



Ruthanne Fuller
Mayor

Newton, Massachusetts Community Preservation Program FUNDING REQUEST

PRE-PROPOSAL

PROPOSAL

(For staff use)
date rec'd:

**2 January
2020**

Last updated March 16, 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
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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 \$1,105,000</td> <td>A2. CDBG \$1,200,000</td> </tr> </table>		A1. CPA \$1,105,000	A2. CDBG \$1,200,000	B. Other funds to be used: NHA \$250,000; Village Bank grant \$250,000; Village Bank new debt \$650,000	C. Total project cost (A+B): \$3,455,000
A1. CPA \$1,105,000	A2. CDBG \$1,200,000					
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>The Newton Housing Authority is requesting to use the total City of Newton funds listed above to pay off much of the existing debt carried by the 33-unit CAN-DO (Citizens for Affordable Housing in Newton Development Organization) portfolio, as well as associated legal and pre-development costs.</p> <p>Specifically, \$681,136 in CPA funds and \$648,648 in CDBG funds will be used at closing to pay off existing debt held by The Village Bank. In addition, \$343,486 in CPA funds will be used at closing to pay off existing debt held by the Cambridge Savings Bank for 18-20 Cambria Road and 61 Pearl Street and \$80,378 in CPA funds will be used to pay off the existing debt held by the Boston Community Loan Fund for 90 Christina Street.</p> <p>In addition, at the closing, a new blanket mortgage from The Village Bank in the amount of \$650,000 will be placed on the following properties: 11-13 Cambria Rd., 18-20 Cambria Rd., 163 Jackson Rd., 20-22 Falmouth Rd., 54 Eddy St., and 2148 Commonwealth Ave.</p> <p>The Village Bank has generously offered to provide a \$250,000 grant in support of the NHA's acquisition of the CAN-DO portfolio, to be received in \$25,000 installments over a period of ten years. Similarly, the NHA's contribution of \$250,000 will be provided in annual \$25,000 installments over a ten-year period. Both of these funds will be placed in the replacement reserve.</p>						

Project TITLE	Newton Housing Authority – Acceptance of CAN-DO Portfolio
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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 *List number of units in each category for the entire portfolio.*

UNIT TYPE	≤ 50% AMI	≤ 65% AMI	≤ 80% AMI	TOTAL
SRO	6			6
1 BR	2			2
2 BR	8	6	3	17
3 BR		2	6	8
4 BR/+				

USE of NEWTON PUBLIC FUNDS	Please list each source that applies for each use: CPA, CDBG or HOME.
support (financial, incl. mortgage reduction)	CDBG, 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.
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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 over 2000 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).

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Project TITLE		Newton Housing Authority – Acceptance of CAN-DO Portfolio			
SOURCES of FUNDS	USES of FUNDS				
	soft costs (legal, recording, consultants, etc.)	debt reduction	operating reserve	current capital needs	replacement reserve (future capital needs)
INITIAL ACCEPTANCE (within 1 year of funding confirmation)					
Housing Authority equity contribution					\$25,000
Village Bank – grant					\$25,000
Village Bank – new debt	\$231,000	\$169,000	\$250,000		
CDBG		\$648,648		\$551,352	
CPA		\$1,105,000			
YRS 2-5					
Village Bank – grant					\$100,000
Housing Authority equity contribution					\$100,000
YRS 6-10					
Village Bank – grant					\$125,000
Housing Authority equity contribution					\$125,000
10-YR TOTALS by USE:	\$231,000	\$1, 922,648	\$250,000	\$551,352	\$500,000
D. 10-YR TOTAL for ALL USES: (should equal C. Total Project Cost on page 1 and E. below)					\$3,455,000

- For operating budget, see attached 20-year operating projections

SOURCES of FUNDS	Status	10-YR TOTALS by SOURCE
Newton Housing Authority equity contribution	Approved by NHA Board	\$250,000
The Village Bank – grant	Term sheet to come asap	\$250,000
The Village Bank – new debt	Term sheet to come asap	\$650,000
CPA	Requested	\$1,105,000
CDBG	Requested	\$1,200,000
E. 10-YR TOTAL from ALL SOURCES: (should equal C. Total Project Cost on page 1 and D. above)		\$3,455,000

PROJECT TITLE	Newton Housing Authority – Acceptance of CAN-DO Portfolio	
COSTS & NEWTON PUBLIC SUBSIDIES	per unit (33 units – counting each bedroom in the group home as a “unit”)	per bedroom
Total Development Cost	\$697,128.26 (based on 19 units for which TDC is known)	\$315,367.55
Past Newton public subsidies (total from all sources)	\$253,424.55	\$126,712.27
Total Newton public subsidies if current request is funded	\$104,696.96	\$52,348.48
20-year capital needs	\$59,020.06	\$29,510.03

ATTACHMENTS CHECKLIST for FULL PROPOSAL

↓ Check off submitted attachments here.			
	✓	PHOTOS	in full appraisal and capital needs assessment report online
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		
	✓	sources & uses	Please summarize the uses of each source over time.
	✓	rents & debt	
	✓	replacement reserves & capital improvements	Please show how capital improvements will be prioritized by property and year and identify any opportunities to make additional portfolio units accessible or visitable, with est. costs.
	✓	20-year operating/maintenance budget	
	✓	appraisal (commissioned by bank or NHA)	
	✓	market analysis: please provide (or summarize & link to, if it is longer than 10 pages) the most recent update of the analysis done for Haywood House	
	✓	procurement: briefly summarize NHA’s understanding based on meeting with the City’s Chief Purchasing Officer of (a) whether the standard procedures used by NHA will meet City requirements, or (b) any alternative procedure the City will require	
REQUIRED.	SPONSOR FINANCES & CAPACITY		
	✓	for both NHA and CAN-DO: most recent annual operating budget (revenue & expenses) & financial statement (assets & liabilities)	
	✓	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 capacity, both current & needed (planned expansion): for all stages from portfolio transfer through refinancing, property rehabilitation, long-term management, development; please include NHA staff organizational chart, current & planned	
	✓	short resumes for project team: current NHA staff, current NHA Commissioners, consultants (please include any other City of Newton board affiliations)	
	SITE CONTROL, DEED RESTRICTIONS		
	✓	legally binding option or purchase & sale agreement – Letter of Intent attached	
	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 (summary)	
		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