

CITY OF NEWTON

INTER-OFFICE CORRESPONDENCE

TO: Stephen D. Gartrell
Associate Director for Housing & CD

VIA: Mary Walsh, CD Senior Accountant

DATE: 10/27/05

FROM: ~~Michael S. Duff~~
~~NHRE Program Manager~~
Margaret Siciliano
Housing Dev't Planner

SUBJECT: Community Preservation Act Funds
Draw Down # 1
Budget 511,710
Funding CPA Grant

CASE NO: CPA-FY03 21C11408-R5797

CAN-DO

Owner

1075 Washington St., West Newton, MA
Address 02465

Case No.	Expenditure Amount
21C11408-R5797	375,000

Vendor	Object Code	Payment Type
Village Bank 6123	5797	GRANT

Funding Summary	
Current Budget	511,710
Prior Payments	—
Available Budget	511,710
Amt. This Payment	375,000
New Budget Balance	136,710

Approved:

Michael Kruse
Director of Planning & Development

cc: Stephen D. Gartrell, Assoc, Director for Housing & CD
Jennifer Goldson, CPA Planner
Mary Walsh, Sr. CD Accountant

Citizens for Affordable Housing

In Newton

CAN-DO



Development Organization, Inc.

1075 Washington Street

West Newton, MA 02465

Phone: 617-964-3527

Fax: 617-964-3593

E-mail: jam_cando@msn.com

Website: www.newtoncando.org

Josephine McNeil, Executive Director

October 24, 2005

Ms. Margaret Siciliano
Newton Housing Office
492 Waltham Street
West Newton, MA 02465

Received on
10/25/05

May to pay
mg 10/27/05

RE: 248 Elliot Street - CPA Funds

Dear Margaret:

I am writing to inform you of the breakdown of the \$575,000 in Community Preservation Funds. Board Order #365-04 dated November 15, 2004 allocated \$63,290 from the Community Preservation Historic Preservation funds and \$511,710 from the CPA Undesignated Fund Balance.

The Village Bank Mortgage Pay down	\$375,000.00*
*This is a condition in our construction loan	
Project Expenditures from October 2004 - September 2005 -	\$136,710.00
Construction - Historic	\$063,290.00

Enclosed are copies of the paid invoices for the Project Expenditures. Please contact me if you have need of any additional information.

Sincerely,

Josephine A. McNeil
Executive Director

CITY OF NEWTON

IN BOARD OF ALDERMEN

November 15, 2004

ORDERED:

That in accordance with the recommendations of the Community Preservation Committee, through its Chairman, Jeffrey Sacks; the Board of Aldermen Ad Hoc Community Preservation Committee, through its Chairman, Alderman Stephen Linsky; and the Finance Committee through its Chairman, Alderman Paul Coletti: the sum of Five Hundred and Seventy-Five Thousand Dollars (\$575,000) is hereby appropriated and transferred from the Community Preservation Fund Balance, to be expended under the direction and control of the Director of Planning and Development in consultation with the Newton Historical Commission for purposes of funding the creation of three (3) units of community housing and the historic preservation of architecturally significant features at 248 Elliot Street.

And be it further ORDERED that His Honor the Mayor is hereby authorized to take all actions to negotiate and purchase a preservation restriction and/or fee simple title in such parcel.

FROM:	<u>Community Preservation Historic Preservation Fund Balance</u>	
	(21-332TB)	\$ 63,290
	<u>CPA Undesignated Fund Balance</u>	
	(21-3321)	\$511,710
	Total	\$575,000
TO:	<u>Historic Preservation & Affordable Housing Projects</u>	
	<u>Planning & Development Department</u>	
	<u>Linden Green/248 Elliot Street Project</u>	
	(21C114H-5797)	\$575,000

Under Suspension of Rules
Readings Waived and Approved
19 yeas, 5 nays (Ald. Albright, Gentile, Gerst,
Stewart and Yates) 0 absent

EXECUTIVE DEPARTMENT
Approved: November 17, 2004

(SGD) EDWARD G. ENGLISH
City Clerk

(SGD) DAVID B. COHEN
Mayor

(SGD) PAUL E. COLETTI
Chairman, Finance Committee



307 Auburn Street • Auburndale, MA 02466 • Phone: (617) 527-6090 • Fax: (617) 965-8945 • E-mail: info@village-bank.com

Local and proud of it

December 9, 2003

Ms. Josephine McNeil
Executive Director
Citizens for Affordable Housing in Newton Development Organization, Inc.
1075 Washington Street
West Newton, MA 02465

Dear Josephine:

I am pleased to submit this Commitment Letter for your consideration. It outlines the terms and conditions by which The Village Bank (the "Bank") will provide acquisition and construction financing for the 248 Elliott Street project. The Commitment assumes that the acquisition price of the property is \$535,000, closing costs are \$9,000, construction costs are \$1,155,000, soft costs are \$300,596, and developer's overhead and fees are \$262,848, for a total project cost of \$2,262,444. Any changes in the project cost will result in changes in the Commitment.

1) Borrower:

Citizens for Affordable Housing in Newton Development Organization, Inc. (CAN-DO)

2) Loan Amount:

The Loan amount will be \$1,949,596, of which \$544,000 will be available for acquisition and \$1,405,596 will be available for construction and soft costs. Proceeds of the loan will not be available to fund developer's overhead or fees.

3) Purpose:

Fund the acquisition of the property at 248 Elliott Street, Newton Upper Falls and provide construction financing to renovate 248 Elliott Street into three condominiums and construct a stand-alone duplex condominium building.

4) Terms/Maturity:

One year.

5) Interest Rates:

6.50% fixed

6) Fees:

The Borrower is responsible for paying all closing costs, including, but not limited to, any legal, appraisal, inspection, environmental and recording fees incurred by the Bank.

7) Repayment:

Interest only payments, payable monthly in arrears, until maturity.

8) Security:

First real estate mortgage on 248 Elliot Street, Newton Upper Falls, MA

9) Advances:

This Commitment is conditional upon the Borrower being in full compliance with the terms of all loan documents. Should a default occur with regard to any provision of any loan document or of the Commitment Letter, this Commitment may, at the option of the Bank, terminate without notice to the Borrower.

10) Depository Account(s)

CAN-DO must maintain their main operating checking account(s) at the Bank.

11) Prepayment

The loans may be prepaid in part or in full at any without penalty.

12) Additional Provisions:

The Bank will commission an appraisal of subject property. Although the appraisal is commissioned by the Bank, the Borrower will reimburse the entire appraisal fee to the Bank.

Insurance Covenants:

Title Insurance: Title insurance will be required by the Bank, written on the current form of ALTA Lender's Policy of Title Insurance, subject only to such title exceptions as shall be approved by the Bank.

Hazard Insurance: The Borrower shall furnish the Bank with fire and extended insurance coverage sufficient to protect the Bank against all risks. Coverage shall be maintained so as to afford 100% coverage against loss. Policies should name The Village Bank ITS SUCCESSORS AND/OR ASSIGNS, as the first lien holder, first mortgagee and loss payee.

Builder's Risk Insurance: Builder must provide evidence of builder's risk and liability insurance. Coverage shall be maintained so as to afford 100% coverage against loss. Policies should name The Village Bank ITS SUCCESSORS AND/OR ASSIGNS, as the first lien holder, first mortgagee and loss payee.

Flood Insurance: Certification must be presented as to the properties location relative to any flood plain zone. In the event the premises are situated in a flood plain area, the Bank shall be provided flood plain insurance naming the Bank as first mortgagee and loss payee. You will be responsible to pay the flood insurance certification fee at closing.

Funding Covenants:

Phase 1: Acquisition Financing

- The initial release of funds of \$544,000 is contingent upon CAN-DO having a commitment from the City of Newton to provide a \$200,000 grant for the project. This grant must be available to pay-down the loan.
- An appraised value of the subject property indicating an "as is" value of no less than \$535,000.

Phase 2: Construction Financing

- Construction funds not to exceed \$1,405,596.
- Construction funds will not be disbursed until the \$200,000 grant from the City of Newton has been received and the loan paid down by \$200,000.
- Construction funds will not be disbursed until there is a commitment from other funding sources and/or from grants that total a minimum of \$425,000. \$375,000 of these funds must be available to pay-down the proposed loan with \$50,000 available to fund construction costs.
- Funding of the loan is contingent upon an "As Built" appraisal equal to \$1,832,728, yielding a maximum LTV of 75% of the Bank's net exposure. The net exposure (\$1,374,596) equals the Loan Amount (\$1,049,596) less committed grants (\$325,000). If there is a restriction on the marketability of the three affordable units, then the appraisal will reflect the maximum sales price for these units.
- All Permits must be in hand.
- All final "sign-offs" from all City of Newton Departments, including but not limited to: ZBA, Conservation, Engineering and Health Dept.
- Updated Pro-Forma statement for "as built" project.
- Mutually agreeable disbursement schedule of construction funds.
- Fully executed contract with a licensed builder outlining scope of work.

- Written commitments from funding sources in the form of loans or grants evidencing a minimum of \$625,000 (inclusive of the \$200,000 grant from the City of Newton for acquisition) of which \$575,000 must be available to paydown the proposed loan.

No junior mortgages are allowed on the subject properties without the Bank's written consent.

The terms and conditions contained herein shall survive the closing of the Loan and shall be considered a part of the loan documentation.

This Commitment Letter can only be canceled, modified or amended by a written instrument executed by the parties hereto or their legal representatives and said contract supersedes and negates any and all prior or contemporaneous oral agreements.

The Bank's obligations hereunder are entirely contingent on there being no material adverse change in the financial condition, business or properties of the Borrower between the date hereof and the date of closing and that the Borrower is presently not in violation of any agreement, contract, judgment, decree, statute, law or governmental regulation that would materially affect its financial condition or properties.

The Borrower is hereby notified that a default of any provision of any loan document or of this Commitment Letter shall be considered a default of all loan documents as well.

This commitment will be valid for a period of thirty (30) days after acceptance unless the loan closes or the commitment is otherwise extended. Please acknowledge acceptance of the above conditions by signing and returning one copy to me within 10 days.

Sincerely,



Andrew S. Franklin
Vice President

The undersigned hereby accepts this commitment and agrees to the terms and conditions set forth herein.



Citizens for Affordable Housing in Newton Development Organization, Inc.
By: Josephine McNeil, Executive Director

Date: _____

DISBURSEMENT SCHEDULE FOR 248 ELLIOT (LINDEN GREEN HOMES)- CPA CLOSING

VENDOR	WORK	AMOUNT PAID
Deborah Crossley	Architect	\$ 27,398.00
City of Newton	Real Estate Taxes	\$ 2,802.10
Neponset Valley Survey Assoc.	Survey	\$ 565.00
Rosenberg, Freedman & Goldstein	Legal	\$ 5,194.75
Norian/Siani Engineering, Inc.	Engineer	\$ 3,312.50
Premium Financing Specialist	Insurance - six month renewal	\$ 14,442.48
The Village Bank	Interest - paid Jan - May '05	\$ 9,250.27
		\$ 62,965.10

30 Dec 04