



**2Life**  
COMMUNITIES

Age affordably. Live well.

*Formerly Jewish Community Housing for the Elderly (JCHE)*

September 20, 2019

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 Update

Dear Members of the Community Preservation Committee,

Thank you for your support of 2Life's Golda Meir House Expansion project. Since the City's commitment of \$3.25 million in CPA funds in December 2018, 2Life has been actively working to secure the state and federal resources that will allow us to begin construction in 2020. We thought this was a good time to update you on our efforts, including a planned "Mini Round" application to the MA Department of Housing and Community Development (DHCD) and our recent submission to HUD for Federal 202 funding, an opportunity which became available after we last met with you.

Having received word this summer that our project would not be funded in DHCD's 2019 funding competition, we promptly began working on an application for DHCD's fall 2019 Mini Round, which has updated guidelines this year that allow for senior supportive housing deals. With our high "readiness score," including 70% complete construction drawings, we hope to be funded in the Mini Round.

In October, we jumped at the chance to submit an application in response to HUD's 202 Notice of Funding Availability (NOFA), the first 202 NOFA since 2012 when the program was de-authorized during the sequestration process. The 202 program exclusively funds supportive senior housing projects sponsored by non-profits and includes both Capital Advance funding to support development costs and project-based vouchers in the form of a Project Rental Assistance Contract (PRAC) for very-low-income seniors to pay just 30% of their income towards rent. This deeper affordability is what motivated us to apply for the 202.

Our 202 application sought a \$4 million Capital Advance and 25 Project Based Rental Assistance (PRAC) vouchers. The 25 PRAC vouchers would allow us to expand the number of extremely low-income housing units from 30 to 45. While this would be a tremendous benefit for Newton's low-



30 Wallingford Road • Brighton, MA 02135-4753  
TEL 617-912-8400 • FAX 617-912-8489 • [2lifecommunities.org](http://2lifecommunities.org)

income seniors, it causes a financing gap because HUD's PRAC payment standard is lower than the LIHTC, Section 8 and MRVP rents in our most recent pro forma, causing a reduction in our permanent financing. Unfortunately, the \$4 million 202 Capital Advance does not cover this financing gap because a substantial portion must cover the increased construction costs that stem from HUD's Davis Bacon labor requirements. Instead, we have proposed to fill this gap by adjusting our DHCD request to replace MRVP vouchers with Section 8 vouchers that have a higher payment standard, and as a result, would support additional permanent debt.

A summary of the current Golda Meir House Expansion project under the 202 program is below.

### **Project Summary (expanded affordability; no change in unit count or type)**

- 68 apartments added in 2 additions:
  - 50 units (88%) low-income (up to 60% AMI), with 45 supported by project-based rental assistance
  - 10 Moderate-Income units (under 100% AMI)
  - 1 unit for graduate students, as part of a scholar-in-residence program
  - 7 units for seniors, priced at below market rents, without an income restriction
- 9 apartments designated for chronically homeless individuals with disabilities
- A new ADA-accessible entrance from the upper parking lot which extends barrier free access to 100% of the parking spaces
- Reconfigured parking lots with 29 net new parking spaces

### **Timeline**

- Received Comprehensive Permit and CPA Funding Commitment: December 2018
- MassHousing approved eligibility for 4% tax credits ("Official Action Status"): July 2019
- Completed 70% Construction Documents: July 2019
- Submitted 202 application to HUD: August 2019
- Submit updated "Mini Round" Rental Funding Application to DHCD: October 2019
- DHCD and HUD award announcements: December 2019 (anticipated)
- Final Construction Documents: January-March 2020 (anticipated)
- Financial Closing and Construction Start: Fall 2020 (anticipated)

### **Summary of budget changes since November 2018 CPC proposal**

- 202 Funding request of \$4 million in Capital Advance and 25 PRAC vouchers
- Eliminated 9% LIHTC request and replaced with 4% LIHTC (triggers no change in affordability)
- New philanthropic source of \$480,000 from Farnsworth Trust (awarded March 2019)
- Updated operating expense assumptions to capture maximum PRAC rents
- Eliminated MRVP request (22 vouchers) and increased Section 8 request (from 8 to 20)
- Increased construction cost related to Davis-Bacon wages



Thank you again for your ongoing support of affordable senior rental housing in Newton. We looking forward to updating the CPC again next year after we hear about our DHCD Mini Round and HUD 202 applications and move towards the financial closing and starting construction.

Sincerely,



Lizbeth Heyer  
Chief of Real Estate and Innovation

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

