

Citizens for Affordable Housing

In Newton

CAN-DO



Development Organization, Inc.

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

December 1, 2005

Community Preservation Committee
City of Newton
1000 Commonwealth Avenue
Newton, Massachusetts 02459
Attn: Jennifer Goldson

RE: 11-13 Cambria Road, West Newton

Dear Ms. Goldson:

Please find enclosed 12 copies of CAN-DO's application for \$320,000 in CPA funds for community housing.

On November 30th CAN-DO purchased a two-family dwelling in West Newton in order to provide two rental units for low-income families. The property was purchased for \$625,000. Funding acquisition was provided by MHIC (\$580,500) and CAN-DO provided a bridge loan (\$88,000) until such time as the CDBG closing occurs. The MHIC loan is for a term of one year with interest payments only.

The property requires deleading, some minor renovations, upgrades and some cosmetic repairs. My preliminary estimate is that the scope of work will cost approximately \$88,000 which will be funded by a NHRF lead paint grant and a direct no interest loan from NHRF.

The anticipated rental income is sufficient to carry a mortgage of approximately \$176,000. Therefore, we are seeking \$112,000 in CDBG funds and \$320,000 in CPA funds to pay down the MHIC mortgage to \$176,000. After the renovations are complete and the property is fully rented, we will obtain a permanent loan to payoff the MHIC loan.

CAN-DO will apply for grants up to \$50,000 to fund a \$10,000 replacement reserve and our developer fee and overhead. I think it is prudent to establish a reserve fund because we are not making any repairs to the major systems because they are not needed at this time; but the projected income from rent does not generate sufficient cash flow to fund a replacement reserve. Any grant received in excess of \$10,000 will be used to fund CAN-DO's developer overhead and fee.

Thank you for consideration of our application and please feel free to contact me if you need any additional information.

Sincerely,

A handwritten signature in cursive script that reads "Josephine". The signature is written in dark ink and is positioned above the printed name and title.

Josephine McNeil
Executive Director

CITY OF NEWTON

Developer Application for Affordable Community Housing Funds
 Community Development Block Grant Program, Newton Housing Rehabilitation Fund,
 Community Preservation Fund, HOME Program

REVISED 12-1-05

I. Applicant/Developer Information	
Contact person and/or primary applicant: Josephine McNeil	
Organization, if applicable: CAN-DO	
Co-applicant, if applicable:	
Owner of project (if not developer/sponsor):	
Mailing address: 1075 Washington Street	
Daytime phone #: 617-964-3527	E-mail address: jam_cando@msn.com
Fax #: 617-964-3593	
Developer (if different than applicant):	
Mailing address:	
Daytime phone #:	E-mail address:
Fax #:	

II. Project Information	
Project address: 11-13 Cambria Road	
Assessor's parcel ID number: 34044 0004 <i>(available from the Assessing Department's page of the City's website)</i>	
Project name: Cambria Road #2	
Brief project description: Purchase of an existing two-family house approx. 125 years old in an area of predominantly two-family dwellings at the Newton-Waltham line. We will perform mostly cosmetic renovations including upgrading electrical, removing rugs, window replacement if there is lead, and painting.	
Estimated total development cost:	\$ 816,129
Total amount of City funding requested:	\$ 600,000
City funding source(s) (check <i>all</i> that apply and list the amount requested):	
<input type="checkbox"/> CDBG/Housing Development:	\$ 200,000 Use: Acquisition
<input type="checkbox"/> HOME/Housing Development:	\$ Use:
<input type="checkbox"/> CDBG/Newton Housing Rehabilitation Fund:	\$ 80,000 Use: deleading, renovation
<input type="checkbox"/> Community Preservation Fund:	\$ 320,000 Use: Paydown mortgage

Developer Application for Affordable Community Housing Funds

Type of CDBG-funded project (check <i>all</i> that apply):	
<input checked="" type="checkbox"/> X Rehabilitation <input checked="" type="checkbox"/> X Acquisition <input type="checkbox"/> New construction (site improvements only)	
Type of CPA-funded project (check <i>all</i> that apply):	
<input checked="" type="checkbox"/> X Creation <input type="checkbox"/> Preservation <input type="checkbox"/> Support	
Type of housing (check <i>all</i> that apply):	
<u>Homeownership:</u>	<u>Rental:</u>
<input type="checkbox"/> single family	<input checked="" type="checkbox"/> X individual/family
<input type="checkbox"/> condominium(s)	<input type="checkbox"/> group residence, congregate
<input type="checkbox"/> cooperative (s)	<input type="checkbox"/> other
<input type="checkbox"/> other	<input type="checkbox"/>
Targeted population (check all that apply):	
<input checked="" type="checkbox"/> X individual/family	
<input type="checkbox"/> special needs. Identify special need(s): _____	
<input type="checkbox"/> elderly	
<input type="checkbox"/> homeless/at risk of homelessness	
<input type="checkbox"/> other – identify population:	

Unit composition	# units	# units <= 30% AMI	# units <= 50% AMI	# units <= 80% AMI	# units between 80-100% AMI	Market rents(s)	Market sale price(s)
SRO							
1 BR							
2 BR	2		2			\$1300	
3 BR							
4 BR/+							

III. Site Information		
Lot size: 6039 sq. ft.	Zoning district: 3	Ward: 1
Assessor's parcel ID number: 34044 0004 <i>(available from the Assessing Department's page of the City's website)</i>		
Do you have site control e.g. Purchase and Sales Agreement, option to purchase, deed? <input checked="" type="checkbox"/> X Yes <input type="checkbox"/> No		

Developer Application for Affordable Community Housing Funds

Note: Community Preservation Fund applicants are required to submit evidence of site control with the application.

If applicable, please explain what zoning relief is required e.g a zoning variance, special permit, comprehensive permit is required and why. Please attach a copy of the Site Approval (Eligibility) letter from the appropriate agency if the project requires a comprehensive permit.

Please describe any anticipated environmental issues/concerns with the site. If the site contains known environmental hazards, provide a remediation plan.

Site contains lead and will be removed.

Will the project temporarily or permanently require the displacement of or relocation of existing tenants? If yes, please describe any outreach efforts and/or notifications to residents to date.

NO

How old is the existing building, if applicable? 120 years

Are there (or will there be) children under the age of seven living on the premises?

X Yes

No

Is the property listed in the National Register of Historic Places, located in a local historic district, National Register Historic District or eligible for listing in the National Register?

Yes

X No

If yes, identify district:

IV. Project Schedule

Inform ward aldermen and immediate abutters of proposed plans:	DONE
Pre-development (design, zoning, permitting):	NA
Acquisition:	November 30, 2005

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Rehabilitation/construction:	January 2006
Marketing/outreach:	January 2006
Identify expected date of project completion:	March 2006
Full occupancy:	May 2006
Other significant dates that need to be noted:	

V. Financing and Operating Budget

1. **Development proforma and operating budget:** In order to evaluate this proposal, the City of Newton requires applicants to submit a development budget that includes all anticipated sources and uses of financing for the project and an operating budget that details operating income and expenses. Applicants may use their own format or ask Housing Development staff to provide sample formats. Applicants are encouraged to use the state *One Stop Application*, used by Massachusetts affordable housing lenders and agencies to provide project sponsors with a single application that can be submitted to any or all of the participating organizations. Please complete Sections 1-4 of the One Stop and submit it with this application. The *One Stop Application* is available at www.onestopapp.com. Please refer to the attached Developer's Checklist which lists all the information required for submission.

Please note that Community Preservation Funds may not be used for the direct acquisition of community housing or housing-related maintenance costs. All applicants seeking Community Preservation Funds for community housing must submit a capital needs assessment with their application, unless the project is new construction or substantial rehabilitation.

2. **Appraisal of property:** Satisfactory evidence that the purchase price of the property does not exceed fair market value for that property must be submitted as part of this application.

3. **Letters of financial commitment, including commitments for housing subsidies (if applicable):** If applicant does not have financing, 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. If receiving housing subsidies, submit commitment letters for housing subsidies or an explanation when the applicant will seek housing subsidies and from what source(s).

Acquisition Funding from MHIC and City of Newton – closed on MHIC funds on 11/30; Waiting to close on City CDBG funds.

VI. Project Description

Please respond to the following and include supporting material as necessary.

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<p>1. Goals: What are the project goals? To provide two units of rental housing for families with incomes below 50% and in the alternative one unit for families with incomes below 50% and one unit for families with incomes below 80%</p>
<p>2. Community need: Describe how the proposed project meets the housing needs identified in the <i>Newton Framework Plan</i> and the <i>FY01-05 Consolidated Strategy and Plan</i>. Both plans identify housing for families as a priority.</p>
<p>3. Community support: Describe the nature and level of community support for this project. Please attach support letters and any petitions. We have not done any community outreach. The property is a two-family house and we don't plan to alter the use in any respect.</p>
<p>4. Plans to cultivate community support: Describe plans to cultivate/build neighborhood support. Provide a description of any meetings with Ward Aldermen, the neighborhood, etc. that have been scheduled or have already occurred. If there has not been any neighborhood contact, then provide a brief description of how neighborhood residents will be involved in plans for the proposed project.</p> <p>There are no plans for neighborhood contact as we are not making any change other than to rent the properties to low-income families. Such outreach could be viewed as in violation of the Fair Housing Act if the result was that we would not rent the units to low-income families.</p>
<p>5. Capacity: Identify the members of the development team and describe their capacity to undertake the project. Identify the management entity if the project includes rental units. Describe how adherence to appropriate professional standards will be maintained.</p> <p>Architect – Deborah Crossley; contractor -TBD</p>
<p>6. Project outcomes: Describe how the success of the project will be measured. Identify specific, achievable goals. When units are occupied.</p>

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| 7. Additional community benefits: Describe how this project can be used to achieve additional community benefits. |
| 8. Combination Community Preservation projects: If seeking Community Preservation Funds for a project combining community housing with any other Community Preservation goals (historic preservation, open space, recreation), describe the additional components. |

VII. Phase II Application (to be completed prior to scheduling a public hearing for CPA funds and/or the Planning and Development Board)

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|---|
| 1. For projects that include construction or rehabilitation, include the existing and proposed site plan, floor plans, elevations and any other drawings as necessary to illustrate the proposal.
There are floor plans in the appraiser's report. |
| 2. Evidence that the project is in compliance with the zoning ordinance, Architectural Access Board Regulations, or any other applicable laws and/or regulations. If zoning relief is required, specify what relief is needed and when an application will be made to the City for zoning review.
Property listed as a two-family in the city Assessor's records. |
| 3. Evidence that the appropriate City Boards and Commissions have approved the project. For example, proposed new uses on City Parks and Recreation land requires approval from the Parks and Recreation Commission. |
| 4. Evidence that the proposed site is free of hazardous materials or that there is a plan for remediation in place.
Site contains lead and will be delead. We will work with NHRF to identify a qualified deleading contractor and obtain funding from NHRF for the deleading. |

Applicant signature and date: _____ <i>I verify that all information stated in this application is true and accurate.</i>
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DEVELOPER CHECKLIST

The following information must be submitted with a completed application, development and operating budgets and Section 1-4 of the “*One Stop Application*”. Applications for CDBG/HOME Program funds are submitted to the Newton Housing Office located at 492 Waltham Street in West Newton. Applications for CPA funding *only* are submitted to the Community Preservation Planner in the Planning and Development Office in the Newton City Hall.

Required for all housing projects:

- Completed One-Stop application (CPA funding requires: 12 bound copies, one unbound copy to reproduce and one electronic copy).
- Development proforma and operating budgets or sections 1-4 of the State “*One Stop Application*.”
- Preliminary site plan locating existing buildings and parking.
- Letters of community support, if available.
- Site approval (eligibility) letter if project requires a comprehensive permit.
- Remediation plan if site contains known environmental hazards.
- Appraisal of the property (required for acquisition only)
- Letters of financial commitment from other funding sources, if available.
- Commitment letter for housing subsidies or explanation when applicant will seek housing subsidies and from what source(s).
- Plan to cultivate community support.
- Proof of hazard insurance (required at closing).

Required for community housing projects requesting Community Preservation Funds:

- Evidence of site control.
- Capital needs assessment if applicant is applying for funds to create community housing, unless the project is new construction or substantial rehabilitation.
- Description of project involving other Community Preservation goals (historic preservation, open space, recreation).

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FUNDING TERMS

Community Preservation Funds:

- Deferred forgivable loans at 0% interest.
- Deed restriction in perpetuity (with DHCD approval) or to the maximum extent permitted by law prior to closing on funds.

Housing Development Funds:

- Deferred forgivable loans at 0% interest.
- Deed restriction in perpetuity (with DHCD approval) or to the maximum extent permitted by law prior to closing on funds.

Newton Housing Rehabilitation Funds:

- Direct loans at 3% compound interest amortized up to 30 years and limited to funding construction.
- Grants limited to lead paint, asbestos, and other hazard remediation and removal of architectural barriers for the disabled.

Please note: For informational purposes only. Terms subject to change.