



**82 Lincoln Street
Newton Highlands, Massachusetts 02461**

**Telephone: (617) 552-5501
Telecopier: (617) 964-8387
TD: (617) 332-3802**

**Amy Zarechian
Executive Director**

June 24, 2019

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

Re: NHA acquisition of CAN-DO Portfolio

Dear Ms. Ingerson,

In May of 2018, the Newton Housing Authority (NHA) began reviewing the opportunity to acquire the 33-unit CAN-DO (Citizens for Affordable Housing in Newton Development Organization) real estate portfolio currently managed by Metro West Collaborative Development. On January 1, 2017, CAN-DO and Metro West CD became affiliates upon the retirement of the CAN-DO Executive Director. However, as of June 1, 2018, the two organizations agreed to disaffiliate, continuing to legally exist as independent non-profit entities with their own missions, and with separate Boards of Directors. Staffing for CAN-DO is now provided by Metro West CD under a management contract with CAN-DO. Metro West CD will be terminating its management contract with CAN-DO effective December 31, 2019. The Board of CAN-DO approached the NHA as a potential new owner and manager of this important portfolio.

The NHA is interested in acquiring the CAN-DO portfolio in order to maintain the units as an important affordable housing resource for the City of Newton's most vulnerable, low-income residents. The NHA signed a Letter of Interest with CAN-DO on May 18, 2018 and conducted its own due diligence of the financial and physical condition of the properties. The NHA signed a Letter of Intent dated June 18, 2019 stating its intention to acquire the portfolio following its due diligence process.

All of the buildings were originally constructed over 50 years ago, but have undergone either significant or partial renovation over the past 20 years. Overall, the buildings are in fair to good condition, but have \$750,000 in capital needs in the next five years and a total of \$2.1 million over the next 20 years, with no current replacement reserve and no current ability to contribute annually to a replacement reserve. In addition, net operating income, after allowing for operating expenses deemed by NHA to be necessary for sustainable operation, is unable to support the current debt service. To achieve financial stability, it is necessary to reduce the outstanding debt, refinance current debt balances and address the significant capital needs of the portfolio.

The Newton Housing Authority is the largest provider of affordable housing provider in the City of Newton. The NHA owns and operates over 500 units of federal and state-aided public housing and 441 Section 8 Housing Choice Vouchers, as well as other housing programs for residents with special needs, victims of domestic violence, and single, homeless men. The NHA also owns and operates a unique portfolio of 57 unsubsidized Management Program units in the City of Newton occupied by residents with tenant-based vouchers. The units in the CAN-DO portfolio will fit seamlessly into the NHA's current housing portfolio and further the NHA's mission to increase the

amount of affordable housing in the City, as well as to deliver the necessary services to this vulnerable population while maintaining its standard of management in its other affordable housing programs.

The NHA is requesting adequate resources, in the amount of \$1.5 million from Community Preservation Act funds and \$1.3 million in CDBG funds over a two to four-year timeframe, to ensure the stabilization and sustainability of this important housing resource.

Please feel free to contact the NHA with any additional questions. Thank you for your consideration.

Sincerely,



Amy Zarechian
Executive Director

City of Newton



Ruthanne Fuller
Mayor

Newton, Massachusetts Community Preservation Program FUNDING REQUEST

PRE-PROPOSAL

PROPOSAL

(For staff use)
date rec'd:

24- 25 June
2019

Last updated 5 March 2019.

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	Newton Housing Authority – Acceptance of CAN-DO Portfolio					
Project LOCATION	See attached map and list of street addresses for the CAN-DO portfolio.					
Project CONTACTS	Name & title or organization	Email	Phone	Mailing address		
Project Manager	Amy Zarechian, Executive Director, Newton Housing Authority	azarechian@newtonhousing.org	617-552-5501	82 Lincoln Street Newton Highlands, MA 02461		
Other Contacts						
Project FUNDING	A. Newton public funds requested: <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black;">A1. CPA \$1,500,000</td> <td>A2. CDBG \$1,300,000</td> </tr> </table>		A1. CPA \$1,500,000	A2. CDBG \$1,300,000	B. Other funds to be used: NHA \$250,000; Village Bank \$250,000 Cambridge Savings Bank \$56,000; Boston Community Loan Fund \$83,268; New Village Bank Debt \$523,408	C. Total project cost (A+B): \$3,962,676
A1. CPA \$1,500,000	A2. CDBG \$1,300,000					
Project SUMMARY	Explain how the project will use the requested Newton public funds. Your PROJECT SUMMARY MUST FIT IN THE SPACE BELOW. Use a cover letter to request off-cycle consideration by the CPC and to provide more detail about the project's rationale and/or NHA's accomplishments.					
<p>In May of 2018, the Newton Housing Authority (NHA) began reviewing the opportunity to acquire the 33 unit CAN-DO (Citizens for Affordable Housing in Newton Development Organization) real estate portfolio currently managed by Metro West Collaborative Development. On January 1, 2017, CAN-DO and Metro West CD became affiliates upon the retirement of the CAN-DO Executive Director. However, as of June 1, 2018, the two organizations agreed to disaffiliate, continuing to legally exist as independent non-profit entities with their own missions, and with separate Boards of Directors. Staffing for CAN-DO is now provided by Metro West CD under a management contract with CAN-DO. Metro West CD will be terminating its management contract with CAN-DO effective December 31, 2019. The Board of CAN-DO approached the NHA as a potential new owner and manager of this important portfolio.</p> <p>The NHA is interested in acquiring the CAN-DO portfolio in order to maintain the units as an important affordable housing resource for the City of Newton's most vulnerable, low-income residents. The NHA signed a Letter of Interest with CAN-DO on May 18, 2018 and has been conducting its own due diligence of the financial and physical condition of the properties. The NHA is requesting adequate resources to ensure the stabilization and sustainability of the units, as well as the ability to deliver the necessary services to this vulnerable population while maintaining its standard of management in its other affordable housing programs.</p> <p>All of the buildings were originally constructed over 50 years ago, but have undergone either significant or partial renovation over the past 20 years. Overall, the buildings are in fair to good condition, but have \$750,000 in capital needs in the next five years and a total of \$2.1 million over the next 20 years, with no current replacement reserve and no current ability to contribute annually to a replacement reserve. In addition, net operating income, after allowing for operating expenses deemed by NHA to be necessary for sustainable operation, is unable to support the current debt service. To achieve financial stability, it is necessary to reduce the outstanding debt, refinance current debt balances and address the significant capital needs of the portfolio.</p>						

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	Newton Housing Authority – Acceptance of CAN-DO Portfolio
----------------------	--

TARGET POPULATION, TYPE OF HOUSING, SPECIAL FEATURES – Check & describe all that apply.			
--	--	--	--

Individuals ✓	Families ✓	Seniors	Homeless/At Risk of Homelessness ✓
Rental ✓	Group/congregate	2 or 3-family:	Other (identify):
Special needs/disabilities (identify population & provider of support services, if any):			

UNIT COMPOSITION <i>List number of units in each category for the entire portfolio.</i>				
--	--	--	--	--

UNIT TYPE	≤ 30% AMI	≤ 50% AMI	≤ 80% AMI	TOTAL
SRO		6		6
1 BR		2		2
2 BR		8	9	17
3 BR			7	7
4 BR/+			1	1

USE of NEWTON PUBLIC FUNDS	Please list each source that applies for each use: CPA, CDBG or HOME.
rehabilitate/ restore	CDBG
support (financial, incl. mortgage reduction)	CPA

COMMUNITY NEEDS	From the following plans (plan titles are hyperlinks), provide a brief quote with page number, showing how this project meets previously recognized community needs. You may also list other community benefits not mentioned in any of these plans.
------------------------	--

The need for more affordable rental housing in the City of Newton is evident in each of the following plans. The NHA has extensive waiting lists for all of its programs, but most significantly for its family housing program. There are currently 2,257 families waiting on the NHA’s state public housing waiting list with an expected wait time of 3 years for emergency placements and more than 10 years for standard applicants. The CAN-DO portfolio represents a critical resource of affordable rental housing for low-income families and individuals, meets the needs expressed in the plans below, and is a resource worthy of continued public investment.

[Comprehensive Plan](#) “Maintaining Economic Diversity of Housing,” specifically that, “An economically diverse City, rather than one made up of only either wealthy or subsidized households, is the vision that we seek. [...] Maintaining access to Newton housing for a broad range of households is a long-held basic community value” (p. 3-17).

[Fy16-20 Consolidated Plan \[for Housing & Community Development\]](#) “ongoing need for safe and affordable housing for victims of domestic violence” (p. 55). The NHA has 8 Section 8 vouchers set-aside for victims of domestic violence project-based in two CAN-DO properties. “The large gap between market rents and the Fair Market Rent requires substantial public subsidy to offset the loss that otherwise results in an economically infeasible or unsustainable affordable housing development. Together with the high cost of development and recent federal budget cuts to the HOME Program and CDBG, the Consortium must find ways to leverage these constrained resources to help stretch these public dollars further. The Consortium must often rely on strategies that combine other available regulatory and financial tools, such as Chapter 40B, inclusionary housing bylaws and financial subsidies provided through state and local programs to help meet this gap” (p. 81).

[Newton Leads 2040: A Blueprint to Promote Affordable, Diverse Housing ...](#) “Preservation and development will require City participation. Addressing the lack of diversity in terms of housing type and price has the potential to reduce the substantial shortage of units for existing senior households, current modest income residents, and individuals with special needs. However, given the current market for housing in Newton and the continued demand for housing at the highest values, the marketplace will not provide this housing on its own. The City will need to be an active partner in the preservation and development of these housing options. Assistance will need to be in the form of financial participation as well as regulatory/policy changes” (p. iii).

Project TITLE	Newton Housing Authority – Acceptance of CAN-DO Portfolio		
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. If possible, please list some contacts who live near portfolio units.		
Name & title or organization	Email	Phone	Mailing address
Jennifer Van Campen Executive Director Metro West Collaborative Development	jvc@metrowestcd.org	617-923-3505 ext. 4	79-B Chapel Street Newton, MA 02458
Charles Eisenberg Development Consultant Housing Partners, Inc.	ceisenberg@housingpartnersinc.com	617-901-3378	142 Galen St., Suite B Watertown, MA 02472
Matthew Swoveland Executive Director The Second Step	msovoveland@thesecondstep.org	617.965.2393	P.O. Box 600213 Newtonville, MA 02460

Project TIMELINE	Phase or Task	Season & Year
	NHA Letter of Intent to CAN-DO	June 2019
	CPC Pre-proposal	July 9, 2019
	Purchase & Sale Agreement	July 2019
	CPC/P&D full-proposal/public hearing	September 2019
	CPC/CDBG funding awards	November/December 2019
	Closing	Within 180 days of P&S

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

Full proposals must include separate, detailed budgets in addition to this page.

Project TITLE	Newton Housing Authority – Acceptance of CAN-DO Portfolio	
SUMMARY CAPITAL/DEVELOPMENT BUDGET		
Uses of Funds		
Purchase		\$1,907,170
Purchase- BCLF Debt Assumption		\$83,268
Replacement Reserve		\$1,875,000
Legal Fees		\$70,000
Title and Recording		\$10,000
Development Consultant		\$10,000
CNA Consultant		\$7,238
D. TOTAL USES (should equal C. on page 1 and E. below)		\$3,962,676
Sources of Funds	Status (requested, expected, confirmed)	
NHA Contribution	Confirmed	\$250,000
The Village Bank	Requested	\$250,000
Cambridge Savings Bank	To be requested	\$56,000
BCLF Debt Assumption	To be requested	\$83,268
New Village Bank Debt	Requested	\$523,408
CPA	Requested (Pre-proposal)	\$1,500,000
CDBG	To be requested over 2-4 years	\$1,300,000
E. TOTAL SOURCES (should equal C. on page 1 and D. above)		\$ 3,962,676
SUMMARY ANNUAL OPERATIONS & MAINTENANCE BUDGET (cannot use CPA funds)		
Uses of Funds		
Administrative		\$152,312
Maintenance		\$114,873
Supportive Service/Resident Services		\$12,500
Replacement Reserve		\$16,500
Utilities		\$70,628
Insurance		\$64,817
F. TOTAL ANNUAL COST (should equal G. below)		\$431,630
Sources of Funds		
Gross Possible Rent		\$606,216
G. TOTAL ANNUAL FUNDING (should equal F. above)		\$606,216

Attachments required with **pre-proposal**. Attachments received 25 June 2019 are highlighted.













Project TITLE		Newton Housing Authority – Acceptance of CAN-DO Portfolio	
↓ Check off submitted attachments here.			
REQUIRED	✓	MAP	showing all properties in the portfolio, keyed to the following table ...
	✓	DESCRIPTIVE TABLE	... for each building: units, bedrooms/bathrooms, income restrictions, occupancy & compliance status, past Newton public funding, cash flow
Separate, detailed budget attachments REQUIRED.	PROJECT FINANCES printed and as computer spreadsheets, with both uses & sources of funds		
	✓	development pro forma/capital budget: include total cost, hard vs. soft costs and contingencies, and costed project management time from both contractors & staff	
	✓	operating/maintenance budget, projected separately for each of the next 20 years, including operating & replacement reserves	
	not provided	rental subsidies: current sources & strategy to seek add'l subsidies, if any Not provided because none will be sought.	
REQUIRED.	SITE CONTROL		
	✓	option or MOU documenting CAN-DO's commitment to transfer the portfolio to NHA	
	CAPITAL NEEDS		
	✓	capital needs assessment for CAN-DO portfolio Posted separately on Newton CPC website.	

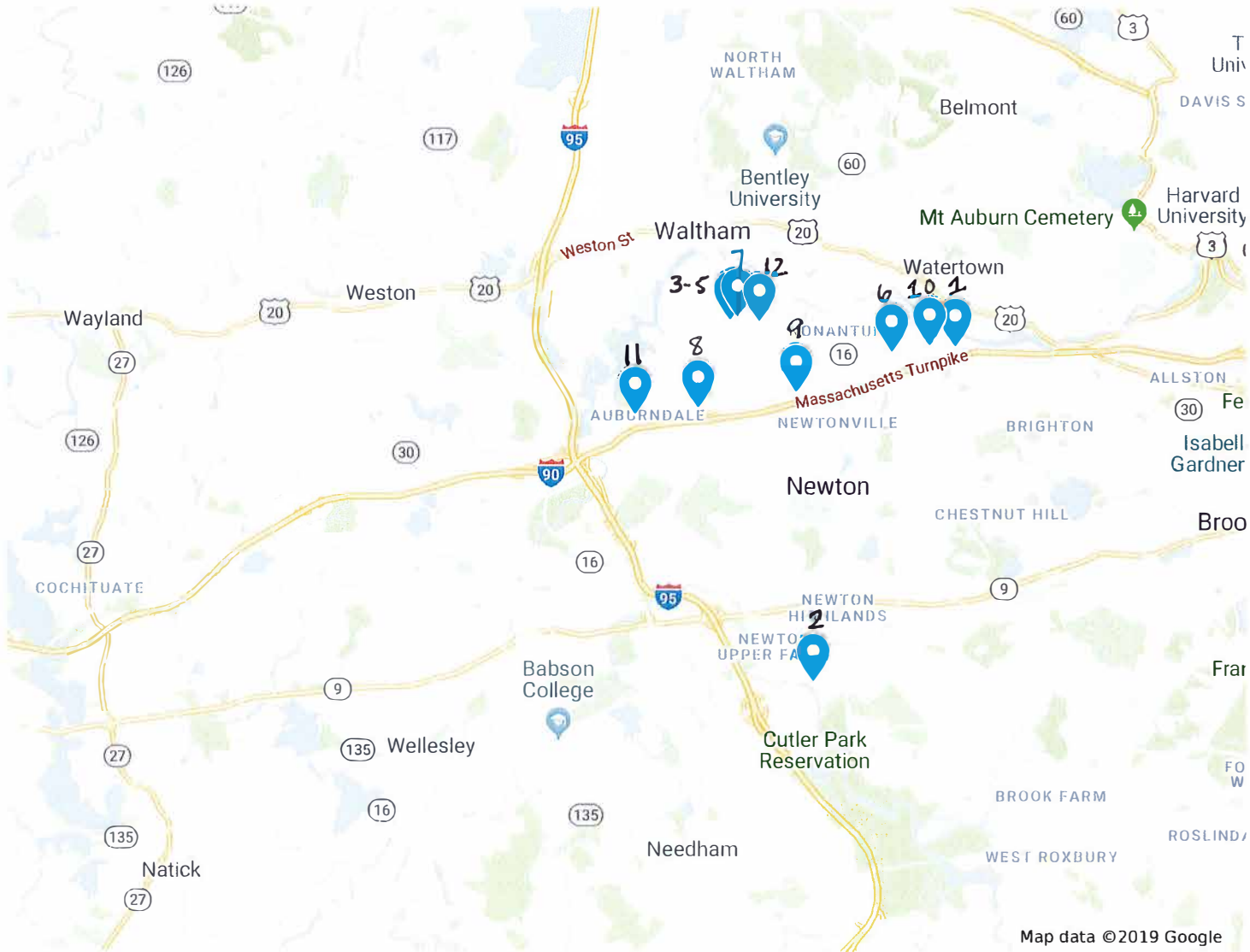
These additional attachments will be required with **full proposal**.

REQUIRED.		PHOTOS	1-2 photos for each property in the portfolio, keyed to map already submitted.
	PROJECT FINANCES printed and as computer spreadsheets, with both uses & sources of funds		
		capital budget – accessibility opportunities: In addition to information above, please identify any opportunities to make additional portfolio units accessible or visitable, with est. costs.	
		funding sources other than Newton public funds: commitment letters, letters of inquiry to other funders, fundraising plans, etc.	
		procurement: briefly summarize applicable state statutes and City policies appraisal: from bank or commissioned by CPA/CDBG programs	
See note.		market analysis: including prevailing/trending rents or prices & target population NOTE: required if HOME funds requested	
REQUIRED.	SPONSOR FINANCES & CAPACITY		
		for both NHA and CAN-DO: most recent annual operating budget (revenue & expenses) & financial statement (assets & liabilities)	
		NHA capacity, both current & needed (planned expansion): for all stages from portfolio transfer through refinancing, property rehabilitation, and long-term portfolio management	
		NHA mission & current portfolio, including a descriptive table for NHA's scattered-site "management" portfolio similar to the one above for CAN-DO	
		NHA staff & Commissioners: relevant skills & experience, tenure, other City board affiliations; please include property management staff	
	SITE CONTROL, DEED RESTRICTIONS		
		legally binding option or purchase & sale agreement	
		NHA and CAN-DO agreement to standardize/streamline deed restrictions for affordability	
	FAIR HOUSING, ACCESSIBILITY, RELOCATION		
		affirmative marketing / resident selection strategy to make all units eligible for SHI	
		fair housing: training completed, summary of any past complaints & their resolution	
		reasonable accommodation/reasonable modification policy	
		relocation plans/ budget (for rehabilitation)	
COMMUNITY OUTREACH			
REQUIRED.		summarize efforts to date & plans for additional outreach	
OPTIONAL.		LETTERS of SUPPORT	from Newton residents, organizations, or businesses

CAN-DO Portfolio

CAN-DO Portfolio

-  14 Nonantum Pl
-  90 Christina St
-  10 Cambria Rd
-  11 Cambria Rd
-  18 Cambria Rd
-  163 Jackson Rd
-  20 Falmouth Rd #22
-  228 Webster St
-  54 Eddy St
-  61 Pearl St
-  2148 Commonwealth Avenue
-  54 Taft Ave



Pre-proposal to CPC for NHA Acceptance of CAN-DO Portfolio:

Descriptive Table / Summary of CAN-DO Properties (keyed to map with numbered properties)

CAN-DO Portfolio								
Map Key	Project	Unit Address	Units	Bedrooms	Year Funded by City	SHI?	City Sources	Total City \$
1	14 Nonantum/Garfield House		3		1995	Yes	HOME, NHRF	\$308,611
		14 Nonantum Place B #1		2				
		14 Nonantum Place #2		3				
		14 Nonantum Place #3		3				
2	90 Christina St. /Kayla House		5		1999	Yes	CDBG, HOME	\$695,574
		90 Christina St. #1		2				
		90 Christina St. #2		2				
		90 Christina St. #3		2				
		90 Christina St. #4		2				
		90 Christina St. #5		2				
3	10-12 Cambria Road		2		2016	Yes	CDBG, HOME	\$855,410
		10 Cambria Rd		2				
		12 Cambria Rd.		2				
4	11-13 Cambria Road		2		2006	?	CDBG, CPA	\$631,025
		11 Cambria Rd.		2				
		13 Cambria Rd.		2				
5	18-20 Cambria Road		2		2003	Yes	CDBG, CPA	\$541,417
		18 Cambria Rd.		3				
		20 Cambria Rd.		3				
6	163 Jackson Road		2		2005	Yes	CDBG	\$650,317
		163 Jackson Rd. #1		2				
		163 Jackson Rd. #2		3				
7	20-22 Falmouth Rd.		2		2005	Yes	CDBG, CPA	\$651,202
		20 Falmouth Rd.		2				
		22 Falmouth Rd.		3				
8	228 Webster Street		6		2003	Yes	HOME	\$237,957
		228 Webster St. A		SRO				
		228 Webster St. B		SRO				

**Pre-proposal to CPC for NHA
Descriptive Table / Summar**

Map Key	Project	Private Debt Source	Private Debt Balance	Assessed value	Rental Subsidy	Income Restrictions
1	14 Nonantum/Garfield House	CEDAC HIF		\$529,900		2 units at 59% AMI, 1 unit at 65% AMI. Filled off NHA DV waiting list
		Village Bank				
					Section 8 PBV (NHA)	
					Section 8 PBV (NHA)	
2	90 Christina St. /Kayla House	CEDAC HIF		\$869,300		3 units at low HOME 50% and 2 units at high HOME 60%. Filled from NHA DV waiting list
		Village Bank	\$188,539			
		BCLF	\$86,919			
					Section 8 PBV (NHA)	
					Section 8 PBV (NHA)	
					Section 8 PBV (NHA)	
3	10-12 Cambria Road			\$543,400		1 2-bedroom at low HOME 50%, 1 2-bedroom at high HOME 80%
4	11-13 Cambria Road	Village Bank	\$208,701	\$635,100		Both units at low HOME 50%
					Section 8 tenant-based (WHA)	
5	18-20 Cambria Road	Village Bank	\$205,280	\$622,500		Both units at 80% AMI
		Cambridge Savings	\$122,536			
					Section 8 tenant-based (MBHP)	
					Section 8 tenant-based (NHA)	
6	163 Jackson Road	Village Bank	\$232,751	\$573,700		Both units at 80% AMI
					Section 8 tenant-based (NHA)	
7	20-22 Falmouth Rd.	Village Bank	\$231,989	\$606,400		Both units at 80% AMI
					Section 8 tenant-based (MBHP)	
8	228 Webster Street					
		FHLB	\$90,000			
		MassHousing	\$250,000			
		CEDAC FCF	\$389,811			
				\$661,400		All units at 50% AMI
					Section 8 PBV (NHA)	
					Section 8 PBV (NHA)	

Pre-proposal to CPC for NHA Acceptance of CAN-DO Portfolio:**Descriptive Table / Summary of CAN-DO Properties (keyed to map with numbered properties)**













CAN-DO Portfolio								
Map Key	Project	Unit Address	Units	Bedrooms	Year Funded by City	SHI?	City Sources	Total City \$
		228 Webster St. C		SRO				
		228 Webster St. D		SRO				
		228 Webster St. E		SRO				
9	54 Eddy Street		2		2012	No	CDBG, CPA	\$945,250
		54 Eddy St. #1		2				
		54 Eddy St. #2		3				
10	61 Pearl Street		3		2011	No	CDBG, HOME, CPA	\$1,145,000
		61 Pearl St. #1		2				
		61 Pearl St. #2		2				
		61 Pearl St. #3		2				
11	Veteran House/2148 Comm Ave.		2		2010	No	CDBG, CPA	\$675,000
		2148 Comm. Ave #1		1				
		2148 Comm. Ave #2		1				
12	54 Taft Ave.		2		2015	Yes	CDBG, HOME	\$1,069,029
		54A Taft Ave.		3				
		54B Taft Ave.		2				

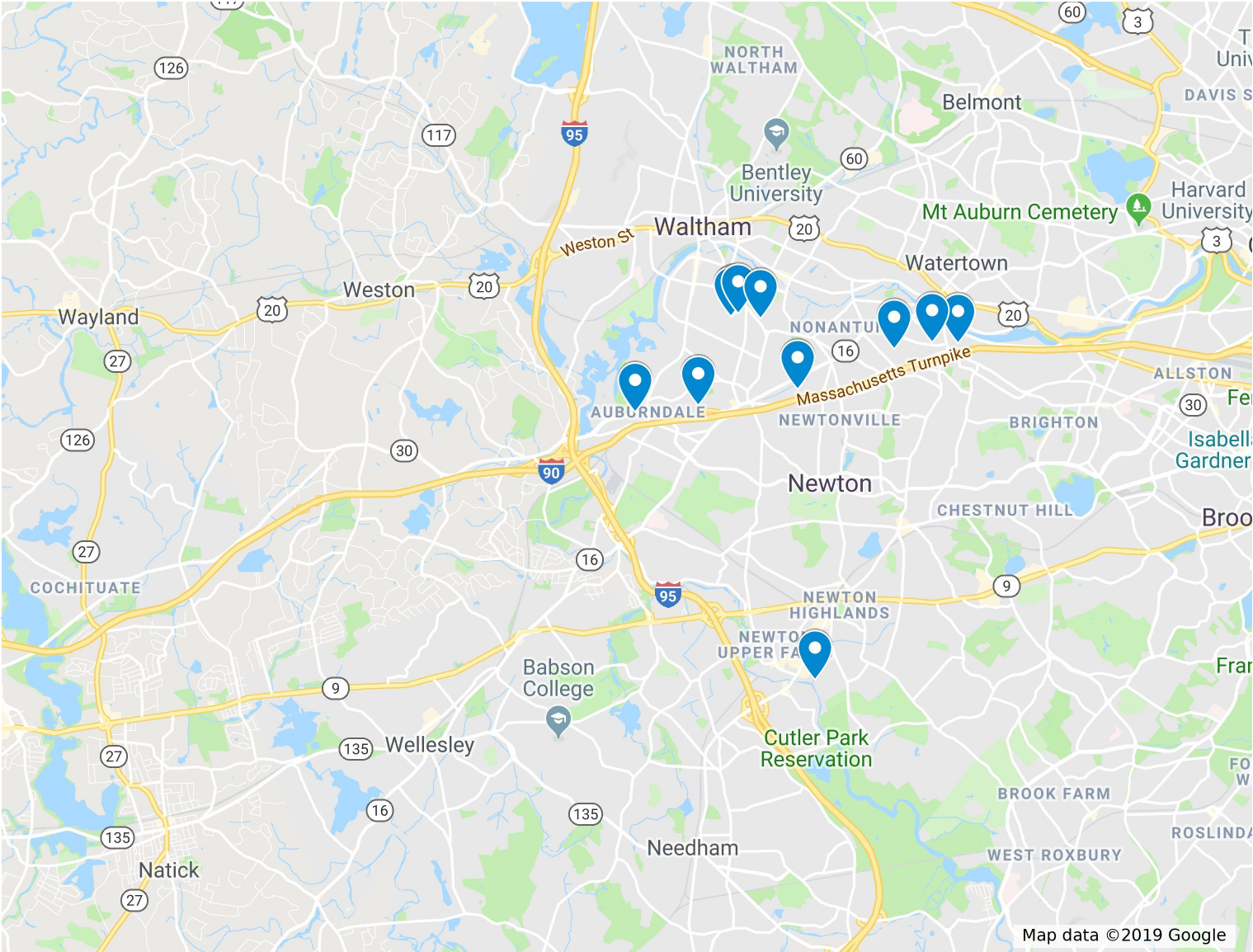
**Pre-proposal to CPC for NHA
Descriptive Table / Summar**

Map Key	Project	Private Debt Source	Private Debt Balance	Assessed value	Rental Subsidy	Income Restrictions
					Section 8 PBV (NHA)	
					Section 8 PBV (NHA)	
					Section 8 PBV (NHA)	
9	54 Eddy Street	Village Bank	\$112,644	\$785,300		1 2-bedroom at low HOME 50%, 1 3-bedroom at 80% AMI
					Section 8 tenant-based (MBHP)	
					Section 8 tenant-based (NHA)	
10	61 Pearl Street	Cambridge Savings	\$239,565	\$937,200		All units high HOME 60%
					Section 8 tenant-based (NHA)	
11	Veteran House/2148 Comm Ave.	Village Bank	\$158,465	\$778,500		50% AMI (?)
					Section 8 tenant-based (CHA)	
					Section 8 tenant-based (BHA)	
12	54 Taft Ave.			\$730,400		1 2-bedroom low HOME 50%, 1 3-bedroom 80% AMI
					Section 8 tenant-based (NHA)	

CAN-DO Portfolio

CAN-DO Portfolio

-  14 Nonantum Pl
-  90 Christina St
-  10 Cambria Rd
-  11 Cambria Rd
-  18 Cambria Rd
-  163 Jackson Rd
-  20 Falmouth Rd #22
-  228 Webster St
-  54 Eddy St
-  61 Pearl St
- 
- 2148 Commonwealth Avenue
-  54 Taft Ave



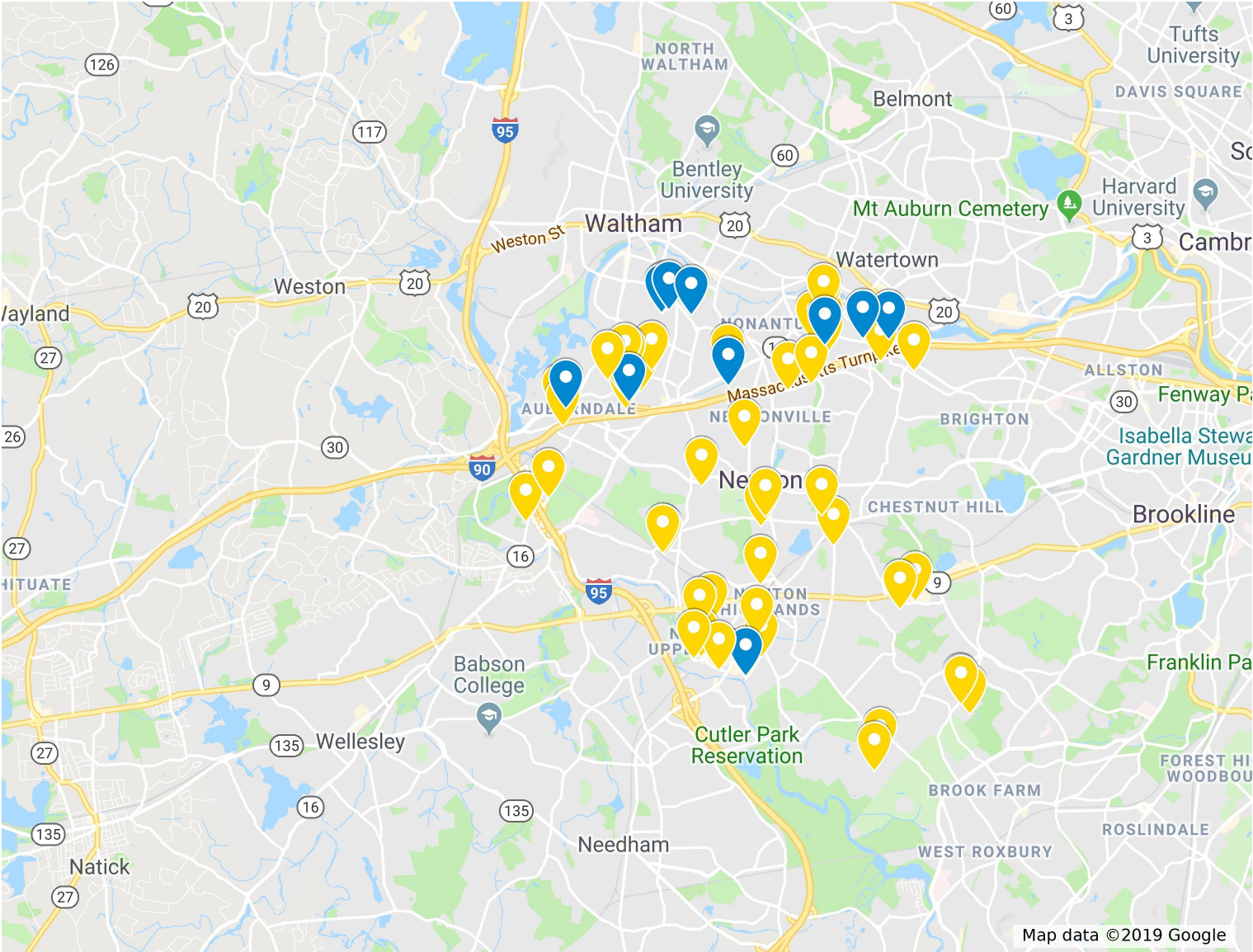
CAN-DO and NHA Properties

CAN-DO Portfolio


- 14 Nonantum Pl
- 90 Christina St
- 10-12 Cambria Rd
- 11 Cambria Rd
- 18 Cambria Rd
- 163 Jackson Rd
- 20 Falmouth Rd #22
- 228 Webster St
- 54 Eddy St
- 61 Pearl St
- 2148 Commonwealth Avenue
- 54 Taft Ave


NHA Properties


- 21 Parker St
- 111 Kennedy Cir
- 676 Watertown St
- 58 Ash St
- 80 Thurston Rd
- 239 Watertown St
- 234 Central St
- 82 Lincoln St
- 541 Grove St
- 15 Wilson Cir





- 52 Wyman St
- 68 Wyman St
- 76 Webster Park
- 46 Crescent St
- 1115 Beacon St
- 9 Baldwin St
- 23 Considine Rd
- 50 Fuller St
- 15 Jackson Terrace
- 31 Murray Rd
- 45 Pelham St
- 390 Newtonville Ave
- 83 West St
- 6 Bryon Rd
- 47 Colella Rd
- 248 Lagrange St
- 225 Tremont St
- 29 Bryon Rd
- 18 Carter St
- 1200 Chestnut St
- 91 Christina St
- 416 Grove St
- 305 Winchester St
- 237 Watertown St
- 24 High St
- 51 Pettee St
- 18 Alden Pl
- 8 Rebecca Rd
- 116 Florence St
- 27 Kerry Ct

 449 Lowell Ave

 160 Pine St

 173 Oak St

 1175 Chestnut St

 79 Florence St

**Pre-proposal to CPC for NHA Acceptance of CAN-DO Portfolio:
Development Sources & Uses**

Can-Do Developments			
NHA		Can-Do	
SOURCES		SOURCES	
NHA	250,000	Purchase - Cash	1,907,170
TVB	250,000	Purchase - BCLF Debt Assumption	83,268
CSB	56,000		
BCLF Debt Assumption	83,268		
New TVB Debt *	523,408		
CPC	1,500,000		
City CDBG	1,300,000		
TOTAL SOURCES	3,962,676	TOTAL SOURCES	1,990,438
USES		USES	
Purchase - Cash	1,907,170	TVB Debt Repayment	1,557,518
Purchase - BCLF Debt Assumption	83,268	CSB Debt Repayment	349,652
Replacement Reserve	1,875,000	BCLF Debt Assumption by NHA	83,268
Legal Fees	70,000		
Title & Recording	10,000		
Development Consultant	10,000		
CNA Consultant	7,238		
TOTAL USES	3,962,676	TOTAL USES	1,990,438
SURPLUS / (DEFICIT)	-	SURPLUS / (DEFICIT)	(0)
* Refinanced at 4.5%, 30 yrs.			

Pre-proposal to CPC for NHA Acceptance of CAN-DO Portfolio:

Rents & Debt

	10 Cambia		11 Cambria		18 Cambia		20 Falmouth		61 Pearl			
Can-Do Developments	12 Cambia		13 Cambia		20 Cambia		163 Jackson		22 Falmouth		Park House	
Number of Units	2	units	2	units	2	units	2	units	2	units	3	units
Monthly Rent	1,392	MBHP	1,691	NHA	1,345	MBHP	1,600	NHA	1,625	NHA	1,255	N/A
	916	NHA	1,573	WHA	2,330	NHA	2,000	NHA	1,608	MBHP	1,255	N/A
											1,464	NHA
Gross Possible Rent	27,696		39,168		44,100		43,200		38,796		47,688	
Vacancy (8%)	(2,216)		(3,133)		(3,528)		(3,456)		(3,104)		(3,815)	
Net Effective Income	25,480		36,035		40,572		39,744		35,692		43,873	
Max Can Do or NHA Expenses												
Administrative	9,231		9,231		9,231		9,231		9,231		13,847	
Maintenance	6,962		6,962		6,962		6,962		6,962		10,443	
Supportive Service	758		758		758		758		758		1,136	
Replacement Reserve	1,000		1,000		1,000		1,000		1,000		1,500	
Utilities	4,280		4,280		4,280		4,280		4,280		6,421	
Real Estate Taxes	-		-		-		-		-		-	
Insurance	3,928		3,928		3,928		3,928		3,928		5,892	
Total Expenses	26,159		26,159		26,159		26,159		26,159		39,239	
Net Operating Income	(679)		9,875		14,413		13,585		9,533		4,634	
Debt Service												
TVB	-		16,202	5.00%	20,768	5.75%	21,532	5.25%	19,619	4.50%	-	
TVB Balance				203,923		197,053		227,005		224,328		
CSB	-		-		11,054	4.50%	-		-		14,640	4.50%
CSB Balance						111,960						237,692
BCLF	-		-		-		-		-		-	
BCLF Balance												
Total Debt Service	-		16,202		31,822		21,532		19,619		14,640	
Net Cash Flow	(679)		(6,327)		(17,409)		(7,947)		(10,086)		(10,006)	
Amortizing Debt Balance	04/01/19		Repaid	Balance								
TVB	1,557,518		(1,034,110)	523,408								
CSB	349,652		(349,652)	-								
BCLF	83,268		-	83,268								
Amortizing Debt Balance	1,990,438		(1,383,762)	606,676								

**Pre-proposal to CPC for NH
Rents & Debt**

	14 Nonantum Garfield House		90 Christina Kayla House		2148 Commonwealth Veterans House		54 Eddy		54 Taft		228 Webster Webster House	
Number of Units	3	units	5	units	2	units	2	units	2	units	6	respite units
Monthly Rent	1,799	NHA	1,811	NHA	1,612	CHA	1,392	MBHP	2,112	NHA	895	NWW - NHA
	2,042	NHA	1,799	NHA	2,153	BHA	2,000	NHA	938	MBHP	895	NWW - NHA
	2,327	NHA	1,799	NHA							895	NWW - NHA
			1,511	NHA							895	NWW - NHA
			1,799	NHA							895	NWW - NHA
											895	NWW - NHA
Gross Possible Rent	74,016		104,628		45,180		40,704		36,600		64,440	
Vacancy (8%)	(5,921)		(8,370)		(3,614)		(3,256)		(2,928)		(5,155)	
Net Effective Income	68,095		96,258		41,566		37,448		33,672		59,285	
Max Can Do or NHA Expenses												
Administrative	13,847		23,078		9,231		9,231		9,231		27,693	
Maintenance	10,443		17,405		6,962		6,962		6,962		20,886	
Supportive Service	1,136		1,894		758		758		758		2,273	
Replacement Reserve	1,500		2,500		1,000		1,000		1,000		3,000	
Utilities	6,421		10,701		4,280		4,280		4,280		12,841	
Real Estate Taxes	-		-		-		-		-		-	
Insurance	5,892		9,821		3,928		3,928		3,928		11,785	
Total Expenses	39,239		65,399		26,159		26,159		26,159		78,478	
Net Operating Income	28,856		30,859		15,406		11,288		7,513		(19,193)	
Debt Service												
TVB	43,975	6.00%	18,877	5.25%	22,935	5.00%	7,353	4.50%	-		18,781	5.25%
TVB Balance		100,193		180,739		145,808		109,004				169,466
CSB	0		-		-		-		-		-	
CSB Balance												
BCLF	-		8,136	0	-		-		-		-	
BCLF Balance				83,268								
Total Debt Service	43,975		27,013		22,935		7,353		-		18,781	
Net Cash Flow	(15,119)		3,846		(7,529)		3,935		7,513		(37,974)	
Amortizing Debt Balance					04/01/19		Repaid		Balance			
TVB					1,557,518		(1,034,110)		523,408			
CSB					349,652		(349,652)		-			
BCLF					83,268		-		83,268			
Amortizing Debt Balance					1,990,438		(1,383,762)		606,676			

					Submitted 25
Pre-proposal to CPC for NH Rents & Debt					
		2019		TVB Restructure	
Can-Do Developments		TOTAL		CSB Repayment	
				Underwriting Proforma	
Number of Units		33	units		
Monthly Rent					
			Per Unit		Per Unit
Gross Possible Rent		606,216	18,370	606,216	18,370
Vacancy (8%)		(48,497)	(1,470)	(48,497)	(1,470)
Net Effective Income		557,719	16,901	557,719	16,901
Max Can Do or NHA Expenses					
Administrative		152,312	4,616	152,312	4,616
Maintenance		114,873	3,481	114,873	3,481
Supportive Service		12,500	379	12,500	379
Replacement Reserve		16,500	500	16,500	500
Utilities		70,628	2,140	70,628	2,140
Real Estate Taxes		-	-	-	-
Insurance		64,817	1,964	64,817	1,964
Total Expenses		431,630	13,080	431,630	13,080
Net Operating Income		126,088	3,821	126,088	3,821
Debt Service					
TVB		190,043		31,824	4.50%
TVB Balance			1,557,518		523,408
CSB		25,694		-	
CSB Balance			349,652		-
BCLF		8,136		8,136	
BCLF Balance			83,268		83,268
Total Debt Service		223,872		39,960	
			DSCR		DSCR
Net Cash Flow		(97,784)	0.56	86,128	3.16
Amortizing Debt Balance					
TVB					
CSB					
BCLF					
Amortizing Debt Balance					

**Pre-proposal to CPC for NHA Acceptance of CAN-DO Portfolio:
Audit & Year End**

	Audit	Audit	Year End	Year End	Per		YTD	YTD	Per		Per NHA
Can-Do Developments	2015	2016	2016	2017	33 Units		10/31/18	Annualized	33 Units		57 Units
Rental Income											
Rental Subsidy	-	-	528,490	412,221	12,492		336,657	403,989	12,242		-
Tenant Rent	-	-	-	156,027	4,728		121,248	145,497	4,409		-
Vacancies	-	-	(23,455)	(15,068)	(457)		-	-	-		-
Laundry & Miscellaneous	-	-	2,726	3,822	116		3,297	3,957	120		-
Rental Income	495,612	507,781	507,761	557,002	16,879		461,202	553,442	16,771		-
Rental Expenses											
Salaries	-	43,530	-	-	-		-	-	-		-
Taxes & Benefits	-	10,919	-	-	-		-	-	-		-
Consultants	-	21,198	-	-	-		-	-	-		-
Office Rent	-	12,158	-	-	-		-	-	-		-
Condo Fees	-	4,646	-	-	-		4,918	5,901	179		-
Advertising & Marketing	-	1,000	-	-	-		-	-	-		-
Telephone & Internet	-	1,586	-	-	-		-	-	-		-
Payroll Services	-	543	-	-	-		-	-	-		-
Filing Fees	-	254	-	-	-		-	-	-		-
Bank Charges	-	68	-	-	-		(12)	(14)	(0)		-
Supplies	-	50	-	-	-		-	-	-		-
Miscellaneous	-	500	-	-	-		(1,555)	(1,866)	(57)		-
Subtotal Administrative	-	96,452	-	-	-		3,351	4,021	122		4,616
Maintenance	-	17,236	19,542	44,273	1,342		65,241	65,241	1,977		-
Janitorial	-	-	-	1,930	58		-	-	-		-
Repairs	-	55,736	48,646	85,665	2,596		40,421	48,505	1,470		-
Landscaping & Snow Removal	-	26,421	33,123	16,393	497		-	-	-		-
Extermination	-	3,717	3,717	577	17		75	90	3		-
Vehicle Expense	-	684	-	-	-		-	-	-		-
Subtotal Maintenance	-	103,794	105,028	148,838	4,510		105,737	113,836	3,450		3,481
Supportive Service	-	2,894	2,894	5,544	168		2,845	3,413	103		379
Security	-	1,879	1,879	-	-		-	-	-		-
Utilities	-	44,956	49,227	65,827	1,995		58,857	70,628	2,140		1,840
Real Estate Taxes	-	64,478	75,602	71,379	2,163		58,943	70,731	2,143		-
Insurance	-	36,262	39,580	39,238	1,189		12,996	40,149	1,217		1,964
Rental Expenses	433,727	350,715	274,210	330,826	10,025		242,728	302,779	9,175		12,279
Net Operating Income	61,885	157,066	233,551	226,176	6,854		218,474	250,663	7,596		
Debt Service	-	170,472	227,492	209,259	6,341		152,510	183,012	5,546		
Net Cash Flow	61,885	(13,406)	6,059	16,917	513		65,964	67,651	2,050		

**Pre-proposal to CPC for NHA Acceptance of CAN-DO Portfolio:
20-Year Operating Projections**

	TVB Restructure												
			<u>\$150 per Unit Real Estate Taxes</u>										
Can-Do Developments	CSB Repayment												
				1	2	3	4	5	6	7	8	9	10
		<u>Per Unit</u>		<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Gross Possible Rent	606,216	18,370		618,340	630,707	643,321	656,188	669,311	682,698	696,352	710,279	724,484	738,974
Vacancy (8%)	(48,497)	(1,470)		(49,467)	(50,457)	(51,466)	(52,495)	(53,545)	(54,616)	(55,708)	(56,822)	(57,959)	(59,118)
Net Effective Income	557,719	16,901		568,873	580,251	591,856	603,693	615,767	628,082	640,644	653,456	666,525	679,856
Max Can Do or NHA Expenses													
Administrative	152,312	4,616		156,882	161,588	166,436	171,429	176,572	181,869	187,325	192,944	198,733	204,695
Maintenance	114,873	3,481		118,320	121,869	125,525	129,291	133,170	137,165	141,280	145,518	149,884	154,380
Supportive Service	12,500	379		12,875	13,261	13,659	14,069	14,491	14,926	15,373	15,835	16,310	16,799
Replacement Reserve	16,500	500		16,995	17,505	18,030	18,571	19,128	19,702	20,293	20,902	21,529	22,175
Utilities	70,628	2,140		72,747	74,929	77,177	79,493	81,877	84,334	86,864	89,470	92,154	94,918
Real Estate Taxes	-	-		-	-	-	-	-	-	-	-	-	-
Insurance	64,817	1,964		66,761	68,764	70,827	72,952	75,140	77,394	79,716	82,108	84,571	87,108
Total Expenses	431,630	13,080		444,579	457,917	471,654	485,804	500,378	515,389	530,851	546,776	563,180	580,075
Net Operating Income	126,088	3,821		124,294	122,334	120,201	117,889	115,389	112,693	109,793	106,680	103,346	99,781
Debt Service													
TVB	31,824			31,824	31,824	31,824	31,824	31,824	31,824	31,824	31,824	31,824	31,824
TVB Balance		523,408		-	-	-	-	-	-	-	-	-	-
CSB	-			-	-	-	-	-	-	-	-	-	-
CSB Balance		-		-	-	-	-	-	-	-	-	-	-
BCLF	8,136			8,136	8,136	8,136	8,136	8,136	8,136	8,136	8,136	8,136	8,136
BCLF Balance		83,268		-	-	-	-	-	-	-	-	-	-
Total Debt Service	39,960			39,960	39,960	39,960	39,960	39,960	39,960	39,960	39,960	39,960	39,960
		DSCR											
Net Cash Flow	86,128	3.16		84,334	82,374	80,241	77,929	75,428	72,732	69,832	66,720	63,385	59,821

**Pre-proposal to CPC for NHA
20-Year Operating Projection:**

	11	12	13	14	15	16	17	18	19	20	21
	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Can-Do Developments											
Gross Possible Rent	753,753	768,828	784,205	799,889	815,887	832,205	848,849	865,826	883,142	900,805	918,821
Vacancy (8%)	(60,300)	(61,506)	(62,736)	(63,991)	(65,271)	(66,576)	(67,908)	(69,266)	(70,651)	(72,064)	(73,506)
Net Effective Income	693,453	707,322	721,469	735,898	750,616	765,628	780,941	796,560	812,491	828,741	845,315
Max Can Do or NHA Expenses											
Administrative	210,836	217,161	223,676	230,386	237,297	244,416	251,749	259,301	267,080	275,093	283,345
Maintenance	159,012	163,782	168,695	173,756	178,969	184,338	189,868	195,564	201,431	207,474	213,698
Supportive Service	17,303	17,822	18,357	18,907	19,475	20,059	20,661	21,280	21,919	22,576	23,254
Replacement Reserve	22,840	23,525	24,231	24,958	25,706	26,478	27,272	28,090	28,933	29,801	30,695
Utilities	97,766	100,699	103,720	106,831	110,036	113,337	116,737	120,240	123,847	127,562	131,389
Real Estate Taxes	-	-	-	-	-	-	-	-	-	-	-
Insurance	89,721	92,413	95,185	98,041	100,982	104,012	107,132	110,346	113,656	117,066	120,578
Total Expenses	597,477	615,402	633,864	652,880	672,466	692,640	713,419	734,822	756,866	779,572	802,959
Net Operating Income	95,976	91,921	87,605	83,018	78,150	72,988	67,522	61,738	55,625	49,168	42,356
Debt Service											
TVB	31,824	31,824	31,824	31,824	31,824	31,824	31,824	31,824	31,824	31,824	31,824
TVB Balance	-	-	-	-	-	-	-	-	-	-	-
CSB	-	-	-	-	-	-	-	-	-	-	-
CSB Balance	-	-	-	-	-	-	-	-	-	-	-
BCLF	-	-	-	-	-	-	-	-	-	-	-
BCLF Balance	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	31,824	31,824	31,824	31,824	31,824	31,824	31,824	31,824	31,824	31,824	31,824
Net Cash Flow	64,151	60,096	55,781	51,194	46,326	41,164	35,697	29,914	23,800	17,344	10,532

Pre-proposal to CPC for NHA Acceptance of CAN-DO Portfolio: 20-Year Replacement Reserve										
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Can-Do Developments	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>
Starting Replacement Reserve	-	808,419	794,419	1,036,239	1,304,508	1,309,082	1,289,337	1,297,586	1,245,530	1,257,417
Monthly Contribution at 3%	1,375	1,416	1,459	1,502	1,548	1,594	1,642	1,691	1,742	1,794
Yearly Contribution at 3%	16,500	16,995	17,505	18,030	18,571	19,128	19,702	20,293	20,902	21,529
Total Replacement Reserve	16,500	825,414	811,924	1,054,269	1,323,079	1,328,210	1,309,039	1,317,879	1,266,432	1,278,946
Interest on Reserve at 1.5%	124	12,254	12,048	15,679	19,707	19,780	19,488	19,616	18,840	19,023
Total Funds Available	16,624	837,667	823,972	1,069,948	1,342,786	1,347,989	1,328,527	1,337,495	1,285,271	1,297,969
Capital Needs	483,205	43,248	87,733	65,440	33,704	58,652	30,941	91,965	27,854	96,601
Reserve Balance	(466,581)	794,419	736,239	1,004,508	1,309,082	1,289,337	1,297,586	1,245,530	1,257,417	1,201,368
Outside Capital	1,275,000	-	300,000	300,000	-	-	-	-	-	-
Adjusted Reserve Balance	808,419	794,419	1,036,239	1,304,508	1,309,082	1,289,337	1,297,586	1,245,530	1,257,417	1,201,368
Over 20 Years										
Yearly Contributions	443,361									
Interest on Reserve @ 1.5%	297,170									
Capital Needs	(2,079,290)									
Outside Capital	1,875,000									
Reserve Balance in Year 20	536,241									

Submitted 25 June 2019						Submitted 25 June 2019				
Pre-proposal to CPC for NHA Acc 20-Year Replacement Reserve										
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Can-Do Developments	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>19</u>	<u>20</u>
Starting Replacement Reserve	1,201,368	1,140,427	1,129,761	1,106,836	1,071,330	946,998	772,323	735,513	593,229	549,328
Monthly Contribution at 3%	1,848	1,903	1,960	2,019	2,080	2,142	2,206	2,273	2,341	2,411
Yearly Contribution at 3%	22,175	22,840	23,525	24,231	24,958	25,706	26,478	27,272	28,090	28,933
Total Replacement Reserve	1,223,542	1,163,267	1,153,286	1,131,066	1,096,287	972,704	798,800	762,785	621,319	578,261
Interest on Reserve at 1.5%	18,187	17,278	17,123	16,784	16,257	14,398	11,783	11,237	9,109	8,457
Total Funds Available	1,241,729	1,180,545	1,170,409	1,147,851	1,112,545	987,102	810,584	774,022	630,428	586,718
Capital Needs	101,302	50,784	63,573	76,521	165,547	214,779	75,071	180,793	81,100	50,477
Reserve Balance	1,140,427	1,129,761	1,106,836	1,071,330	946,998	772,323	735,513	593,229	549,328	536,241
Outside Capital	-	-	-	-	-	-	-	-	-	-
Adjusted Reserve Balance	1,140,427	1,129,761	1,106,836	1,071,330	946,998	772,323	735,513	593,229	549,328	536,241
Over 20 Years										
Yearly Contributions										
Interest on Reserve @ 1.5%										
Capital Needs										
Outside Capital										
Reserve Balance in Year 20										

Newton Housing Authority
82 Lincoln Street
Newton, MA 02461

June 18, 2019

Citizens for Affordable Housing in Newton Development Organization, Inc.
("CANDO")
c/o Metro West Collaborative Development
79B Chapel Street
Newton MA 02458

Attn: Susan Davidoff

Re: Letter of Intent

Dear Ms. Davidoff,

This letter will serve as a preliminary statement of certain terms upon which the undersigned would be willing to purchase certain assets of CANDO. It is not our intention that the terms of this letter be binding on either party, as we intend to be bound only by a fully executed purchase and sale agreement. We would expect the purchase documents to be subject to contingencies and obligations therein stated and to contain the following basic business terms:

SELLER	Citizens for Affordable Housing in Newton Development Organization, Inc.
PURCHASER	Newton Housing Authority or nominee
PREMISES	The real property listed as CAN-DO Portfolio on Exhibit A attached hereto being 12 properties containing a total of 33 dwelling units (the Properties)
PURCHASE PRICE	\$100.00 plus the lesser of (i) \$1,907,170 or (ii) the sum of the debts outstanding to The Village Bank and to Cambridge Savings Bank at the time of closing, plus, in addition to such amount assumption of obligations as shown on Exhibit A including obligations under both public and private loans
DEPOSITS	\$100.00 is to be paid to the Seller upon execution of this Letter

Citizen for Affordable Housing in Newton
Development Organization, Inc.

June/8 2019

	of Intent and is applicable to the Purchase Price but non-refundable except in the event of Seller's default
PURCHASE AND SALE AGREEMENT	To be executed within 30 days from the date hereof. The Purchase and Sale Agreement will be the binding agreement between the parties.
CLOSING DATE	A date contemporaneous with Purchaser's closing of debt assumption expected to be within 180 days of the date hereof (the "Effective Date")
FINANCING CONTINGENCY	In the event Purchaser shall, notwithstanding diligent efforts be unable to obtain agreements for modification and assumption of the existing loans from private lenders and from public authorities Purchaser shall have the right to terminate the Purchase and Sale Agreement and upon such termination the Deposit shall be returned to the Purchaser within thirty (30) days of notice of termination.
SUPPLEMENTARY FINANCING CONTINGENCY	In the event Purchaser shall, notwithstanding diligent efforts be unable to obtain agreements for supplemental financing for project improvements from public authorities Purchaser shall have the right to terminate the Purchase and Sale Agreement and upon such termination the Deposit shall be returned to the Purchaser within thirty (30) days of notice of termination.
DUE DILIGENCE	The Purchase and Sale Agreement shall provide that the Purchaser shall have access to the Properties from time to time subject to the rights of tenants and parties in possession for purposes of inspection, appraisal, project planning or showing the
BROKERAGE:	Purchaser and Seller each represent that they have dealt with no real estate broker in connection with this transaction.

Citizen for Affordable Housing in Newton
Development Organization, Inc.

June 18 2019

If these terms are agreeable to the Seller please execute a duplicate copy of this
Letter of Intent and return it to us not later than June 19, 2019

Very truly yours,


Purchaser

Newton Housing Authority

By: 

AGREED AND ACCEPTED

Citizens for Affordable Housing in Newton
Development Organization, Inc.

By: 
Its