

July 21, 2003

Mr. Jeffrey Sacks, Chairman  
City of Newton Community Preservation Committee  
Newton City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

RE: CPA Grant for 18-20 Cambria Road

Dear Jeff:

I am writing to advise and update you on the Cambria Road Project and a proposed change in the use of the \$200,000. The restructuring does not change the intent to create two units of housing available to families in possession of Section 8 certificates. In fact without the restructuring, we could not produce the housing. I want to use only \$75,000 of the CPA grant to pay down the Auburndale mortgage and carry a mortgage of \$325,000 with a 5% interest rate. The remaining \$125,000 will be used to pay for hard and soft construction costs.

As you may recall, the original application requested \$200,000 to write down the Auburndale mortgage. At that time we anticipated applying for \$100,000 from the state's Housing Trust Fund and \$25,000 from Charlesbank Homes Foundation. Several things have happened since the application was submitted in October of 2002.

Due to the state's fiscal crisis there were no Trust Funds available to apply for. In addition, the construction costs increased from \$165,00 to \$278,000 because we increased the scope. And lastly we only received \$15,000 from Charlesbank. In order to obtain additional funding, I requested \$100,00 from the Newton Housing Authority from its pool of Inclusionary Zoning funds. As you know, the Housing Authority only made a commitment of \$50,000.

In order to save the project, I had to restructure it. Fortunately, the increase in the Section 8 rents would enable me to carry more debt and I reduced CAN-DO's development fee. I am hopeful that you will agree that the restructuring does not violate the intention of the your committee, the Ad Hoc Committee, the Finance Committee or the Board of Aldermen.

Thank you for your attention to this matter.

Sincerely,

Josephine McNeil  
Executive Director

DISBURSEMENT BREAKDOWN FOR \$125,000

Architecture & Engineering	\$10,000.00
Builder's Risk Insurance	\$ 3000.00
Liability Insurance`	\$ 6089.00
Roofing	\$ 8000.00
Cabinets and counters	\$ 9432.00
Doors	\$ 8800.00
Woodflooring	\$ 5420.00
Rough Carpentry	\$16,120.00
Insulation	\$ 5000.00
Developer Overhead	\$20,389.00
Construction Loan Interest	\$17,750.00
Painting	\$15,000.00
TOTAL	\$125,000.00