent to the Mass Commission on Disability, the Newton Commission on Disability and the Boston and Metro West Independent Living Centers.

Any and all records pertaining to marketing efforts shall be maintained. Demographic data shall be recorded and reported to the City of Newton's Housing staff upon request.

## CAN-DO

**POLICY AND PROCEDURES FOR REASONABLE ACCOMMODATION AND REASONABLE MODIFICATION**

Citizens for Affordable Housing In Newton d/b/a CAN-DO, received federal financial assistance for this project and is subject to the requirements of Section 504 of the Rehabilitation Act of 1973 and its implementing regulations at 24 CFR Part 8. The Act prohibits housing providers from discriminating against housing applicants or residents because of their disability or the disability of anyone associated with them and from treating persons with disabilities less favorably than others because of their disability. The Act also makes it unlawful to refuse to make reasonable accommodations relative to rules, policies, practices or services when accommodations may be necessary to enable a person with disabilities equal opportunity to use and enjoy residing in a housing unit.

The Act defines a person with a disability to include (1) individuals with a physical or mental impairment that substantially limits one or more major life activities; (2) individuals who are regarded as having such impairment; and (3) individuals with a record of such impairment. The term *substantially limits* suggests that the limitation is "significant" or "to a large degree". The term *major life activities* refers to those activities that are of central importance to daily life such as seeing, hearing, walking, breathing, performing manual tasks, caring for one's self, learning and speaking.

Under the Act, physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, HIV infection, mental retardation, emotional illness, drug addiction (other than addiction caused by current illegal use of a controlled substance) and alcoholism.

1. The definition of reasonable accommodation and reasonable modification under The Act are as follows:

- **Reasonable accommodation** is a request for a change or waiver to policies, practices, procedures or services to provide greater use and accessibility of the housing services.
- **Reasonable modification** is a physical alteration to provide greater accessibility and use of the premises for a person with a disability. Reasonable modifications can include structural changes to interiors and exteriors of residential units as well as common areas.

2. Persons in need of a reasonable accommodation and/or reasonable modification should make a request to the Executive Director, Josephine McNeil at 1075 Washington Street, West Newton, MA 02465 or via e-mail at [jam\\_cando@msn.com](mailto:jam_cando@msn.com). Or by phone, at 617-964-3527.

3. Within 5 days of receipt of the request CAN-DO will contact the applicant and arrange to meet with him/her to determine the specific nature of the reasonable accommodation or reasonable modification. In the event the applicant has a mobility impairment CAN-DO will arrange to meet with the applicant at a location that is wheelchair accessible. At that meeting, CAN-DO will prepare a written account of the request and ask the applicant to sign to show his/her agreement with the write-up.

Within 5 days of that meeting, CAN-DO will submit the report to its architect and/or contractor to obtain a description and the cost to satisfy the request. Upon receiving the report CAN-DO will determine if the request will cause an undue administrative and financial burden or changes the basic nature of the housing program. CAN-DO will provide the applicant with a copy of the report.

In order to determine whether the costs are reasonable, CAN-DO will establish a 3 member panel of volunteers which shall include a building professional, other than the one who wrote the report, a disability advocate and a lawyer familiar with disability law, who will review the request and the report from the architect/contractor and provide CAN-DO with a written report. The applicant will be given the opportunity to meet with the panel.

The report from the panel will be presented to CAN-DO's Board of Directors who will make the final determination regarding the expenditure of funds. This process must be completed within 21 business days of the original request.

4. If the Board denies the request because it would cause an "undue hardship", the Applicant may appeal the decision to the City of Newton's Fair Housing Committee.

Policy Adopted by Board of Directors on March 10, 2010

## ATTACHMENT 9

### ARCHITECTURE ACCESSIBILITY

The building is not suitable for providing an accessible or visitable unit – the cost would be prohibitive.

Rec'd by CPC staff 19 September 2012

54 EDDY STREET CONSTRUCTION SCOPE AND COST ESTIMATE					
<b>SITE WORK:</b>					
	Replace Existing Driveway				\$ 13,000.00
	Replace Existing Sanitary and water lines				\$ 15,000.00
	Add common Electrical Meter				\$ 2,500.00
	Install Sidewalk Retaining Wall				\$ 4,500.00
	Install Planting and Patch lawns				\$ 1,200.00
<b>CONCRETE:</b>					
	Install New Footings at Porch Foundations				\$ 1,300.00
<b>MASONRY:</b>					
	Repoint Basement Piers and Existing Foundation				\$ 2,200.00
	Repoint Existing Entry Stairs				\$ 1,700.00
	Add Chimney Cap				\$ 700.00
<b>ROUGH CARPENTRY:</b>					
	Reframe Existing Entry Porch				\$ 1,800.00
	Repartition 3rd Floor for New Bath and Closet				\$ 2,000.00
	Rebuild Bulkhead Doghouse				\$ 1,700.00
<b>FINISH CARPENTRY:</b>					
	New Rear Porch, Sleepers and Decking				\$ 2,800.00
	New Entry Porch, Railings and Decking				\$ 3,900.00
	New trim at Bath and Kitchen				\$ 3,000.00
	New Trim at Garage				\$ 400.00
	New Stair Handrails and Brackets				\$ 650.00
	New Closet Shelving				\$ 100.00
<b>DOORS AND WINDOWS:</b>					
	New doors at 3rd Floor Bath and Closet				\$ 800.00
	New Windows at Garage				\$ 600.000
<b>MOISTURE PROOFING AND INSULATION:</b>					
	Miscellaneous Caulking				\$ 450.00
	Insulation				\$ 12,000.00
<b>ROOFING:</b>					
	Fiberglass roofing at Main Gable and Doghouse				\$ 2,800.00
	Single Membrane Roofing at Rear Porch				\$ 900.00
<b>GUTTERS AND DOWNSPOUTS:</b>					
	Add Downspouts and Repair Gutters				\$ 1,200.00
<b>FINISHES:</b>					
	New Ceiling and Gypsum Wallboard				\$ 4,800.00
	Int. & Ext. Painting and Wallpaper Removal				\$ 15,000.00
	Refinish Existing Clear Hardwood Walls and Trim				\$ 4,100.00
	Refinish Hardwood Flooring				\$ 3,500.00
	Install Ceramic Tiles at New 3rd Floor Bath				\$ 2,100.00
	Install New Kitchen Cabinets and Counters at @2nd Floor				\$ 14,300.00



Rec'd by CPC staff 19 September 2012				
<b>54 EDDY STREET CONSTRUCTION SCOPE AND COST ESTIMATE</b>				
	Install New Vanity and Misc. Repairs at 1st Floor Bath			\$ 750.00
<b>MECHANICAL:</b>				
	Add Exhaust Fan at New 3rd. Floor Bath			\$ 250.00
	Add Backflow Preventer for 2nd Unit Heating System			\$ 500.00
	Remove steam boilers and radiators, replace with hydronic boilers and baseboard radiators			\$ 24,000.00
<b>PLUMBING:</b>				
	New Bath and Kitchen Rough and Finish			\$ 14,000.00
<b>ELECTRICAL:</b>				
	Extend Power and Light to Garage			\$ 1,100.00
	Replace Electric Panels and Recircuit Same			\$ 8,300.00
	Install New Power and Light			\$ 5,000.00
<b>SPECIALTIES:</b>				
	Energy Star Appliances			\$ 3,200.00
				\$ 178,100.00
<b>GENERAL CONDITIONS</b>		10%		\$ 17,810.00
<b>OVERHEAD AND PROFIT</b>		10%		\$ 16,790.00
	<b>TOTAL</b>			<b>\$ 212,700.00</b>
Revised Sept. 19, 2012				

## 54 EDDY STREET CONSTRUCTION SCOPE AND COST ESTIMATE

## SITE WORK:

Replace Existing Driveway	\$	13,000.00
Replace Existing Sanitary and water lines	\$	15,000.00
Add common Electrical Meter	\$	2,500.00
Install Sidewalk Retaining Wall	\$	4,500.00
Install Planting and Patch lawns	\$	1,200.00

## CONCRETE:

Install New Footings at Porch Foundations	\$	1,300.00
---	----	----------

## MASONRY:

Repoint Basement Piers and Existing Foundation	\$	2,200.00
Repoint Existing Entry Stairs	\$	1,700.00
Add Chimney Cap	\$	700.00

## ROUGH CARPENTRY:

Reframe Existing Entry Porch	\$	1,800.00
Repartition 3rd Floor for New Bath and Closet	\$	2,000.00
Rebuild Bulkhead Doghouse	\$	1,700.00

## FINISH CARPENTRY:

New Rear Porch, Sleepers and Decking	\$	2,800.00
New Entry Porch, Railings and Decking	\$	3,900.00
New trim at Bath and Kitchen	\$	3,000.00
New Trim at Garage	\$	400.00
New Stair Handrails and Brackets	\$	650.00
New Closet Shelving	\$	100.00

## DOORS AND WINDOWS:

New doors at 3rd Floor Bath and Closet	\$	800.00
New Windows at Garage	\$	600.00

## MOISTURE PROOFING AND INSULATION:

Miscellaneous Caulking	\$	450.00
Insulation	\$	12,000.00

## ROOFING:

Fiberglass roofing at Main Gable and Doghouse	\$	2,800.00
Single Membrane Roofing at Rear Porch	\$	900.00

## GUTTERS AND DOWNSPOUTS:

Add Downspouts and Repair Gutters	\$	1,200.00
-----------------------------------	----	----------

## FINISHES:

New Ceiling and Gypsum Wallboard	\$	4,800.00
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Int. & Ext. Painting and Wallpaper Removal		\$ 15,000.00
Refinish Existing Clear Hardwood Walls and Trim		\$ 4,100.00
Refinish Hardwood Flooring		\$ 3,500.00
Install Ceramic Tiles at New 3rd Floor Bath		\$ 2,100.00
Install New Kitchen Cabinets and Counters at @2nd Floor		\$ 14,300.00
Install New Vanity and Misc. Repairs at 1st Floor Bath		\$ 750.00
<b>MECHANICAL:</b>		
Add Exhaust Fan at New 3rd. Floor Bath		\$ 250.00
Add Backflow Preventer for 2nd Unit Heating System		\$ 500.00
Change Oil Burner to Gas Burner		\$ 3,400.00
<b>PLUMBING:</b>		
New Bath and Kitchen Rough and Finish		\$ 14,000.00
<b>ELECTRICAL:</b>		
Extend Power and Light to Garage		\$ 1,100.00
Replace Electric Panels and Recircuit Same		\$ 8,300.00
Install New Power and Light		\$ 5,000.00
<b>SPECIALITIES:</b>		
Energy Star Appliances		\$ 3,200.00
		\$ 157,500.00
GENERAL CONDITIONS	10%	\$ 15,750.00
OVERHEAD AND PROFIT	9%	\$ 14,450.00
TOTAL		\$ 187,700.00

AZ

**JOSEPH ROSSI  
ATTORNEY AT LAW  
2120 COMMONWEALTH AVENUE  
NEWTON, MA 02466**



**DEED**

I, **MARGARET FRANCES MURRAY**, Trustee of The Helen M. Hallaran Trust - 2005 under Declaration of Trust dated March 11, 2005 (see Trustee's Certificate recorded with Middlesex South District Registry of Deeds at Book 44986, Page 41), of Southborough, Worcester County, Massachusetts **FOR CONSIDERATION PAID AND IN FULL CONSIDERATION OF** Six Hundred Sixty Thousand and 00/100 (\$660,000.00) dollars **GRANT TO Citizens For Affordable Housing In Newton Development Organization, Inc.**, a Massachusetts Non-Profit Corporation, at 1075 Washington Street, Newton, Middlesex County, Massachusetts 02465

with **QUITCLAIM COVENANTS**

The land in Newtonville, Middlesex County, Massachusetts, and bounded and described as follows:

A certain parcel of land with the buildings thereon, situated in the part of said Newton formerly called Newtonville, being Lot 16 on a plan of land in Newtonville, owned by William L. Waugh and James S. Wilson, dated December 6, 1909, and recorded with Middlesex South District Deeds, at end of Book 3489 and bounded and described as follows:

- WESTERLY: by Eddy Street, forty-one and 25/100 (41.24) feet;
- NORTHERLY: by Lot 69 on a plan of lots in Newtonville belonging to the Harrington Estate, Irving T. Farnham, engineer, dated April 26, 1906, and recorded with said deeds, Book 179, Plan 8, one hundred forty-two and 78/100 (142.78) feet;
- EASTERLY: on Lot 12 on said first mentioned plan, forty-two and 09/100 (42.09) feet; and
- SOUTHERLY: on Lot 15 on said first mentioned plan, one hundred thirty-four and 28/100 (134.28) feet.

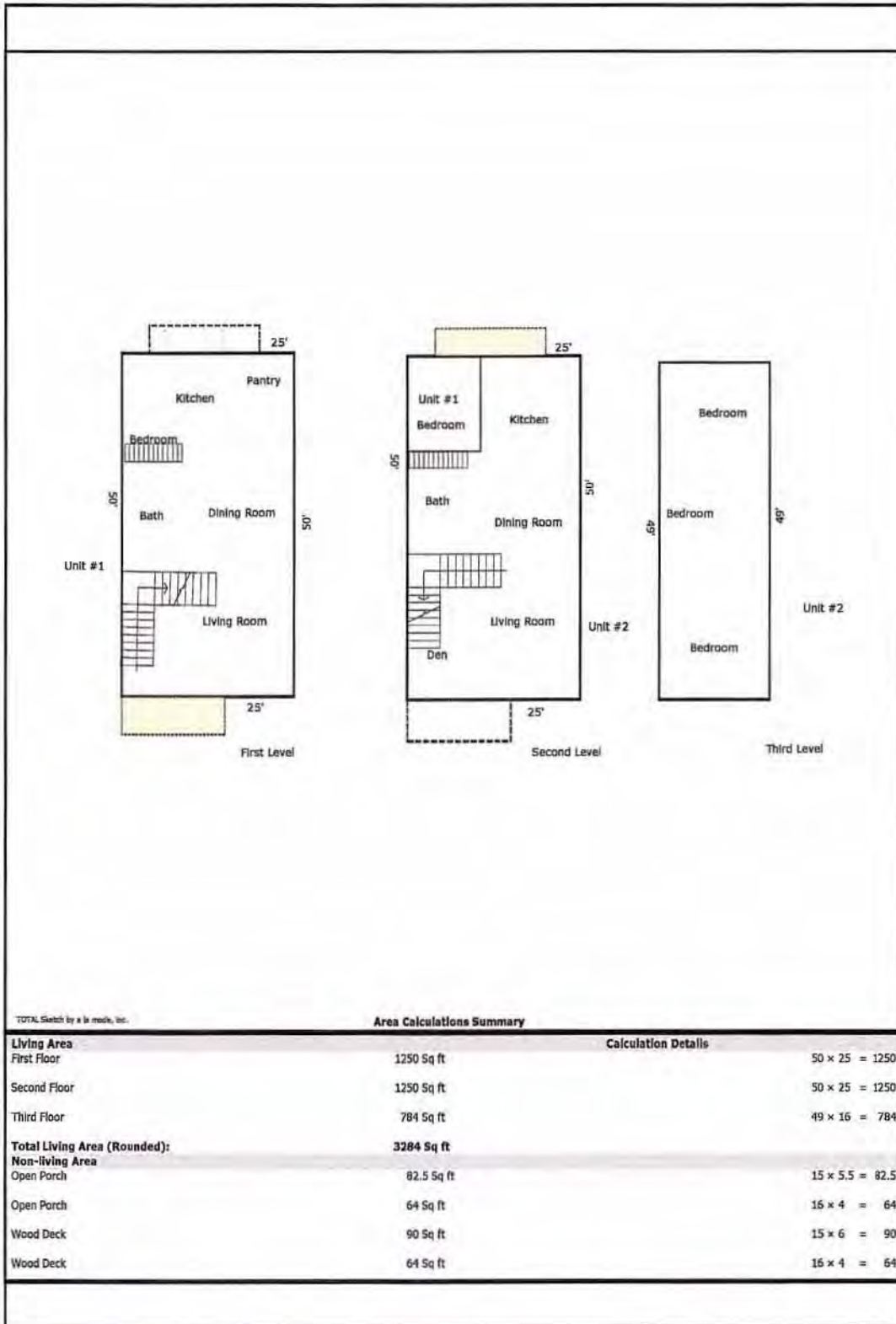
Containing 5,715 square feet more or less.

The signatory to this document hereby waives and releases any and all right, title and interest it may of acquired under Massachusetts General Laws, Chapter 188, commonly known as the Massachusetts Homestead Act.

Property Address: 54 Eddy Street, Newton, MA 02460  
Grantee's Address: 1075 Washington Street, Newton, MA 02465

### Building Sketch

Borrower/Client	Citizens of Affordable Housing in Newton		
Property Address	54 Eddy St.		
City	Newton	County	Middlesex
Lender	The Village Bank	State	Ma
		Zip Code	02465



#### Area Calculations Summary

Living Area		Calculation Details
First Floor	1250 Sq ft	50 x 25 = 1250
Second Floor	1250 Sq ft	50 x 25 = 1250
Third Floor	784 Sq ft	49 x 16 = 784
<b>Total Living Area (Rounded):</b>	<b>3284 Sq ft</b>	
<b>Non-living Area</b>		
Open Porch	82.5 Sq ft	15 x 5.5 = 82.5
Open Porch	64 Sq ft	16 x 4 = 64
Wood Deck	90 Sq ft	15 x 6 = 90
Wood Deck	64 Sq ft	16 x 4 = 64



### Subject Photo Page

Borrower/Client	Citizens of Affordable Housing in Newton						
Property Address	54 Eddy St.						
City	Newton	County	Middlesex	State	Ma	Zip Code	02465
Lender	The Village Bank						



#### Subject Front

54 Eddy St.  
Sales Price 669,000  
Gross Building Area 3,284  
Age 98



#### Subject Rear



#### Subject Street

### Interior Photos

Borrower/Client	Citizens of Affordable Housing in Newton						
Property Address	54 Eddy St.						
City	Newton	County	Middlesex	State	Ma	Zip Code	02465
Lender	The Village Bank						





# Small Residential Income Property Appraisal Report

PO 131457  
File # CAN-DO

There are 13 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 590,000 to \$ 790,000		There are 28 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 590,000 to \$ 790,000					
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3			
Address	54 Eddy St Newton, MA 02465	275-277 Lexington St Newton, MA	1784 Washington St Auburndale, MA 02466	15-17 Eliot Ave Newton, MA			
Proximity to Subject		9.75 miles E	1.54 miles SW	0.50 miles W			
Sale Price	\$	\$ 597,800	\$ 700,000	\$ 700,000			
Sale Price/Gross Bldg. Area	\$ sq.ft.	\$ 210.49 sq.ft.	\$ 222.36 sq.ft.	\$ 205.04 sq.ft.			
Gross Monthly Rent	\$	\$ 2,600	\$ 3,675	\$ 3,000			
Gross Rent Multiplier		229.92	190.48	233.33			
Price per Unit	\$	\$ 298,900	\$ 350,000	\$ 350,000			
Price per Room	\$	\$ 42,700	\$ 50,000	\$ 58,333			
Price per Bedroom	\$	\$ 99,633	\$ 116,667	\$ 116,667			
Rent Control	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Data Source(s)		Ext. Inspection / MLS	Ext. Inspection / MLS	Ext. Inspection / MLS			
Verification Source(s)		Public Records	Public Records	Public Records			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment
Sale or Financing Concessions		Conventional None noted		Conventional None noted		Conventional None noted	
Date of Sale/Time		8/2/2012		8/31/2012		8/1/2012	
Location	Average	Average		Average		Average	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	5,715	8312		14286	-10,000	5000	
View	Neighborhood	Neighborhood		Neighborhood		Neighborhood	
Design (Style)	Conventional	Conventional		Conventional		Conventional	
Quality of Construction	Average	Average		Average		Average	
Actual Age	98 Years	87 Years		72 Years		102 Years	
Condition	Average	Inferior	+60,000	SI Superior	-35,000	Average	
Gross Building Area	2,873	2,840	0	3,148	0	3,414	-32,460
Unit Breakdown	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Unit # 1	5 2 1	7 3 2	-5,000	7 3 1	-2,000	6 3 1	-2,000
Unit # 2	7 3 1	7 3 1		7 3 1		6 3 1	
Unit # 3							
Unit # 4							
Basement Description	1,136 Sq.Ft.	Full/		Full/		Full/	
Basement Finished Rooms	0	Unfinished		Unfinished		Unfinished	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	FHA/None	FHW/None		FHW/None		FHW/None	
Energy Efficient Items	Standard	Standard		Standard		Standard	
Parking On/Off Site	Two Car Garage	Two Car Garage		Two Car Garage		One Car Garage	+4,000
Porch/Patio/Deck	Two	Similar		Similar		Similar	
Fireplace(s)	None	None		Two	-2,000	None	
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 55,000	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -49,000	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -30,460
Adjusted Sale Price of Comparables		Net Adj. 9.2 % Gross Adj. 10.9 %	\$ 652,800	Net Adj. 7.0 % Gross Adj. 7.0 %	\$ 651,000	Net Adj. 4.4 % Gross Adj. 5.5 %	\$ 669,540
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)		\$ 326,400		\$ 325,500		\$ 334,770	
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)		\$ 46,629		\$ 46,500		\$ 55,795	
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)		\$ 108,800		\$ 108,500		\$ 111,590	
Value per Unit	\$ 330,000 X 2	Units = \$ 660,000		Value per GBA \$ 225 X 2,873	GBA = \$ 646,425		
Value per Rm.	\$ 50,000 X 12	Rooms = \$ 600,000		Value per Bdrms. \$ 120,000 X 5	Bdrms. = \$ 600,000		
Summary of Sales Comparison Approach including reconciliation of the above indicators of value. GLA adjusted for \$60 per square foot over 300 sf of total area. Second bathroom adjusted at \$3000. Bedrooms at \$2,000. Sale #1 inferior in condition and adjusted at 10 of sale price. Sale #2 slightly superior in condition and adjusted at 5% of sale price. All other adjustments as noted.							
Indicated Value by Sales Comparison Approach \$ 660,000							
INCOME	Total gross monthly rent \$ 3,200 X gross rent multiplier (GRM) 220 = \$ 704,000		Indicated value by the Income Approach				
	Comments on income approach including reconciliation of the GRM The GRM chosen for use in this approach is representative of the estimated GRM for the subject's area and is supported by the comparables.						
RECONCILIATION	Indicated Value by: Sales Comparison Approach \$ 660,000 Income Approach \$ 704,000 Cost Approach (if developed) \$ 583,544						
	Sales Comparison Approach is the most reliable in estimating current market value as it directly reflects the actions of typical buyers and sellers. Some weight given to the Income Approach and no weight given to Cost Approach due to subject's age. The subject is expected to sell at the appraised value given a reasonable marketing period 60-120 days based on closed sales in the subject market area within the past year. The intended user of this Appraisal Report is the Lender/Client engaged as The City of Newton for Internal review.						
	This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: There are no repairs required as a condition of this appraisal.						
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 670,000 , as of September 5, 2012 , which is the date of inspection and the effective date of this appraisal.							





### Subject Photo Page

Borrower/Client	City of Newton						
Property Address	54 Eddy St						
City	Newton	County	Middlesex	State	MA	Zip Code	02465
Lender	City of Newton						



#### Subject Front

54 Eddy St  
 Sales Price:  
 GBA: 2,873  
 Age: 98 Years



#### Subject Rear

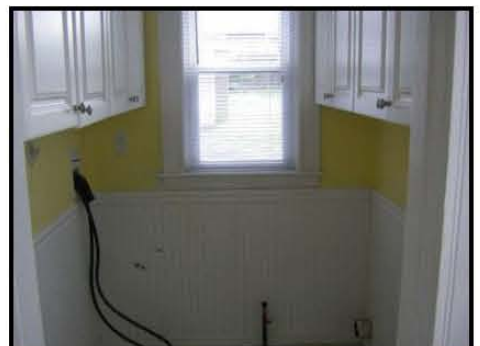


#### Subject Street



### Photograph Addendum

Borrower/Client	City of Newton						
Property Address	54 Eddy St						
City	Newton	County	Middlesex	State	MA	Zip Code	02465
Lender	City of Newton						





Setti D. Warren  
Mayor

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

**413-12**  
Telephone  
(617) 796-1120  
Telefax  
(617) 796-1142  
TDD/TTY  
(617) 796-1089  
[www.newtonma.gov](http://www.newtonma.gov)

Candace Havens  
Director

August 24, 2012

Planning and Development Board  
Newton City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

**Re: Request for funds for 54 Eddy Street**

Dear Planning and Development Board members:

At the Newton Housing Partnership meeting on August 8, 2012, the nine eligible members present unanimously agreed to recommend that the Planning and Development Board approve the request by Citizens for Affordable Housing in Newton Development Organization, Inc. (CAN-DO) for the allocation of \$690,250 in Community Development Block Grant (CDBG) funds to assist with acquisition-mortgage buy down, lead and asbestos abatement, and rehabilitation of an existing two family property to create two units of affordable rental housing at 54 Eddy Street. In addition, the developer is requesting \$255,000 in Community Preservation Act (CPA) funding for the development.

The Partnership's Project Review Committee and then the full Partnership have reviewed and discussed the proposal with the developer prior to this action. The financial information relied upon by the Partnership in reaching its recommendation is detailed in the spreadsheets titled "54 Eddy Street Development Budget" revised July 30, 2012, the spreadsheet titled "54 Eddy Street Operating Budget," revised July 15, 2012, and "54 Eddy Street Operating Proforma 2F," revised July 15, 2012.

We support and endorse the developer's concept of providing 100% affordability in a well-located existing building without reliance on housing rental assistance. We also support and endorse the proposed rehabilitation, including the conversion of the heat delivery system from steam to forced hot water for the purpose and expectation of increased energy efficiency, tenant safety, cost savings to the tenants and energy rebates to the developer.

The Partnership recognized that the proposal addresses a number of City priorities:

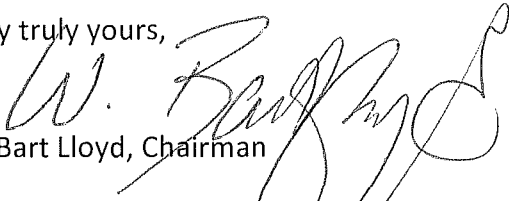
- The critical need for additional affordable housing, especially for rental units priced at a level that households without rental assistance can afford, which is identified as a priority in the *City of Newton 2011–2015 Consolidated Plan and FY13 Annual Action Plan*;

- Provide deeper development subsidies per unit in affordable housing projects so ~~413-12~~ income renter households ( $\leq 50\%$  AMI) have a greater range of housing choices; and
- Utilizing existing housing stock in addressing the City's rental housing needs while maintaining improving energy performance by improving the efficiency of energy use in the existing structure.

The Partnership acknowledged the need for public funding given the level of affordability proposed, and supports the use of Newton CDBG funds and Community Preservation Act funds to support this worthwhile project. Our recommendation reflects the understanding that the developer is actively seeking funding outside of City sources and energy rebates from the proposed rehabilitation. Should such additional funds be received, it is our expectation to furnish a recommendation at that time on its application with possibilities including increasing the range of affordability, or reducing the amount of City-funded public subsidy. Further, our recommendation includes broadening affirmative marketing to capture prospective tenants currently living in transitional housing throughout the regional Continuum of Care system.

If there are further questions for the Partnership please let me know.

Very truly yours,



W. Bart Lloyd, Chairman

Cc: Josephine McNeil, Executive Director, CAN-DO, Inc.  
Trisha Guditz, Housing Programs Manager  
Robert Muollo, Housing Planner



Setti D. Warren  
Mayor

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Candace Havens  
Director

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## MEMORANDUM

To: Planning and Development Board

From: Robert Muollo, Jr. Housing Planner

Cc: Candace Havens, Director Planning and Development  
Trisha Guditz, Housing Programs Manager  
Josephine McNeil, Executive Director, CAN-DO, Inc.  
Community Preservation Committee

Date: October 26, 2012

Re: 54 Eddy Street Affordable Housing Proposal

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### **1. General Framework to Consider**

Considerable public investment is not uncommon for small-scale rental developments, especially when serving lower-income populations. This development model has fewer units to spread fixed costs, leading to higher per unit development costs and less operating income to carry permanent debt, resulting in funding gaps usually filled by public subsidy.

To inform the Board in making a judicious decision, staff considered whether the proposal meets the objectives of: addressing a stated public purpose; being within the statutory intent of the CDBG Program; and providing decent affordable housing that is both initially feasible and viable throughout the affordability period.

To attain these objectives, a proposal should not contain excessive costs, but investments into capital improvements should not be cut. Improvements beyond minimum standards will increase a property's useful life for during the affordability period and reduce the likelihood of major repairs, thus reducing risk to operating stability. The property should be marketable in its rent structure and amenities to ensure successful lease-up, reduce vacancy rates and minimize turnover. The development and operating budgets should be reasonable and realistic to ensure feasibility and financial health in the long-term. Note: the full proposal can be accessed at:

<http://www.ci.newton.ma.us/gov/planning/cpa/projects/eddy.asp>



The Sponsor, Citizens for Affordable Housing in Newton Development Organization (CAN-DO, Inc.), is proposing to create two units of affordable rental housing through acquisition and rehabilitation of an existing two-family house located at 54 Eddy Street, in the West Newton CDBG Target Neighborhood. The project, which consists of one 2-BR and one 3-BR unit, will target families who are at-risk of homelessness. The 2-BR unit will be affordable to households earning at or below 50% of Area Median Income (AMI) and the 3-BR unit affordable to households earning at or below 80% of AMI. The projected development cost is \$1,115,250. The Sponsor purchased the property on July 29<sup>th</sup> with a loan from The Village Bank.



The Sponsor is seeking \$690,250 in Community Development Block Grant (CDBG) funding and \$255,000 in Community Preservation Act (CPA) funding for mortgage buydown, rehabilitation and hazard removal. Housing staff from the Housing and Community Development Division has reviewed the One-Stop Application submitted by the Sponsor on June 29, 2012 and visited the Property. The Newton Housing Partnership (NHP) has reviewed the proposal and has issued a letter of support, dated August 24, 2012. As part of the funding process, the Planning and Development Board is required to review the proposal and make a CDBG funding recommendation to the Mayor.

**3. Project Description**

The property is an existing 2,873 sq. ft. two-family house built in 1914 with a two-car garage. It is located on a 5,715 sq. ft. lot in a MR3 zone. The property has a Philadelphia-style layout, with the 2-BR unit located on the 1<sup>st</sup> and 2<sup>nd</sup> floors. The 2-BR unit includes a kitchen, living room, dining room and one bathroom. The 3-BR unit is located on the 2<sup>nd</sup> and 3<sup>rd</sup> floors. The second floor includes the kitchen, living and dining rooms, and one bathroom. The three bedrooms are located on the 3<sup>rd</sup> floor. The proposed project will consist of the following unit mix and characteristics:

Unit	Affordability Level	Proposed Rent	# of Bedrooms	# of Baths	Living type	Existing Gross Living Area
1	Up to 50% AMI	\$1,200	2	1	Duplex / Philadelphia style	1,136 sq.ft
2	Up to 80% AMI	\$1,500	3	1½	Duplex / Philadelphia style	1,737 sq.ft

**4. CDBG Requirements**

*4.A. Income Targeting and Rents*

As proposed, the project rents are within CDBG income targeting criteria. The units will be rented to low-and moderate-income households. Low-income households are defined as households earning at or below 50% of AMI, adjusted for household size. Moderate-income households are defined as households earning at or below 80% of AMI.

The proposed rent structure assumes that tenants will pay for utilities. Under the City’s Affordable Rent Policy, *“monthly rents charged to tenants cannot exceed 35 percent (if cost of rent only) of the*

monthly adjusted income of a household whose gross income is 70 percent of the Boston Area ~~AMI~~ <sup>41.312</sup> proposed rents for these units are below this threshold, as shown below.

<b>3-BR Unit</b>		<b>Max. Allowable Rent<sup>1</sup></b> (not including utilities)	<b>Proposed Rent</b>
4 person HH	70% of AMI	\$ 1,804	\$1,500
3 person HH	70% of AMI	\$ 1,624	\$1,500
<b>2-BR Unit</b>		<b>Max. Allowable Rent</b> (not including utilities)	<b>Proposed Rent</b>
4 person HH	50% of AMI	\$ 1,426	\$1,200
3 person HH	50% of AMI	\$ 1,285	\$1,200

In contrast, the list price for 2-BR, 1 bath market rate rentals in Newton with similar amenities are in the \$1,450 - \$2,200 range. The range for 3-BR, 2 bath units is \$2,900 - \$3,150.<sup>2</sup>

#### 4.B. Eligible Costs

The proposed uses of CDBG funds are mortgage debt reduction, the costs of converting the existing steam heat delivery system, and the cost of asbestos and lead paint abatement. These are eligible CDBG costs.

#### 4.C. Affordability Period

The City will impose an initial 30-year affordability period enforced by a declaration of affordable housing covenants running with the land. The City will submit an application to the Massachusetts Department of Housing and Community Development requesting that the project's affordability extend to in perpetuity.

#### 4.D. Labor Requirements/ Procurement

The wage requirements of the Davis-Bacon Act do not apply to this project because it consists of less than eight total units. The City's Housing and Community Development Division will manage the sealed bid process in accordance with federal and state procurement requirements.

#### 4.E. Relocation

The Sponsor has provided documentation that upon sale, one unit was vacant and the remaining unit was occupied by a family member who was a recipient of the sales proceeds.

#### 4.F. Environmental Review

The City is required to conduct an environmental review prior to commitment of federal funds. As part of the assessment, staff will review evidence that the property is free of potentially hazardous materials and that the project will not have any adverse effect on the surrounding environment.

<sup>1</sup> Based on 35% of the gross monthly income for a household earning 70% and 50% of AMI, respectively, and adjusted for household size.

<sup>2</sup> Units in multi-family properties. Search conducted using [www.newtonpads.com](http://www.newtonpads.com) and [www.trulia.com](http://www.trulia.com)



The Sponsor has demonstrated past experience in developing affordable rental housing using the acquisition-rehabilitation model, with 10 similarly developed units in its portfolio. Each of the completed units is occupied by low-and moderate-income tenants who represent numerous ethnic and racial backgrounds. The Sponsor is also subject to financial fitness reviews by the Planning and Development Board on a quarterly basis, with the next review scheduled on November 5, 2012.

**6. Design and Construction***6.A. Site Plans & Zoning / Permitting*

The Sponsor will have to submit a site plan for Inspectional Services Department review to ensure the proposed use and work is by-right and will not require any zoning relief or special permits.

*6.B. Proposed Rehabilitation*

The Division's Housing Rehabilitation/Construction Manager and Housing staff have visited the property and have reviewed the inspection report and preliminary scope of work. The rehabilitation scope includes the following:

- structural, electrical, plumbing and energy efficiency rehabilitation and improvements;
- driveway, retaining wall and garage rehabilitation and improvements;
- asbestos and lead paint removal;
- heating delivery system conversion;
- wall and attic insulation, roof repair;
- interior and exterior painting;
- kitchen renovations in 3-BR unit; and
- addition of ¾ bath in 3-BR unit

The estimated rehabilitation cost is \$97/square foot, which compares with recent substantial rehabilitation projects (\$105/square foot and \$113/square foot, respectively) more so than recent moderate rehabilitation projects cost \$63/square foot and \$37/square foot, respectively.<sup>3</sup> Staff believes that many specific items in the scope of work address immediate code or safety concerns, or would enhance economic life by preventing future issues. For example, the replacement of rusted cast iron waste pipes and converting the heating system will reduce future problems and maintenance cost. Other items such as the addition of a bathroom on the third floor and the kitchen reconfiguration enhance marketability and overall quality of life for the residents. The inspection report found the presence of asbestos and the Sponsor is assuming that presence of lead paint. A lead inspection report is needed to determine the extent and cost of abatement.

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<sup>3</sup> Total rehabilitation cost divided by gross building area. \$105/square foot - 61 Pearl Street; \$113/square foot - existing group residence; \$63/square foot - 20-22 Falmouth Road; \$37/square foot - 2148-50 Commonwealth Avenue

Some aspects of the current system are in need of maintenance, according to the inspection report. The Newton Housing Partnership recommended converting the current heat delivery system from steam to forced hot water. Partnership members and Housing staff noted that the conversion would increase energy efficiency, tenant safety, and cost savings for the tenants and Sponsor through energy rebates. The Sponsor consulted with Conservation Services Group, an energy conservation firm, for a preliminary cost/benefit analysis of the conversion. The analysis suggests that the conversion would



achieve these desired goals, and would result in an energy cost savings of \$3,300/year based on projected annual cost of oil vs. gas fuel, with a payback period of seven to nine years. The estimated cost of the work and labor to convert the system to hot water baseboard radiation is \$25,000, after expected energy rebates (\$30,250 total when including contractor general conditions, overhead and profit, construction contingency and developer fee). Undertaking this improvement during initial rehabilitation will remove the risk that the current system, or its components, will require attention in the future. This would enable the Sponsor to use the \$31,000 expected in replacement reserves by Year 10 for other capital improvement projects and not replacement of the heating system.

#### 6.D. Additional $\frac{3}{4}$ Bathroom

The scope of work includes repartitioning the third floor of the 3-BR unit to add a  $\frac{3}{4}$  bathroom (consisting of shower, sink and toilet). The existing full bathroom is located on the second floor, with all 3 bedrooms on the third floor of what appears to have been converted from an attic space. Providing a  $\frac{3}{4}$  bathroom would enhance unit marketability and help accelerate lease-up. In addition to being an added convenience for a tenant, the wood staircase connecting the 2<sup>nd</sup> and 3<sup>rd</sup> floors is relatively steep, narrow and spiraled and could potentially pose a safety issue.

#### 6.E. Kitchen Renovation for 2<sup>nd</sup> Unit

The kitchen renovation would increase usable space and add necessary ventilation and electrical updates. The current kitchen has modest wear and tear, and outdated cabinets and appliances. However, the renovation is largely to reconfigure the current layout. The existing usable space and configuration limits the ability to accommodate necessary appliances; the refrigerator is located outside of the kitchen on a stairwell landing, presenting a possible safety hazard. The dryer (pictured to the right) is located in the pantry and the washer next to the sink.



#### 6.F. Construction Contingency

The contingency is 10% of rehabilitation hard costs. Due to the property's age and likelihood that walls will be opened during rehabilitation, Staff recommends that if the winning construction bid is lower than the estimated rehabilitation costs that the savings be applied to the contingency budget.

The feasibility analysis is based on the revised Development Budget, dated July 30, 2012, Operating Pro Forma and 10-year Operating Budget, revised July 15, 2012, and a commitment letter from The Village Bank, dated June 20, 2012. Particular items to note are identified below:

#### 7.A. Proposed Financial Structure

The financial structure is typical of small-scale rental developments, with acquisition as the largest cost and public subsidy the largest source. The projected total development cost is \$1,115,250 (\$557,625/unit and \$472,625 public subsidy/unit). The proposed project sources are \$1,115,250 and consist of 85% public subsidy (CDBG and CPA funds), 11% permanent loan (The Village Bank), and 4% foundation grants (Charlesbank Homes). The purchase price of the property is \$660,000. The acquisition price is supported by an independent appraisal that values the as-is market value at \$670,000.

The principal reasons for the higher public subsidy per unit compared to the Sponsor's last two projects (2148-50 Commonwealth Avenue and 61 Pearl Street) are a function of the lower rents and extent of proposed rehabilitation. The projected gross monthly income (\$2,700) is less than the Commonwealth Avenue and Pearl Street projects (\$3,270 and \$3,528, respectively), effectively reducing the ability to borrow debt (and reduce subsidy). This proposal is seeking \$167,851 more for rehabilitation than was requested for the Commonwealth Ave. project.

The rents are underwritten to create an affordable housing opportunity for low-income households that do not receive rental assistance such as the Housing Choice Voucher Program or "Section 8." A greater affordability level requires additional subsidy to offset permanent debt obligations (e.g. the mortgage) that may otherwise render a project economically infeasible. The Sponsor could charge higher rents under the Newton Exception Rent/Payment Standards,<sup>4</sup> and serve very-low and low-income tenants with rental assistance. This approach would make the units unaffordable to low-income households without rental assistance.

For comparative purposes, the table below shows the total development costs and total public subsidy per unit of rental projects with similar affordable units and scope since 2004.

Project Address/ Sponsor/Year	Project Type and Scope	Affordable Units	Total Development Cost	Total Public Subsidy/Unit <sup>5</sup>
54 Eddy St. CAN-DO 2012	Rental – Acquisition and Rehab	2	\$1,115,250	\$472,625
61 Pearl Street CAN-DO 2010	Rental – Acquisition and Rehab	3	\$1,370,000	\$381,667
2148-50 Commonwealth Ave. CAN-DO 2009	Rental – Acquisition and Rehab	2	\$950,000	\$337,500
11-13 Cambria Road CAN-DO 2006	Rental – Acquisition and Rehab	2	\$1,437,511	\$315,512
20-22 Falmouth Street CAN-DO 2005	Rental – Acquisition and Rehab	2	\$1,178,933	\$325,601

<sup>4</sup>Typically, housing authority payment standards to owners are based off the Fair Market Rent (FMR), as established by HUD. However, Section 8 Program rules allow exceptions to the FMR to compensate for variations in rent levels that exist within individual housing markets. The Newton Housing Authority has received this exception from HUD due to Newton's high rents, allowing the Housing Authority to use a payment standard that is more in line with Newton's rental market. The current exception rents for 2 and 3 bedrooms including utilities are \$1,612 and \$2,016, respectively.

<sup>5</sup> Includes all HOME, CDBG and/or CPA public subsidy grants and loans

Project Address/ Sponsor/Year	Project Type and Scope	Affordable Units	Total Development Cost	Total Public Subsidy/Unit <sup>5</sup>
163 Jackson Road CAN-DO 2005	Rental – Acquisition and Rehab	2	\$1,178,048	\$325,158
19 West Street Advocates, Inc. 2004	Rental – Acquisition and Rehab	2	\$676,400	\$300,000

### *7.B. Developer Fee*

The developer fee and overhead are projected at \$81,945, or 8% of total development costs, excluding the replacement reserve fund. When adding the net present value of the projected annual cash flow over the next 10 years to the developer fee and overhead the overall return is estimated at \$101,198, or 10% of the total development cost, exclusive of the replacement reserve fund. The proposed fee is within the standard recommended by the National Council of State Housing Agencies, which is 15%.

### *7.C. Cash Flow*

The proposal is viable from a cash flow perspective, with sufficient income to cover expenses based on a projected \$11,000 of Net Operating Income (NOI) (e.g. income after expenses) in its first year of lease-up. Relative to the proposed mortgage debt service of \$120,000, cash flow is projected at approximately \$3,000/year with an adequate initial Debt Service Coverage Ratio (DSCR) cushion of 1.38 and an initial expense cushion (cash flow as a percentage of operating expenses) of 15%.

### *7.D. Long-term Operating Projections*

The 10-year Operating Budget includes a 1.5% per year increase in income and 3.5% in expenses. This achieves a net increase of expenses of 2.0% per year. Because of this assumption, the property's DSCR and cash flow cushion will deteriorate overtime with DSCR deteriorating to 1.03 and operating expense cushion of 3.3% by year 10. Typically, at this point in the life of a project, an owner will refinance senior bank debt to reduce the cost of debt and thereby reduce expenses. The vacancy rate (5%) is accurate, as it is the same as the Sponsor's rental portfolio vacancy rate (as of May, 2012).

### *7.E. Other Income*

The Operating Pro Forma lists a 5% management fee, which is consistent with a past Planning and Development Board recommendation. Although not listed in the Operating Pro Forma, the proposed amenities listed the One-Stop Application includes a coin-operated washer and dryer, which would produce marginal additional income (approximately \$200/year).

### *7.G. Operating and Replacement Reserves*

The Development Budget includes an initial replacement reserve deposit of \$10,000, capitalized with development funds. Staff strongly recommends that these funds also be available for an initial operating deficit reserve to cover revenue shortfall during the lease-up period. The proposed ongoing replacement reserve is \$2,000 (\$1,000 per unit per year, which is in line with the \$900-\$1,400 recommended by HUD). By year 10, the project is projected to have approximately \$31,000 in replacement reserves. The Sponsor should clarify whether the replacement reserve would also be used as an ongoing operating reserve. The budget should include operating reserves.

**8.A. Design and Construction Applicability**

The proposal was scoped for coverage of the accessibility *design and construction* requirements under Section 504 of the Rehabilitation Act of 1973 (Section 504), Title II and Title III of the Americans with Disabilities Act (ADA), the Fair Housing Act (FHA) and the MA Architectural Access Board (MAAB) regulations at 521 CMR. This proposal does not trigger the accessibility *design and construction* requirements of the aforementioned laws and regulations.

However, reasonable accommodation and reasonable modification provisions apply to this project. Staff has reviewed the Sponsor's reasonable accommodation and reasonable modification policy and procedures and finds it to be consistent with guidance provided by HUD and the U.S. Department of Justice.

The City's Accessibility in Affordable Housing Guidelines encourages applicants to enhance the accessibility of their projects to the extent that it is financially feasible. The Sponsor has not proposed adding accessibility features, citing that doing so would be cost prohibitive.

**9. Fair Housing and Equal Opportunity**

Although not explicitly required by the CDBG Program, Housing staff encourages some form of affirmative marketing for projects containing four units or less. It is important to note that while the rents are targeted to households not receiving housing vouchers, the affirmative fair housing marketing plan should be clear that households with – and without – rental assistance have equal opportunity to rent the units.<sup>6</sup>

If approved, this proposal would, to the greatest extent possible, provide employment and training opportunities to lower-income area residents and businesses during construction, as required by Section 3 of the Housing and Urban Development Act of 1968.

Creating an affordable housing opportunity in the Newton rental market would help support and expand Newton's socio-economic, cultural and racial diversity. Supporting such diversity is a fair housing priority in the *FY13 Annual Action Plan*.

**10. Community Need**

As stated in the City's *FY11-15 Consolidated Plan* and the *FY13 Annual Action Plan*, it is a priority objective to provide deeper development subsidies per unit (CDBG and HOME) in affordable housing projects so that low-income renter households ( $\leq 50\%$  AMI) have a greater range of housing choices, so long as the developer provides at least one of the following: 1) units that are accessible to persons with disabilities, where not required by applicable law; 2) units for households that do not have rental assistance; and 3) units for persons with special needs with accompanying support services.

Affordable housing for low-income households without housing assistance is in demand. As of 2005, the Newton Housing Authority waiting list for family public housing was running approximately 7-10 years, with over 200 households in the queue earning  $\leq 50\%$  AMI. The overall demand for affordable

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<sup>6</sup> Under Massachusetts fair housing law, a housing provider may not refuse to rent a unit based on source of income, such as public assistance.

housing for Newton's current residents remains high, with about 23% of the population earning 411312  
below 80% of AMI according to the U.S. Census.

The proposal would also provide affordable rental housing within a CDBG Target Neighborhood. CDBG is an effective public resource in providing revitalization to improve the physical, social, economic, and housing environment for low- and moderate-income residents in these target neighborhoods.

# 54 Eddy Street

## Public Comments



- ♦ From Mr. Michael Lepie

112 12  
submitted 1 Nov 2012,  
3:30 pm

Michael Lepie  
PO Box 157  
Waban, MA 02468  
617 795-0404  
[BIKERML@aol.com](mailto:BIKERML@aol.com)

10/31/12

Re: Can-Do's Business  
Veterans House, Pearl St + Eddy St Projects  
CDBG, Home + CPA Funds

Per unit cost keeps going up  
Per unit renovations keep going up  
Per unit development fee keeps going up =  
Over \$300,000 in CPA funds for Can-Do

Are any of Can-Do's Projects:  
Veteran House, Pearl St or Eddy St part of the city's Subsidized Housing Inventory ?

None of Can-Do's goals in their 7/8/09 letter to the P+D Board have been met.  
Including elimination of Can-Do's undocumented \$75,000 credit card debt.  
After Can-Do was forgiven one million dollars of CDBG debt.


Can-Do does not even follow Newton Fair Housing Committee's guidelines for uniform  
Local Resident Selection Preferences in Affordable Housing.  
Josephine McNeil of Can-Do is a Member of this committee as well as a Member of the  
Newton Housing Partnership.

The Conflict of Interest is more than obvious.

Isn't there any Fiducial Responsibility for the tax payers ?

Any possibility of putting a stop to this waste of tax payers' funds ?

Thank You,

  
Michael Lepie

Senior Citizen & Tax Payer  
Businessperson



## Trick or Treat ?

### Look at the Math

#### Can-Do's Pearl Street Project

Can-Do is buying a 4 family house for \$ 780,000 = \$ 195,000 per unit

They are making it into a 3 family house = \$ 260,000 per unit

Then Can-Do's Developer's Fee \$ 125,000 = \$ 301,666 per unit

Plus **unspecified** Development costs \$ 465,000 = \$ 456,666 per unit

**100 + year old building, \$ 456,666 a unit, only 3  
families, where is the value?**

**Total cost \$ 1,370,000.**

**Does this make economic sense ?**

**Is ANYONE watching out for the tax payers' money ?**

**10/31/10**

## **Trick or Treat ?**

### **Look at the Math**

#### **Can-Do's Eddy Street Project**

Can-Do is buying a two family house for \$660,000 = \$330,000 per unit

Can-Do's development fee \$80,000 \$370,000 per unit

Development costs \$366,000 \$553,000 per unit

**An old building \$553,000 a unit two families, where is the value ?**

**Total Cost \$1.1 million**

**Does this make economic sense ?**

**Is anyone watching out for the tax payers' money ?**

**Isn't there any Fiducial Responsibility ?**

**10/31/12**



# CAN-DO



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Fax: 617-964-3593

E-mail: jam\_cando@msn.com  
Website: www.newtoncando.org  
Josephine McNeil, Executive Director

Development Organization, Inc.

July 8, 2009

Mr. Michael Kruse  
Newton Housing Office  
Newton City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

RE: Direct Loan Debt Forgiveness - \$529,817.24

Dear Mr. Kruse:

First, I want to thank you for your support of our request for debt forgiveness. The need for debt forgiveness was due to the significant loss the organization experienced on the Millhouse Commons project. We lost approximately \$450,000 due to (1) the extended permitting process despite the project being a Ch. 40B development and (2) the multi month process for the approval of CPA funding. These delays resulted in the units coming on line just as the market began to fall. We had no problem selling the 4 affordable units. In retrospect our decision to create 4 affordable units in a 6 unit project or 67% of the units instead of the usual 20% while laudable was not financially wise. As we closed the project with an outstanding construction and did not earn our expected developer fee of approximately \$150,000.

As set forth in your recommendation to the Planning and Development Board, I am submitting the following information.

## I. PLAN TO ACHIEVE LONG-TERM FINANCIAL STABILITY

The City of Newton recommended to the Planning and Development Board that NHRF loans in the amount of \$529,817.24 be forgiven and the recommendation was approved. Thus, we will have an additional \$32,377.00 in income. Those funds will be used to offset the payments associated with the restructuring outline below:

- A. The need to payoff the \$198,276.16 outstanding construction loan from the 1101 Chestnut Street project (Millhouse Commons). Restructures loan- 3.5% fixed for three years through March 31, 2012; re-priced at 250 bps over the 3 year FHLB rate for years 4-6 and 6-9. The current monthly payment is \$890.35 or \$10,684.00 annually.
- B. The need to develop a long-term plan to make principle and interest payments on an existing line of credit, which has a \$20,000 balance with an interest rate of 6.0%, and an interest-only loan in the amount of \$57,000 with an interest rate of 7.25% with The Village Bank, collectively "TVB Unsecured Obligations". Request that The Village Bank add this debt to the refinanced mortgage of \$160,000 on 11-13 Cambria Road, The cost would be approximately \$397.00 per month or \$4764.00 annually.
- C. The need to eliminate CAN-DO's current credit card debt which is \$75,000.

Part of Mr. Lepie's submission  
for 54 Eddy Street proposal



Seek a lender to consolidate these into one loan with a lower interest rate of 9% and plan to pay it off in 5 years. The cost will be approximately \$18,900 per year. 413-12

D. The need to sell 29 Coyne Road in order to pay off the TVB mortgage. We have executed a Purchase and Sale Agreement to sell the property to an income eligible first time homebuyer for \$195,000.00. This will enable us to payoff the mortgage of \$185,316.

Under separate cover, I have submitted CAN-DO's actual FY09 and a projected 2010 budget which reflects the funds generated by the elimination of the payments.

## II. ONE TO THREE YEAR STRATEGY FOR STRENGTHENING FINANCIAL EXISTENCE

### A. Reducing Financial Risk when Planning Projects:

Over next three years focus primarily on "as of right" rental projects with a pre-development period, construction period and occupancy of less than 18 months. In addition, we will try to obtain predevelopment funds in order to limit the expenses which must be paid from our operating budget. A possible source of such funds is CEDAC and possibly LISC. We will also build in the maximum allowed developer fee. Funders determine the percentage of a project's total development costs they will allow for a developer fee; DHCD usually allows 15%, Masshousing up to 20% and the Federal Home Loan Bank of Boston up to 15%.

### B. Pursue opportunities to increase income by providing fees for services to other nonprofits in Newton and elsewhere. The board revisited the idea of CAN-DO either collaborating with or acting as a consultant for other area nonprofits interested in developing housing. I have had discussions with at least one group who approached us to ask if we would be interested in acting as the developer for a property they would own and operate.

### C. Working with Newton Housing Partnership and others to pursue City of Newton building and construction fee waivers.

### D. Increase in Fundraising Activities – The Board of Directors has made a commitment to engage in additional small fundraising events, as well as a second major fundraiser. The board is exploring several activities for the fall and winter to raise approximately \$10,000 including a craft fair (\$4000-\$5000); a clambake excursion (\$1000); a house party with a sports personality; (\$2000); fall newsletter and annual appeals (\$1500). Of course these plans are aspirational and will present a significant challenge given the current economic environment. We will also continue to pursue grants from new and old sources.

### E. In 2010, Board will explore a Capital Campaign. It has been suggested that despite the difficult financial times; this might be an opportune to engage in a multi-year capital campaign. We will engage a consultant to provide guidance to undertake a campaign of between 300 to 400 thousand dollars. Most of which will be used to establish an endowment to support our operating expenses. If our consultant thinks it is feasible we will save some portion (up to \$50,000) to reduce our Cambridge Savings Bank loan.

## III. STRATEGY FOR ENHANCING ORGANIZATIONAL CAPACITY

Since its birth in 1994, CAN-DO's focus has been primarily on the development of affordable units rather than the growth of the organization. Fourteen years later it still has only one paid staff person even though it has assets in excess of \$8 million. One of the strengths of the organization is that it has had very consistent board members who are committed to the mission of the organization. However, it is not a "high-powered" board; none of the board members are wealthy or have access to great wealth. Our efforts to recruit new board members are hampered by federal statute. One third of the board members must have family incomes that fall within the low-moderate income ranges as established by HUD. While the aim is worthy it has been problematic to identify such candidates.

The board and the executive director are in the process of identifying potential candidates for board membership with specific skills not included among the current board members including housing development, legal and organizational management. In addition we are seeking suggestions for potential low-moderate income individuals



with the interest and the time to serve. It is our hope that with the restructuring of our financial position, we will be able to attract individuals willing to take on the challenge of making us a stronger and more viable organization.

The Board has also determined that it is necessary to revisit its prior efforts to develop a 3-5 year strategic plan which includes:

- Identifying techniques to strengthen the role of board members
- Develop a 5-year succession plan for Executive Director
- Identify ways to increase support for Executive Director for day to day operation until such time as there are funds to do so.

#### IV. OPERATING RESERVES

One of the items raised at the last months meeting with the Planning and Development Board was concern about the lack of reserve for each property. While it is certainly desirable to have a reserve for each property; that has not been possible especially for our 2-family properties. It is important to note that all of our 2-family properties are over 100 years old. Each underwent modest rehabs at the time of purchase. Our first priority has been to ensure that ongoing and immediate repairs are made and that the properties are maintained so that they are not visibly unattractive. While costs, especially taxes and water and sewer, have increased, the Section 8 voucher rents have not. So it is not unusual in any given month for the expenses to exceed the income for a given property. We cover that shortfall by moving funds from another property and sometimes we have to transfer funds from the organizational operating budget. Thus placing further strain on our budget. At those properties with more than two units we fund a reserve with excess income at the end of the year, if there is any.

#### V. POSSIBLE COST-CUTTING OPTIONS

We were also asked to examine our budget to see if there were any opportunities for cost-cutting options. As we consider the current budget, we did not identify any specific reductions. The major expenses in the budget are related to staff, rent and accounting.

The only staff person, the Executive Director, has not had a salary increase in 4 years, professional conference and associated travel expenses were eliminated from the budget last year. We just renewed our current lease, with no increase. However, we are exploring opportunities to collaborate with other nonprofits on shared services. It is possible that some of accounting expenses could be reduced by such an endeavor.

I have attempted to address all the issues set forth in the recommendation and raised in the meeting. Again, I would remind you that the position that CAN-DO finds itself in at this moment is not entirely of its making. I would also ask that you look at our circumstances as not unique for a nonprofit developer of affordable housing; there are other nonprofits that have been in existence much longer, and with more depth in staff and financial resources who have also been impacted by the market. The approved debt forgiveness of the NHRF loans is the foundation for the financial restructuring with other lenders.

In closing, I want to emphasize that CAN-DO's future is dependent upon our moving forward with a new project as soon as possible. We look forward to working with you and others interested in our success to fulfilling our mission to develop affordable housing in Newton.

Sincerely,

  
Josephine McNeil  
Executive Director

## **NEWTON FAIR HOUSING COMMITTEE**

Newton Housing & Community Development Program  
Newton City Hall, 1000 Commonwealth Avenue, Newton, MA 02459.  
Phone 617-796-1146. TDD/TTY 617-796-7089

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### **Guidelines for Uniform Local Resident Selection Preferences in Affordable Housing**

The Newton Fair Housing Committee recommends the adoption of the following uniform policies for the use of selection preferences for that affordable housing which is subject to the oversight of the City of Newton, either through funding or by regulation. The Uniform Guidelines are intended for use in affordable rental and homeownership programs that utilize a lottery at initial distribution of the units and upon resale. Local resident selection preference policies should be as uniform as program constraints will allow across Newton's programs that distribute funding or regulate affordable housing, including but not limited to: Community Development Block Grant Program, HOME Program, Community Preservation Act Program, Inclusionary Zoning Ordinance, and Chapter 40B.

#### *1. Non-Discrimination.*

The use of the local selection preference shall not have the purpose or effect of delaying, denying, or excluding participation in a housing program based on race, color, religion, national origin, gender, age, disability, ancestry, marital status, family status, veteran or military status, sexual orientation, genetic characteristics, or status as a person who is a recipient of federal, state, or local public assistance, or the requirements of such programs.

#### *2. Requirements of Other Programs.*

Many programs, such as low-income housing tax credits, the approval procedures in effect under the Comprehensive Permit Guidelines (the 40B Guidelines), the HOME program, and others permit local resident selection preferences subject to program-specific limitations. These recommendations are to apply only where not in conflict with other applicable state or federal program requirements, or with fair housing or civil rights requirements.

Part of Mr. Lepie's submission  
for 54 Eddy Street proposal



### *3. Criteria for Local Preference.*

Preference shall be given for qualified applicants as follows. First preference for initial occupancy shall be given to applicants who are being displaced as a result of the construction, alterations, or rehabilitation involving the unit in question, and are qualified for the unit in terms of household size, income, and if relevant for the unit, disability, as provided below, unless such preference would be unallowable under the rules of a source of funding for the project.

Following that, preference shall go to any other qualified applicants who fall within any of the following equally weighted categories:

- (a) Individuals or families who live in Newton.
- (b) Households with a family member who works in Newton, has been hired to work in Newton, or has a bona fide offer of employment in Newton.
- (c) Households with a family member who attends a public school in Newton.

As set forth above, preference for dwelling units having features that are designed, constructed, or modified to be usable and accessible to people with visual, hearing, or mobility disabilities shall, for first occupancy, be assigned to displaced applicants needing the features of the unit. All other applicants shall be assigned in the following order of priority: (a) first to households having preference under one or more of the three categories listed above that include a family member needing the features of the unit; (b) then to households without a preference that include a family member needing the features of the unit; (c) then to other households based on the preferences described above; and (d) then to other qualified applicants.

### *4. Numerical Limitations.*

The local preference may be used for up to 70% of the affordable dwelling units to be distributed, or such lower share as may be required by other applicable authorities.

### *5. Mitigating Potential Discriminatory Outcomes.*

When the local preference is utilized, the developer or owner should use the procedures required by the 40B Guidelines in effect as of July 30, 2008. Under the 40B Guidelines, the owner or developer uses a lottery to select applicants from two pools: (1) a pool of applicants with preferences and (2) a pool of applicants without preferences. Any discriminatory effects are mitigated by adding minority applicants without preferences to the local preference pool until the percentage of racial and ethnic minorities in the local preference pool reflects the corresponding percentages in the Boston metropolitan statistical area.<sup>1</sup> Additional mitigation may be required to assure that a preference for households that work in the community does not discriminate against or have the effect of excluding disabled and elderly households in violation of fair housing laws.

### *6. Affirmative Fair Housing Marketing.*

When the local preference is used, the developer or owner should engage in affirmative fair housing marketing. Marketing should be based on the procedures such as those established under the 40B Guidelines. Marketing should meet the following minimum standards:

(a) Outreach. Marketing should reach out to those groups protected by fair housing laws. Marketing should be conducted in the print, radio and other media serving families with children, people with disabilities, and those racial and ethnic groups in the Boston metropolitan area not represented in comparable numbers in Newton. At minimum, available units should be listed with the MetroList administered by the Boston Fair Housing Commission.

(b) MassAccess. Units modified or designed as accessible units for people with disabilities should be registered with the MassAccess Registry.

(c) Application Procedures. The owner or developer should use fair methods for accepting applications, such as accepting applications over a period of weeks, accepting applications by mail, and use of lotteries to establish waiting lists.

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<sup>1</sup> The procedures are described in detail in Chapter III of the "Guidelines for G.L. c.40B Comprehensive Permit Projects and the Subsidized Housing Inventory" in effect as of July 30, 2008. A copy of the 40B Guidelines is available at: <http://www.mass.gov/dhcd/Temp/06/40Bguidelines.doc>



(d) Selection Preferences. Local residency preferences must not be advertised as they may discourage non-local potential applicants.

<b>54 EDDY STREET CONSTRUCTION SCOPE AND COST ESTIMATE</b>			
<b>SITE WORK:</b>			
	Replace Existing Driveway		\$ 13,000.00
	Replace Existing Sanitary and water lines		\$ 15,000.00
	Add common Electrical Meter		\$ 2,500.00
	Install Sidewalk Retaining Wall		\$ 4,500.00
	Install Planting and Patch lawns		\$ 1,200.00
<b>CONCRETE:</b>			
	Install New Footings at Porch Foundations		\$ 1,300.00
<b>MASONRY:</b>			
	Repoint Basement Piers and Existing Foundation		\$ 2,200.00
	Repoint Existing Entry Stairs		\$ 1,700.00
	Add Chimney Cap		\$ 700.00
<b>ROUGH CARPENTRY:</b>			
	Reframe Existing Entry Porch		\$ 1,800.00
	Repartition 3rd Floor for New Bath and Closet		\$ 2,000.00
	Rebuild Bulkhead Doghouse		\$ 1,700.00
<b>FINISH CARPENTRY:</b>			
	New Rear Porch, Sleepers and Decking		\$ 2,800.00
	New Entry Porch, Railings and Decking		\$ 3,900.00
	New trim at Bath and Kitchen		\$ 3,000.00
	New Trim at Garage		\$ 400.00
	New Stair Handrails and Brackets		\$ 650.00
	New Closet Shelving		\$ 100.00
<b>DOORS AND WINDOWS:</b>			
	New doors at 3rd Floor Bath and Closet		\$ 800.00
	New Windows at Garage		\$ 600.00
<b>MOISTURE PROOFING AND INSULATION:</b>			
	Miscellaneous Caulking		\$ 450.00
	Insulation		\$ 12,000.00
<b>ROOFING:</b>			
	Fiberglass roofing at Main Gable and Doghouse		\$ 2,800.00
	Single Membrane Roofing at Rear Porch		\$ 900.00
<b>GUTTERS AND DOWNSPOUTS:</b>			
	Add Downspouts and Repair Gutters		\$ 1,200.00
<b>FINISHES:</b>			
	New Ceiling and Gypsum Wallboard		\$ 4,800.00
	Int. & Ext. Painting and Wallpaper Removal		\$ 15,000.00
	Refinish Existing Clear Hardwood Walls and Trim		\$ 4,100.00
	Refinish Hardwood Flooring		\$ 3,500.00
	Install Ceramic Tiles at New 3rd Floor Bath		\$ 2,100.00
	Install New Kitchen Cabinets and Counters at @2nd Floor		\$ 14,300.00

<b>54 EDDY STREET CONSTRUCTION SCOPE AND COST ESTIMATE</b>			
	Install New Vanity and Misc. Repairs at 1st Floor Bath		\$ 750.00
<b>MECHANICAL:</b>			
	Add Exhaust Fan at New 3rd. Floor Bath		\$ 250.00
	Add Backflow Preventer for 2nd Unit Heating System		\$ 500.00
	Remove steam boilers and radiators, replace with hydronic boilers and baseboard radiators		\$ 24,000.00
<b>PLUMBING:</b>			
	New Bath and Kitchen Rough and Finish		\$ 14,000.00
<b>ELECTRICAL:</b>			
	Extend Power and Light to Garage		\$ 1,100.00
	Replace Electric Panels and Recircuit Same		\$ 8,300.00
	Install New Power and Light		\$ 5,000.00
<b>SPECIALTIES:</b>			
	Energy Star Appliances		\$ 3,200.00
			\$ 178,100.00
<b>GENERAL CONDITIONS</b>		10%	\$ 17,810.00
<b>OVERHEAD AND PROFIT</b>		10%	\$ 16,790.00
	<b>TOTAL</b>		\$ 212,700.00
Revised Sept. 19, 2012			



Setti D. Warren  
Mayor

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Candace Havens  
Director

## Community Preservation Committee FUNDING RECOMMENDATION

date: 27 November 2012  
from: Community Preservation Committee  
to: The Honorable Board of Aldermen  
for: **54 Eddy Street, affordable housing**

### PROJECT GOALS & ELIGIBILITY

This project will rehabilitate a two-family home built in 1910 to create rental units, deed-restricted to be permanently affordable to one household at up to 50% of the area-wide median income (2 bedrooms) and one at up to 80% of the area-wide median income (3 bedrooms). No change will be made to the building's footprint. The project is eligible under the Community Preservation Act as the creation of affordable housing.

### RECOMMENDED FUNDING

On 14 November 2012 by a unanimous vote of 7-0 (member Michael Clarke absent, Newton Historical Commission position currently vacant), the Community Preservation Committee recommended that the requested \$255,000 be appropriated for a grant to Citizens for Affordable Housing Development in Newton (CAN-DO) for this project, as described in the proposal and updates submitted July-November November 2011, with funds to be used for all eligible purposes included implicitly or explicitly in the summary budget at right:

DEVELOPMENT BUDGET for 54 EDDY STREET		
USES		
<b>Acquisition</b>		\$ 660,000
<b>Construction</b>		
Direct Construction Costs, incl. lead/asbestos removal		\$ 257,700
Contingency	10%	21,270
<b>General Development</b>		
Architecture, Engineering, Survey		\$ 22,000
Building Permits, Legal, Title, Etc.		\$ 15,617
Taxes & Insurance		\$ 14,051
Mortgage Loan Interest		\$ 25,000
Contingency	10%	\$ 7,667
Developer Overhead/Fee	8%	\$ 81,945
Capitalization of Replacement Reserve		\$ 10,000
<b>Total</b>		<b>\$ 1,115,250</b>
SOURCES		
City of Newton - CDBG (incl. lead/asbestos removal)		\$ 690,250
<b>RECOMMENDED CPA FUNDS</b>		<b>\$ 255,000</b>
Charlesbank Homes (Foundation Grant)		\$ 50,000
Village Bank Mortgage (after write-down)		\$ 120,000
<b>Total</b>		<b>\$ 1,115,250</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**

**Location:** This site is within comfortable walking distance of 3 public schools (elementary, middle, and secondary), shopping and public transportation.

**Project Costs & Population Served:** The sponsor has requested a relatively high public subsidy so this project can serve low-income households without rental vouchers. This goal is consistent with Newton's *Consolidated Plan for Housing & Community Development* and longstanding recommendations of the Newton Housing Partnership. It also recognizes the uncertain future of federal funding for Section 8 vouchers.

**Scope of Work & Sustainability:** All permanently deed-restricted affordable rental housing generates below-market rents, by definition, but rents affordable to this project's low-income tenants must be even lower than usual. De-leading and asbestos removal are required by the project's federal funding. The project's additional proposed major repairs and improvements are all supported by the home inspector's report, the Newton Housing Partnership and the City of Newton's Housing rehabilitation staff, including adding a ¾ bath on the floor that currently contains only the 3 bedrooms of the larger unit, and conversion of the heating system from oil and steam radiators to gas and hot-water baseboard units. The new heating system is expected to pay for itself fairly quickly through energy savings. All together, these up-front investments will ensure that few major repairs are needed in the project's first 10-20 years, allowing CAN-DO to build a replacement reserve for the project's long-term future, even with very low operating income.

**Developer Fee & Organizational Finances:** The requested 8% developer fee is very low by affordable housing industry standards. As usual, this fee is also "at risk" to cover any actual development costs that exceed those budgeted. Financial statements for CAN-DO as an organization as a whole and for its completed projects, as reviewed by the Planning & Development Board in September-October 2012, are available from the project's CPC webpage.

**ADDITIONAL RECOMMENDATIONS** (*funding conditions*)

1. **Funding sources & spending authority:** All funds should be drawn from the current Community Preservation Fund fund balance restricted to affordable housing, allocated as community housing, and appropriated to the spending authority of the Director of Planning and Development.
2. **Grant agreement:** This agreement must cover but should not be limited to: pre-conditions for the initial release of funds (including evidence that the project can be completed as approved( commitment of other needed funds, executed construction contracts, and required City permits; and final approval and filing of the affordable housing deed restriction); procedures for the release of construction funds on a reimbursement basis and of the developer fee; requirements for publicizing the project and regular progress reports to the Community Preservation Committee or Board of Aldermen ; and pre-conditions for releasing the final 10 percent of funds, including verified completion of construction & an in-person presentation & written report on final project results to the CPC.
3. **Deadlines:** All funds must be spent within 18 months after they become available, or by any extension of that deadline granted in writing by the Director of Planning and Development
4. **Return of unspent funds:** Any CPA funds not used for the purposes stated in the attached proposal or this recommendation must be returned to the Newton Community Preservation Fund.

**KEY OUTCOMES**

The Community Preservation Committee will evaluate this project based on these key outcomes:

1. on-time, within-budget completion of the scope of construction as described in the proposal submitted 15 July 2012 and updates or supporting information submitted through 14 November 2012
2. initial occupancy within 2 months of completion, and continued occupancy in perpetuity, by one household with up to 50% and another with up to 80% of the area-wide median income

**ATTACHMENTS** listed on the following page are also available from this project's link on the CPC's *Proposals & Projects* webpage: <http://www.newtonma.gov/gov/planning/cpa/projects/default.asp#Pending>

**ATTACHMENTS** delivered to the clerks of the Land Use and Finance Committees:

- ♦ Sponsor's slide presentation to the Planning & Development Board & CPC
- ♦ Proposal & current attachments, including development & operating budgets
- ♦ Current scope of work & cost estimates
- ♦ Selected pages from appraisals: sketch floor plans & photos, conclusion of independent appraisal commissioned by CPC
- ♦ Letter from Newton Housing Partnership
- ♦ Memo from City of Newton Housing staff

Additional documents available from this project's link on the CPC *Proposals & Projects* webpage:

<http://www.newtonma.gov/gov/planning/cpa/projects/default.asp#Pending> :

- ♦ Photos: from realtor website, by City of Newton Housing staff and by project architect (best in color)
- ♦ Deed, confirming purchase price
- ♦ Full appraisals: one commissioned for the Village Bank & independent appraisal for the CPC
- ♦ Acquisition/site control documents: P&S, deed, mortgage & assignment of rents
- ♦ Full home inspector's report (very thorough)
- ♦ Letter from sponsor re: other funding sources being explored (very preliminary)
- ♦ Petition with supporting signatures, submitted by sponsor
- ♦ Sponsor's overall & past project financial statements reviewed by the Planning & Development Board in September –October 2012