



2Life
COMMUNITIES

Age affordably. Live well.

Formerly Jewish Community Housing for the Elderly (JCHE)

November 29, 2018

Newton Community Preservation Committee
c/o Alice Ingerson, Community Preservation Program Manager
City of Newton Planning and Development Department
1000 Commonwealth Ave
Newton, MA 02459

RE: Golda Meir House Expansion
Project Revisions

Dear Members of the Community Preservation Committee,

On behalf of 2Life Communities (formerly Jewish Community Housing for the Elderly), I want to update you on revisions we have made to the program for the Golda Meir House Expansion project you have previously voted to recommend appropriating \$3,250,000 in Community Preservation Act funding.

The program for the Golda Expansion project no longer includes space allocated to a wellness clinic. We are still pursuing a partnership with Newton Wellesley Hospital (NWH) and other healthcare providers on programs and services that will benefit our residents, but based on recent conversations with NWH, do not anticipate needing a dedicated wellness clinic to deliver the services we are planning provide at this time.

As a result of this change, the revised plans have replaced the clinic space on Level 1 of the Lower Addition with four apartments: three 1-bedrooms and 1 two-bedroom in the same configuration as the other floors of the Lower Addition. To keep the project at or below the 69 units originally proposed, the updated plans have removed a stack of five 1-bedroom apartments in the Upper Addition. As a result, the updated proposal includes 68 apartments: 57 one-bedrooms and 11 two-bedrooms. Below is the anticipated unit and income mix. Note that the unit mix for the income-restricted apartments (the portion of the project eligible for CPA funds) is the same as submitted in our November 8, 2018 letter to the Community Preservation Committee.

UNIT TYPE	≤ 30% AMI (Sec 8 PBV)	≤ 50% AMI (MRVP PBV)	≤ 60% AMI	<100% AMI	Un-restricted	TOTAL
1 BR	7	20	18	8	4	57
2 BR	1	2	2	2	4*	11
TOTAL	8	22	20	10	8	68

* includes 1 on-site resident manager unit and 1 unit for graduate students

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TEL 617-912-8400 • FAX 617-912-8489 • 2lifecommunities.org

Due to these program revisions, as well as updated construction cost estimates and further refinement of many project costs, we are also submitting updated development and operating budgets. The more significant budget changes include:

Uses:

- Reallocation of \$500,000 in acquisition cost for the water tower site to a new soft cost line "Water Tower Decommissioning"
- Increased construction cost of approximately \$1 million due to updated contractor estimates (net increase after removal of the clinic space and 1 unit)
- Increased architecture/engineering, survey/permits, and construction loan interest due to higher anticipated construction costs
- Added utility fees, including anticipated Inflow & Infiltration fee
- Added pre-development loan interest and fees due to 2Life taking out a pre-development line of credit to cover the water tower demolition and antennae relocation costs

Sources:

- Reduction in permanent loan amount due to loss of income from clinic and 1 market/un-restricted unit
- Increased requests of federal and state low income housing tax credits (LIHTC) and other deferred debt from DHCD to help cover the increase in construction costs
- Increased anticipated philanthropy to cover the increased construction costs for the housing portion of the project; prior to the updated construction costs and removal of the clinic, the \$1.5 million "Program Partner Contribution" was intended to cover the capital costs of the clinic space and we didn't anticipate needing philanthropy for the housing portion of the project.

We appreciate your consideration of our revised proposal. Please contact either myself (617-912-8475, lheyer@2lifecommunities.org) or Zoe Weinrobe (617-912-8406 or zweinrobe@2lifecommunities.org) with any questions regarding this request. Thank you again for your support of this important project.

Sincerely,



Lizbeth Heyer
Chief of Real Estate and Innovation

Cc: Barney Heath, Director of Planning and Development
Amanda Berman, Director of Housing & Community Development

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**Newton, Massachusetts Community Preservation Program
FUNDING REQUEST**

(For staff use)
rec'd 29 Nov
2018
corrected by
CPC staff to
match budget
attachments, 3
Dec 2018

City of Newton



Ruthanne Fuller
Mayor

PRE-PROPOSAL

PROPOSAL

Last updated April 2018.

Please submit this completed file directly – do not convert to PDF or other formats.

For full instructions, see www.newtonma.gov/cpa or contact us:

Community Preservation Program Manager,
City of Newton Planning & Development Department, 1000 Commonwealth Ave., Newton, MA 02459
aingerson@newtonma.gov 617.796.1144

You may adjust the space for each question, but the combined answers to all questions on this page must fit on this page.

Project TITLE	Golda Meir House Expansion		
Project LOCATION	Full street address (with zip code), or other precise location. 160 Stanton Ave, Auburndale, MA 02466		
Project CONTACTS	Name & title or organization	Email	Phone
Project Manager	Lizbeth Heyer, Chief of Real Estate	lheyer@2lifecommunities.org	(617) 912-8475
Other Contacts	Zoe Weinrobe, Director of Real Estate Innovation	zweinrobe@2lifecommunities.org	(617) 912-8406
	Rachel Belanger, Project Manager	rbelanger@2lifecommunities.org	(617) 912-8464
Project FUNDING	A. CPA funds requested: \$3.25 million	B. Other funds to be used: Approx. \$29.1 million	C. Total project cost (A+B): Approx. \$32.3 million
	3 December 2018 amounts listed in budget attachments		
	\$3.25 million	\$29,064,845	\$32,314,845
Project SUMMARY	Explain how the project will use the requested CPA funds. You may provide more detail in attachments, but your PROJECT SUMMARY MUST FIT IN THE SPACE BELOW. Use a cover letter for general information about the sponsoring organization's accomplishments.		
<p>The proposed project will add approximately 68 apartments to 2Life Communities' Golda Meir House through two additions. The project will provide apartments affordable to seniors at a range of incomes as well as to 9 chronically homeless individuals with disabilities. Of the 68 proposed units, approximately 60 will be income-restricted, with the majority set aside for low- and extremely low-income seniors.</p> <p>The proposed design physically integrates the new additions with the existing building in order to incorporate new residents into this vibrant senior community and incorporate the building's management into a highly efficient operation. By joining 2Life's Golda existing community, new residents will benefit from a wealth of programs, services and supports otherwise unavailable in a standalone affordable housing building. We have also had positive initial conversations with the New England Conservatory (NEC) about potentially housing graduate students in 1 apartment who would commit to performances and engagement with our residents. The project will also enhance outdoor spaces and utilize the water tower parcel to expand parking.</p>			

Project TITLE Golda Meir House Expansion						
USES of CPA Funds		COMMUNITY HOUSING		create		✓
New construction ✓		Mortgage buydown/ refinance		Site preparation/ remediation ✓		
TARGET POPULATION, TYPE OF HOUSING, SPECIAL FEATURES – Check& describe all that apply.						
Individuals ✓	Families ✓	Seniors ✓	Homeless/At Risk of Homelessness ✓	Rental ✓		
Special needs/disabilities (identify population & provider of support services, if any): 9 units for chronically homeless individuals with disabilities – Hearth, Inc. will provide supportive services						
Special features (historic preservation, sustainability, etc.): Sustainability – Enterprise Green Communities standards						
UNIT COMPOSITION <i>List number of units in each category.</i>						
UNIT TYPE	≤ 30% AMI *	≤ 50% AMI *	≤ 60% AMI	<100% AMI	No Income Restriction (Market-Rate)	TOTAL
1 BR	7	20	18	8	4	57
2 BR	1	2	2	2	4**	11
*2Life expects all units in these categories to have project-based vouchers, which will cover the difference between 30% of residents’ actual incomes and contracted rents. In combination, these two categories will also include 9 non-age restricted, 1 -bedroom units for chronically homeless individuals.						
**Includes 1 resident manager unit with no rent, and 1 unit with reduced rent set-aside for NEC graduate students. Rents for all other units with no income restriction are proposed to be below a true “market rate.”						
COMMUNITY NEEDS	From each of at least 2 plans linked to the Guidelines & Forms page of www.newtonma.gov/cpa , provide a brief quote with plan title, year, and page number, showing how this project meets previously recognized community needs. You may also list other community benefits not mentioned in any plan.					
<ul style="list-style-type: none"> Affordability The 2007 <i>Newton Comprehensive Plan</i> emphasizes the importance of creating a range of housing options. “We want our stock of housing to match the social and economic diversity of our population. That requires increasing both rental and home ownership opportunities for the entire range of low, moderate, and middle income families, for starter households as well as for senior citizens” (page 5-12). Our proposed project will serve a range of low and moderate incomes, plus several apartments without an income restriction, to meet some of this need. CPA funds will support the units for households under 100% of area median income. Supporting Seniors According to the 2017 <i>Housing Needs Analysis and Recommendations</i> report, “Newton’s empty-nester, retiree and senior adult population is growing substantially” and “seniors that are interested in aging in place in Newton find that the ability to do so is limited due to the lack of housing diversity” (page 10). The 2014 <i>Living and Aging in Newton</i> report commissioned by the Senior Citizens Fund of Newton also found that “Staying and aging in Newton is a goal for 88% of survey respondents” (page ix). 2Life’s model of <i>aging in community</i> provides not only the opportunity for some to remain in Newton, but to do so in a more supportive environment than would be possible in a single family home. Accessibility The <i>Housing Needs Analysis and Recommendations</i> report showed that “Newton’s growing senior population would be well served by increasing the supply of single level, elevator served residences in walkable and transit accessible locations, with design features as outlined in the Council on Aging’s Age Friendly Housing Checklist” (page v). The proposed project will include ADA apartments and all apartments will be adaptable with universal design features that support residents as their physical needs change. 						

Budget attachment amounts added by CPC staff, 3 December 2018.

Project TITLE	Golda Meir House Expansion			
SUMMARY CAPITAL/DEVELOPMENT BUDGET				
Uses of Funds		submitted on form	in attachments	
Acquisition		\$100	\$100	
Construction costs (hard costs, gen'l conditions, overhead, profit, contingency)		\$24,370,000	\$24,366,192	
Soft Costs		\$4,890,000	\$4,892,419	
Developer Fee/Overhead		\$2,500,000	\$2,500,000	
Reserves (Operating)		\$560,000	\$556,133	
D. TOTAL USES (should equal C. on page 1 and E. below)		\$32,320,000	\$32,314,845	
Sources of Funds		Status	submitted on form	in attachments
Newton CPA Funds		Requested	\$3,250,000	\$3,250,000
Permanent Mortgage Loan		Expected	\$7,770,000	\$7,770,000
Federal and State Low Income Housing Tax Credit Equity		Expected	\$14,300,000	\$14,298,570
Utility Rebates		Expected	\$75,000	\$74,800
DHCD Subordinate Debt		Expected	\$3,750,000	\$3,750,000
Private Philanthropy		Expected	\$2,550,000	\$2,546,475
Deferred Developer Fee		Expected	\$625,000	\$625,000
E. TOTAL SOURCES (should equal C. on page 1 and D. above)			\$32,320,000	\$32,314,845
SUMMARY ANNUAL OPERATIONS & MAINTENANCE BUDGET (cannot use CPA funds)				
Uses of Funds		submitted on form	in attachments	
Management Fee		\$59,000	\$59,083	
Administration		\$114,000	\$114,000	
Maintenance (attachment amt includes "Operations")		\$124,000	\$123,800	
Resident Services		\$50,000	\$50,000	
Security		\$10,000	\$10,000	
Utilities		\$145,000	\$145,000	
Reserves		\$24,000	\$24,480	
Taxes, Insurance		\$105,000	\$105,000	
Debt Service		\$481,000	\$480,904	
Mortgage insurance premium		(not listed)	\$9,644	
Required Debt Service Coverage Ratio (1.10) (recalculated so total costs on form = total costs in attachment)		\$48,000	\$38,210	
F. TOTAL ANNUAL COST (should equal G. below)		\$1,160,000	\$1,160,121	
Sources of Funds		submitted on form	in attachments	
Residential Income		\$1,181,500	\$1,181,652	
Other Rental Income (laundry, Mass. Rental Voucher Program services)		\$39,500	\$39,528	
Vacancy		-\$61,000	-\$61,059	
G. TOTAL ANNUAL FUNDING (should equal F. above)		\$1,160,000	\$1,160,121	

Corrections by CPC staff, 3 December 2018.

Project TITLE	Golda Meir House Expansion	
Project TIMELINE	Phase or Task	Season & Year
	Submit Comprehensive Permit (40B) Application to ZBA	2018 fall
	40B permitting process	2018 fall - 2019 winter
	Submit Full Proposal to CPC	September 2018
	CPC Public Hearing	October 2018
	Submit Pre-application for Rental Funding to DHCD	November 2018
	City Council Committees (Land Use + Finance) Votes on CPC Recommendation	December 2018
	Full City Council Vote on CPC Recommendation	December 2018/January 2019
	Invitation from DHCD to submit Full Rental Funding Application	December 2018
	Submit Full Rental Funding Application to DHCD	February 2019
	Finalize design/construction documents	2019 winter - summer
	Assemble project financing	2019 full year
	Construction	2020 winter - 2021 spring
	Lease-up	2021 fall

Project TITLE	Golda Meir House Expansion			
COMMUNITY CONTACTS	List at least 3 Newton residents or organizations willing and able to comment on the project and its manager's qualifications. No more than 1 should be a supervisor, employee or current work colleague of the project manager or sponsor. For housing projects, at least 2 contacts should reside in or near the project's neighborhood.			
	Name & title or organization	Email	Phone	Mailing address
	Phyllis Chmara	chmara3@bellsouth.net	617-916-0531	160 Stanton Ave. #322
	Marion Miller	msmiller205@yahoo.com	216-789-5288	1938 Washington St. #304
	Fran Godine <i>Engine 6</i>	godine@comcast.net	617-694-9528	19 Crofton Rd Waban, MA 02468

Updated attachments checklist provided by CPC staff for 29 November 2018 update.

Project TITLE	Golda Meir House Expansion	
↓ Check off submitted attachments here		
Separate, detailed budget attachments REQUIRED for full proposal.	PROJECT FINANCES printed and as computer spreadsheets, with both uses & sources of funds	
	X	development pro forma/capital budget: include total cost, hard vs. soft costs and contingencies, and project management – amount and cost of time from contractors or staff (in-kind contributions by existing staff must also be costed)
	X	operating/maintenance budget, projected separately for each of the next 10 years (CPA funds may not be used for operations or maintenance)
	X	non-CPA funding: commitment letters, letters of inquiry to other funders, fundraising plans, etc., including both cash and est. dollar value of in-kind contributions
	DESIGN & CONSTRUCTION	
X	professional design & cost estimates: include site plan, floor plans & elevations	

Golda Meir House Expansion					
<i>Development Budget - Sources and Uses - November 2018</i>					
SOURCES			USES	Total	Per Unit
Newton CPA Funds	3,250,000		Acquisition	100	1
Permanent Loan	7,770,000				
Fed Tax Credit Equity	10,298,970		Construction		
State Tax Credit Equity	3,999,600		Cost of Construction	23,205,897	341,263
Utility Rebates	74,800		Contingency	1,160,295	17,063
DHCD Sub Debt	3,750,000		Subtotal Construction	24,366,192	358,326
Philanthropy	2,546,475				
Deferred Developer Fee	625,000		Soft Costs		
Total Sources	32,314,845		Water Tower Decommissioning	500,000	7,353
			Architect & Engineering	1,392,354	20,476
			Survey and Permits	455,341	6,696
			Clerk of the Works	100,000	1,471
			Environmental Engineer	75,000	1,103
			Energy/Green Reporting	75,000	1,103
			Bond Premium	185,647	2,730
			Legal	200,000	2,941
			Title/Recording	40,000	588
			Accounting/Cost Cert	40,000	588
			Marketing & Rent-Up	25,000	368
			Real Estate Taxes	90,000	1,324
			Insurance (Construction)	55,470	816
			Appraisal	25,000	368
			Construction Loan Interest	700,000	10,294
			Inspecting Engineer	50,000	735
			Construction Loan Fees	113,750	1,673
			Perm Loan Fees	155,400	2,285
			MIP	19,425	286
			Other Financing Fees	5,000	74
			Relocation	60,000	882
			FF&E	20,000	294
			Utility Fees	150,000	2,206
			Pre-Dev Loan Interest/Fees	21,250	313
			Perm Loan Application Fee	23,310	343
			DHCD Processing Fee	60,000	882
			DHCD Compliance Fee	22,500	331
			Soft Cost Contingency	232,972	3,426
			Subtotal Soft Costs	4,892,419	71,947
			Developer Overhead	1,250,000	18,382
			Developer Fee	1,250,000	18,382
			Operating Reserves	556,133	8,178
			Subtotal Fees/Reserves	3,056,133	44,943
			Total Uses	32,314,845	475,218

Golda Expansion											
10 Year Operating Budget - November 2018											
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Income											
Sec 8 Units	154,260	157,345	160,492	163,702	166,976	170,316	173,722	177,196	180,740	184,355	
MRVP Units	326,328	332,855	339,512	346,302	353,228	360,292	367,498	374,848	382,345	389,992	
LIHTC- 60% Units	282,264	287,909	293,667	299,541	305,532	311,642	317,875	324,233	330,717	337,332	
NEC Units	9,600	9,792	9,988	10,188	10,391	10,599	10,811	11,027	11,248	11,473	
Moderate + Market	409,200	417,384	425,732	434,246	442,931	451,790	460,826	470,042	479,443	489,032	
Commercial	0	0	0	0	0	0	0	0	0	0	
Other	39,528	40,319	41,125	41,947	42,786	43,642	44,515	45,405	46,313	47,240	
Gross Revenue	1,221,180	1,245,604	1,270,516	1,295,926	1,321,845	1,348,281	1,375,247	1,402,752	1,430,807	1,459,423	
Vacancy	(61,059)	(62,280)	(63,526)	(64,796)	(66,092)	(67,414)	(68,762)	(70,138)	(71,540)	(72,971)	
Effective Gross Income	1,160,121	1,183,323	1,206,990	1,231,130	1,255,752	1,280,867	1,306,485	1,332,614	1,359,267	1,386,452	
Percent Change		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Expenses											
Management Fee	59,083	60,264	61,470	62,699	63,953	65,232	66,537	67,867	69,225	70,609	
Administration/Payroll	114,000	117,420	120,943	124,571	128,308	132,157	136,122	140,206	144,412	148,744	
Maintenance & Operating	123,800	127,514	131,339	135,280	139,338	143,518	147,824	152,258	156,826	161,531	
Resident Services	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	
Security	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	
Utilities	145,000	149,350	153,831	158,445	163,199	168,095	173,138	178,332	183,682	189,192	
Taxes, Insurance	105,000	108,150	111,395	114,736	118,178	121,724	125,375	129,137	133,011	137,001	
Total Operating Expenses	606,883	624,498	642,631	661,295	680,507	700,282	720,638	741,592	763,161	785,364	
Per Apartment	9,083	9,347	9,618	9,898	10,185	10,481	10,786	11,100	11,423	11,755	
Percent Change		2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	
Net Operating Income	553,238	558,825	564,359	569,835	575,246	580,585	585,846	591,022	596,105	601,088	
Replacement Reserves	(24,480)	(25,214)	(25,971)	(26,750)	(27,552)	(28,379)	(29,230)	(30,107)	(31,011)	(31,941)	
Cash Flow after RR	528,758	533,611	538,388	543,085	547,693	552,206	556,616	560,915	565,095	569,147	
Debt Service											
First Mortgage P&I	(480,904)	(480,904)	(480,904)	(480,904)	(480,904)	(480,904)	(480,904)	(480,904)	(480,904)	(480,904)	
MIP	(9,644)	(9,571)	(9,495)	(9,414)	(9,328)	(9,238)	(9,142)	(9,042)	(8,935)	(8,823)	
DSCR	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	1.18	
Cash Flow after Debt Service	38,210	43,135	47,990	52,767	57,461	62,064	66,569	70,969	75,255	79,420	
Cash Flow Priority Payments:											
Investor Asset Mgmt Fee	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	
Partnership Mgmt Fee	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	
Deferred Developer Fee	28,210	32,835	37,381	41,840	46,206	50,471	54,629	58,670	62,588	66,373	
Cash Flow to General Partner	0	0	0	0	0	0	0	0	0	0	
Cash Flow to Investor Limited Partner	0	0	0	0	0	0	0	0	0	0	
Total Priority Payments	38,210	43,135	47,990	52,767	57,461	62,064	66,569	70,969	75,255	79,420	
Cash Flow after Priority Payments	0	0	0	0	0	0	0	0	0	0	

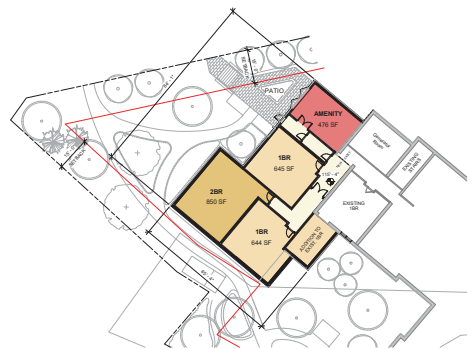
DATE	DESCRIPTION



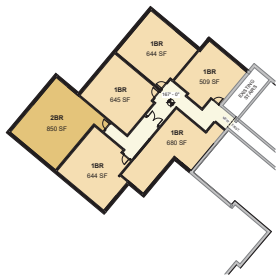
LVL 1 (132'-0") - LOWER ADDITION
 SCALE: 1/16" = 1'-0"
 3,940 Gross SF



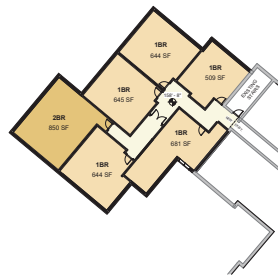
LVL 0 (123'-8") - LOWER ADDITION
 SCALE: 1/16" = 1'-0"
 3,840 Gross SF



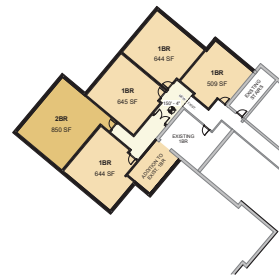
LVL L (115'-4") - LOWER ADDITION
 SCALE: 1/16" = 1'-0"
 3,840 Gross SF



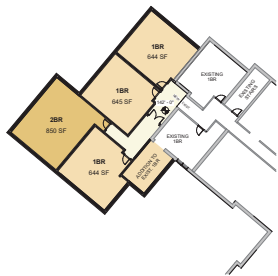
LVL 5 (167'-0") - LOWER ADDITION
 SCALE: 1/16" = 1'-0"
 5,100 Gross SF



LVL 4 (158'-8") - LOWER ADDITION
 SCALE: 1/16" = 1'-0"
 5,100 Gross SF



LVL 3 (150'-4") - LOWER ADDITION
 SCALE: 1/16" = 1'-0"
 4,440 Gross SF



LVL 2 (142'-0") - LOWER ADDITION
 SCALE: 1/16" = 1'-0"
 3,840 Gross SF



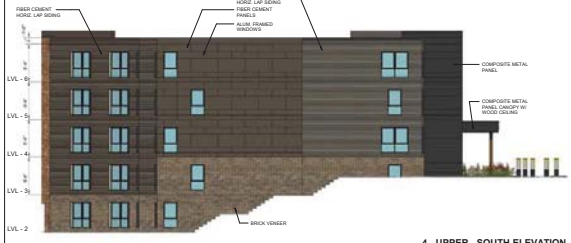
3 - UPPER - EAST ELEVATION
 SCALE: 1/8" = 1'-0"



2 - UPPER - NE ELEVATION
 SCALE: 1/8" = 1'-0"



5 - UPPER - WEST ELEVATION
 SCALE: 1/8" = 1'-0"



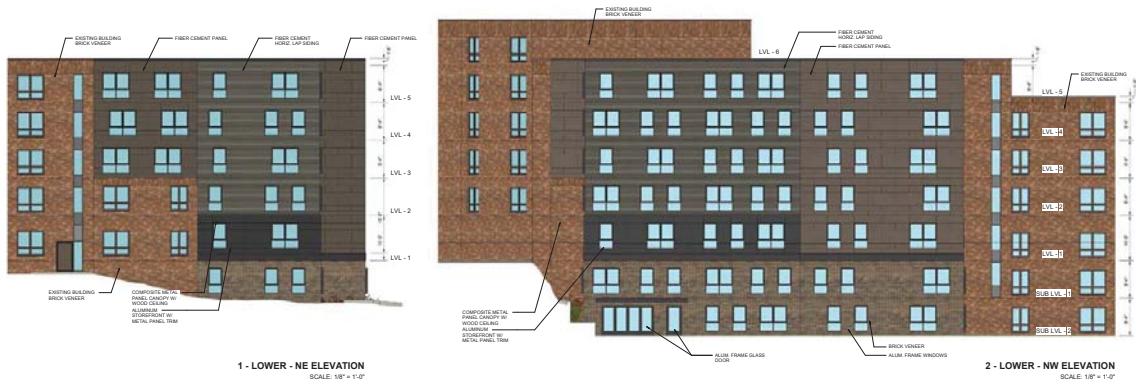
4 - UPPER - SOUTH ELEVATION
 SCALE: 1/8" = 1'-0"



1 - UPPER - NW ELEVATION
 SCALE: 1/8" = 1'-0"

DATE	DESCRIPTION



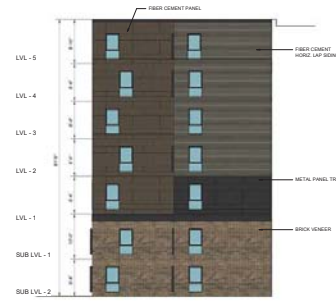


1 - LOWER - NE ELEVATION
SCALE: 1/8" = 1'-0"

2 - LOWER - NW ELEVATION
SCALE: 1/8" = 1'-0"



3 - LOWER - SW ELEVATION
SCALE: 1/8" = 1'-0"



4 - LOWER - SE ELEVATION
SCALE: 1/8" = 1'-0"



PROJECT CHAIRMAN
GOLD MEIR HOUSE
EXPANSION
180 STANTON AVE. AUBURNDALE, MA
01531-2600

ARCHITECT
GOLDMEIR ARCHITECTS, INC.
180 STANTON AVE. AUBURNDALE, MA
01531-2600

NO.	DATE	DESCRIPTION



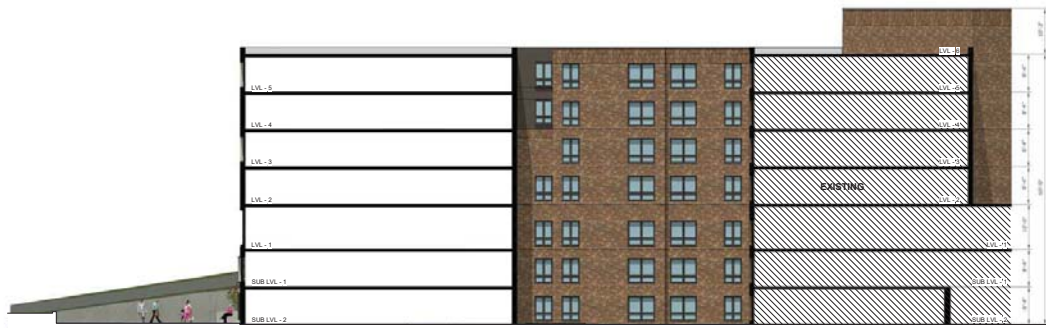
PROJECT NO.
110318
SCALE: 1/8" = 1'-0"

LOWER ELEVATIONS

02-3



1 - UPPER - BUILDING SECTION
SCALE: 1/8" = 1'-0"



2 - LOWER - BUILDING SECTION
SCALE: 1/8" = 1'-0"



PROJECT CHAIRMAN
GOLD MEIR HOUSE
EXPANSION
180 STANTON AVE. AUBURNDALE, MA
01531-2600

ARCHITECT
GOLDMEIR ARCHITECTS, INC.
180 STANTON AVE. AUBURNDALE, MA
01531-2600

NO.	DATE	DESCRIPTION



PROJECT NO.
110318
SCALE: 1/8" = 1'-0"

BUILDING SECTIONS

02-5