

CITY OF NEWTON

Developer Application for Affordable Community Housing Funds
 Community Development Block Grant Program, Newton Housing Rehabilitation Fund,
 Community Preservation Fund, HOME Program

I. Applicant/Developer Information	
Contact person and/or primary applicant: Jeanne Strickland	
Organization, if applicable: Newton Community Development Foundation, Inc.	
Co-applicant, if applicable:	
Owner of project (if not developer/sponsor): Warren House Associates Limited Partnership (Newton Community Development Foundation & Keen Development)	
Mailing address: 425 Watertown Street, Suite 205	
Daytime phone #: 617-244-4035 x24	E-mail address: jeanne.ncdf@verizon.net
Fax #: 617-244-2160	
Developer (if different than applicant):	
Mailing address:	
Daytime phone #:	E-mail address:
Fax #:	

II. Project Information	
Project address: 1600 Washington Street - West Newton,	
Assessor's parcel ID number: 32024 0006 (available from the Assessing Department's page of the City's website)	
Project name: Warren House	
Brief project description: Warren House is the adaptive reuse of a historic school, which stood vacant and deteriorating for 10 years, before the Newton Community Development Foundation along with Keen Development converted the former Warren Junior High School in West Newton into 59 mixed-income apartments and a daycare center. Roughly 1/3 of the apartments (21 units) are affordable to those at 50% AMI. The Warren House is listed on the National Register of Historic Places and was honored by a 1994 Preservation Award from the Massachusetts Historical Commission.	
Estimated total development cost:	\$1,040,898
Total amount of City funding requested:	\$900,898
City funding source(s) (check <i>all</i> that apply and list the amount requested):	
<input checked="" type="checkbox"/> CDBG/Housing Development:	\$150,000 Use: Hard Costs
<input type="checkbox"/> HOME/Housing Development:	\$ Use:

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<input type="checkbox"/> CDBG/Newton Housing Rehabilitation Fund:	\$	Use:
<input checked="" type="checkbox"/> Community Preservation Fund:	\$750,898	Use:

Type of CDBG-funded project (check <i>all</i> that apply):	
<input checked="" type="checkbox"/> Rehabilitation	<input type="checkbox"/> Acquisition
<input type="checkbox"/> New construction (site improvements only)	
Type of CPA-funded project (check <i>all</i> that apply):	
<input type="checkbox"/> Creation	<input checked="" type="checkbox"/> Preservation
<input type="checkbox"/> Support	
Type of housing (check <i>all</i> that apply):	
<u>Homeownership:</u>	<u>Rental:</u>
<input type="checkbox"/> single family	<input checked="" type="checkbox"/> individual/family
<input type="checkbox"/> condominium(s)	<input type="checkbox"/> group residence, congregate
<input type="checkbox"/> cooperative (s)	<input type="checkbox"/> other
<input type="checkbox"/> other	<input type="checkbox"/>
Targeted population (check all that apply):	
<input checked="" type="checkbox"/> individual/family	
<input checked="" type="checkbox"/> special needs. Identify special need(s): DMH	
<input type="checkbox"/> elderly	
<input type="checkbox"/> homeless/at risk of homelessness	
<input checked="" type="checkbox"/> other – identify population: Section 8 Voucher Holders	

Unit composition	# units	# units <= 30% AMI	# units <= 50% AMI	# units <= 80% AMI	# units between 80-100% AMI	Market rents(s)	Market sale price(s)
SRO							
1 BR	15		3			\$1275-\$1675	
2 BR	38		15			\$1650-2050	
3 BR	6		3			\$2100	
4 BR/+							

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III. Site Information		
Lot size: 163,000 sq ft	Zoning district: MR2	Ward: Neighborhood 2
Assessor's parcel ID number: 32024 0006 (Tax Bill Number 26114) <i>(available from the Assessing Department's page of the City's website)</i>		
Do you have site control e.g. Purchase and Sales Agreement, option to purchase, deed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Note: Community Preservation Fund applicants are required to submit evidence of site control with the application.		
If applicable, please explain what zoning relief is required e.g a zoning variance, special permit, comprehensive permit is required and why. Please attach a copy of the Site Approval (Eligibility) letter from the appropriate agency if the project requires a comprehensive permit. Not Applicable – The property already complies with the existing zoning.		
Please describe any anticipated environmental issues/concerns with the site. If the site contains known environmental hazards, provide a remediation plan. The building improvements will not trigger environmental issues or concerns. Please refer to Attachment 1.		
Will the project temporarily or permanently require the displacement of or relocation of existing tenants? If yes, please describe any outreach efforts and/or notifications to residents to date. No tenants will be temporarily or permanently displaced while the building is being renovated. Renovations should not disrupt occupancy.		
How old is the existing building, if applicable? 80 years		
Are there (or will there be) children under the age of seven living on the premises? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Is the property listed in the National Register of Historic Places, located in a local historic district, National Register Historic District or eligible for listing in the National Register? <input checked="" type="checkbox"/> Yes – Listed on the Nat. Register of Historic Places under both Multiple Resource Area & as an Individual Building. If yes, identify district:		
<input type="checkbox"/> No		

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IV. Project Schedule	
Inform ward aldermen and immediate abutters of proposed plans:	Not applicable
Pre-development (design, zoning, permitting):	<i>October 2006</i>
Acquisition:	Not applicable
Rehabilitation/construction:	<i>March 2006</i>
Marketing/outreach:	Not applicable
Identify expected date of project completion:	<i>June 2006</i>
Full occupancy:	Not applicable
Other significant dates that need to be noted:	Not applicable

V. Financing and Operating Budget	
1.	<p>Development proforma and operating budget: In order to evaluate this proposal, the City of Newton requires applicants to submit a development budget that includes all anticipated sources and uses of financing for the project and an operating budget that details operating income and expenses. Applicants may use their own format or ask Housing Development staff to provide sample formats. Applicants are encouraged to use the state <i>One Stop Application</i>, used by Massachusetts affordable housing lenders and agencies to provide project sponsors with a single application that can be submitted to any or all of the participating organizations. Please complete Sections 1-4 of the One Stop and submit it with this application. The <i>One Stop Application</i> is available at www.onestopapp.com. Please refer to the attached Developer's Checklist which lists all the information required for submission.</p> <p>Please note that Community Preservation Funds may not be used for the direct acquisition of community housing or housing-related maintenance costs. All applicants seeking Community Preservation Funds for community housing must submit a capital needs assessment with their application, unless the project is new construction or substantial rehabilitation.</p>
2.	<p>Appraisal of property: Satisfactory evidence that the purchase price of the property does not exceed fair market value for that property must be submitted as part of this application.</p>
3.	<p>Letters of financial commitment, including commitments for housing subsidies (if applicable): If applicant does not have financing, describe what sources of financing are planned and the timeframe that funds are expected to be available, conditions, deadlines, limitations, etc. related to the commitment of non-City sources of funding. If receiving housing subsidies, submit commitment letters for housing subsidies or an explanation when the applicant will seek housing subsidies and from what source(s).</p>

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VI. Project Description

Please respond to the following and include supporting material as necessary.

1. Goals: What are the project goals?

The goal of reinvesting in the Warren House Apartments is to safeguard the building's historic integrity and to preserve quality affordable housing and community services.

NCDF could risk compromising the historic façade of the building as well as interior living conditions if the capital needs outlined in the Gale report continue to go unaddressed. To sustain the attractiveness and livability of building, maintain the market-rate tenants, and achieve break-even occupancy levels, capital improvements are necessary. These improvements should be seen not only as preventative maintenance efforts but also as an extension of the original scope of work as water infiltration and building envelope concerns have been known since 1992.

The goals of addressing the capital needs of the Warren School now, is 1) the City of Newton can preserve its initial investment in the property and 2) prevent the need for additional and more costly repairs in the long run. In addition, the Warren School is in a positive financial position at present so that lenders and equity investors are amenable to NCDF's contribution of nearly \$140K of project equity to these recapitalization efforts. Specifically, NCDF will commit \$64K of 2006 and projected 2007 operating surplus and \$76K in escrows to service the cost of repairs.

2. Community need: Describe how the proposed project meets the housing needs identified in the *Newton Framework Plan* and the *FY01-05 Consolidated Strategy and Plan*.

The Newton Framework Plan underscores the need to utilize existing housing stock, identifying it as the “primary vehicle for meeting housing objective” (pg.36). It also makes the imperative that, “at minimum, there should be no net loss of affordable or subsidized housing in the City,” emphasizing the need to preserve existing affordable units (pg. 35).

The priority housing objectives outlined in the Consolidated Strategy and Plan identifies Community Preservation Act, the Newton Housing Rehabilitation Fund, CDBG and HOME funds as tools to create, develop and preserve affordable housing developments. These same resources will be needed to preserve the affordable units at the Warren House.

As the plan notes, housing is key to the City's diversity – not only racially or in economic status, but also in age and ability. Because housing prices in Newton continues to outpace median incomes in the Boston area, providing affordable rental housing is one of the only means by which the City can attract and house young singles and families. The plan also identifies the Warren House as one of the few places in Newton where someone with a disability can find an apartment (pgs 78-79).

Lastly, the Consolidated Plan highlights the importance of preserving Newton's architectural heritage.

3. Community support: Describe the nature and level of community support for this project. Please attach support letters and any petitions.

Please find attached.

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4. **Capacity:** Identify the members of the development team and describe their capacity to undertake the project. Identify the management entity if the project includes rental units. Describe how adherence to appropriate professional standards will be maintained.

Founded nearly 40 years ago, NCDF is a private, non-profit developer and manager of affordable housing in Newton. Over the years, NCDF has developed six properties in the City of Newton and manages two additional properties developed by another local non-profit affordable housing agency. NCDF strives to provide well-managed, safe and attractive homes to hundreds of low and moderate-income families, senior citizens and persons with disabilities. NCDF does have some market rate units in their portfolio.

5. **Project outcomes:** Describe how the success of the project will be measured. Identify specific, achievable goals.

The success of the rehabilitation will be identified by:

Preserving the historic shell of the school and its many turn-of-the-century features

Preserving the quality and integrity of the interior of the units

Improving operational costs by minimizing air and moisture infiltration

Maintaining safe access and prevent falls by repairing the front stairs

6. **Additional community benefits:** Describe how this project can be used to achieve additional community benefits.

7. **Combination Community Preservation projects:** If seeking Community Preservation Funds for a project combining community housing with any other Community Preservation goals (historic preservation, open space, recreation), describe the additional components.

The rehabilitation of the Warren School will not only reinvest in Newton's stock of affordable housing, but in its historical architecture, as well. The Warren School is listed on the National Historic Register.

Warren House also sits immediately adjacent to parks and recreation facilities. Improving the exterior of the building maintains a sense of public safety, cohesion, and appreciation from which the neighborhood's immediate uses benefit.

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VII. Phase II Application (to be completed prior to scheduling a public hearing for CPA funds and/or the Planning and Development Board)

1. For projects that include construction or rehabilitation, include the existing and proposed site plan, floor plans, elevations and any other drawings as necessary to illustrate the proposal.

Please refer to the Capital Needs Assessment report issued by Gale Associates.

2. Evidence that the project is in compliance with the zoning ordinance, Architectural Access Board Regulations, or any other applicable laws and/or regulations. If zoning relief is required, specify what relief is needed and when an application will be made to the City for zoning review.

Please refer to Attachment 2.

3. Evidence that the appropriate City Boards and Commissions have approved the project. For example, proposed new uses on City Parks and Recreation land requires approval from the Parks and Recreation Commission.

4. Evidence that the proposed site is free of hazardous materials or that there is a plan for remediation in place.

Please refer to Attachment 1.

Applicant signature and date: _____
I verify that all information stated in this application is true and accurate.

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DEVELOPER CHECKLIST

The following information must be submitted with a completed application, development and operating budgets and Section 1-4 of the “*One Stop Application*”. Applications for CDBG/HOME Program funds are submitted to the Newton Housing Office located at 492 Waltham Street in West Newton. Applications for CPA funding *only* are submitted to the Community Preservation Planner in the Planning and Development Office in the Newton City Hall.

Required for all housing projects:

- Completed One-Stop application (CPA funding requires: 12 bound copies, one unbound copy to reproduce and one electronic copy).
- Development proforma and operating budgets or sections 1-4 of the State “*One Stop Application*.”
- Preliminary site plan locating existing buildings and parking.
- Letters of community support, if available.
- Site approval (eligibility) letter if project requires a comprehensive permit.
- Remediation plan if site contains known environmental hazards.
- Appraisal of the property (required for acquisition only)
- Letters of financial commitment from other funding sources, if available.
- Commitment letter for housing subsidies or explanation when applicant will seek housing subsidies and from what source(s).
- Plan to cultivate community support.
- Proof of hazard insurance (required at closing).

Required for community housing projects requesting Community Preservation Funds:

- Evidence of site control.

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- Capital needs assessment if applicant is applying for funds to create community housing, unless the project is new construction or substantial rehabilitation.
- Description of project involving other Community Preservation goals (historic preservation, open space, recreation).

FUNDING TERMS

Community Preservation Funds:

- Deferred forgivable loans at 0% interest.
- Deed restriction in perpetuity (with DHCD approval) or to the maximum extent permitted by law prior to closing on funds.

Housing Development Funds:

- Deferred forgivable loans at 0% interest.
- Deed restriction in perpetuity (with DHCD approval) or to the maximum extent permitted by law prior to closing on funds.

Newton Housing Rehabilitation Funds:

- Direct loans at 3% compound interest amortized up to 30 years and limited to funding construction.
- Grants limited to lead paint, asbestos, and other hazard remediation and removal of architectural barriers for the disabled.

Please note: For informational purposes only. Terms subject to change.