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Community Preservation Committee
Funding Recommendation for
Coleman House Senior Housing Preservation Project

Date: January 20, 2021
From: Community Preservation Committee
To: The Honorable City Council

PROJECT GOALS & ELIGIBILITY This proposal requests \$4,214,622 in CPA community housing funds to help preserve the 146 affordable senior housing units in the existing Coleman House buildings I and II. The Coleman House was built in two phases beginning in the 1980s and provides housing to senior households with very low to extremely low incomes (below 50% AMI). The building has reached an age where many of its systems are at the end of their useful life and significant repairs are needed to maintain the affordability and accessibility of the building and its units. As the owner and operator of the building, 2Life Communities is proposing an over \$30 million dollar project to completely update and rehabilitate all of the existing units, make building and envelope repairs, and replace systems with more energy efficient and sustainable options.

Because the individual units were not created or acquired with CPA funds, no CPA funding can be used to complete their rehabilitation. However, CPA funding can be used to preserve the existing affordable housing resource as a whole. Proposed work that can be completed with CPA funding includes installing a new roof and windows, repairing damaged masonry, installing new building-wide systems (electrical, plumbing, HVAC, fire prevention), insulation and waterproofing, etc.

RECOMMENDED FUNDING At its monthly meeting on Tuesday, January 12, the Community Preservation Committee unanimously recommended, with a vote of 9 to 0, that \$4,214,622 in Community Preservation Act community housing funding be appropriated from the CPA Unrestricted Fund Balance to the control of the Planning & Development Department for a grant to 2Life Communities for the preservation of the existing affordable housing facility at Coleman House, buildings I and II.

SPECIAL ISSUES CONSIDERED BY THE CPC

Funding leverage & project costs: The CPC appreciated both the tremendous leveraging of CPA funding achieved by this project and the relative simplicity of its program and budget. While a significant amount of CPA funding is requested, it is only 14% of the overall budget. The vast majority of the project costs (\$24,830,000 or 81% of project funding) will be paid by a sponsor loan from 2Life Communities, which is reinvesting the equity received from a recent refinancing into its buildings and facilities. The remaining project funds include a mix of City CDBG and HOME funds and West Metro HOME Consortium program funds, much of which has already been approved for the project. Members noted that the budget was also refreshingly straightforward, which saved financing costs, and provided a unique opportunity to work with a property

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owner and affordable housing program manager to preserve and improve an important affordable housing resource.

Community Need: Coleman House has served the affordable housing needs of Newton seniors for nearly forty years, providing deeply affordable housing partnered with community programs and support services to households at or below 50% AMI. The median annual income of Coleman House residents is \$12,000. The CPC recognized the strong need in the community to support and expand on these housing opportunities, noting that 2Life currently had a waiting list of 550 households, which represents a five to eight year wait for most new residents. While the use of CPA funds here is limited, it can still play a vital role in maintaining the integrity of the building envelope and improving living conditions within the facility by funding the installation of new windows, doors, and building systems. The CPC agreed that it is as important to preserve its existing affordable housing stock as to create new units, particularly for this vulnerable population of very low-income senior households.

Accessibility: While the CPA funding cannot be used to rehabilitate individual units, CPC members were impressed by 2Life's work to rethink its existing designs to be more useable and adaptable to its resident population. 2Life has worked closely with its residents to develop plans which allow for different levels of mobility and which can be adapted for increased accessibility as needed. The project will also make required accessibility improvements throughout the building as identified in their recent building assessments.

ADDITIONAL RECOMMENDATIONS *(funding conditions)*

1. CPA Funding may only be used for work associated with the preservation of the affordable housing resource. Allowable projects include, but are not limited to, installing a new roof and windows, repairing damaged masonry, installing new building-wide systems (electrical, plumbing, HVAC, fire prevention), insulation and waterproofing.
2. No CPA funding may be used to restore or rehabilitate any existing housing units.
3. All recommended CPA funds should be appropriated by the City Council within 6 months and project construction should begin within 3 years of the date of any CPC recommendation. If either deadline cannot be met, 2Life Communities should request a written extension from the CPC, which the CPC may grant at its discretion.
4. The release of CPA funds should be governed by a grant agreement that includes but is not limited to the usual conditions for the phased release of CPA funds for housing projects, including a permanent affordability restriction on the building and a final report to the CPC.
5. Any CPA funds appropriated but not used for the purposes stated herein should be returned to the Newton Community Preservation Fund.

KEY OUTCOMES

The Community Preservation Committee will evaluate this project based on its success in using CPA funds to preserve the existing 146-unit affordable housing complex and to create the systems necessary to insure that the building can continue to provide quality affordable housing well into the future.

ATTACHMENTS

- Proposal and selected attachments submitted to the CPC for the January 12, 2021 review
- 2Life Communities' presentation to the January 12 joint public hearing of the CPC and Planning and Development Board

Additional information not attached to this recommendation, including petitions and letters of support, are available on the CPC's website at: <https://www.newtonma.gov/government/planning/community-preservation-program/proposals-projects/coleman-house-senior-housing-preservation>