

CITY OF NEWTON

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

I. Applicant/Developer Information	
Primary applicant: Covenant Commonwealth Newton, Inc.	
Contact Person: Susan Gittelman, Executive Director	
Co-applicant, if applicable: N/A	
Owner of project (if not developer/sponsor): Covenant Commonwealth Newton, Inc. (A single purpose entity affiliated with B'nai B'rith Housing New England.)	
Mailing address: 34 Washington Street, Brighton, MA 02135	
Daytime phone #: 617-731-5291	E-mail address: susan@bbhousing.org
Fax #: 617-739-0124	
Developer/Sponsor (if different than applicant): B'nai B'rith Housing New England, Inc. <i>{board list included}</i>	
Mailing address: same	
Daytime phone #: same	E-mail address: same
Fax #: same	

II. Project Information	
Project address: 27-35 Commonwealth Avenue, Newton 02467 (Chestnut Hill)	
Assessor's parcel ID number: 630010007 & 630010008 <i>(available from the Assessing Department's page of the City's website)</i>	
Project name: Covenant Residences on Commonwealth	
Brief project description B'nai B'rith Housing New England is proposing to develop a non-sectarian mixed-income residential condominium community at 27-35 Commonwealth Avenue. Adjacent to the Newton Commonwealth Golf course, the property is in close proximity to the Boston College MBTA Green line station. The 56 one and two -bedroom for-sale homes will include 14 homes for residents at or below 80% of median income. 35 Commonwealth will contain 44 units in 4 stories of new residential construction and will include a partially below grade parking floor. 27 Commonwealth Avenue, a 12 unit apartment building with two residential stories, a small basement office space and grade level garages is undergoing minor rehabilitation and condominium conversion. The properties will have a parking lot in common.	
Estimated total development cost:	\$17,430,712 ¹
Total amount of City funding requested:	\$ 1,200,000

¹ Excludes 15% Contingency / Developer Allowance. {See Detailed Development Budget}.

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City funding source(s) (check <i>all</i> that apply and list the amount requested):		
<input type="checkbox"/> CDBG/Housing Development:	\$	Use:
<input type="checkbox"/> HOME/Housing Development:	\$	Use:
<input type="checkbox"/> CDBG/Newton Housing Rehabilitation Fund:	\$	Use:
<input checked="" type="checkbox"/> Community Preservation Fund:	\$1,200,000	Use: Acquisition and/or Capital Funds for Covenant Residences

Type of CDBG-funded project (check <i>all</i> that apply):	
<input type="checkbox"/> Rehabilitation	<input type="checkbox"/> Acquisition <input type="checkbox"/> New construction (site improvements only)
Type of CPA-funded project (check <i>all</i> that apply):	
<input checked="" type="checkbox"/> 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 type="checkbox"/> individual/family
<input checked="" 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 <i>all</i> that apply):	
<input checked="" type="checkbox"/> individual/family	
<input checked="" type="checkbox"/> special needs. Identify special need(s): <u>Designated units (3)</u>	
<input checked="" type="checkbox"/> elderly	
<input type="checkbox"/> homeless/at risk of homelessness	
<input checked="" type="checkbox"/> other – identify population: <u>First-time home buyers</u>	

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	28			7			\$300,00- \$375,000
2 BR	28			7			\$399,000- \$430,000
3 BR							
4 BR/+							

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III. Site Information

Total Site = 1.47 acres Parcel 1 = 14993 sf Parcel 2 = 48,829 sf	Zoning district: 27 Commonwealth: MR2 35 Commonwealth: MR1	Ward: 7
Assessor's parcel ID number: 630010007 & 630010008 <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"/> Yes <input type="checkbox"/> No 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.

A Site Approval application was filed with MassHousing for 27-35 Commonwealth Avenue on December 14th, 2005, and it is currently under review.

The site is located in a unique location within Newton that is well suited for higher density housing than that for which it is currently zoned. For this reason, a comprehensive permit is being sought.

The site is conducive to transit-oriented, multi-family housing based on its proximity to multi-family housing, public transportation, open space, and commercial retail activity. It is adjacent to the 71 acre City owned Newton Commonwealth Golf course and other publicly owned open space and is in immediate proximity to the Boston College MBTA Green Line train station. The site is located on Commonwealth Avenue, a major roadway with ample infrastructure and service capacity to support this development. Across the avenue is the main entrance to Boston College, an institution with a student enrollment of over 14,000 and one of the City's largest employers. A small commercial district is within walking distance.

There is a presence of higher density multi-family housing in the immediate area. In addition to the 12 unit building at 27 Commonwealth, there is a 17 unit building at 37-39 Commonwealth, and next door, at 41 Commonwealth, is a 14 unit building. Across the street Boston College also features numerous buildings of significant scale.

The site will require and is eligible for a comprehensive permit under G.L. c. 40B because its goal is the creation of mixed income housing. The proposed one and two bedroom market priced homes, at prices ranging approximately from \$300,000-\$430,000, provide an entry into the home-ownership market that is significantly below Newton's average single family home price of \$725,000. The affordable units, priced approximately between \$140,000 and \$160,000, target a second distinct need within Newton. This housing is well suited to serve the needs of the local resident at various life cycle phases (i.e., first time homeowners, downsizing empty nesters, etc.).

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

A Phase I 21E Site Environmental Assessment was completed, as was subsequent testing, and the following conditions were identified: 1) the underground oil tank that provided heating oil to the multi-family building had leaked, necessitating the removal of the tank and impacted soils, and 2) fill material at grade included background PAH conditions which, though not harmful, would likely have offsite removal costs in the event that they could not be used on site. In addition, separate testing indicated that there was a presence of asbestos and lead in the buildings characteristic of their period that would need to be addressed. Since that time, the oil tank has been removed (a new aboveground tank now services the heating of the building). Further testing was undertaken in order to monetize the cost of this work, and on that basis an escrow agreement with the seller was created to make funds available to address these issues.

Please find enclosed environmental remediation plan information.

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.

The scope of rehabilitation of the units as proposed can be implemented with residents in place.

In accordance with the Massachusetts condominium conversion statute existing residents will be given a right of first offer to purchase their units as well as accommodations with respect to time and financial assistance. To the extent it is allowed under MassHousing regulations and the local zoning order income qualified current residents will be given preference in the lottery structure for the affordable units.

Under the terms of the Applicant's site control, the existing owner of the property maintains direct communication with its residents, and we understand that the residents are aware of the proposed property redevelopment. Given the small size of the units and the proximity to Boston College, resident turnover has characteristically been higher than industry averages, as rents are at market with no amenities beyond obvious locational advantages.

How old is the existing building, if applicable?

35 Commonwealth was built in 1900. (to be demolished)

27 Commonwealth was built in approximately 1940.

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

Yes

No children currently.

New development will include children.

No

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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?

<input type="checkbox"/> Yes If yes, identify district:	<input checked="checked" type="checkbox"/> No
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IV. Project Schedule

Inform ward aldermen and immediate abutters of proposed plans:	Ongoing
Pre-development (design, zoning, permitting):	Ongoing
Acquisition:	05/2006
Rehabilitation/construction: Rehab	6/2006
New Construction	10/2006
Marketing/outreach:	5/2006
Identify expected date of project completion:	11/2007
Full occupancy: New Construction	11/2007
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.

Included here are the following budget materials: 1) development sources and uses including sales schedule and affordability analysis, and, 2) preliminary condominium operating budget.

The development budget is based on financing requirements; in terms of "developer allowance" B'nai B'rith Housing has included a revenue sharing provision with the City. (See enclosure).

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2. **Property appraisal and data from Newton Assessing Department: Applicants must provide an “as is” appraisal of the project building(s) that provides satisfactory evidence that the purchase price of the project building(s) does not exceed fair market value. In addition, all applicants for housing funds must summarize data from the Newton Assessing Department identifying the assessed value of the project building(s) and comparable properties in the neighborhood and/or City.**

Pamela McKinney, MAI, CRE President of Byrne McKinney & Associates prepared an assessment of value for the properties located at 27-29 and 35 Commonwealth Avenue in order to estimate a reasonable, market supported “as is” transaction range for the properties. Ms. McKinney states that the value of the combined parcels is “well supported between \$4,700,000 and \$5,100,000.” These results were based on extensive assessment and sales data associated with Newton real estate, including both single family and cluster development land sales comparables, as well as comparable condominium inventory end sales.

The letter of valuation from Ms. McKinney is attached. In accordance with new state Chapter 40B guidelines associated with the application for Site Approval, MassHousing will likely commission an appraisal imminently. It will be provided upon completion.

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.**

The two sources of public subsidy for which the project is eligible are Community Preservation Funds and the Massachusetts Affordable Housing Trust Fund (AHT). Because AHT is a final gap source, B’nai B’rith Housing can not apply for funding commitment until CPA Funds are secured and will not receive such commitment until permitting is finalized. MassHousing is the likely source of construction financing, with the developer providing project equity sources as required by the lender.

VI. Project Description

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

1. **Goals: What are the project goals?**

B’nai B’rith Housing New England is a mission-based non-profit developer with a strong local base in Newton. Over 40% of its Board of Directors lives or works in Newton. The organization’s mission is to provide non-sectarian housing, both affordable and mixed income, and to ease the housing crisis in the communities of Greater Boston. The Covenant House properties in Brighton, the most recent of which was completed in 2004, are an example of achieving these results.

The overarching goal of the project on Commonwealth Avenue is to provide additional low- and middle-income ownership units to the City of Newton. The current affordable homeownership housing inventory is woefully inadequate with only 26 permanently affordable homeownership units in a city of 31,000 total units. Covenant Residences on Commonwealth will increase the overall affordable ownership stock in Newton **by over 50%** and will help Newton expand its overall affordable and mixed-income housing stock.

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As noted below, the project as proposed achieves the following goals in substantially all of the major categories identified in the application: 1) Community Housing Goals, 2) CPA Funding Goals for all categories of funding, and 3) innovative models/targeted community housing goals.

GOALS: COMMUNITY HOUSING GOALS

- 1. Create community housing that is well designed, of decent quality and based on sound planning principles, including development located near public transportation and in village districts.**

Covenant Residences on Commonwealth has been designed carefully with the quality of life of its residents as a priority. From building siting and planning for open space to unit layout and accommodation for visitor parking, the developer has worked carefully with its professional team and many interests in the neighborhood and the City to ensure an attractive and successful project. A great deal of attention has been paid to understanding the visual and operational impact on the streetscape, abutting and nearby properties and the larger neighborhood to ensure compatibility while at the same time maximizing efficiency in space usage and unit production. It is located adjacent to a mass transit station, the Boston College MBTA station and a small commercial district.

- 2. Address the City's priority housing needs, such as those articulated in the City's Consolidated Strategy and Plan 2005-2010 and A Framework for Newton's Planning.**

As referenced more fully in the next section, Newton's priority housing needs, as addressed in the Newton Framework Plan, include increasing the overall supply of a variety of affordable housing options, reducing the housing cost burden of low- and moderate income persons, and creating homeownership opportunities for low-, moderate- and middle income residents. Covenant Residences on Commonwealth's housing options satisfy these goals in creating a housing option that is in high demand.

- 3. Keep new units affordable for the long term, and in perpetuity where possible.**

The mission of B'nai B'rith Housing is to provide affordable and mixed income housing and preserve such housing resources. Units are planned as permanent affordable housing stock with deed restricted appreciation restrictions for as long as applicable regulations and law allow, with the goal of achieving affordable provisions in perpetuity. We are familiar with other Newton projects such as the Homes at Auburndale Yard which have successfully implemented deed restrictions.

- 4. Demonstrate that the amount of requested CPA funding as well as the total public subsidy requested is reasonable and is the minimum amount needed for feasibility of the affordable housing.**

B'nai B'rith Housing has worked carefully to ensure that the market rate units leverage as much value as possible in order to achieve project feasibility. However, as is described more fully in the materials herein, a budget shortfall of project sources of \$1.7 Million is noted. We are requesting a \$1.2 million commitment which assumes and is contingent upon our ability to leverage this investment with other subsidy sources for which the project is eligible and that funds are available. Toward that end, we are optimistic with a City commitment of CPA funds, we can be competitive for significant state support, which will be aggressively pursued. Finally, as indicated in the attached documentation, B'nai

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B'rith Housing has developed a revenue sharing structure whereby the City participates in net proceeds of the project to recapture a portion of its invested funds.

- 5. Show that the proposal is supported by housing agencies such as the Newton Housing Partnership, leverages (or is not otherwise eligible for) other public funds, and could not otherwise be economically feasible without CPA funds.**

On December 14, 2005, B'nai B'rith Housing presented this plan for the project to the Newton Housing Partnership and it was very well received. The project responds directly to feedback that the developer had received on a preliminary basis from the Partnership. In particular the Partnership noted that the project achieves a multifamily project in a location that is superior for this purpose. Secondly, the Partnership was particularly interested in supporting the project to the extent that it was one that created homeownership opportunities to respond to a very severe local need for such housing.

- 6. Avoid displacement of current residents.**

The scope of rehabilitation for the existing building can be managed with residents in place.

As described more fully within, to the fullest extent possible it is the developer's commitment to work with existing local residents to achieve their goal of purchasing their home. Combining City of Newton homebuyer program resources with the developer's own experience with programs such as the state's Soft Second program and other resources, the developer will work with these residents to purchase their homes.

In accordance with the Massachusetts condominium conversion statute existing residents will be given a right of first offer to purchase their units as well as accommodations with respect to time and financial assistance.

- 7. Work in conjunction with other City funding mechanisms and build on existing programs, such as the First Time Homebuyer Program.**

We anticipate that candidates for both market and affordable rate units will be eligible for the city's First Time Home Buyer Program, as well as other programs such as the Soft Second program administered by the Massachusetts Housing Partnership. We will be working in conjunction with these programs to ensure that their clients and marketing contacts are included in project outreach efforts and that these candidates are well positioned for these housing opportunities.

- 8. Reuse previously developed sites (including, remediated brownfield sites) for community housing to expand existing housing resources.**

We are bringing back into service an important land parcel already well serviced by local infrastructure and central in its location.

The current building at 35 Commonwealth is a vacant single family house in a deteriorated condition. The Covenant Residences on Commonwealth will remove this dilapidated building, and redevelop land which is underutilized and which also has various environmental remediation needs associated with oil and other hazardous materials. In its place the proposed property will be well constructed, landscaped and well maintained over time by its owners.

GOALS: CPA FUNDING GOALS. ALL CATEGORIES

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1. Contribute to the Preservation of Newton's Unique Character.

Newton is not a homogenous bedroom community. To a large extent, its villages and commercial centers weave into the fabric of its neighborhoods in a symbiotic relationship. The project contributes significantly to the character of Newton. It represents a true linchpin property that is the key to the vitality of Newton by making seamless the transition of commercial nodes and transportation to residential communities.

Newton has a strong tradition of social and economic diversity, and it is a community wants to provide housing options that allow its residents to remain in Newton in housing that meets their housing needs over time. This project is uniquely qualified to satisfy a broad spectrum of housing needs.

2. Serve More than One CPA Category.

The preservation of the existing building and the retention of its visual presence is in and of itself significant contextually because it provides a visual landscape as one enters the City; it reinforces the synergy of commercial activity with a vibrant residential community.

Redevelopment of this last blighted parcel that borders the golf course both protects the activity of the golf course and preserves a visual link to its open space and green vistas, and contributes to the quality of life of its many hundreds of residential neighbors (including its newest neighbors) with a direct visual relationship with this landscape. Such redevelopment contributes to the protection of a major asset, the Newton Commonwealth Golf course which, in and of itself and through its annual fund, leverages other investments in local parks and playgrounds.

3. Demonstrate Highest Cost Benefit.

a) B'nai B'rith Housing has worked to control projected project costs. The project involves a private sale of land for which we were able to negotiate a price concession as well as an environmental contingency that the seller is paying. We have worked to reduce the development costs to the extent possible by building in wood frame construction as well as minimizing the amount of structured parking necessary to achieve the current parking ratio of 1.8 spaces per unit.

Further, associated with proposed CPA commitment, assuming funds are available and under the terms described herein, B'nai B'rith Housing has created an opportunity for the City to receive revenue back from the project to be able to leverage another affordable housing investment.

b) Based on the availability of CPA funds, the developer is able to create 14 units of affordable housing, which is three (3) units more than would be required under a conventional approach to the project. Specifically the project includes two separate parcels, each of which can be redeveloped independent of the other. In the case of the rear parcel, eleven (11) units of affordable housing would be associated with the zoning relief necessary to achieve a 44-unit development under comprehensive permit. Notably, the existing 12 unit condominium conversion can be completed under existing zoning without the provision of any affordable housing.

It is the developer's goal that by approaching the project on a

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combined basis and having the full project permitted under a comprehensive permit approach allows it to take advantage of the economies of scale in order to meet its organizational mission of increasing, to the extent possible, the number of affordable units created.

4. Leverage Other Public/Private Funds.

B'nai B'rith Housing is committed to achieving the best leverage for the City investment. Notably its request of the City as measured on a per/unit basis (i.e., \$86,000/unit approximately of CPA subsidy) is well in line with comparable investments in the City's affordable housing portfolio.

The proposed project utilizes its market component to achieve significant internal subsidy to maximize the affordable component. More specifically, the total level of subsidy necessary to achieve the 14 affordable units in the project is in excess of \$3 million. The project as proposed is able to subsidize almost half of that amount through market rate sales, and we are requesting public subsidy to achieve the balance.

Finally, B'nai B'rith Housing is steadfast in its commitment to work diligently to leverage any investment that the City is able to make in the project with other subsidy sources that might be available. We are hopeful that, with a City commitment of funds, we can be competitive for significant state support which we will pursue aggressively.

5. Preserve a Resource or Opportunity that Would Otherwise be Lost.

What is compelling about the project is the opportunity to create high quality, well located housing that creates a significant number of new housing units available to buyers of low, moderate, middle and market income. As has been consistently noted, the site is well suited to multi-family housing;

If left to market forces influenced significantly by underlying zoning, however, the likely outcome for these parcels is reasonably predictable. The one-acre land parcel would likely be sold as a single family estate lot or perhaps a site which would support a small cluster development. In either case the likely housing product created would be luxury residences priced from \$1M upward and significantly higher.

This plan creates more opportunity for a broad range of homeowners to reap the quality-of-life benefits that this location has to offer.

6. Show that the Project is the Most Reasonable Available Option.

The project as proposed has evolved out of much planning over the course of over a year. Out of this process, B'nai B'rith Housing has worked diligently to balance the various compelling aspects to the project---most notably crafting a project which preserves the existing multi-family building on site and leverages this component to maximize the number of affordable units that can be accomplished, while keeping tight control on the cost structure of the new housing and parking to be created. The project as proposed achieves all of these goals in equilibrium, and represents a project that reflects the feedback from the neighborhood.

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7. **Demonstrate Strong Community Support.**

Over the course of the last year, B'nai B'rith Housing has been very public in our plans for the project in a concerted effort to create a project that achieves significant affordable housing resources and responds to local needs. Through this process, the project has evolved in a multiplicity of ways including among other things, transformation to homeownership housing, significant increase in parking resources, etc.

At this juncture, the project has generated a significant support. This support includes feedback from members of the immediate neighborhood who have spoken out in recent public meetings in favor of the project and the process that has gotten it to this point.

8. **Serve to Equitably Distribute CPA funds through the City. {as well as the distribution of Affordable Housing Assets, more generally}.**

Based on preliminary review of CPA funding commitments, particularly in the area of community housing investments, Chestnut Hill has not received a disproportionate share of CPA resources.

More broadly, in terms of investment in affordable housing, affordable housing resources are under-represented in Chestnut Hill relative to the rest of the City. Included herein as an appendix is a map prepared by the City that indicates the distribution of affordable housing resources in Newton. Within this context, the developer recognizes that the creation of new housing in Chestnut Hill available for mixed income homeownership, that this project represents, presents a significant local opportunity.

GOALS: INNOVATIVE MODELS/TARGETED (subset of Community Housing Goals)

The Covenant Residences provide "community housing" under the Community Preservation Act, which is housing affordable at income levels no higher than 100% of the area median income.

Both market and affordable units are homeownership, and will serve families, seniors, and/or residents with special needs. The project will achieve ALL of the major goals identified in this category.

a) Affordable homeownership opportunities for low-income families (serving families below 80% of the area median income);

Covenant Residences on Commonwealth will provide 14 homeownership units of housing restricted to individuals and families at or below 80% of area median income.

b) Moderate homeownership housing units (serving families at 80% to 100% of area median income);

The market units are priced such that they are within the window of being affordable to households at moderate income levels.

c) Community housing opportunities for individuals who live or work in Newton, have children in a Newton school, or have an immediate family member living in Newton, in accordance with the City's local preference policy, fair housing laws and requirements of other funding sources.

Many people rent or commute to work in Newton because they cannot afford to purchase a home inside the City. The condominium homes are within the affordable range of local households, including those who rent in Newton, town employees, and local service providers. Presented with the

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opportunity to purchase their own home in a community where they are connected will have a dramatic effect on improving quality of life.

The number of people who fall into this category is very significant, and the developer will be working in coordination with resources such as the Newton Connection Program, First Time Homebuyer program and other resources whose network is well integrated in the community and whose clients would be strong candidates for these affordable and market units.

- d) **Help Newton reach the state mandate of having 10% of its housing stock as affordable to those at or below 80% of median income under MGL Chapter 40B.**

The addition of 14 affordable units is significant in helping the city of Newton achieve its goal of increasing its subsidized housing stock against the 10% goal. As it relates to homeownership opportunities within this subsidized stock, Covenant Residences on Commonwealth, with its 14 units of deed restricted ownership housing will increase the total affordable ownership stock in Newton by more than 50% over its current level.

2. Community need: Describe how the proposed project meets the housing needs identified in the *Newton Framework Plan* and the *FY06-10 Consolidated Strategy and Plan*.

As referenced in the Community Preservation Plan, the median sales price of a single-family house in Newton was \$775,780 as of March 2005. In order for a median-income family of four earning \$82,600 to afford to buy a house in Newton priced at \$775,780, the family would need to provide a down payment of approximately \$400,000. The Covenant Residences offers a valuable housing alternative for household who are needing an alternative housing option more suited to the lifestyle, their household size and needs, and their budget constraints.

City of Newton Consolidated Plan: Five Year Plan for Housing and Community Development 2006-2010

The Covenant Residences on Commonwealth presents the opportunity to create a vital community of residents. While the project is primarily focused on sales to first time homebuyers, it has a secondary focus of providing affordable alternatives to residents who are downsizing, long-term residents who are looking for opportunities to return to the community, and seniors hoping to age in place.

Six (6) housing needs were specifically identified in the City of Newton Consolidated Plan: Five Year Plan for Housing and Community Development 2006-2010. This project directly responds to a majority of these needs. At a minimum, they include the following:

- Increase the overall supply of a variety of affordable housing options and reduce the housing cost burden of extremely low-, low- and moderate income persons and persons with special needs. In serving the needs of persons with disabilities, this opportunity is particularly compelling as the location is highly accessible.
- Covenant Residences on Commonwealth will specifically address each of these needs, and will be able to serve the broad needs of its residents

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to ensure the highest quality living environment.

- Create homeownership opportunities for low-, moderate- and middle income residents. In conjunction local and state administered first time homebuyer resources and training, work to expand the window of opportunity for households who would qualify as prospective buyers.
- Enable the elderly to "age in place" without overly burdensome housing costs.

B'nai B'rith Housing New England plans to build fourteen units affordable to those who are making up to 80% of the area's median income.

Newton Framework Plan

As referenced in the Newton Framework Plan, Newton has historically maintained a population with a heterogeneous mix of age, economic status, and race. Due primarily to the strength of the real estate market, in the past few years that diversity has lessened. The Newton Framework plan makes suggestions about maintaining population diversity and foremost among those recommendations is to increase the affordable homeownership stock.

The Framework Plan states, "[Newton] urgently need to address the loss of moderate-income housing..." Through both its subsidized and market rate units, the Covenant Residences will be providing units affordable to people of moderate-income.

The Framework Plan also writes that Newton must "aggressively" promote alternatives to single driver automobiles. It reminds us that even in Newton, 30% of the population does not own a car. The Covenant Residences seeks to serve this population with a location near mass transit, taxi stands and in an area with a small commercial district, well-lit sidewalks and bike racks. There are strong indications of significant demand for car sharing resources like "Zip Car" and other resources. Covenant Residences on Commonwealth is located across the street from the city's second largest employer, and is located on a subway that serves major institutions and other employers along the line as well as downtown.

3. Community support: Describe the nature and level of community support for this project. Please attach support letters and any petitions.

Since achieving site control in the spring of 2004, B'nai B'rith Housing has been working actively to create a project that would best meet the needs of the community. Because of the Board's deep community ties to Newton, it elected to bring this project into the public realm as early as possible to solicit feedback. It has met with elected officials, civic leaders, and neighbors to for this purpose, and will continue to do so. Its staff has met with city staff from the Planning, Public Works and Transportation departments. It has made presentations at numerous public meetings and have met with civic associations, organizations as well as individuals and local businesses in a concerted effort to achieve a successful and ongoing dialogue.

B'nai B'rith Housing will continue working in close collaboration with local neighbors, city representatives and others throughout the planning and permitting of the project, and will continue through the construction and commencement of property operations to ensure its success.

As it has been public in planning this project, it has attracted an invaluable group of project "Friends" who have organized to help to

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ensure that the project is achieved. Composed of supportive individuals who believe that the Covenant Residences on Commonwealth is an important opportunity for Newton, the "Friends" is very much a group in formation, and with more than 80 members to date it continues to grow.

Further, an Interfaith Coalition has also coalesced in support of this project. This group of 15 local clergy and lay leaders is publicly supportive of the Covenant Residences on Commonwealth, and this initiative continues to build.

B'nai B'rith Housing intends to continue meeting with community groups, and soliciting neighborhood support and feedback through meetings, direct mailings and individual contacts.

Support letters from the Interfaith Coalition, the Jewish Alliance for Law and Social Action, and the Friends of the Covenant Residences on Commonwealth are included.

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.

B'nai B'rith Housing's goal is to foster an atmosphere of cooperation between the neighborhood and the developer. It is grateful for the efforts of many to establish a positive community process that is built on good will. Towards that end, B'nai B'rith Housing will continue cultivating neighborhood support through many of the same means that it has pursued over the previous year. Members of the immediate neighborhood have also spoken out in favor of the Covenant Residences.

B'nai B'rith Housing continues to seek engagement with local community residents, local housing interests, neighborhood associations, and organizations that have an interest in the project. There is ongoing communication with immediate neighbors in order to ensure that the project is enhanced through a successful process.

B'nai B'rith Housing will also work to solicit support from the Board of Aldermen and other governmental bodies such as the Newton Housing Partnership.

There is a significant grassroots effort in formation to support the Covenant Residences. Both the "Friends of the Covenant Residences" as well as an emerging "Interfaith Coalition of Clergy", have begun to work actively to encourage others to support the Covenant Residences on Commonwealth.

B'nai B'rith Housing has worked diligently to create a communication effort to ensure that its effort is well understood and to solicit feedback. Through its Board of Directors, its community contacts, local stakeholders as well as neighbors, prospective homebuyers, and members of local initiatives such as the Friends of the Covenant Residences and the Interfaith Coalition, it will work to maintain an ongoing dialogue to continue to shape the project.

5. Capacity: Identify the members of the development team and describe their capacity to undertake the project.

DEVELOPMENT SPONSOR/DEVELOPER ENTITY:

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Susan Gittelman, B'nai B'rith Housing NE, Executive Director

Susan Gittelman is the founding Executive Director of B'nai B'rith Housing New England. She has nineteen years of progressively responsible experience in real estate and development and is former Director of Real Estate at Urban Edge in Boston, MA.

Marvin Siflinger, B'nai B'rith Housing NE, Board President

Marvin Siflinger, founding Chairman of Housing Partners, Inc., has had over 40 years experience in housing and community development. Beginning at HUD in 1961, Marvin served in the New York and Boston Regional Offices and then served as Area Manager of the HUD Boston Area Office, administering the full range of housing and community development programs. He was appointed Executive Director of the Massachusetts Housing Finance Agency in 1983, serving there with distinction.

LEGAL COUNSEL: REAL ESTATE & PERMITTING

Daniel Sullivan, Goulston and Storrs

Daniel Sullivan, a Director at Goulston and Storrs, has extensive experience in representing developers, lenders and underwriters in a broad array of development, permitting and leasing projects ranging from energy-related facilities to hotels, office buildings, office parks, marinas, retail and commercial projects, shopping centers, research and development space, warehouse facilities and multi-family housing

Alan Schlesinger, Schlesinger and Buchbinder

Alan Schlesinger was admitted to the Massachusetts bar in 1974, the U.S. District Court, District of Massachusetts, in 1976 and, in 1979, the U.S. Supreme Court. He has served as a member of the Massachusetts Bar Association Committee on Professional Ethics, as chairman of Jewish Community Housing for the Elderly and as vice president of the Jewish Community Center of Greater Boston.

FINANICAL CONSULTANT

Michael Jacobs, MHJ Associates.

Michael Jacobs is a consultant specializing in real estate finance and development for affordable multifamily and senior housing. Projects include \$53.6 million acquisition and rehabilitation of 517 units of senior housing in Brookline by Hebrew Rehabilitation Center for Aged.

ARCHITECT AND ENGINEERS

Ken Hagan, Sheskey Architects

Ken Hagan is a lead project architect for major projects, responsible for design, development, execution and administration. He is also a managing director of the Firm, participating in the direction of work and supervision of other major projects within the Firm. Ken has been with the Firm since its origin in 1981.

Joseph Geller, Geller DeVellis

Joseph Geller is a founding Partner of Geller DeVellis, a former Selectman in the Town of Brookline, and the current president of the Boston Society for Landscape Architecture. Geller DeVellis, Inc. specializes in landscape architecture and civil engineering services to real estate developers, engineering and architecture firms.

Barry Pell, Rizzo Associates

Mr. Pell is a Vice President of Rizzo Associates, Inc., a Tetra Tech company. With overall responsibility for management and technical review of transportation projects undertaken by the firm, his responsibilities

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include the preparation of comprehensive urban area transportation planning studies and access, circulation, and parking studies for commercial, industrial, and residential developments.

Please see the attached resumes.

6. **Project outcomes: Describe how the success of the project will be measured. Identify specific, achievable goals.**

The goal of this project is the creation of new high quality mixed income housing.

The success of this project will be measured by the successful completion of the construction, the occupancy of the buildings, and the establishment of appropriate governing associations to ensure that the properties operate optimally.

7. **Additional community benefits: Describe how this project can be used to achieve additional community benefits.**

Currently 35 Commonwealth Avenue is a blighted parcel, with a boarded-up building. The construction of Covenant Residences on Commonwealth will remove this area of blight from the Chestnut Hill neighborhood.

Redevelopment of the last "gap tooth" parcel surrounding the Newton Commonwealth Golf Course in a manner that reinforces the relationship between this housing and this community asset is significant. As a part of the landscape program for the project, the green edge buffer to the course will be extended and netting will be added to ensure that these uses complement each other.

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.**

Covenant Residences on Commonwealth will provide many benefits that are noted below under other Community Preservation Committee Goals.

Historic Preservation:

{Encourage protection of resources that retain their historic integrity, in terms of location and context; respect local historic interests}.

B'nai B'rith Housing New England is interested in maintaining the traditional streetscape of the entryway to Newton. The preservation of 27 Commonwealth contributes significantly to that goal.

Open Space and Recreation:

{Demonstrate that the proposal is planned with consideration for the current and future needs of the course to ensure that a City asset is preserved and enhanced by this activity; further that historic landscape sight lines are preserved for the neighborhood}.

B'nai B'rith Housing is designing Covenant Residences on Commonwealth with the needs of the Newton Commonwealth Golf Course in mind. As noted above, B'nai B'rith Housing is working with the golf course to ensure that this development only enhances the operation of the golf course in terms of appropriate netting and visual screening on its green buffer

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area.

B'nai B'rith Housing plans to preserve and enhance sight lines from Commonwealth Avenue to the Newton Commonwealth Golf Course.

{Demonstrate that the proposed development can serve passive open space uses.}

B'nai B'rith Housing is creating a landscaped patio courtyard at the front of 35 Commonwealth is available to the residents of the development for passive recreation opportunities. A common area balcony overlooks this courtyard.

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

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.

INCLUDED

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.

COMPREHENSIVE PERMIT, information included.

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.

INCLUDED

4. Evidence that the proposed site is free of hazardous materials or that there is a plan for remediation in place.

INCLUDED

I verify that all information stated in this application is true and accurate.

Applicant signature and date: Covenant Commonwealth Newton, Inc.

By: _____
Susan Gittelman, its Executive Director

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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 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 City application (CPA funding requires: 12 bound copies, one unbound copy to reproduce and one electronic copy).
- Development pro forma 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). Applicants must provide an “as is” appraisal of the project building(s) that provides satisfactory evidence that the purchase price of the project building(s) does not exceed fair market value. In addition, all applicants for housing funds must summarize data from the Newton Assessing Department identifying the assessed value of the project building(s) and comparable local properties.
- 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

- 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.
 - Other Terms:
Revenue Sharing Provision as indicated in the attached materials.

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