

CDBG and CPA Funding Request:

Newton Housing Authority Acquisition and Preservation of the CAN-DO Portfolio

JOINT PUBLIC HEARING
PLANNING & DEVELOPMENT BOARD
AND COMMUNITY PRESERVATION COMMITTEE

February 11, 2020

BACKGROUND

- **33 units** spread across 12 scattered site projects in Newton
- Tenants include **extremely low- and low- income individuals** who require a variety of supportive services
- Over **\$8 million** in Newton CDBG, HOME, and CPA funds previously allocated towards these units
- Important portfolio serving some of **Newton's most vulnerable residents**

THE PROCESS – PROPOSAL OBJECTIVES

- Ensure the NHA has sufficient funds to cover the projected capital needs and has a cushion built into the project to cover potential operating deficits.
- Ensure that the proposal leverages an amount of private debt that is reasonable but not overly burdensome.
- Utilize projected cash flow to augment the replacement reserves and insure that the reserves are sufficient to cover the capital needs over 20 years.
- Adjust level of public investment in the project to that which is reasonably needed for the project to be successful, lessening the likelihood that additional requests for funding might be needed in the future.

THE PROCESS - TIMELINE



- December 2018 – Initial conversations between NHA and Planning/CPA Staff regarding the acquisition of the portfolio.
- June 2019 – Submission of pre-proposal.
- December 2019 – Preparation of draft final proposal.
- January 2020 – Third-party consultant review and revisions.
- February 2020 – Submission of final proposal and presentation.

FUNDING REQUEST

- Total project budget: **\$3,455,000**
- Funding request of **\$2,305,000** from the City:

City CPA	\$1,105,000
City CDBG	\$1,200,000

Questions/Comments?
