

November 5, 2014

Alice Ingerson, Ph.D.
Community Preservation Program Manager
Newton City Hall
1000 Commonwealth Avenue
Newton, MA 02459

RE: Request to Consider Project Off-cycle

Dear Ms. Ingerson,

I am writing to request that the Community Preservation Committee consider our Taft Avenue real estate project outside of the usual cycle for the submission of CPA proposals. As you know CAN-DO or any real estate developer must take advantage of the opportunities to purchase as they arise.

I would appreciate your conveying this request to the Chairman of the committee, Mr. Feinberg.

Thanks for your assistance with this matter.

Sincerely,


Josephine McNeil
Executive Director



Setti D. Warren
Mayor

Newton, Massachusetts
FUNDING REQUEST for AFFORDABLE HOUSING DEVELOPMENT
FY14 or FY15



PRE-PROPOSAL



PROPOSAL

This form is NOT self-explanatory. Please complete it in consultation with staff.

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

(For staff use)
date rec'd:

5 November
2014

Project TITLE	TAFT AVENUE			
Project LOCATION	Full street address (with zip code), or other precise location. 54 Taft Avenue, West Newton, MA 02465			
Project CONTACTS	Name & title of organization	Email	Phone	Mailing address
Manager/ Developer	Josephine McNeil, Executive Director, CAN-DO	Jam_cando@msn.com	617-964-3527	1075 Washington Street West Newton, MA 02465
Project FUNDING	Newton CDBG/HOME/CPA funds requested: \$964,029	Total other funds to be used: \$170,000	Total project cost: \$1,134,029	
Project SUMMARY & NEEDS	Location (amenities within walking distance, access to transit); short summary of details on page 2 (rehabilitation or new construction; target population; type of housing; unit composition; special features); and brief citations (section & page) showing how project meets needs identified in Newton's <i>Comprehensive Plan, Consolidated Plan, or CPC Funding Guidelines</i> (if relevant).			
<p>Location: Within 1 block of Express Bus 556 to Newtonville and Franklin Elementary School bus routes; ½ mile of Albemarle Park; 1 mile of the village centers of West Newton and Newtonville, both with grocery stores, drug stores, restaurants and houses of worship; and about 1.2 miles from both Day Middle School and Newton North High School.</p> <p>Project Description: The project will rehabilitate an existing 1470 sq. ft. home, remove the back porch, and add an 1100 sq. ft. addition, to create two units permanently affordable to households at 80% of area median income. Each unit will have 1 bathroom; one unit will have 2 bedrooms and the other 3 bedrooms. The scope of work includes: replacing roof; replacing front porch stairs and side porch stairs and railings; repairing basement steps; replacing windows and front door which contain lead; scoping sewer lines and replacing, if necessary; removal and replacing retaining walls at parking area and around yard; removing chimney; painting interior and exterior; insulation of building envelope and soft and hard landscaping;</p> <p>Permitting: The project will require a Comprehensive Permit, as the property is a SR3 neighborhood and does not have the required frontage to add a unit by special permit.</p> <p>The project meets objectives in these city-wide plans:</p> <p>Comprehensive Plan: The Housing Section emphasizes Newton's steady decrease in both affordable rental and homeownership, and the need to protect the City's diversity. On pp. 5-8 the section highlights "the importance of bringing affordability to existing housing." This project is using an existing house.</p> <p>Consolidated Plan: To reduce overcrowding and cost burdening for low-income families, pp. 100-120 recommend deeper subsidies. The level of subsidy we are requesting will enable us to provide a 3-bedroom unit at a rent approximately \$400 less than federally established Section 8 rents for Newton.</p> <p>Community Preservation Guidelines: "With respect to community housing," the Community Preservation Act encourages all CPCs to "recommend, wherever possible, the reuse of existing buildings ..." (section 5B). Newton's <i>CPC Funding Guidelines</i> encourage housing projects that meet goals in the <i>Comprehensive Plan</i> and the <i>Consolidated Plan</i>, and with a strong probability of success. The 5 permanent rental projects CAN-DO has completed with CPC funds since 2003 all continue to serve the targeted populations and are well-maintained.</p>				

You may adjust spaces, but the combined answers to all questions on this page must fit on this page.

TAFT AVENUE

SOURCES OF FUNDS *Check all that apply and identify if funds are committed or proposed.*

<input checked="" type="checkbox"/> CDBG funds	\$240,000	<input checked="" type="checkbox"/> Other (identify sources)	
<input checked="" type="checkbox"/> HOME funds	\$125,000	CharlesBank Homes	\$50,000
<input checked="" type="checkbox"/> CPA funds	\$599,029		
<input checked="" type="checkbox"/> Private bank loan	\$120,000		\$

USES OF FUNDS *Check all that apply.*

<input checked="" type="checkbox"/> Acquisition	<input checked="" type="checkbox"/> Rehabilitation	<input checked="" type="checkbox"/> New construction	<input checked="" type="checkbox"/> Mortgage buy down
<i>Categories below apply only to CPA funds -- please consult staff.</i>			<input type="checkbox"/> Site preparation/ remediation
<input checked="" type="checkbox"/> Creation	<input type="checkbox"/> Preservation	<input type="checkbox"/> Support	

TARGET POPULATION & SPECIAL FEATURES *Check all that apply.*

<input checked="" type="checkbox"/> Individual/Family	<input type="checkbox"/> Elderly	<input checked="" type="checkbox"/> Homeless/At Risk of Homelessness
<input checked="" type="checkbox"/> Special features (historic preservation, sustainability, etc.): New building will include a high efficiency boiler; NStar-rated appliances and 3U value or better windows.		

TYPE OF HOUSING *Check all that apply.*

<input checked="" type="checkbox"/> Individual/single family	<input checked="" type="checkbox"/> Rental	<input type="checkbox"/> Combination or other (identify):
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UNIT COMPOSITION *List the development's number of units in each category.*

	Total	≤ 30% AMI	≤ 50% AMI	≤ 80% AMI	80-100% AMI	Market-rate
2 BR				1		
3 BR				1		

OUTREACH *Summarize efforts to date to communicate with abutters, neighborhood residents & ward aldermen.*

I have sent an e-mail to each of the ward aldermen. I will arrange with the City's Housing staff to schedule a neighborhood meeting.

TAFT AVENUE			
Required for	Check if included	HOUSING PROPOSAL ATTACHMENTS CHECKLIST Review full instructions thoroughly with staff prior to submission. Pre-proposals need only those attachments highlighted in red.	
all		LETTERS or PETITIONS of SUPPORT , if available	
all	X	PHOTOS	of site conditions & surroundings (2-3 photos may be enough for pre-proposal)
	X	MAP	of site in relation to nearest major roads, schools, shopping, transit, etc.
	X	TIMELINE	including financing, permitting, construction & occupancy
SITE CONTROL & PROJECT FINANCES			
all		Legally binding option, purchase & sale agreement or deed	
		Developer commitment to pursue permanent affordability	
		Appraisal by an independent, certified real estate appraiser	
	X	Development pro forma (pre-proposals need only a short draft)	
		Scope of construction work, supported by professional cost estimates	
		Non-Newton funding: sources, commitment letters or application/decision schedules	
		Market analysis: including prevailing/trending rents or prices & target population	
as needed		Home inspection report by a licensed professional, for rehabilitation projects	
		Budget for temporary or permanent relocation, if there are existing tenants	
		Capital needs assessment for multifamily rehabilitation of ≥ 26 units using HOME funds	
rental	X	10-year operating budget (pre-proposals need only a short draft)	
		Rental subsidy, if any: sources, commitment letters or application/decision schedules	
ownership		Cost of ownership analysis: including proposed sales prices, owners' estimated total housing costs, % interest of affordable units & proposed condominium association budget	
DEVELOPER CAPACITY & QUALIFICATIONS			
all		Organization mission & current housing portfolio, including how this project fits both	
		Previous similar projects completed, with photographs	
		Resumes for development team, including affiliations with City boards or commissions	
		Most recent audited annual financial statement of parent company or organization	
		Fair housing training completed	
		Any past fair housing complaints & their resolution	
nonprofits		Most recent annual operating budget	
		Board of directors: including skills, experience, tenure & affiliations	
SITE REVIEW, ZONING & PERMITTING			
all		Brief property history, covering at least the previous 30 years of ownership & use	
		Environmental mitigation plan, including lead paint, asbestos, underground tanks	
		Confirmation of review by Development Review Team (DRT) and zoning relief / permits required (such as parking, building, demolition, comprehensive or special permit)	
		Other approvals required: Newton Conservation or Historical Commission, Commission on Disability, Mass. Historical Commission, Mass. Architectural Access Board, etc.	
DESIGN & CONSTRUCTION			
all	X	Site & floor plans, elevations	
		Materials & finishes; highlight "green" or sustainable features or proposed certification	
as needed		Detailed site & floor plans, elevations for major rehabilitation and all new construction	
RELOCATION, FAIR HOUSING & ACCESSIBILITY			
all		Plans/notices for relocation(if applicable), affirmative marketing & resident selection	
		Reasonable accommodation/reasonable modification policy	
		Architectural access worksheet: applicable requirements & proposed features	

From CAN-DO:



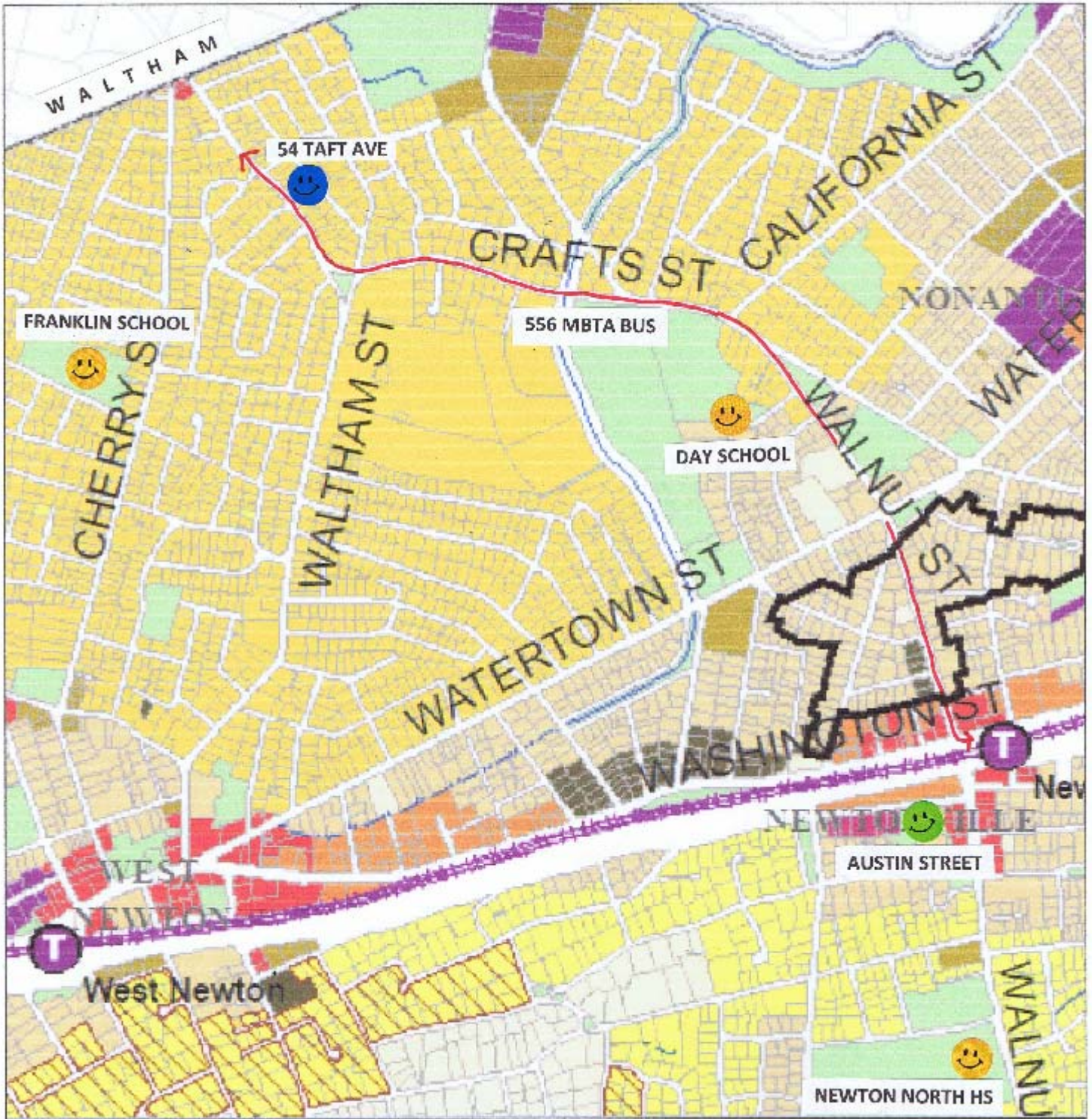
From CAN-DO:



From realtor website:



54 Taft Avenue, West Newton



Nearby amenities: One block from the intersection of Waltham and Craft Streets, within walking distance of Albemarle Park (1/2 mile), West Newton village (approx. 1 mile), Newtonville village center (approx. 1 mile), Express Bus 556 (1 block) to Newtonville and Franklin Elementary School school bus routes; Day Middle School (1.2 miles) and Newton North (1.25 miles). Near grocery stores, drug stores, restaurants, and houses of worship in both villages.

54 Taft Avenue



Rec'd by CPC staff 4 Nov 2014

TAFT AVENUE Development Budget

ITEM		COST
SUBTOTAL - ACQUISITION COST		\$ 590,000
CONSTRUCTION COSTS:		
Direct Construction Costs		\$ 357,750
Construction Contingency	5%	17,888
Total Construction		\$ 375,638
Subtotal Acquisition & Construction		\$ 965,638
GENERAL DEVELOPMENT COSTS		
Architect/Engineer		\$ 20,000
Survey		\$ 2,000
Building Permits		\$ 6,700
Legal		\$ 3,500
Title and Recording		\$ 2,500
Real Estate Taxes		\$ 5,500
Liabilty Insurance		\$ 4,000
Builder's Risk insurance		\$ 3,500
Appraisal		\$ 600
Loan Interest		\$ 20,000
Pre-development		\$ -
Relocation		\$ -
Subtotal		\$ 68,300
Soft Cost Contingency	10%	\$ 6,830
Subtotal: General Development		\$ 75,130
Subtotal Acquisition, Construction & General Development		\$ 1,040,768
>Developer Overhead/Fee	8%	\$ 83,261.40
Fund Replacement Reserve		\$ 10,000
TOTAL DEVELOPMENT COSTS		\$ 1,134,029
FUNDING SOURCES:		
City of Newton - CDBG/HOME		\$ 365,000
CPA GRANT		\$ 599,029
Charlesbank Homes		\$ 50,000
Bank		\$ 120,000
TOTAL SOURCES		\$ 1,134,029

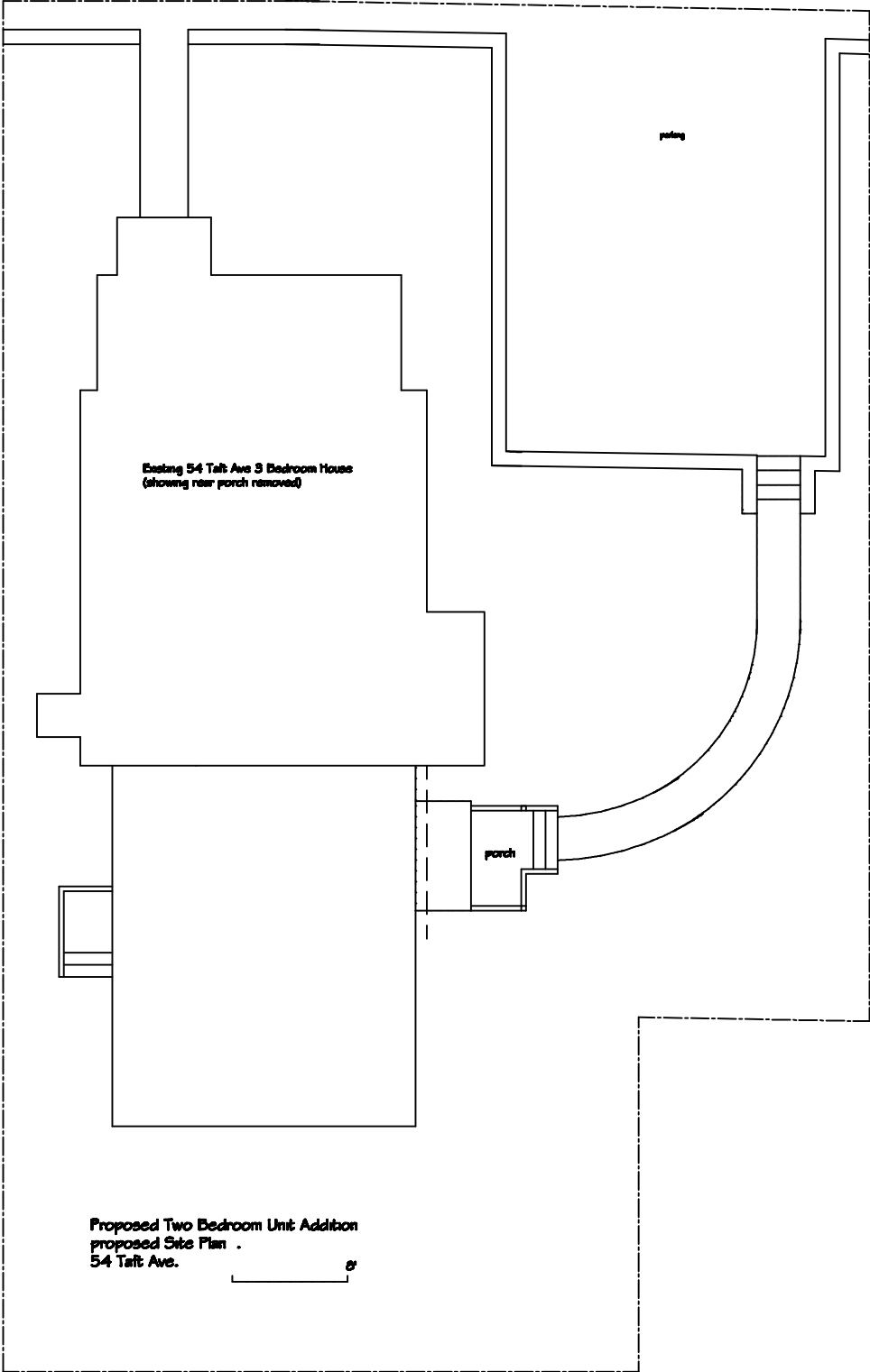
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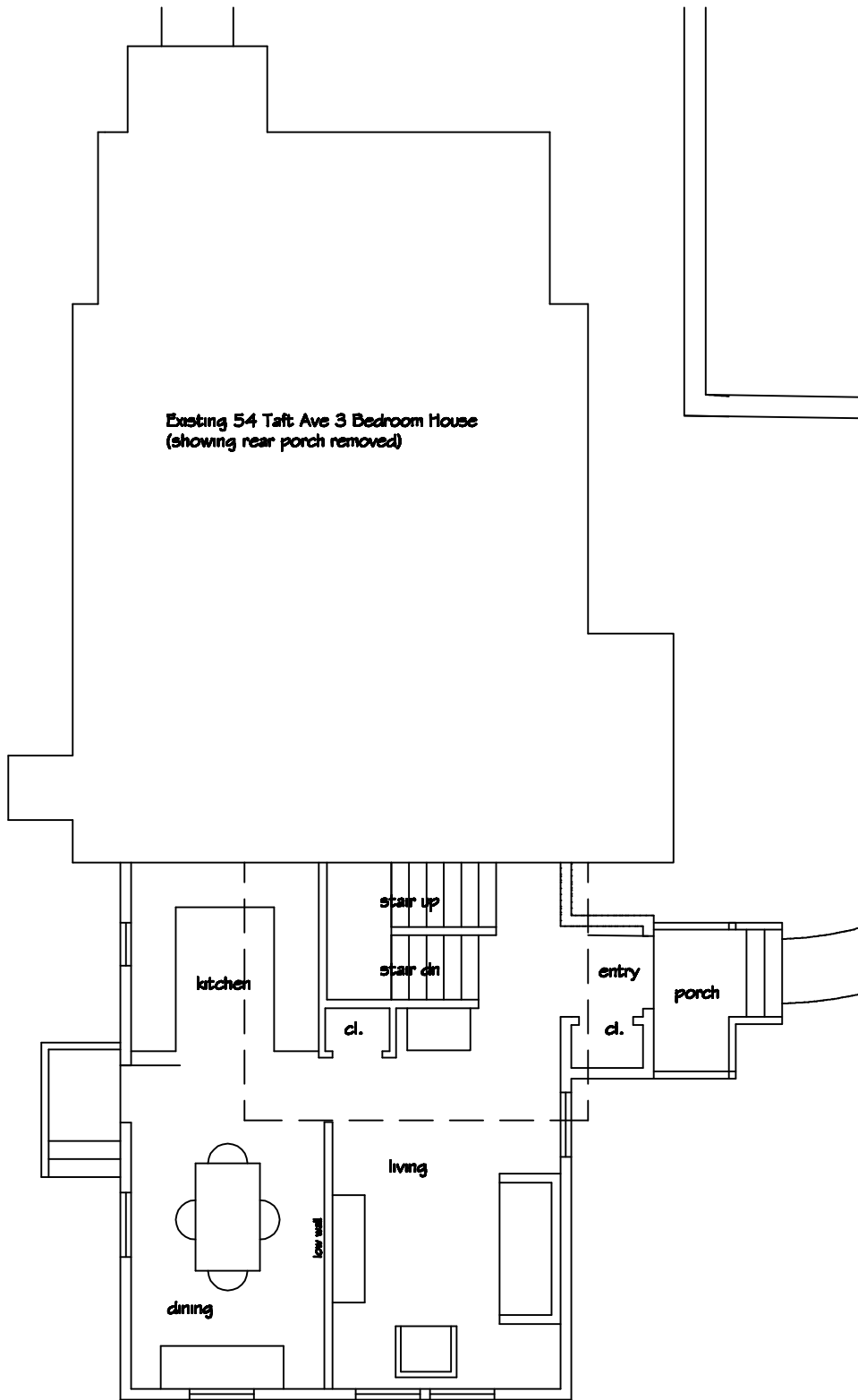
Revised 11.04.2014

Taft Avenue

10 YEAR OPERATING BUDGET			2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
	Annual increase: income		0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
	Annual increase: costs		0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
INCOME:		MONTHLY	ANNUAL										
	2 BR HIGH HOME	\$ 1,255.00	\$ 15,060	(+ \$153/mo. utilities = \$1,408 High HOME rent)									
	3 BR CDBG Rent	\$ 1,526.00	\$ 18,312	(+ \$203/mo. utilities = \$1729 CDBG rent)									
			\$ 33,372										
	Vacancy rate - 5%		\$ 1,669										
ANNUAL INCOME			\$ 31,703	\$ 31,703	\$ 32,337	\$ 32,984	\$ 33,644	\$ 34,317	\$ 35,003	\$ 35,703	\$ 36,417	\$ 37,146	\$ 37,888
EXPENSES													
Administrative:													
	Mgmt Fee @ 5% of income	\$ 1,585											
	Legal	\$ 300											
	Audit	\$ 500											
	TOTAL ADMINISTRATIVE	\$ 2,385	\$ 2,385	\$ 2,457	\$ 2,530	\$ 2,606	\$ 2,685	\$ 2,765	\$ 2,848	\$ 2,933	\$ 3,021	\$ 3,112	
Maintenance:													
	Extermination	\$ 500											
	Landscaping/Snow Removal	\$ 1,500											
	Decorating/Repairs	\$ 2,000											
	TOTAL MAINTENANCE	\$ 4,000	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219	
Utilities:													
	Common area electric	\$ 250											
	Water/Sewer	\$ 2,500											
	TOTAL UTILITIES	\$ 2,750	\$ 2,750	\$ 2,833	\$ 2,917	\$ 3,005	\$ 3,095	\$ 3,188	\$ 3,284	\$ 3,382	\$ 3,484	\$ 3,588	
Other costs:													
	Insurance	\$ 2,500											
	Taxes	\$ 8,500											
	Operating Reserve	\$ 2,000											
	TOTAL OTHER COSTS	\$ 13,000	\$ 13,000	\$ 13,390	\$ 13,792	\$ 14,205	\$ 14,632	\$ 15,071	\$ 15,523	\$ 15,988	\$ 16,468	\$ 16,962	
TOTAL OPERATING COSTS			\$ 22,135	\$ 22,135	\$ 22,799	\$ 23,483	\$ 24,188	\$ 24,913	\$ 25,661	\$ 26,431	\$ 27,223	\$ 28,040	\$ 28,881
NET OPERATING INCOME			\$ 9,568	\$ 9,568	\$ 9,538	\$ 9,501	\$ 9,456	\$ 9,403	\$ 9,342	\$ 9,273	\$ 9,194	\$ 9,105	\$ 9,007
	Debt Service (P & I)	Monthly	Annual										
	\$120,000@.0525	\$ 670	\$ 8,040										
	DEBT SERVICE		\$ 8,040	\$ 8,040	\$ 8,040	\$ 8,040	\$ 8,040	\$ 8,040	\$ 8,040	\$ 8,040	\$ 8,040	\$ 8,040	\$ 8,040
NET CASH FLOW			\$ 1,528	\$ 1,528	\$ 1,498	\$ 1,461	\$ 1,416	\$ 1,363	\$ 1,302	\$ 1,233	\$ 1,154	\$ 1,065	\$ 967
DEBT SERVICE COVERAGE RATIO				1.19	1.19	1.18	1.18	1.17	1.16	1.15	1.14	1.13	1.12

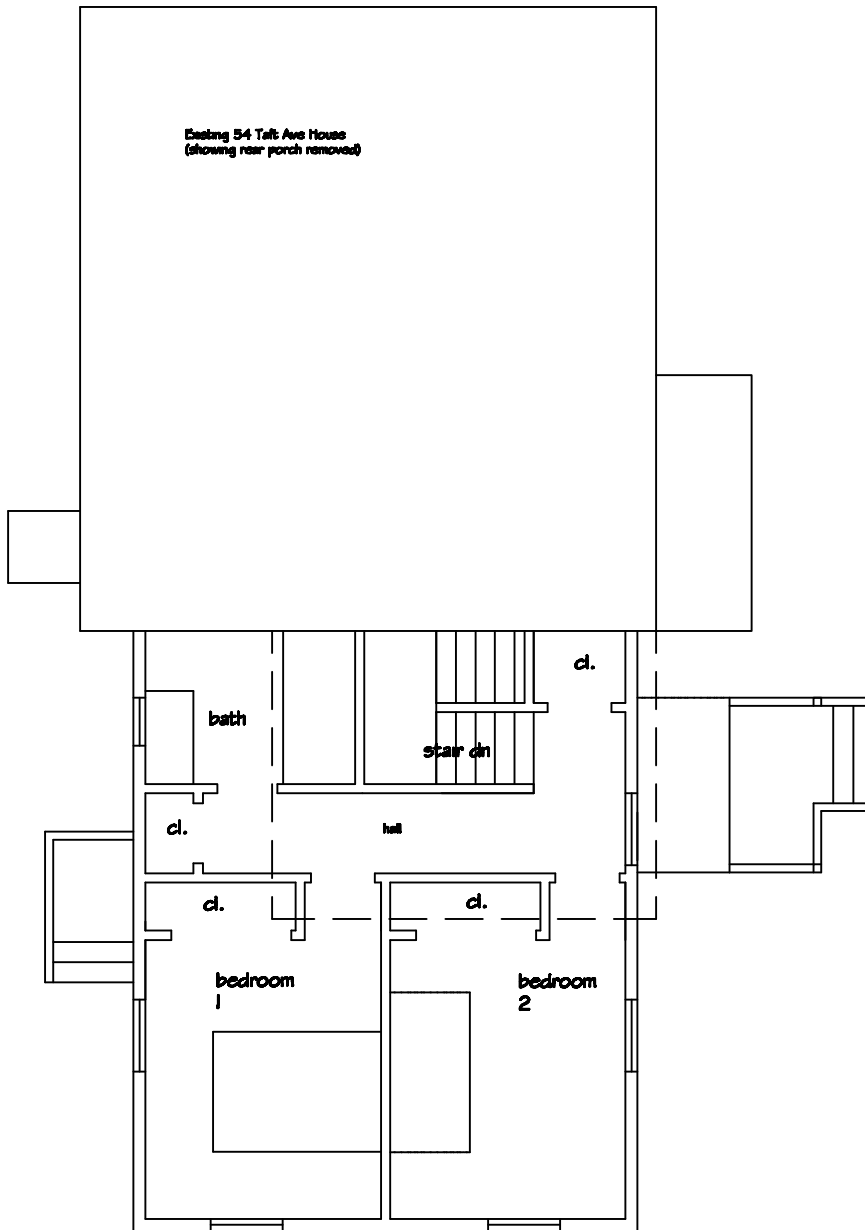
TAFT AVENUE





Proposed Two Bedroom Unit Addition
Ground Floor Plan 555 sq. ft.
54 Taft Ave.





Proposed Two Bedroom Unit Addition
 Second Floor Plan 525 sq. ft.
 54 Taft Ave.

