



Armenian Women's Welfare Association, Inc.

**Fernald Subcommittee on Reuse and Intake
Skilled Nursing Facility Proposal**

August 5, 2009

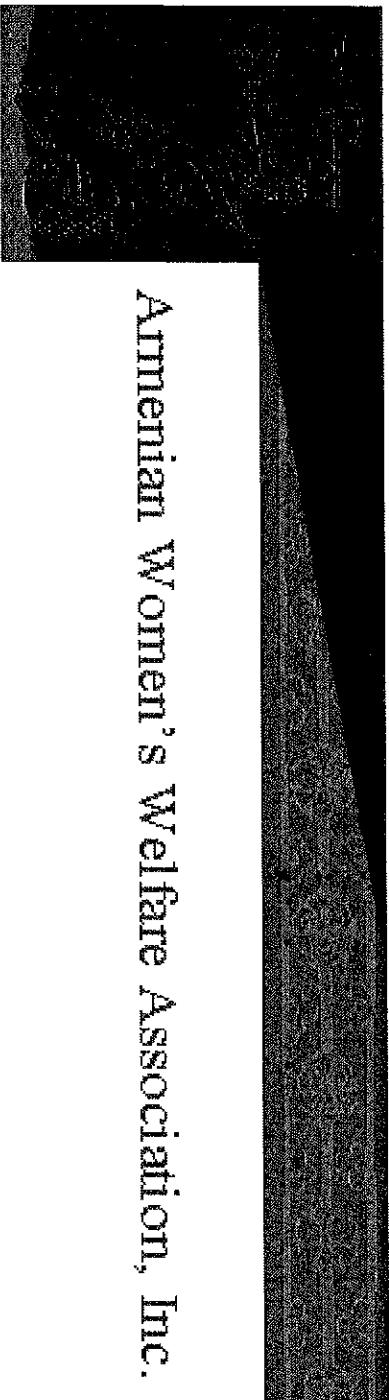
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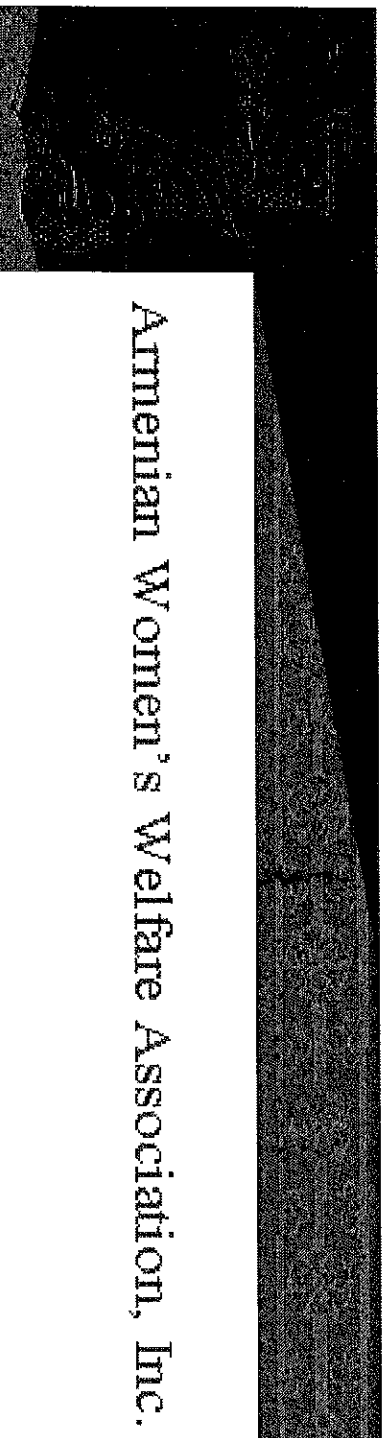
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Overview

- ***Sponsor Background***
- ***The 21st Century Healthcare Market Place***
- ***Why Waltham***
- ***Development Program and Preferred Fernald Site***
- ***Proposed Timeline***
- ***Capital Sources***
- ***The Takeaway***



Who Is The Sponsor

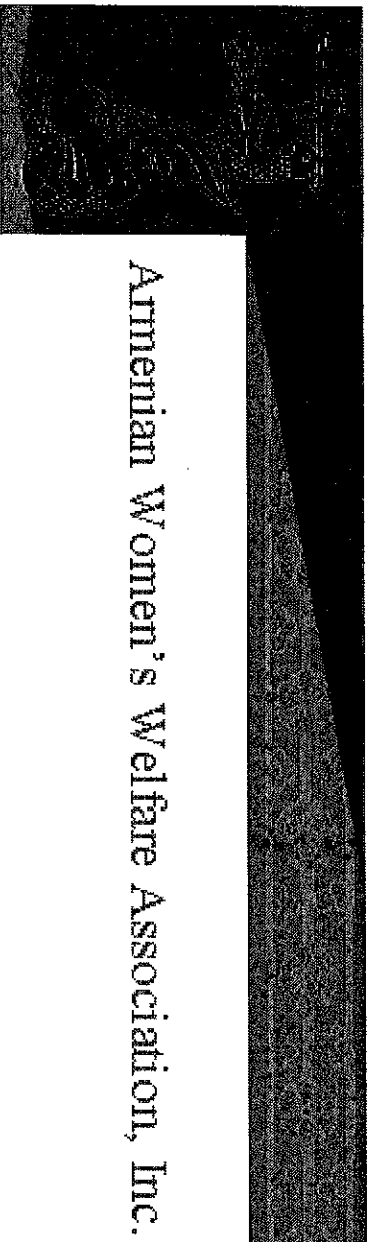
- ***The Armenian Women's Welfare Association ("A.W.W.A") is a premier not-for-profit health service provider.***
- ***Formerly the Armenian Patriotic Society this organization has offered "care" to the Armenian community in the United States and abroad since 1915.***
- ***In 1934 the organization established a home for frail seniors and in 1948 founded the Home for the Aged in Jamaica Plain followed in 1960 with the opening of the Armenian Nursing Home, now the 83 bed Armenian Nursing & Rehabilitation Center.***



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Who Is The Sponsor - the A.W.W.A

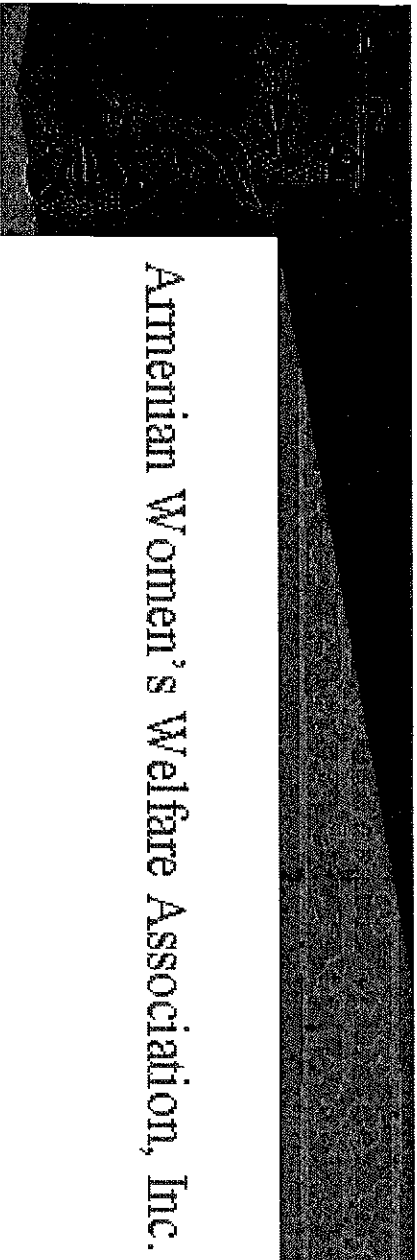
- ***Armenian culture and tradition have been carefully preserved at the Jamaica Plain location even as care is provided to residents of all ethnic backgrounds.***
- ***Just a few years ago the percentage of residents of Armenian ancestry was 77% , today it is approximately 50% as the center of Armenian life has shifted from Boston to a number of suburban communities including the Greater Waltham area.***



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Who Is The Sponsor - the A.W.W.A

- ***The A.W.W.A. continues its close connection with and strong financial support of the Center on an ongoing basis.***
- ***The A.W.W.A. Board's involvement in the Center manifests itself everywhere. The many building and landscape renovations, as well as the high staffing levels, are attributable to the Board's dedication and fundraising efforts.***



The 21st Century Healthcare Market Place

- ***The A.W.W.A. is an organization at a crossroads.***
- ***There are sweeping changes in the senior care marketplace in Massachusetts and the Nation.***
- ***Traditional demand for long-term care over extended periods is being redirected to a developing and varied supply of short-stay and community based services.***



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The 21st Century Healthcare Market Place

- *Most citizens admitted to Massachusetts nursing facilities are discharged to home. In 2007 nearly 60,000 individuals returned home after a short rehab stay.*
- *Again in 2007 fully 80% of all those admitted to skilled nursing facilities had an average length of stay of 1 to 3 months with 54% of admissions discharged within 30 days.*
- *Patients served in skilled nursing facilities are far more 'medically complex' than at any time in history.*
- *Demographic trends suggest that the number of individuals who will need nursing facility services will expand substantially.*



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The 21st Century Healthcare Market Place –

Armenian Nursing & Rehabilitation Center and Today's Market

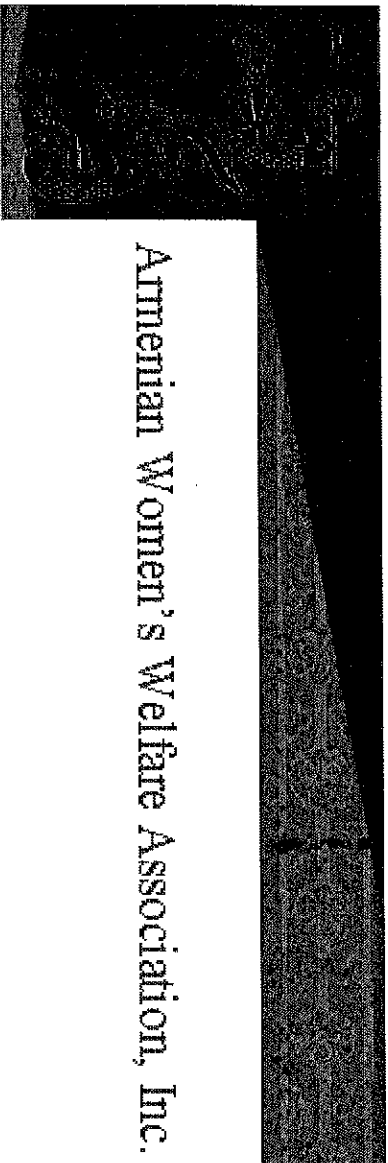
- ***The Armenian Nursing & Rehabilitation Center built in 1960 and expanded in 1979 does not resemble a 21st century state-of-the-art health care center.***
- ***Notwithstanding the unique charm and beautiful grounds of the facility, the deficiency free surveys, and the nurturing environment with its Armenian culture and tradition, there is a reality that the personal accommodations available to residents lack core elements of contemporary licensed health care.***



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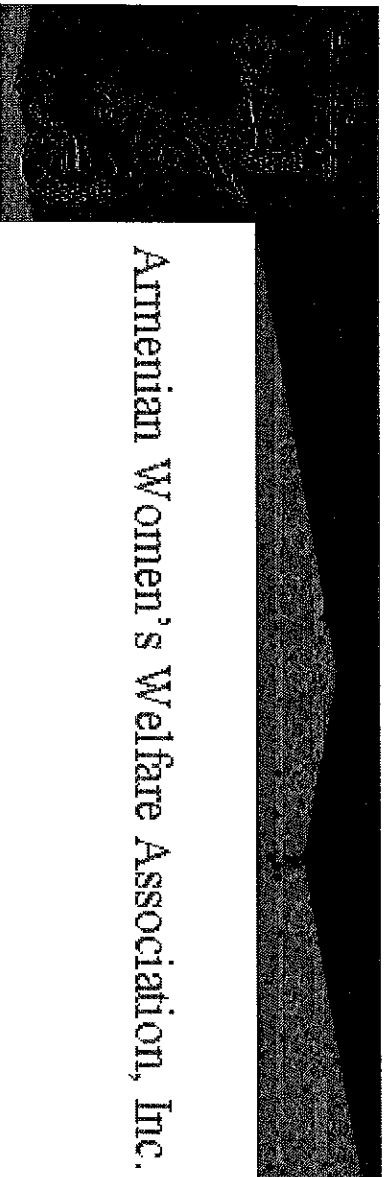
Why Waltham – The Armenian Community Speaks

- ***In November 2006 A.W.W.A. concluded that for mission and fiduciary reasons it is in the long-range best interests of the organization to relocate the existing licensed skilled nursing facility, and construct a new state-of-the-art senior health care center.***
- ***A community needs assessment suggested the optimal site would be in the Arlington, Belmont, Watertown, Waltham, or Lexington area with the focus being Waltham.***



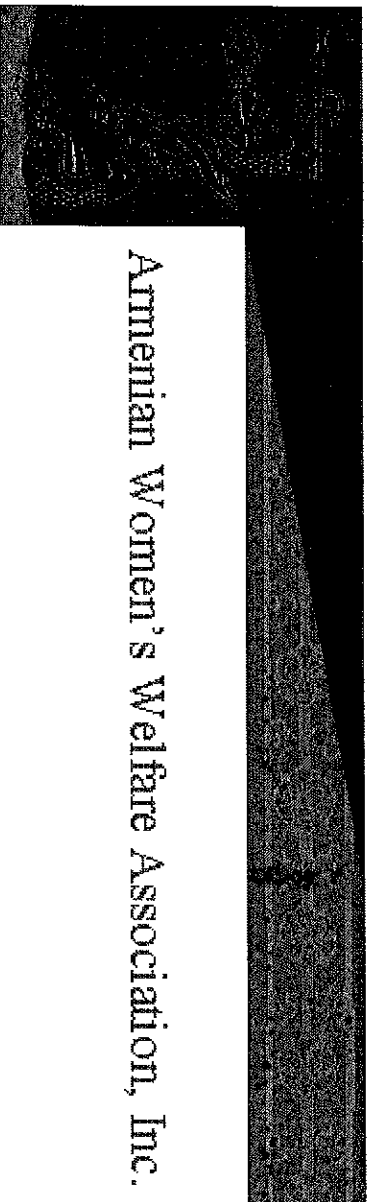
Why Waltham - Due Diligence

- ***Since early 2007, A.W.W.A. members and their representatives have been searching for an appropriate site of 7 plus acres through both public and private channels.***
- ***They have held numerous discussions with brokers and private property owners in the targeted area.***



Why Waltham - Due Diligence

- ***Meetings have been held with Municipal and State elected and appointed officials including: Mayor Jeannette McCarthy, City Council President Curtin, Councilors Darcy and McMenimen, Lt. Governor Tim Murray, Senator Susan Fargo, Representatives Tom Stanley and Peter Koutoujian, DCAM Commissioner David Perini, Deputy DCAM Commissioner Peter Norstrand, Assistant Secretary for Disability Policy Jean McGuire and staff from the Governor's Policy Office.***



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Development Program

- ***A.W.W.A. is committed to pursuing a strategic plan which leads to the identification of a quality site in the Greater Waltham area which would be sufficiently sized and zoned to accommodate a state-of-the-art health center of 95 beds, a community service outpatient center and possibly selected forms of housing/services in a phased development.***
- ***The Health Center will stand on its own and support the planned operation and related financing.***



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Development Program

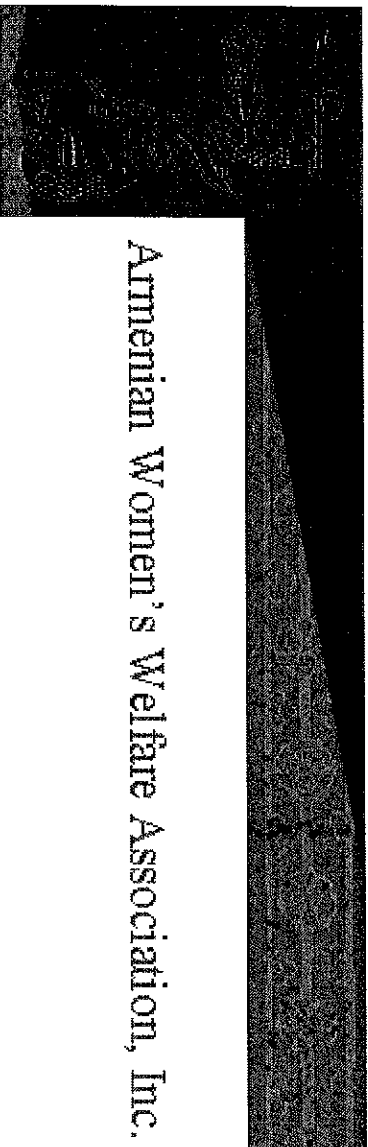
- ***The new Armenian Nursing & Rehabilitation Center will be 95 beds and approximately 60,000 gross square feet.***
- ***Estimated cost in the \$20 million range.***
- ***The design will incorporate 'green' technologies and many innovative 'culture change' initiatives in addition to the state-of-art physical plant.***



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Development Program – Phasing Other Services

- ***The feasibility and viability of expanding the project will be tested against the basic assumption of operating a health center only.***
- ***If the potential and option of adding other services makes sense it would likely be modest senior housing.***



Development Program - Assisted Living Residences

- ***16 to 20 units of Assisted Living.***
- ***Assisted Living residences combine apartment-like living with a variety of support services.***
- ***Some residences could be special units for individuals with Alzheimer's disease or other cognitive impairments.***

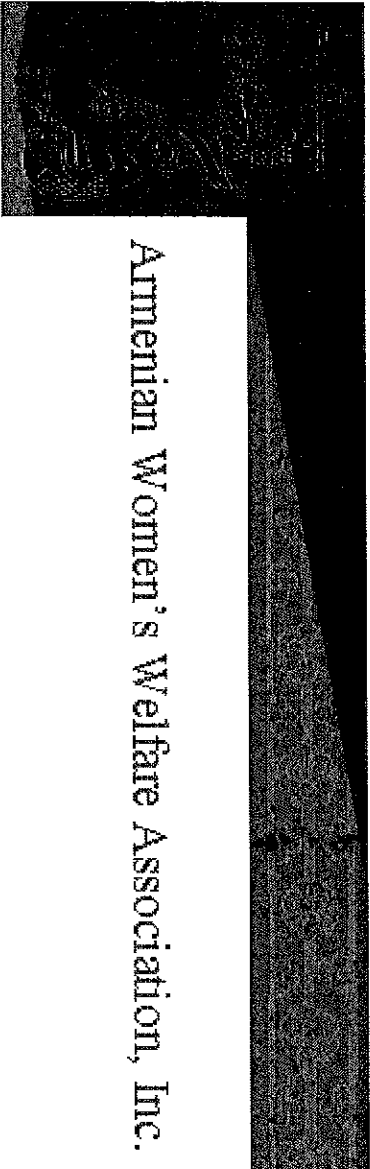


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Development Program –

Independent Retirement Residences

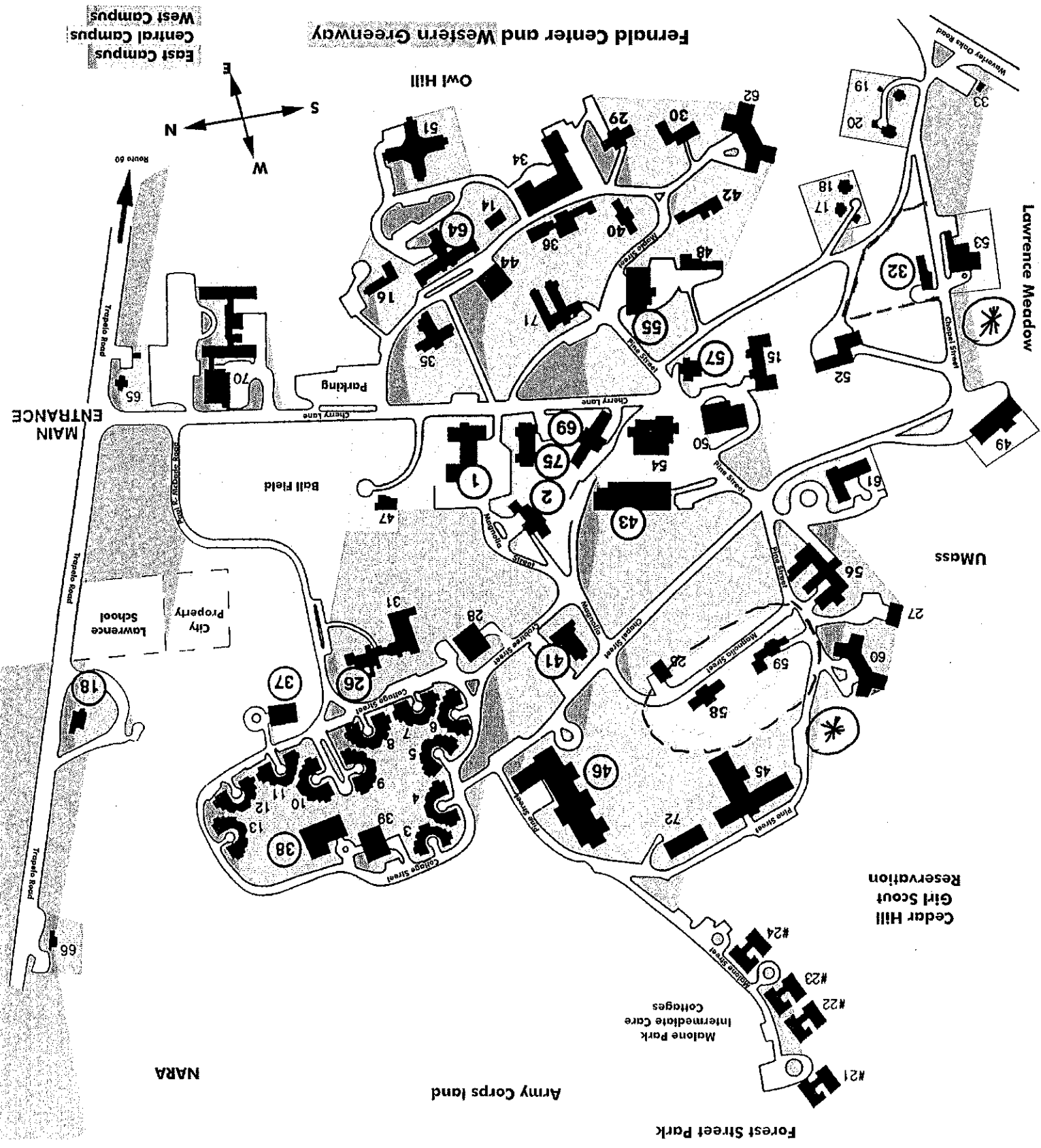
- ***Up to 60 units of Independent Living residences.***
- ***Independent Living Communities can be townhouses, cottages or apartments designed to enable independent elders to enjoy a lifestyle filled with recreational, educational and social activities among other seniors.***



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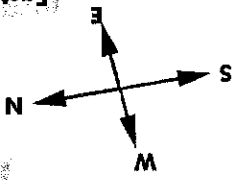
Development Program - Preferred Fernald Sites

- ***Referencing the attached map, two areas of interest have been identified.***
- ***The area around #32, the Greenhouse on Chapel Street in the Central Campus.***
- ***The area around Dolan and McDougall Halls on Magnolia Street #'s 58 and 59 in the West Campus.***



Fernald Center and Western Greenway

East Campus
Central Campus
West Campus



Lawrence Meadow

UMass

Cedar Hill
Girl Scout
Reservation

Malone Park
Intermediate Care
Cottages

Forest Street Park

Army Corps land

NARA

MAIN
ENTRANCE

Ball Field

Lawrence
School
City
Property

East Campus
Central Campus
West Campus



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Proposed Timeline

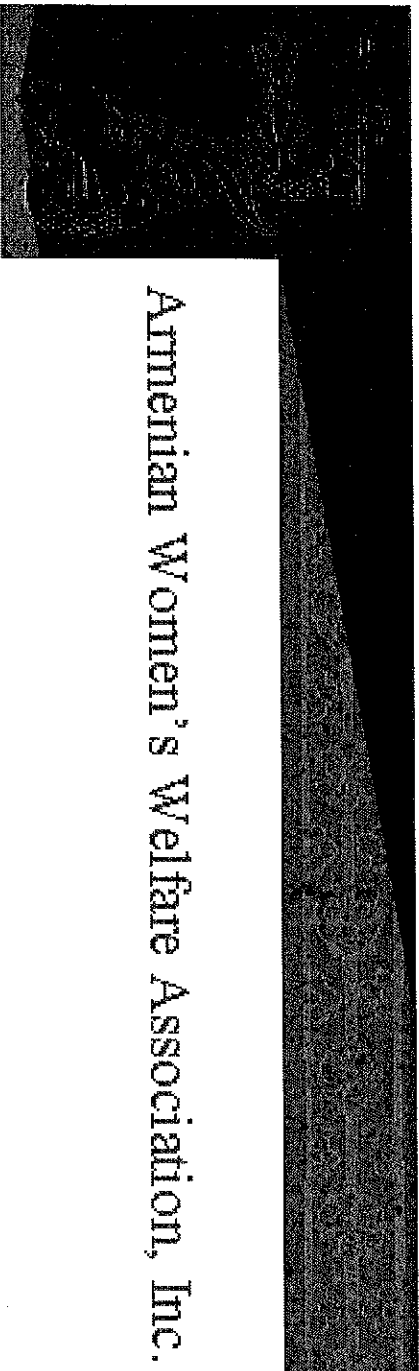
- ***December 31, 2009 – Fernald Reuse Plan Finalized.***
- ***Interim Milestones detailed on the attached Timeline Chart.***
- ***Project complete and residents relocated by March of 2013, a 3 year development proposal.***

TIMELINE FOR A.W.W.A. HEALTH CENTER DEVELOPMENT

[illegible]

Project A.W.W.A. Health Center
Date: Wed 8/5/09

Task	Rolled Up Task	External Tasks
Progress	Rolled Up Milestone	Project Summary
Milestone	Rolled Up Progress	Group By Summary
Summary	Split	



Capital Sources

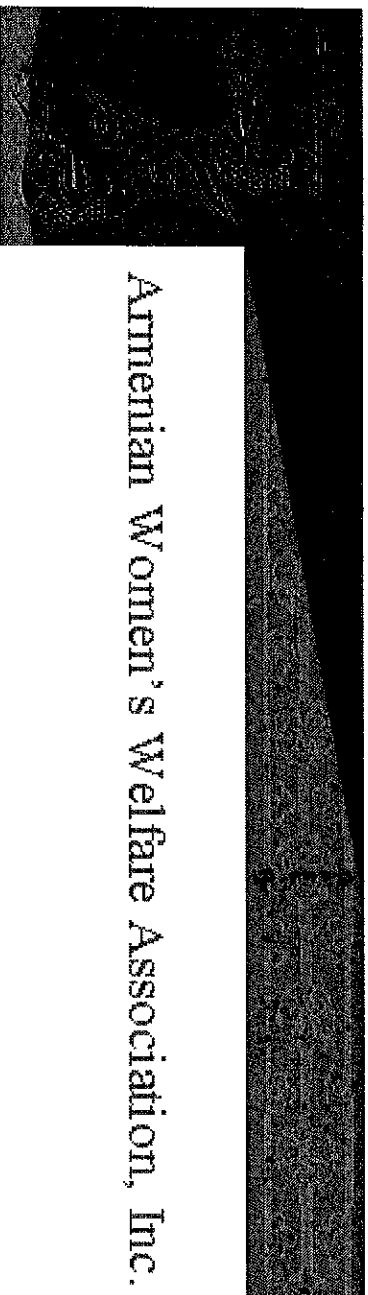
- ***It is not an insignificant achievement that, in the existing structure, A.W.W.A. has managed the business profitability, that it maintains the highest quality of care and that it has achieved positive occupancy over the years.***



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Capital Sources

- ***The Health Center Project will be appealing to lenders for a number of reasons.***
- ***This is NOT a true “start-up” rather a relocation of a successfully operating business.***
- ***There is a base of residents, goodwill and stellar compliance history that will be brought to the Fernald site.***
- ***These factors can save the project hundreds of thousands of dollars.***



Capital Sources

- *The project will be eligible for tax-exempt financing or optimal HUD financing.*
- *Despite “stimulus” efforts banks are not making many loans for new projects creating a credit crunch for not-for-profit organizations.*
- *As a response HUD has streamlined an existing successful financing program to provide alternative source of funding.*



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Capital Sources - HUD Section 232 Program

- ***FHA Section 232 Mortgage Insurance is available for acquisition and/or construction of skilled nursing facilities and assisted living residences.***
- ***Funding source is Government National Mortgage Association (GNMA or "Ginnie Mae" securities).***
- ***Investor demand for the GNMA's is very high diminishing the problem of access to capital.***



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Capital Sources - HUD LEAN Program

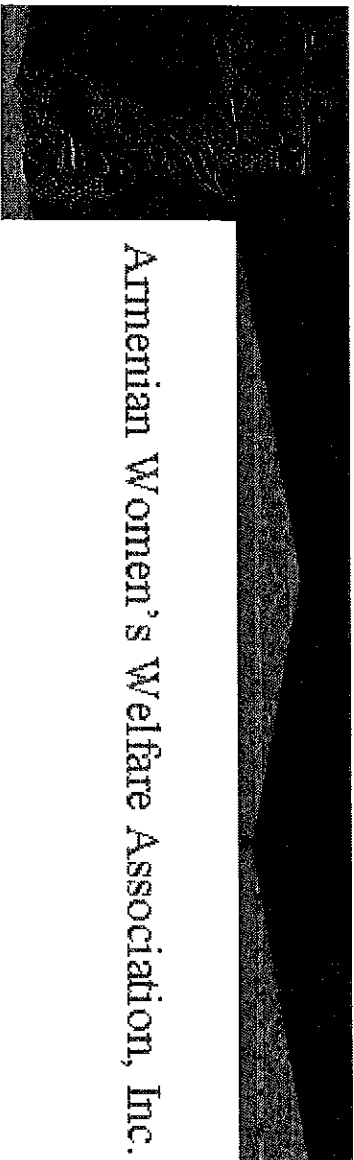
- ***In 2008 HUD created the LEAN Program streamlining the application, approval and underwriting process.***
- ***Submitting applications to HUD Central Office not local offices has reduced the underwriting time to typically a matter of 6 months as opposed to 12 months or more before LEAN.***



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Capital Sources - HUD LEAN Program

- ***In addition to the expeditious underwriting process there are other very attractive structural and market benefits to this financing.***
- ***The term and the amortization of the loan is up to 35 years.***
- ***The loan can be non-recourse to the sponsoring organization.***
- ***In today's market, the all-in fixed rate of interest is below 5.5%.***



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The Takeaway

- ***Economic benefit to the community through this project, there will be jobs available, vendors hired and local spending enhanced.***
- ***High quality rehab healthcare services will be available to area residents.***
- ***Low density, low traffic use for the site.***



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The Takeaway

- ***Compatible with open space goals desired by Waltham.***
- ***Desirable project to finance even in this economy.***
- ***Perhaps most important, the A.W.W.A. is prepared to move immediately with this project and aggressively pursue its completion.***