



To: Members of the Waltham CPC
From: Jennifer Van Campen, Executive Director
Date: October 6, 2015

I spoke with you back in April about real estate being a business about opportunity. And in a hot market the window of opportunity opens and shuts VERY quickly. That makes it difficult, but not impossible, to address affordable housing goals.

We talked about how municipalities can really only make affordable housing happen in their communities through:

- 1) Zoning
- 2) Municipal-owned land
- 3) Funding to encourage specific activities within the private market

This last strategy is where I think the Waltham CPC can have the greatest impact. And I'm here today to encourage you to start now because Waltham is for sale and low- and moderate income people are losing.

Goals of Waltham Scattered Site Rental Project

We would propose the purchase, at market rate, of 2-10 unit properties in Waltham's Southside neighborhood (roughly south of the Main Street). The goal of this effort would be to obtain a sufficient number of buildings to be able to leverage 4% Low Income Housing Tax Credits and other Dept. of Housing and Community Development subsidy sources to undertake a moderate rehabilitation of the properties ensuring their long term viability and affordability.

The project accomplishes two important local goals:

- 1) Preserve and improve existing rental housing stock.
- 2) Add affordable housing units to the Subsidized Housing Inventory without adding density to the neighborhood.

In this example pro forma we have assumed \$75,000 in CPA funds per unit for 24 units. These funds leverage an additional \$312,000 per unit from other public and private sources.

24 unit acquisition / rehabilitation of existing rental housing

USES	
Acquisition per unit	198,000 \$ 4,752,000
Rehabilitation	\$100/sq ft \$ 2,530,000
Soft costs	\$ 2,011,263 architect, legal, engineer, fees, interest, etc.
Total Uses	<u>\$ 9,293,263</u>
SOURCES	
Private debt	\$ 1,319,790 14%
Fed. & State LIHTC	\$ 3,646,953 39%
MA DHCD funding	\$ 1,826,520 20%
Waltham CPA of \$75k/unit	\$ 1,800,000 19%
Waltham HOME	\$ 700,000 8%
Total Sources	<u>\$ 9,293,263</u> \$ 387,219 per unit

Every \$1 of CPA raises \$4 in public and private investment

Sample Income Limits	Sample Rents (maximum)
1-person \$ 41,400	studio \$ 1,035
2-person \$ 47,280	1-bedroom \$ 1,108
3-person \$ 53,220	2-bedroom \$ 1,330
4-person \$ 59,100	3-bedroom \$ 1,536