

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 15, 2009

Ms. Alice Ingerson  
Community Preservation Program Manager  
Newton City Hall  
Planning Department  
1000 Commonwealth Avenue  
Newton, MA 02459

RE: Application for \$360,000 CPA Funding for VETERAN HOUSE

*Alice*  
Dear Ms. Ingerson:

I am pleased to have the opportunity to deliver to you 14 copies of CAN-DO's application for funding in the amount of \$360,000. If this community housing proposal is funded in the amount requested it will be used to cover some part of the acquisition, construction, developer fee and soft costs, as presented in the development proforma.

The project is the purchase and rehabilitation of a 2 family property located in the village of Auburndale. An ideal village of the city for smart growth principles to be instituted due to its proximity to public transportation, needed services, as well as opportunities for employment. The project will offer 2 units of housing for the families of homeless veterans. The veterans will receive case management and supportive services from the Health Care for the Homeless Office of the Boston VA Medical Center.

I want to call your attention to what is an inconsistency in the application. There is a minor difference in the construction cost figure in the proforma (\$101,125) and the amount in the architects' scope of work. (\$102,575). But that small difference is easily covered by the contingency amount.

Please let me know if you are in need of any additional information or clarification.

Sincerely,

*Josephine*

Josephine McNeil  
Executive Director

City of Newton



David B. Cohen  
Mayor

**Newton, Massachusetts Community Preservation Program  
Fiscal 2010 FUNDING PROPOSAL**

Date received:



Submit 14 printed copies & 1 electronic copy by 4 pm, 16 October 2009 to:  
Alice E. Ingerson, Community Preservation Program Manager  
Newton Planning and Development Department  
1000 Commonwealth Ave., Newton, MA 02459  
aingerson@newtonma.gov 617.796.1144

Proposals must follow instructions in the current Proposal & Project Handbook, available upon request and online at [www.ci.newton.ma.gov/cpa](http://www.ci.newton.ma.gov/cpa). You may adjust spaces, but use NO MORE THAN 1 PAGE to answer all questions on this page.

<b>Project CONTACTS</b>		<i>Name &amp; title / affiliation, mailing address, email, daytime phone, &amp; any other way we should contact you (fax, mobile phone, ...) Star (*) name of the project manager, who will track budget &amp; submit updates.</i>			
Josephine McNeil CAN-DO 1075 Washington Street West Newton, MA 02465		Phone: 617-964-3527 Fax: 617-964-3593 E-mail: <a href="mailto:jam_cando@msn.com">jam_cando@msn.com</a> Project Manager: Josephine McNeil			
<b>Project TITLE</b>	<b>VETERAN HOUSE</b>				
	<i>Full street address (with zip code) or other precise location.</i> 2148-50 Commonwealth Avenue, Auburndale				
<b>FUNDING CATEGORIES</b>	<i>CHECK ALL THAT APPLY.</i>	<input checked="" type="checkbox"/> COMMUNITY HOUSING	<input type="checkbox"/> HISTORIC RESOURCES	<input type="checkbox"/> OPEN SPACE	<input type="checkbox"/> RECREATION
<b>BUDGET</b> ATTACH DETAIL SEPARATELY.	<i>CP FUNDS REQUESTED:</i> \$360,000	<i>OTHER FUNDS TO BE USED:</i> \$300,000 Newton CDBG FHLBB \$50,000 CCC Legacy Fund - \$35,000 Charlesbank Homes - \$40,000 The Village Bank - \$175,000		<i>TOTAL PROJECT COST:</i> \$950,000	
<b>SUMMARY</b>	Summarize goals & benefits in NO MORE THAN 300 WORDS (staff will edit longer summaries to fit that limit)  <b>GOAL:</b> To create 2 deed-restricted affordable rental units for families headed by homeless veterans and provide services which will empower them and lead to economical stability. We will work with the Health Care for the Homeless Office of the Boston VA Medical Center Office to identify homeless women veterans with families. <b>PROPERTY LOCATION:</b> CAN-DO will purchase a 2-family dwelling in Auburndale, which is accessible to the MBTA green line, a MBTA express bus into Boston, as well as the commuter rail into Boston. This will allow the veteran to get into Boston to meet with their case managers at the VA. <b>PROPERTY DESCRIPTION AND CONDITION:</b> The 1895 house is located on an 8310 sq. ft. lot. in a multi-family zoning district. One unit has 2 bedroom units and the other a 3 bedrooms. Minor interior repairs including installation of hand rails on stair walls, insulation, and deleading will be made. The house has two rear porches which will be rebuilt and the front concrete steps which do not meet code will be removed and rebuilt. There is a garage on the site which will be removed. The asphalt driveway will be removed and repaved.  <b>Benefits:</b> CAN-DO is partnering with The Second Step (TSS) and the Newton Community Service Center (NCSC) to support the families locally. We will offer veterans who were victims of domestic violence the opportunity to receive services from TSS, including financial planning and credit counseling, tenancy counseling, legal advocacy, referral for daycare and after school programming, We will refer other families in need of services to				

NCSC, who will provide counseling for the families including the children, child care access, access to after school/summer camp.

**BEGIN PAGE 2 of PROPOSAL FORM**

1. HOW WILL CP FUNDS BE USED?	<i>Check all that apply.</i>	COMMUNITY HOUSING	HISTORIC RESOURCES	OPEN SPACE	RECREATION LAND
	acquire	x			
	create		NOT ALLOWED		
<i>allowed IF resource was acquired or created with CP funds</i>	preserve				
	support		NOT ALLOWED	NOT ALLOWED	NOT ALLOWED
	rehabilitate/restore	x			

*You may adjust spaces but USE NO MORE THAN ONE PAGE to answer all questions on this page. Attach supporting information on separate pages (see attachments checklists)*

2. **CITYWIDE NEEDS:** *How will the project address needs identified in existing citywide plans? (Provide short quotes with plan title, year & page.)*

The project meets the needs found in the following plans:

Fiscal 2010-12 Community Preservation Priorities:

p.5. states “support Housing that meet Goals in the Comprehensive Plan which favors the development of housing in mixed-use village centers .”and Newton Comprehensive Plan, at page 3-19 states that “development of housing in mixed use areas can lead to maintaining strong, vibrant village centers and mixed use corridors that further the goals of the Plan.”

- Veteran House is located within the geographic area of Auburndale Center, it is within one/half mile of the commercial center.

Newton Comprehensive Plan at page 3-17 Subparagraph b. states “maintaining access to Newton housing for a broad range of households is a long-held community value”

- Veteran House will create 2 affordable units for homeless veteran families.

Newton Comprehensive Plan at page 3-22 states “We need to encourage retention of existing housing ...that supports village centers, that is focused on public transportation; that increases the City’s affordable housing stock.....”

- Veteran House is a retention of an existing house to create 2 affordable units.

City of Newton FY 2006-2010 Consolidated Plan on page 98 sets forth the following housing needs which will be met by the Veteran House project:

**NEED #1: Increase the overall supply of a variety of affordable housing options and reduce the housing cost burden of extremely low-, low- and moderate income persons, including special needs populations.**

**NEED #3: Create rental opportunities for low- and moderate-income residents.**

**NEED #6: Enhance and expand local support for affordable housing and maximize the effectiveness of local resources through collaboration, partnerships, education and efficient processes.**

3. **OTHER FUNDING:** *What additional funding have you obtained or are you pursuing? Attach commitment letters or summaries/cover sheets from grant applications*

Commitment from The Village Bank - \$666,630 – will be paid down to a \$175,000 permanent loan

Commitment from City of Newton Housing Office CDBG funds- \$300,000

Grant Applications have been made to :

- Federal Home Loan Bank of Boston - \$50,000
- CCC Legacy Fund- \$25,000
- Charlesbank Homes - \$40,000

4. **STEWARDSHIP:** *How will the project be maintained after CP funds have been spent? (Hint: “through the regular City budget” is seldom a persuasive answer.)*

Project will receive rental payments from residents who will pay up to 30% of their income and the remainder will be through a rental subsidy under the HUD/VASH voucher program. This program provides section 8 subsidy to veterans who participate in a homeless supportive service program offering case management at the Boston VA Medical Center.

5. **COMMUNITY CONTACTS:** *List email addresses and/or phone numbers for at least 3 people willing to talk with us about the project and the project managers' qualifications. At least 2 of these contacts should be from outside the project's immediate neighborhood; none should be the project manager.*

*Trisha Guditz, City of Newton Housing Office – [tguditz@newtonma.gov](mailto:tguditz@newtonma.gov) – 617796-1156*

*Philip Herr, Herr Associates, [ppherr@msn.com](mailto:ppherr@msn.com) – 617-796-1805*

*Deborah Crossley, [djcrossley26@verizon.net](mailto:djcrossley26@verizon.net) – 617-244-7597*

Draft Project **TIMELINE** List major steps & timing. If the project is funded, CP staff will work with you to add missing steps and participants.

Project TITLE:				
STEPS	ASSISTANCE REQUIRED	START	COMPLETE	COST
<i>BIG steps, SHORT descriptions!</i>	<i>What must other organizations or City depts. do (raise funds, issue permits, etc.)?</i>	<i>season/year</i>	<i>season/year</i>	<i>estimate</i>
1 Obtain funding to acquire house		September 2009		
2 Closing on Property		Nov. 15, 2009		
3 CPA Public Hearing		Nov. 18, 2009		
4 Funding Decision by FHLBB; CCC Legacy and Charlesbank Homes		October – December 2009		
5 Proposal Review Board of Aldermen Funding Decision		Feb-Mar 2010		
6 Construction begins		January 2010		
7 Project complete		June 2010		
8 Families move in		July 2010		

## CPA ATTACHMENTS

### VETERAN HOUSE

- A. Budget & funding Plan:**
- Development Proforma
  - Operating Proforma
  - 10 yr. Operating Budget
- B. Site control:**
- Purchase and Sale Agreement dated September 16, 2009
  - Appraisal
  - Assessor's Letter
- C. Design & Construction** - See Exhibit from Architect, Terri Heinlein
- D. Site Context & Zoning:**
- Letter from Commission Lojeck dated September 23, 2009
  - Map showing project's location to nearest major roads or intersections – Assessor's Maps
  - Photos of project site – included in Exhibit from Architect, Terri Heinlein
  - Property History- Assessor's data
  - Prior Owner – Paula Chesbrough
  - Environmental Assessment – **Lead Paint, remediation included in renovation cost**
  - NHA Exception Rents
  - Private Market Rents
- E. Outreach/ Community Support/Relocation & Marketing:**
- Letters to Aldermen
  - Letters from TSS and NCSC
  - We will have additional letters of support and petitions at or prior to public hearing
  - **Relocation not required**
  - **Units will be marketed to veterans who have HUD/VASH vouchers through the Health Care for Homeless Office of the Boston VA Medical Center**
- F. Sponsor Qualifications:**
- Mission Statement – **To develop and manage housing for low-moderate income and individuals in Newton**

- Description of similar projects completed successfully – **2 family dwellings at 163 Jackson Road, 20-22 Falmouth Road, 18-20 Cambria Road and 11-13 Cambria Road.**
- Income certification of residents – **this function will be performed by the housing authority issuing the vouchers, most likely Boston Housing Authority.**
- Summary of Managers'/staff relevant training education, experience – **CAN-DO has created or developed 37 units of housing in the City of Newton; 30 of those units are deed-restricted into perpetuity. CAN-DO directly manages or oversees 7 properties.**

**G. City of Newton Comments/reviews:**

- Letter from Newton Housing Partnership forthcoming
- Letter from Planning Department – Not applicable re: TG

**H. Recent organizational budget or audit summary:**

- 2008 Audit letter.
- January-August 2009 Profit & Loss Statement.

September 16, 2009

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

Josephine:

I am pleased to submit this Commitment Letter for your consideration. The Village Bank (the "Bank") will provide re-financing for 2148-2150 Commonwealth Avenue, Auburndale, MA subject to the terms and conditions detailed below.

**1) Borrower:**

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

**2) Purpose:**

Proceeds of will be used to purchase the property located at 2148-2150 Commonwealth Avenue, Auburndale, MA.

**3) Loan Amount:**

The Loan Amount will be \$670,000.

**4) Terms:**

One (1) year maturity.

**5) Interest Rates:**

The interest rate will be fixed at 6.0%.

**6) Fees:**

The Bank's standard 1.0% commitment fee will be waived.



Whether or not the Loan closes, the Borrower is responsible for paying all closing costs, including, but not limited to, legal, appraisal, recording, and flood certification fees incurred by the Bank.

**7) Repayment:**

Interest only payments will be due monthly until maturity when the entire loan balance and any outstanding interest and fees will be due and payable. Payments will be made in arrears and interest on the unpaid balance shall be computed on the basis of a 360-day year and actual days elapsed.

**8) Security:**

First real estate mortgage and assignment of rents on the subject property located at 2148-2150 Commonwealth Avenue, Auburndale, MA.

**9) Guarantors:**

Not applicable

**10) 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.

**11) Depository Account(s):**

The Borrower must maintain its main operating checking account(s) at the Bank.

**12) Prepayment**

The loan may be prepaid in part or full at anytime without penalty.

**13) Additional Provisions:**

A fully executed Purchase and Sales Agreement showing a purchase price of \$670,000.

The receipt, review and approval by the Bank of an appraisal for the subject property. Granting of the loan is subject to the property having an "as is" value of no less than \$670,000.

Subject to evidence, satisfactory to the Bank, that the Borrower has applied for and has been approved for, CDBG funds in the amount of \$300,000. Upon receipt of these funds the loan will be paid down by \$300,000 to \$370,000 and funds of up to

\$25,000 will be re-available under the note to make monthly interest only payments for up to one year.

The Borrower also agrees to apply for, and make diligent efforts to receive, Community Preservation Act (CPA) funds of \$300,000 and apply for Affordable Housing Program (AHP) funds from the Federal Home Loan Bank of Boston of \$50,000. Upon receipt of these funds the money will be used to paydown the loan to at least \$175,000.

Boundary lines of the property offered as security for the mortgage loan shall be established by a recent survey prepared by a registered engineer or licensed surveyor showing any and all improvements, boundaries, access, egress, easements, encroachments and utilities above and below the ground.

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.

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 THEIR INTEREST MAY APPEAR, as the first lien holder, first mortgagee and loss payee.

Certification must be presented as to the property 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.

Financial Covenants: Annual financial statements and tax returns for the Borrower must be submitted upon request. From time to time, such other financial data and information about the Borrower and affiliates as the Bank may reasonably request.

Evidence that the Borrower is duly established, validly existing and in good standing under the laws of the Commonwealth of Massachusetts.

With the exception of mortgages for the CDBG loan and CPA funds, no junior mortgages will be allowed on the subject property 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. To the extent that the terms and conditions herein contradict the closing documents, the closing documents will govern.

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 or Guarantors 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.

If applicable, you are entitled to receive a copy of the appraisal report on the collateral. If you wish to have a copy, you must request it in writing within 90 days of the date of this letter and we will be happy to provide it to you.

**This commitment is subject to the approval from the Bank's Security Committee which has not been received as of the date of this Commitment Letter.**


This commitment will be valid for a period of thirty (30) days from issuance. Please acknowledge acceptance of the above conditions by signing and returning one copy to me within five (5).

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: 9/17/2009

September 18, 2009

CCC Legacy Trust  
Grant Applications  
P.O. Box 600772  
Newtonville, MA 02460  
Attn: David Norton

RE: Grant Application for 2148-50 Commonwealth Avenue, Auburndale

Dear Mr. Norton:

I am pleased to submit an application for funding from the CCC Legacy Trust in the amount \$30,000. We have been fortunate to receive your support in the past.

The application provides details about this new project which we are excited to undertake. It is the purchase and renovation of a 2-family residence to provide 2 units of housing for homeless veterans.

Attached are the additional documents requested:

- Mission Statement,
- 2008 Financial Statement,
- 2009 Operating budget, and
- Names and Titles of Board Member, Professional Consultants and Advisory Board.

I have also attached the P&L statement for the current year which reflects the restructuring of some of our financial position due to the City of Newton's forgiveness of some of our debts. We are now in a better position so that we feel it is time for us to undertake another project in order to fulfill our mission.

We hope that you and the review committee will find this project worthy of your assistance. Please let me know if I can provide you with any additional information.

Sincerely,

Josephine Mc Neil  
Executive Director

September 30, 2009

Mr. Richard H. Sayre, President  
Charlesbank Homes  
C/o Watch Hill Company  
63 Shore Road- Suite 35  
Winchester, MA 01890

RE: Veteran House Application for \$40,000 Grant

Dear Mr. Sayre,

I am pleased at the opportunity to once again submit an application for funding to CAN-DO for the creation of 2 affordable units in Newton. We are very excited about this project to provide housing for 2 families headed by homeless veterans in collaboration with the Health Care for the Homeless Office of the Boston VA. We will make targeted outreach efforts to the coordinator of the Women's Veterans Homeless Program to identify potential tenants for the 2 units who are engaged in case management and other supportive services offered at the Boston VA Medical Center.

Veteran's who participate in the program are entitled to a HUD/VASH voucher, similar to a section 8 voucher, to subsidize their rents. The payment from the voucher and the tenant's share of the rent will fund the operations of the house including debt service.

I have attached copies of the various required document, as well as a Profit and Loss Statement through August of this year:

- Development and Operating Proformas
- IRS 501©(3) Determination letter
- IRS Form 990
- List of Board of Directors and Key staff
- Financial Supporters Capital/Operating
- 2006, 2007 and 2008 Financial Statements

Please contact me if you have need of any further information or clarification.

Sincerely,

Josephine McNeil  
Executive Director