



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:

Rec'd
15 December
2014 - 9 January
2015, corrected
19 February
2015

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: \$1,069,029	Total other funds to be used: \$75,000	Total project cost: \$1,144,029	
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 of permanently affordable rental housing: a 3-bedroom unit for households at up to 80% of area median income (AMI), and a 2-bedroom unit for households at up to 50% of AMI. Each unit will have one bathroom. 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.

SOURCES OF FUNDS <i>Check all that apply and identify if funds are committed or proposed.</i>						
<input checked="" type="checkbox"/> CDBG funds	\$360,000	<input checked="" type="checkbox"/> Other (identify sources)				
<input checked="" type="checkbox"/> HOME funds	\$125,000	CharlesBank Homes (Foundation)	\$60,000			
<input checked="" type="checkbox"/> CPA funds	\$584,029	Eliot Church Fundraising	\$15,000			
<input type="checkbox"/> Private bank loan	\$0		\$			
USES OF FUNDS <i>Check all that apply.</i>						
<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 <i>Check all that apply.</i>						
<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.): Addition (new construction) building will include a high efficiency boiler; NStar-rated appliances and 3U value or better windows.						
TYPE OF HOUSING <i>Check all that apply.</i>						
Individual/single family		<input checked="" type="checkbox"/> Rental	<input type="checkbox"/> Combination or other (identify):			
UNIT COMPOSITION <i>List the development's number of units in each category.</i>						
	Total	≤ 30% AMI	≤ 50% AMI	≤ 80% AMI	80-100% AMI	Market-rate
2 BR			1			
3 BR				1		
OUTREACH <i>Summarize efforts to date to communicate with abutters, neighborhood residents & ward aldermen.</i>						
All of the Ward 3 aldermen have been notified in writing about the project. As soon as the property is under agreement, I will speak with the immediate abutters.						
A letter of support from Eliot Church (Newton Corner) is included with this proposal.						

HOUSING PROPOSAL ATTACHMENTS CHECKLIST		
Required for	Check if included	Review full instructions thoroughly with staff prior to submission. Attachments posted separately on the CPC website are highlighted below. Other attachments are part of the file including the main proposal & this checklist.
all	X	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	X	Legally binding option, purchase & sale agreement or deed - Accepted Offer
	X	Developer commitment to pursue permanent affordability
	X	Appraisal by an independent, certified real estate appraiser – commissioned & rec'd by CPC
	X	Development pro forma (pre-proposals need only a short draft)
	X	Non-Newton funding: sources, commitment letters or application/decision schedules
	X	Market analysis: including prevailing/trending rents or prices & target population
as needed	X	Home inspection report by a licensed professional, for rehabilitation projects
	None.	Budget for temporary or permanent relocation, - There are no existing tenants.
rental	X	10-year operating budget (pre-proposals need only a short draft)
	None.	Rental subsidy, if any: No subsidy proposed.
DEVELOPER CAPACITY & QUALIFICATIONS		
all	X	Organization mission & current housing portfolio , including how this project fits both
	X	Previous similar projects completed , with photographs
	X	Resumes for development team , including affiliations with City boards or commissions
	X	Most recent audited annual financial statement of parent company or organization
	None	Fair housing training completed
	None	Any past fair housing complaints & their resolution
nonprofits	X	Most recent annual operating budget
	X	Board of directors: including skills, experience, tenure & affiliations
SITE REVIEW, ZONING & PERMITTING		
all	X	Brief property history , covering at least the previous 30 years of ownership & use
	X	Environmental mitigation plan , including lead paint, asbestos, underground tanks
	X	Confirmation of review by Development Review Team (DRT) and zoning relief / permits required (such as parking, building, demolition, comprehensive or special permit)
	None required. per DRT	Other approvals required: Newton Conservation or Historical Commission, Commission on Disability, Mass. Historical Commission, Mass. Architectural Access Board, etc.
DESIGN & CONSTRUCTION		
	X	Scope of construction work , supported by professional cost estimates
all	X	Site & floor plans, elevations
	X	Materials & finishes; highlight "green" or sustainable features or proposed certification
as needed	X	Detailed site & floor plans, elevations for major rehabilitation and all new construction
RELOCATION, FAIR HOUSING & ACCESSIBILITY		
all	None	Plans/notices for relocation – No relocation required.
	X	Affirmative marketing & resident selection policy.
	X	Reasonable accommodation/reasonable modification policy
	None proposed.	Architectural access worksheet: applicable requirements & proposed features

TAFT AVENUE

Additional Required Information

Developer commitment to pursue affordability:

CAN-DO will execute an Affordability Restriction.

Market Analysis:

I have not done a formal market analysis. However it is common knowledge that there is a need for housing for families with incomes below 80%.

During a month, I receive no less than five calls from families with and without vouchers seeking either a 2 or 3 bedroom unit. At least two of those calls are seeking a 3 bedroom affordable unit.

The tenants who are moving from our domestic violence 3-bedroom units, there are three, are experiencing great difficulty finding units. In addition, families in our permanent 2-bedroom units who need a 3rd bedroom are experiencing difficulty also. I currently have 2 such families, who have been looking for a 3-bedroom unit for over a year, because they want to remain in units for the schools, they continue to look in Newton. Each of these families is headed by single minority women. We will reach out to organizations serving homeless families.

Brief property history:

Review of building jacket revealed that property has been in existence as a single family dwelling at least since 1926 when a building permit was issued for electrical or plumbing.

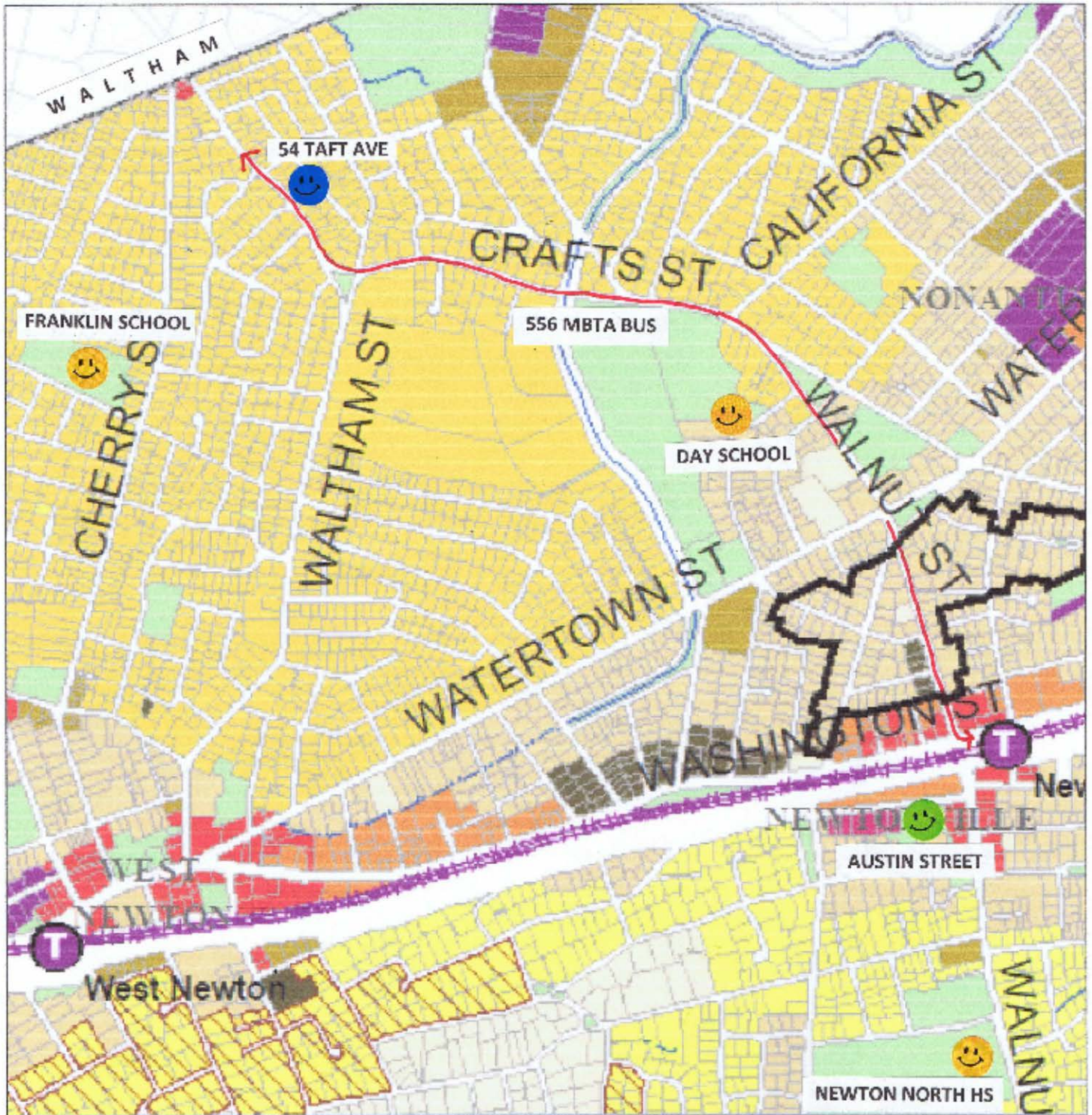
Environmental mitigation:

A lead paint test was performed and revealed lead in windows and front door. Scope of work includes replacement of windows and replacement of door. Awaiting report.

Confirmation of review by DRT (Development Review Team) and zoning relief:

The project was reviewed by DRT on October 21st. Project will require a comprehensive permit.

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



TAFT AVENUE

ITEM		ORIGINAL COST
<u>DEVELOPMENT BUDGET</u>		
SUBTOTAL - ACQUISITION COST		\$ 590,000
<u>CONSTRUCTION COSTS:</u>		
Direct Construction Costs		\$ 357,750
Construction Contingency	(≈ 8%)	27,738
Total Construction		\$ 385,488
TOTAL ACQUISITION AND CONSTRUCTION		\$ 975,488
<u>GENERAL DEVELOPMENT COSTS (Soft Costs)</u>		
Architect/Engineer		\$ 20,000
Survey		\$ 2,000
Building Permits		\$ 6,700
Legal		\$ 3,500
Title and Recording		\$ 2,500
Real Estate Taxes		\$ 5,500
Liability Insurance		\$ 4,000
Builder's Risk insurance		\$ 3,500
Appraisal		\$ 600
Loan Interest		\$ 20,000
Pre-development		
Relocation		
Total General Development		\$ 68,300
Soft Cost Contingency	10%	\$ 6,830
Subtotal: Gen. Dev.		\$ 75,130
<u>Subtotal:Acquis.,Const., and Gen. Development</u>		
		\$ 1,050,618
>Developer Overhead/Fee	8%	\$ 83,411
Fund Replacement Reserve		\$ 10,000
TOTAL DEVELOPMENT COSTS		\$ 1,144,029
<u>FUNDING SOURCES:</u>		
City of Newton - CDBG/HOME		\$ 485,000
CPA GRANT		\$ 584,029
Charlesbank Homes		\$ 60,000
Fundraising Eliot Church/CAN-DO		\$ 15,000
TOTAL SOURCES		\$ 1,144,029

Originally submitted 10.12.2014

Revised 11.04.2014

Revised 12.15.2014

TAFT AVENUE SCOPE OF WORK AND PRICING

Prepared by Architect, Terri Heinlein

Existing House:

Replace front and side stairs and railing -	\$5,200
New windows and new front door (lead) -	\$12,500
Repair basement stairs -	\$1,000
Chimney removal and new framing -	\$2,500
Remove and replace roof -	\$7,000
Insulation of building envelope -	\$5,000
Painting – interior and exterior -	\$11,000
Removal of tree -	\$2,000
Scoping of sewer line and replacement -	\$10,500
Remove and replace retaining wall and stairs -	\$6,500
Soft and hard landscaping -	\$7,000

TOTAL	\$70,200
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New unit – approx.. 1100 Sq. Ft. \$287,550

MATERIALS & FINISHES

- ◆ Engineered lumber, low-usage water fixtures, hi-efficiency boiler, low VOC paint throughout.
- ◆ Wood shingle siding and trim to match and align w/ existing.
- ◆ Parked concrete foundation .
- ◆ Fiberglass asphalt 3 tab roofing shingles.
- ◆ Interior veneer plaster walls and ceiling.
- ◆ Flat 1x 4 wood window and door casings.
- ◆ 1x6 baseboard with cap.
- ◆ Marmoleum at kitchen and bath floors (not vinyl).
- ◆ Oak strip flooring at living, bedrooms and stair.
- ◆ Painted trim.
- ◆ Two panel doors.

Revised Nov. 3

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 LOW HOME	\$ 948.00	\$ 11,376	(+ \$153/mo. utilities = \$1101 LOW HOME rent)									
3 BR 70% Rent	\$ 1,572.00	\$ 18,864	(+ \$203/mo. utilities = \$1775 70% rent)									
		\$ 30,240										
Vacancy rate - 05%		\$ 1,512										
ANNUAL INCOME		\$ 28,728	\$ 28,728	\$ 29,303	\$ 29,889	\$ 30,486	\$ 31,096	\$ 31,718	\$ 32,352	\$ 32,999	\$ 33,659	\$ 34,333
EXPENSES												
Administrative:												
Mgmt Fee @ 5% of income		\$ 1,436										
Legal		\$ 300										
Audit		\$ 500										
TOTAL ADMINISTRATIVE		\$ 2,236	\$ 2,236	\$ 2,303	\$ 2,373	\$ 2,444	\$ 2,517	\$ 2,593	\$ 2,670	\$ 2,750	\$ 2,833	\$ 2,918
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										
* Supportive Services		\$ 4,200										
TOTAL OTHER COSTS		\$ 17,200	\$ 17,200	\$ 17,716	\$ 18,247	\$ 18,795	\$ 19,359	\$ 19,940	\$ 20,538	\$ 21,154	\$ 21,788	\$ 22,442
TOTAL OPERATING COSTS		\$ 26,186	\$ 26,186	\$ 26,972	\$ 27,781	\$ 28,615	\$ 29,473	\$ 30,357	\$ 31,268	\$ 32,206	\$ 33,172	\$ 34,167
NET CASH FLOW		\$ 2,542	\$ 2,542	\$ 2,331	\$ 2,107	\$ 1,872	\$ 1,623	\$ 1,361	\$ 1,084	\$ 793	\$ 487	\$ 165
REVISED 12-15-2015												
REVISED 12-31-2015												
REVISED JAN 6 2015												

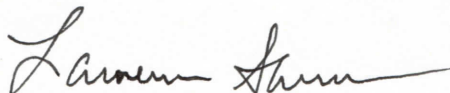
* NOTE: Supportive services will be offered by a volunteer licensed social worker and a supportive services coordinator who will assess families' needs for assistance. A focus will be on financial management; including credit counseling, budgeting and asset building; and education and employment training. The short and long-term goals will be to help families attain economic self-sufficiency and reduce their reliance on public benefits.



I agree to the purchase and sale price of \$590,000.00 with a mutually agreeable Purchase and Sale Agreement to be signed on or before November 15, 2014.

I would appreciate your providing me with the contact information for your attorney. My attorney's contact information is below.

Christine A. Burt
Attorney At Law
564 Main Street
Waltham, MA 02452
781-894-9200 phone
781-894-8329 fax


LAURENCE SARNIER

On Fri, Oct 31, 2014 at 11:14 AM, Josephine McNeil <jam_cando@msn.com> wrote:
Hi Larry,

We reviewed the numbers and determined that we do not need to decrease the offer.

Would you please send me a statement, not as a reply to this e-mail but as a separate e-mail stating that you have accepted CAN-DO's offer of \$590,000 for the property at 54 Taft Avenue and that we will enter into a Purchase & Sale Agreement no later than November 15, 2014. Please sign and send to me today, ASAP.

If you cannot scan and send via e-mail, fax it to me at 617-964-3593.

Thanks, Josephine

Josephine McNeil Executive Director Citizens for Affordable Housing in Newton Development
Organization 617-964-3527



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

Your Village. Your Bank.

October 14, 2014

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

Re: 54 Taft Ave, Newton MA

Dear Josephine:

Your organization has been a long-standing and valuable customer of the Village Bank. As your primary lending institution for over 15 years I am very interested in pursuing the financing for your next project at 54 Taft Ave, Newton MA. Based on our prior experience with you on these types of projects I am confident that you will be able to obtain the necessary combination of public and private financing to successfully purchase and develop this project.

This letter is not a commitment for the Bank to lend, but is an indication of our strong interest in financing this project.

Thank you again for your business.

Sincerely,

David C. Pennybaker
Vice President

The Eliot Church of Newton, UCC

474 Centre Street, Newton, Massachusetts 02458
617-244-3639 | office@eliotchurch.org
www.eliotchurch.org

December 8, 2014

CAN-DO
1075 Washington Street
West Newton, MA 02465

Dear Josephine:

The Eliot Church of Newton and its members have been strong supporters of the work of CAN-DO since its beginnings over 20 years ago. Many of Eliot's congregants have and continue to serve on the Board of Directors of CAN-DO, as well as serve on the Event Committee for your annual YIMBY Celebration.

Over the years, we have seen CAN-DO take on affordable housing projects that others considered impossible or unfeasible. Today, because of CAN-DO approximately 93 adults and 300 children who otherwise might be homeless not only have safe, attractive and affordable homes, but a community that cares about them and their well-being.

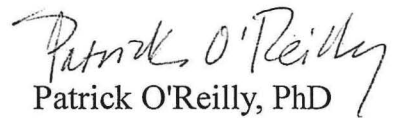
At this time, we want to lend our wholehearted support to CAN-DO for the development of its proposed housing project on Taft Street in West Newton. To show our support, the Mission and Social Justice Commission of Eliot Church have set aside funding for the project and are committed to working with CAN-DO, to raise up to \$15,000 in order to reduce the amount of public funds needed for the project. We are hopeful that this commitment will enable CAN-DO to gain approval of the project by the Newton Housing Partnership.

We not only hope, but we expect, that by this time next year, there will be two more families living in this new CAN-DO residence who can say – perhaps for the first time – that they, too, are home for the holidays.

Thank you for helping to make Newton a city we can all be proud to call home.



Diane Price
Co-Chairs of the Mission and Social Justice Commission



Patrick O'Reilly, PhD