

Community Preservation Committee

Community Housing Funding Application WCPA-2
Submitted by Metro West Collaborative Development
January 26, 2016
Revised September 12, 2016

Section V

Project Budget

Pro forma and operating budgets attached. Note, these are estimates as specific properties have not yet been identified.

Capital Needs Assessment

Each property will be reviewed by an architect and Rehabilitation Specialist who will outline a scope of work to be undertaken to bring all units into compliance with Health and Building Codes.

City of Waltham Assessors Property Appraisal and Data

Once specific sites are under site control then the required appraisal documentation can be provided to the CPC and/or other City departments as necessary.

Proof of Financial Commitment

Description of financing steps and timeline is below in "Additional Information."

Section VI

Goals

The goals of the project are:

- To create 26 units of scattered-site permanently deed-restricted affordable housing
- Preserve apartments for low-wage workers that might otherwise be "luxurized"
- Rehabilitate existing housing stock

Community Need

According to the City of Waltham's 2014 Annual Action Plan there are an estimated 5,000 renter household currently experiencing a "rent burden," which means they are spending more than 30% of their income on their housing costs. Further, 50% of all large renter households are overcrowded. Together, these challenges can mean that many families are at risk of homelessness and/or are living in substandard conditions. The proposed project addresses both housing conditions and cost.

Community Support

Because this project involves yet-to-be purchased properties no community outreach has been undertaken. Furthermore, it is expected that this project will utilize existing housing and therefore not require zoning hearings or increase density in the neighborhood. Once specific sites are under agreement then we will convene neighborhood meetings to introduce our organization

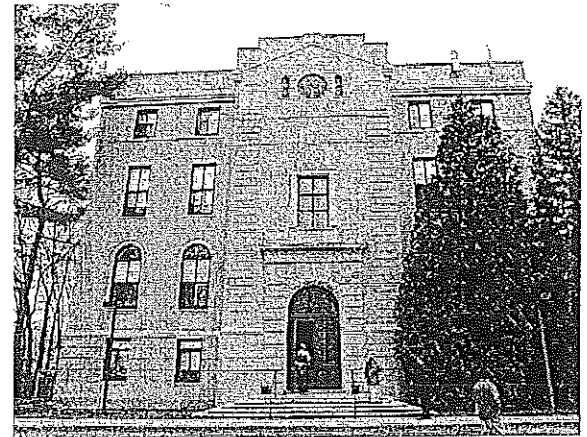
and the goals of the project as well as encourage people to stay apprised of the renovation as it gets underway.

Credentials

Metro West CD has a successful history of “acquisition/rehabs.” Our last two projects were the acquisition of existing buildings, interim operation, garnering of significant private and public investments and execution of in-place renovations.

St. Joseph Hall – 2014

This former Catholic School was converted into elderly apartments in the 1980s by the Dominican Sisters of Peace. After 25 years, the Sisters could not keep up with the capital repairs needed by the historic building. Also, the property had a Section 8 contract that was nearing its expiration. Metro West CD purchased the property and assembled the financing to undertake a \$5.5 million project that will keep the 25 apartments in top condition, improving energy efficiency and handicapped accessibility and preserve them as affordable housing for the next 50 years. This property is managed by Maloney Properties.



1060 Belmont Street – 2010

This blighted 18-unit rental property was purchased by Metro West CD in 2008 for \$2.1 million. Over the next two years \$3.4 million was raised to renovate the apartments and create three handicapped accessible units. Funds used included: Low Income Housing Tax Credits, HOME Program, Federal Home Loan Bank’s Affordable Housing Program, Community Based Housing Initiative and a private loan from Watertown Savings Bank. This property is managed by Maloney Properties.



In addition to our own real estate development, Metro West CD is a MassHousing approved 40B Monitoring Agent and also provides consulting services to numerous municipalities and private developers in their efforts to comply with the Commonwealth’s complex affordable housing rules and regulations. Current clients include:

- CAN-DO, Newton
- Corvo Properties, Stoughton
- Lexington Housing Assistance Board
- MAGIC – including the towns of Bolton, Boxborough, Hudson, Littleton and Stow
- Town of Belmont
- Town of Weston
- Watertown Square Apartments
- 40 Haven Apartments, Reading

Success Factors

This project will create 26 units of permanently affordable housing and may bring an additional \$7,793,800 in private and public investments in the City of Waltham.

Maintenance

The operating budgets that are created and approved by the private and public lenders include sufficient funds for effective property management of the units. Metro West CD utilizes the services of Maloney Properties, Inc., which is a well-regarded company that manages over 8,500 units throughout New England including St. Mary's Apartments in Waltham.

Additional Information

This proposed project has two phases and it is important to note the role CPA funds play in both.

Phase I

Metro West CD has received a commitment of \$4.5 million from the Property Casualty Initiative to help finance the acquisition of the properties. They are prepared to finance the acquisition of the properties when and if the City of Waltham commits the requested \$2.6 million in CPA funds.

Acquisitions could begin and CPA funds could come into the project as we are able to deliver deed restricted units that are occupied by income eligible households. This acquisition period could take 12-24 months to acquire a sufficient number of units. It would be our ambition to accomplish this task with the fewest number of buildings, which would help reduce the overall cost of the project.

Phase II

In the mean time we would apply to the Dept. of Housing and Community Development for Low Income Housing Tax Credits and other subsidy sources. It is unknown at this time when DHCD will accept applications, but it maybe be late 2017 before we could apply making renovations unlikely to begin until mid-2018 at the earliest. It is important to note that the conditions of the units will vary and some will be in better shape than others. Metro West CD will undertake all necessary repairs to maintain health and safety while securing the funding to undertake more significant and lasting renovations.

Other City Agencies

No other approvals are needed or expected.

Combination of Community Housing/Community Preservation Projects

Not applicable.

Leveraged Additional Benefits

- The addition of 26 units of permanently affordable housing will increase the count of Waltham's Subsidized Housing Inventory. At last count Waltham was at 7.2%.
- The \$2.6 million in CPA funding will likely leverage an additional \$7.8 in public and private funds. For every \$1 in CPA funds an additional \$3 could be leveraged for the City.
- The rehabilitation of buildings will signal to other property owners that investment in their properties is a worthwhile idea.

Scattered Site Reinvestment Initiative

26 units

	Phase I	Phase II	Total
USES			
Acquisition per unit	\$ 200,000		\$ 5,200,000
Rehabilitation	\$100/sq ft	\$ 2,530,000	\$ 2,530,000
Soft costs	\$ 980,000	\$ 1,683,822	\$ 2,663,822
Total Uses	\$ 6,180,000	\$ 4,213,822	\$ 10,393,822
SOURCES			
Private debt	4,180,000		\$ 1,707,021
Fed. & State LIHTC		\$ 2,980,822	\$ 4,081,801
MA DHCD funding		\$ 1,613,000	\$ 2,005,000
Waltham CPA of \$100k/unit	\$ 2,600,000		\$ 2,600,000
Total Sources	\$ 6,780,000	\$ 4,593,822	\$ 10,393,822

architect, legal, engineer, fees, interest, etc.

\$ 399,762.38 per unit

Every \$1 of CPA raises \$3 in public and private investment

Sample Income Limits: 60% AMI	Sample Rents (maximum)
1-person \$ 41,220	studio \$ 1,030
2-people \$ 47,100	1-bedroom \$ 1,104
3-people \$ 52,980	2-bedroom \$ 1,324
4-people \$ 58,860	3-bedroom \$ 1,530